Management Accounting in Less Developed Countries: What We Know and Need to Know*

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Introduction

Research on accounting in less developed countries (LDCs) has grown considerably over the past twenty years. This is welcome for often such work has been marginalized and labelled esoteric despite most people living in LDCs. Their accounting needs and concerns are as pressing – if not more so – as in rich countries. Moreover, LDCs form part of the mosaic of world trade and rich countries can learn from them, for example on poverty reduction and reconciling ethnic tensions. The growth of LDC research may be due to the globalization of capital markets and competition; structural adjustment programmes (SAP) involving privatisation and new public sector management (NPM); newer less Western-centric accounting journals; the diaspora of accounting scholars from LDCs to rich countries; and Western PhD programs that encourage candidates to conduct indigenous research.

However, no review of management accounting systems (MAS) research in LDCs exists, apart from introductions to special editions of journals (Alawattage, et al., 2007; Hopper and Hoque, 2004). Previous reviews, notably Jaggi (1973), Samuels (1990), Wallace (1990), Needles, (1994, 1997), and Rahman, et al. (1997) focus on financial accounting but touch on MAS issues. Needles (1994) classified research from 1965 to 1990 by country, methodology, and subject over five-year periods but just 3 of the 100 papers are MAS. Needle’s second review (1997) of International Journal of Accounting Research articles from 1965 to 1996 found only 6 of 126 were MAS: five deductive and descriptive, and one empirical. The lack of a MAS review may leave new entrants ignorant of issues, methodologies, theories and conclusions in this field, hence the motivation for this paper that endeavours to give voice to LDC concerns, stimulate interest in the area, debate fruitful ways forward, and improve policies and practices.

The paper proceeds by discussing the working definitions of management accounting, development, and LDCs that governed the selection of articles, followed by an analysis of their distribution by countries, topics and research methods. Second, our preferred theoretical framework work is outlined and used to analyse extant research. The paper concludes with a summary of discoveries to date and discusses future research needs.

Defining development, less developed countries, and management accounting

MAS has a role within development: for example state central planning requires iterative budgeting between state organs and enterprises, and current market-based policies are predicated upon private interests fostering more efficient controls. However, research and practice must extend beyond private interests to incorporate development aims and indigenous values, be multi- and inter-disciplinary, and be epistemologically eclectic. This requires a broader conception of accounting than normally found in mainstream research (although the latter has potential for studying LDCs). Hence it is unsurprising that many researchers of LDCs turn to alternative methods, theories, and approaches.

Rigidly drawing boundaries around accounting is dangerous. We make no apologies for digressing beyond conventional MAS definitions for development issues need open,
imaginative, problem-based approaches that span disciplines and forms of accounting. We became mindful of insights into MAS from financial accounting research in LDCs, their interdependence, difficulties of demarcating between each, and their common susceptibility to social and economic milieu. Hence our conception of MAS embraces social, political and economic factors bearing on processes, structures and information for decisions, control and accountability within organisations affecting development aims. This brought arbitrary exclusions; for example social and environment accounting in LDCs (see Gray and Kouhy, 1993).

Defining a LDC is fraught and problematic: poverty may not universal within a country and development rates vary, can be discontinuous, and poverty is not unique to LDCs. Nevertheless, a LDC is characterised by poverty - indicated by low per capita income, capital formation and value added. The UNDP’s Human Development Index measures life expectancy, literacy, education, and standards of living: development is not merely an economic phenomenon but includes issues like environmental degradation, child welfare, quality of life, citizen empowerment, and governance. At one extremity of LDCs are so-called "failed states" with dictators unconcerned with development, sometimes undergoing long-term civil wars or lacking the rule of law, and at the other extremity lie "newly industrialized countries" with more advanced economies but lacking some developed country attributes. Most countries lie within these dimensions. This review had difficulties determining which countries constituted an LDC, especially relatively rich candidates like Middle East oil states, which were excluded as unrepresentative though research there was sparse (exceptions are on MAS in Gulf petrochemical countries by Al-Khater and Innes (2003); budget participation, information asymmetry, budget emphasis, budget attitudes, and budgetary slack in a large Bahrain company (Joshi, 2002); and internal audit in Saudi Arabia (Al-Twajjry et al., 2003)). Ex-communist countries in transition were also excluded [see special issue of Management Accounting Research (2002, V.13, N.4) and Research on Accounting in Emerging Economies (supplement 2, 2004)] as they are often relatively affluent, sometimes lie within Western political and economic systems, and have a legacy of Western institutions under revival. However, we included China (excluding Hong Kong) as it still contains considerable poverty, has grown from a low economic base, is non-Western, and has material apposite to other LDCs. Had appropriate papers from poorer, ex-communist countries like Albania or Kazakhstan been found they would have been included. Nevertheless, MAS issues in LDCs and transitional economies bear similarities, so this review may contain insights for the latter.

The journals searched covered Abacus; Accounting, Auditing, and Accountability Journal; Accounting and Business Research; Accounting, Organizations, and Society; Accounting Review; Advances in International Accounting; British Accounting Review; Critical Perspectives on Accounting; Journal of Accounting Research; Journal of Business Finance and Accounting; International Journal of Accounting; Journal of International Financial Management; Journal of Accounting and Organisational Change; Journal of Management Accounting Research; Management Accounting Research; Qualitative Research in Accounting and Management; and Research in Third World Accounting (now Research in Accounting in Emerging Economies). Other known
relevant papers were included but our search is not exhaustive as it excludes journals not in English, from LDCs, outside accounting (especially development studies and public administration), and government and aid institution reports. All warrant future investigation.

72 empirical papers fell within our remit (see Appendix 1). Their geographical coverage is broad though apart from China no country has sustained research. They reveal a preoccupation with control in SOEs and privatisation (full or partial) (see Appendix 2 - which includes papers in appendix 1 plus less empirical reviews). Papers were not classified between SOEs and privatised companies because often they overlapped both. This orientation is understandable given the dominance of state led economic development based on industrialisation through SOEs, and subsequent turns to market oriented policies involving privatisations. However, the few papers on multi-national organisations (MNOs) and large indigenous companies were a surprise. Whether it was due to the journal search parameters or negligible MAS problems (unlikely given our review later) is unknown. We found governmental MAS papers at both state and local levels, and more would have materialised had public administration and development studies journals been searched. We were disappointed at the small number of papers on agriculture; non governmental organisations (NGOs); indigenous companies, especially small and medium sized enterprises (SMEs); and micro-organisations including households, domestic industry, sole traders, and peasant agriculture. However, work is emerging on these areas.

The classification of papers by research methods (see Appendix 3) revealed a strong preference for case studies rather than quantitative statistical work. Even the latter (about half) incorporated fieldwork, normally interviews, usually to inductively derive key variables for testing rather than relying on instruments from research in developed countries. The case studies were not differentiated further as they frequently triangulated data and methods. Interviews and documentary analysis were the most common methods: observational, participation observation, and action studies were scarce and only one experiential study was found - significantly from a World Bank consultant researcher, which reflects the poor dialogue between accounting researchers and development practitioners, unlike development studies. Case studies have been innovative, for example see Davie’s (forthcoming) reflections on an ethnography of accounting in Fiji, and Kim (forthcoming) on contemporary feminist and postcolonial writings criticising oral history for re-enforcing Western ideologies about race/ethnicity, gender and class.

The few statistical studies, unlike financial accounting research in LDCs and development economics, may be attributable to MAS research being exploratory, the paucity of published data on internal accounting systems, researchers’ orientation to the social and political, and difficulties of obtaining reliable responses given subjects unused to and suspicious of surveys. The desk and documentary studies category contains heterogeneous papers ranging from literature reviews to documentation studies, normally from government and aid agencies. The latter are vital but neglected information sources: despite their practice or policy hue they often give valuable insights.
Theorising management accounting in LDCs

Appendix 4 reveals that many papers had no explicit central theory, being problem-based, pragmatic or reviews. Only 3 were based in economics and 4 in development economics/studies, and then often only loosely so. The lack of economics will be discussed later. There was a smattering of social psychology papers with little sustained commonality: 12 followed research on accounting and performance measurement (RAPM) and contingency theory approaches (several in combination with institutional theory), and 3 followed public administration traditions.

Grounded/ethnographic/hermeneutic studies identifying cultures and their interaction with MASs predominated, perhaps due to concerns to avoid ethnocentrism and accord indigenous beliefs and social structures due respect in the face of modern rationalities of political reformers. Some researchers treat the latter and capitalism as objects of study - not taken-for-granted frames of analysis or inevitabilities – and have turned to Bourdieu, Foucault or structuration theory to examine whether accountability ideologies in official documents advocating reform legitimate interests consistent with those of locals. This gives an indigenous voice, challenges the hegemony of powerful institutions, and focuses on policy documents from important external agencies but if exclusively based on discourse and texts whether these affect action is unknown (hence the need for grounded studies), and it may downplay the effects of resistance and socio-economic structures. Hence the preference for some researchers (including the authors) for political economy approaches that combine grounded and institutional data, employ iterative theorising, and emphasise the dialectical interplay of the objective and subjective. Given the authors’ theoretical predilections, a ‘cultural political economy’ approach summarised in Table 1 was used as it gave a comprehensive structure and checklist to evaluate MAS research in LDCs. We do not claim the framework is conclusive or definitive - it is for analysis not theoretical closure.

A cultural political economy framework

Two similar frameworks were found. Gray (1989) identifies global factors influencing national and international accounting, which are seen as products of culture and politics, including history, religion, professional associations, capital markets, and legal systems. These broadly correspond with factors in our framework. However, Gray’s model is oriented to financial accounting (but touches on MNO controls and transfer pricing), only tangentially addresses LDCs, is oriented to statistical testing of dubious validity (e.g. Hofstede’s measures of national cultures), and neglects transformations over time. Olowo-Okere and Tomkins (1998) identify three stages in the evolution of government financial controls in the UK and Nigeria, and attribute ineffective financial changes in Nigeria to external pressures from the World Bank and IMF, internal political instability, political ideology, the economic climate, and financial stress. Their model is confined to Nigeria and government accounting but its factors, like those of Gray, and its dynamic, evolutionary and contingent stages resonate with our framework.
For exposition purposes our framework that identifies transitions from colonialism to the present is presumed to cover all LDCs (though it was derived mainly in African and Asian ex-British colonies). Theoretically, it draws from the labour process approach in Uddin and Hopper (2001) and the ‘cultural political economy’ in Wickramasinghe and Hopper (2005) and Wickramasinghe et al. (2004). It identifies five phases - each with a distinctive MAS: colonial despotism, state capitalism, politicised state capitalism, market capitalism, and politicised market capitalism (see Table 1). Their dynamic but contingent evolution from pre-colonial eras is traced in Figure 1. Each regime is an expression of power and political processes, brought about by force, manipulation, persuasion, and authority to accommodate political and economic pressures related to modes of production (MOP), culture, ethnicity and race, the state, regulation and the law, political parties, industrial relations, and international finance. Each regime is rendered unstable by its contradictions and conflicts manifest in political struggles nationally and at the point of production that lay the basis for the new. Thus MAS is seen as a consequence of external interventions beginning with colonialism and, after independence, policy advice from Western institutions initially promulgating state and then market capitalism. However, such idealised regimes of control often presumed contextual factors different from actuality and ensuing contradictions and conflicts brought politicised state and market capitalist regimes with unusual and surprising MASs from a Western perspective. Thus MAS transformations are contextually encircled, evolve historically, and are socially constructed.

**MAS under colonialism**

Colonial legacies are crucial for understanding MAS in many LDCs. Before colonialism production relations were largely feudal and based on the local community (the village) and families whose productivity and income was governed by their needs, industry, and nature. A lord or chief often held land though producers normally owned the simple technology. There was no separation in time or space between work and the family, and little production of commodities for exchange with other communities or institutions (Taylor, 1979). Colonisation began to assimilate traditional MOPs with capitalist production relations, initially through merchants’ capital, then commodity exports, and finally through imperialism (Hindess and Hirst, 1977). Colonial rulers did not impose capitalism generally but sought capital accumulation in the most profitable sectors - often exports of primary products from plantations, estates, and mines. Nor did they pursue industrialisation, for example jute product manufacturing resided in Britain not Bangladesh (Sobhan and Ahmad, 1980). Important segments, such as rural agriculture and cottage industries were only reformed if attractive to finance capital. For instance, the East India Company in India forced farmers to produce export oriented raw materials like jute in place of traditional farming. In Sri Lanka the British administration introduced a plantation economy producing tea, coconut, and rubber. However, MOPs were not invariably capitalistic, e.g. in Ghana manual techniques were largely used in cocoa production and gold mining. Hence many sectors, especially, agriculture, merchants, and
domestic manufacture retained pre-capitalist MOPs with feudal social relations and especially in rural areas traditional cultural practices predominated, e.g. in Sri Lanka, Sinhalese life centred on rural villages following a traditional Buddhist culture; in Ghana village life was based on tribes and subsistence agriculture.

The colonial state had separate jurisdiction from companies. Formally, the imperial centre was unique, unquestionable, and autocratic: local inhabitants despite being subject to taxes and rules could not question it. However, colonial states did not control economic activities but relied on self-regulation by finance capital operating within ‘company states’ (Burawoy, 1984). Public administration concentrated on imposing and preserving capitalist monopolies in selected sectors, creating an infrastructure to procure raw materials and shift commodities, and creating a labour force (Brewer, 1980). International cartels and banks co-ordinated capital flows within a territorial division of trade agreed with the imperial power, which produced a dual economy: traditional agricultural, merchant, and domestic; and modern export. A small class of mainly merchants and landowners exercised domestic capitalism but local capital accumulation was small, hence the limited development of local capital markets, for instance the Colombo Stock Market founded in 1896 confined its operations to MNOs.

Colonialism divided people into white imperialists and local inhabitants, and the formers’ social, political, and economic domination was justified through notions of racial superiority. Rudimentary colonial labour markets existed but many indigenous workers still had access to subsistence agriculture, so colonial firms often imported migratory contract labour from rural areas or other colonies, and the colonial power’s ‘divide and rule’ tactics compounded racial and ethnic divisions (Burawoy, 1985). For instance, Tamils brought from India to work on plantations in Sri Lanka had inferior prospects than indigenous people; were discriminated against; and struggles between Sinhalese and Tamil workers on tea estates produced ethnically driven management controls that persist today (Alawattage and Wickramasinghe, 2004; forthcoming). In Bangladesh the colonial state divided tasks according to peoples’ religion, sending Hindu personnel to Muslim areas and vice versa to collect rents and rates (Sobhan and Ahmed, 1980). In Ghana, labourers were forcefully brought from the predominantly Moslem north to work in mines in the predominantly Christian south (Crisp, 1984; Ayensu 1997) whose populace considered mining as dirty, preferred managing, and accorded Northerners lower status (Robotham, 1989).

Pre-colonial and colonial history is relevant to MAS research in order to determine pre-colonial forms of accounting (if any); whether traditional cultures and institutions ever were compatible with Western accounting; and understanding subsequent accounting transformations. Although accounting and business history journals were not perused significant historical research was found in which accounting’s failure to resonate with indigenous cultures was a recurring theme (see Accounting, Organisations and Society, 1999, 24, 5/6 on culture and accounting). Chan, et al., (2001) delineated Chinese MASs in family households in the early Qing dynasty from a popular novel of the period, noting the importance of family and culture: big families segregated duties and used cash controls and budgets but power distance stifled flexibility, professionalism and
effectiveness. Apparently neutral and mechanical accounts gave an economic base to Siamese national unity in the late early Bangkok period, projected a Siamese national culture and political identity, and integrated regions into the new nation-state (Constable and Kuasirikun, 2007). Taxation in British West Africa from the late 19th to mid-20th centuries tried to inculcate calculative and cultural values to gain the consent to governance of locals but it failed due to local resistance (Bush and Maltby, 2004).

Colonialism often brought despotic regimes of control based on force and physical measures, reinforced by sanctions like fines in large commercial companies.\(^1\) Accounting practice promoted slavery in the British Empire and the USA, especially on plantations (Oldroyd, \textit{et al.}, forthcoming; Tyson, \textit{et al.}, 2004; Fleischman and Tyson, 2004); enabled absentee West Indian sugar plantation landlords to exert control from a distance (Cowton and O'Shaughnessy, 1991); and helped imperial governments control indigenous, slave and settler populations (Annisette and Neu, 2004). MNOs had few concerns about securing consent as employees could not question or resist colonial bosses. Controllers were unregulated in the company state and had arbitrary powers that extended beyond work. For example, in Zambian mines racial, physical and rudimentary rules prevailed; physical violence was the rule despite native supervisors; workers’ wages required completed ‘tickets’ allocated at the whim of white bosses; and no job structures or formal rules for recruitment, promotion, and training existed (Burawoy, 1985). However, not all labour was ‘captive’: rudimentary labour markets existed, firms had to adapt labour processes to local circumstances, and harsh controls fostered resistance (Taylor, 1979), e.g. Sri Lanka plantation workers informally rioted against ‘white bosses’ and colonialism (Jayawardene, 1972). Disorganised resistance brought nascent trade unions that linked with independence movements led by foreign-educated, left-minded, local leaders and religious groups and during late colonialism although politics remained imperialistic and racial the state could not ignore political realities and had to revoke legislation making organised worker resistance illegal and recognise unions and rudimentary collective bargaining (Kearney, 1975). Nevertheless, given direct, coercive controls over labour during colonialism abstract bureaucratic controls like MAS probably had little role in internal control, where emphasis lay upon production. Local costs were not critical for profitability compared to international commodity prices and preferential trading agreements. Imperial firms may have used MAS for planning and setting targets for overseas operations but the emphasis lay on financial reporting for stewardship and tracking remittances. However, these observations are tentative given the lack of pertinent research.

Research on indigenous people in developed countries gives insight on accounting under colonialism (especially that on Maoris, Aborigines, and first nation Americans - see the Auditing, Accountability and Accounting Journal, 2000, N. 3). For example, alien and punitive accounting legitimated government confiscations of Maori wealth in New

\(^1\) Ensuing regimes of control are labeled ‘colonial’ because one racial group dominated through political, legal and economic rights denied to others (Spearpoint, 1937), and ‘despotic’ because management controls tended to be arbitrary, racial, physical, and coercive.
Zealand from 1885 to 1911 (Hooper and Kearins, forthcoming); Maori women accountants’ experiences were linked to colonialism and structures of the accounting profession with deleterious impacts upon individuals and communities (McNicholas et al., 2004); financial techniques and force maintained colonial domination of indigenous peoples in Canada and Mexico (Neu and Heincke, 2004); accounting discourses institutionalised and rationalised relations between the government and First Nations peoples during the “birth” of Canada (1860 to 1900), especially in land disputes (Neu, 2000; Neu and Graham, 2006); and US government reports in the 1930s on overgrazing and soil erosion containing maps, tables of numbers, accounts and photographs and notional family budgets constructed the Navajo as economic subjects and consumption units. Enacting the recommendations brought economic and social disaster for the Navajo (Preston and Oakes, 2001; Preston, 2006).

State capitalism

Colonialism left many economies with largely primary production, mixed capitalist and non-capitalist MOPs, a small and weak indigenous capitalist class, a relatively effective state bureaucracy, and some large foreign firms. However, most remained predominately rural, agricultural, inclined to non-capitalist cultures and MOPs, and their poverty, dependence upon external capital, and vulnerability to commodity price shifts and the elements brought considerable economic uncertainty. Post-independence leaders sought to rectify this through state capitalism incorporating central planning, industrialisation, urbanisation, and in its wake, modern values and nationalism, which was consistent with Western advice, socialist ideologies of independence movements, and pragmatic necessities. Building nationalism through state-led development headed the agenda as subjects’ allegiances lay with families, regions, or ethnic groups. Issues of traditional culture were recognized but relegated to arts and religious spheres in a purportedly secular state. Initially political control resided in democratically elected governments in multi-party parliaments. The presumption, reflected in constitutions, was that executive action lay in a centralised legal-rational bureaucracy staffed by officials appointed on merit and expertise to serve the national well-being, re-enforced by legal institutions left from colonial administration.

Large SOEs were created with boards nominated by ministers. The intention was for ministers and planners to set policy and managers to execute it, with accountability to the minister-in Parliament. For example, in 1947 Bangladesh (East Pakistan) became part of Pakistan. The state created an industrial base with a capitalist MOP, establishing state monopolies under state regulatory bodies for industries in urban areas (though raw materials and labour came from rural areas). The first Bangladesh Government of 1972 nationalised all industrial units but left rural agriculture and cottage industry untouched. When this government was overthrown SOEs were responsible for 92% of the total fixed industrial assets. In Ghana nationalisation of foreign companies was government policy

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2 Defined as ‘the fusion of monopoly forces with the bourgeois state to form a single mechanism of economic exploitation and political domination’ (Jessop, 1982: 32).
after independence, partly because of allegiances to the Soviet Union. Massive state investments in manufacturing SOEs and infrastructure mainly in cities followed: rural agriculture received little attention - despite employing 60% of the workforce. However, nationalisation was not total, for example some gold mines were spared following deals between Western businessmen and politicians. In Sri Lanka in 1956 a left-wing government made all major public services and most large industries state monopolies to boost economic development but agriculture and domestic industries were ignored.

Political leaders often owed power to trade union backing during independence struggles. Ideologically governments were sympathetic to trade unions and parties often had a trade union wing as they realised the political significance of an organised working class, particularly in large organisations in urban areas. Politicians reconstituted labour conflict into a framework of collective bargaining (Reuther, 1958). For example, in Bangladesh rules and regulations governed elected collective bargaining agents, labour courts, consultation, and strikes. Workers gained rights to join trade unions but in return unions had to operate within an internal state that governed internal labour markets in SOEs. For example, in the Bangladesh soap company and the jute mills there were detailed job classifications; rules on wages, promotions, recruitment, and training; all workers were permanent, and there were hierarchical promotion opportunities (Uddin and Hopper, 2001). In Ghana, upon independence the Convention People’s Party (CPP) government passed the 1958 Industrial Relations Act, which recognised trade unions and made collective bargaining binding on employers and employees but political rights for trade unions were conditional upon registering within CPP (Mihyo and Schiphorst, 1995). In 1959 the TUC gained monopoly power over trade union activities when the government made all unions join and membership for civil servants compulsory. Similarly, in Sri Lanka labour gained significant social and political status within SOEs.

Within state capitalism the state is a major source of capital formation; controls a large proportion of Gross Domestic Product (and hence employment opportunities); funds most industrial activities (often through international aid); and allocates resources to public enterprises through central planning. For instance, in Bangladesh the local capitalist class was small, had little capital, concentrated on merchanting, and being politically and economically marginal identified with an expanded state sector (Sobhan, 1991, p. 164). Mobilising corporate finance through capital markets was deemed unnecessary - banking was concentrated in state owned banks and the Stock Exchange established before independence ceased activity - but capital markets existed mainly for MNOs. Similarly, the Ghanaian capital market was underdeveloped as most large companies were nationalised and state financed, usually through foreign sources. Remaining large private enterprises had foreign owners who raised capital abroad. Sri Lanka was similar despite having a capital market in the 19th century.

Nationalisation legislation gave the state considerable power over SOEs, ranging from approving master budgets and disciplinary actions, to acting as the ultimate financial controller. The assumption was that central state planning would act as a legal rational bureaucracy and some state intervention in management control was expected. Audited financial accounts of enterprises, fed back through Ministries to Parliament, formed the
backbone of accountability and regulation. Iterative budgeting co-ordinated central plans with SOE activities and formed the basis of enterprise planning and control. Resource allocation decisions on government projects would be made centrally according to relative returns and development priorities. For example, after independence the Bangladesh government formulated a two-year plan aimed at agricultural self-sufficiency, import substitution, and industrialisation. Regulations and directives like Nationalisation Orders, Financial Control Directives, and Presidential Orders made enterprises accountable to public institutions, especially the Ministries of Industries and Finance and Planning. Rigid rules and regulations governed the preparation and approval of accounts. Each SOE had to submit annual accounts to the government according to the Bangladesh Industrial Enterprises Act. The Comptroller and Auditor-General fulfilled an audit role through the Office of the Director of Commercial Audit: their reports were reviewed by the Public Accounts Committee on behalf of Parliament (Hoque and Hopper, 1994; Uddin and Hopper, 1999; 2001). In Ghana the Ministry of Finance and Economic Planning became responsible for budget allocations in each SOE, which needed ministerial approval. The Auditor General’s Department with the Comptroller and the Accountant General’s Department annually audited accounts. In Sri Lanka, Parliament established financial regulations and establishment codes for ministries to regulate SOEs. Public sector accounts, financial procedures, budgets, and related reports were audited by the Auditor General and the parliamentary Public Accounts Committee could investigate them.

Initial MAS and development research reflected beliefs that progress lay in central state planning, public ownership, and industrialization, and accorded accounting a central role. Ndzinge and Briston (1999), Winjum (1972), and Seidler (1967) claimed accounting would promote growth by providing timely and reliable information for investment decisions and national economic planning. Seiler (1966) claimed accounting systems were important for supplying financial data to business and the state but accountants often were marginal management players and provided inadequate data, hence the need for non-regulated accounting education and professional development within a self-governed accounting profession. Needles (1976) argued that institutions involved in transferring accounting technology (education bodies; international organisations; government agencies; MNOs; international accounting firms; local companies; and local accounting firms) should create a sub-plan within the overall economic plan to this end. Budgets were seen as cornerstones of planning iterations and monitoring, accounting information crucial to rational central resource allocation, and financial accounts for accountability. For example, Enthoven (1968) claimed the most important accounting in LDCs was MAS as it, ‘assists development programming in determining and improving efficiency and productivity (ibid, p. 109) and he called for an international, interdisciplinary theory of MA geared to societal socio-economic aims (Enthoven, 1982). Belverd and Needles (1976), however, emphasized that determining the right model of accounting required greater understanding of LDCs’ social, cultural, political and legal environments. Mirghani (1982) also sought broader MASs that incorporated indigenous not Western development models to provide information to reduce uncertainty in development planning. However, pessimism emerged. Ghartey (1985) claimed that in most African countries, governments’ monopoly of power, bureaucracy, conflicting
policies, ineffective institutional structures, and cronyism often rendered MASs marginal and ineffective; poverty and dominant elites’ lack of motivation stymie adoption of technologically advanced systems; cultures based on extended families lead to corruption, malpractice, and everyday life characterised by fear, tension, insecurity; and the attendant uncertainty produces recurring managerial crises. In short, he counsels that MASs cannot be effective without resolving governance issues. Thus early writers identified the neglect of accounting in development practice, policy and research, their contributions were admirable if Utopian, and they promoted Western accounting techniques and institutions though later papers advocated broader social measures pertinent to the politics and socio-economic conditions of LDCs. Their contributions were ambitious, deductive and prescriptive but light on empirics, application, or theory of any ilk.

From state capitalism to political factionalism

MASs in state capitalism presume employees are habituated to a capitalist culture and MOP but frequently this is not so, especially in rural communities. It is dangerous to dichotomous cultures between traditional and modern, as communities contain elements of both and cultures change. Consequently local leaders face conflicting expectations – traditional, modern or hybrid. For example, in a SOE in a Sinhalese Buddhist village (Wickramasinghe and Hopper, 2004) workers did not seek modernity (but sought many of its benefits). Unaccustomed to a non-capitalist MOP, and factory time and discipline, they placed village rituals and institutions over duties in the mill, expecting managers to exhibit “kingship”: their village culture and religious obligations superseded bureaucratic rationality and fused with local political agendas. Managers obliged but at a cost to efficiency. Parties and trade unions vying for political support intervened and reinstated padded budgets and modest performance targets. Similarly, traditional culture permeated activities in a Ghana gold mine. Often sacrifices to pacify gods were undertaken and accidents attributed to superstitious beliefs not negligence, and new executives (whether expatriate or indigenous) were introduced to the chief and elders, and necessary prayers said. Miners were used to agricultural patterns of work and time, and managers modified work practices and budgets accordingly - not doing so would only compound political interventions on the miners’ behalf.

Ethnicity can compound cultural issues. State capitalism emphasises meritocracy: race and ethnicity should be irrelevant but often forms the basis of national political organisation reproduced within firms. For example, in Sri Lanka, ethnic tensions between Sinhalese and Tamil have fuelled a long running civil war, and shape controls on tea estates (Alawattage and Wickramasinghe, 2004; forthcoming). In Africa ethnicity cannot be downplayed (Doornbos, 1991:54). Ghanaian politics follow ethnic lines and in the gold mine it influenced appointments, investments, and promotions, giving rise to shop floor disputes that reinforced stereotypes of tribal characteristics, for example managers from the Moslem north had problems establishing authority over subordinates from southern and central regions with a different religion and culture (Silver, 1978; Robotham, 1989).
State capitalism assumes a populace and state committed to nationalism, modernisation, legal rational governance, and secularism but in variegated ethnic, religious, or cultural environments political survival is fraught and bureaucratic rationality difficult to maintain. Small, educated elites, politicians, and senior civil servants are inter-linked, powerful, and can reap large benefits from office, sometimes illicitly, and well-qualified bureaucrats that accept legal-rational norms may be scarce, which coupled to low remuneration can foster corruption and sway decisions towards family, community, and ethnic group obligations. Following independence most LDCs were parliamentary democracies with multiple parties premised on class relations as in industrial societies but this tended not to transpire. Often parties became based on regional, ethnic, or religious lines, or charismatic leaders, and reflected traditional allegiances not modern ideologies – whether socialist or capitalist, leading to unstable governments and switches from multi to one party democracy and military dictatorships. For example, Ghana had five military governments since independence in 1957: Dr. Nkrumah’s government created a one-party state: opposition political activities were banned and opposition leaders imprisoned, exiled, or killed. In Sri Lanka a few families led parties and used ‘thug leaders from the under-world’ during power struggles. In 1975 the Bangladesh government leader was murdered and his government overthrown in a military coup and although democracy was eventually restored politics remained turbulent with governance based on patronage and expediency. Politicians and officials might wish to modernise but survival may require satisfying popular non-capitalist cultural expectations through patronage and illicit means, which might also cement their own interests.

In many LDCs trade unions are conduits to political power. State capitalism sought to control labour by co-opting trade unions through an internal state based on collective bargaining but party-based trade unions with branches in enterprises can fuel inter-union rivalry and party differences within production politics. Trade unions’ ability to link shop floor resistance to national politics made them central players and constrained managers operating commercially. For example, in Bangladesh employees supporting opposition parties had legitimate cases for promotion refused but government supporters were favoured (Alam, 1990; Hoque, 1993). Politicisation of trade unions was prominent in Ghana. Dr. Nkrumah granted employment in SOEs to political loyalists. For example, in 1961 the General President of the Ghana Mines Workers Union was appointed to the Ghana State Mining Company board and in 1963 he became Chairman and Managing Director. He ensured the company pursued the government’s interests by hiring and rewarding employees loyal to Nkrumah’s policies and firing those who were not (Silver, 1978). Popular movements (including the TUC) were annexed to the CPP and trade union activities deemed contrary to the government were made illegal. In the gold mine strikes often brought military intervention. In Sri Lanka management control was also politically sensitive, for example, in the textile mill trade union leaders determined workers’ pay, leave, and promotions not the Human Resources Manager.

Western agencies like the World Bank and IMF supported state led industrialisation: aid was not conditional upon privatisation until the 1980’s. ‘Cold War’ politics meant LDCs must choose between the Soviet bloc and Western donors and convince either of their strategic importance. Ideological predilections and political vassalage often secured loans
rather than economic merits of projects or their likelihood of execution. Private capital markets played little part given little local private industry. Politicians became nimble in cultivating external political relations and appearing to meet aid conditions; and external agencies concerned with political ends were indifferent as to whether leaders with questionable credentials would use finance granted as specified; or to promote democratic, transparent, and effective governance. For example, in Ghana Dr. Nkrumah embraced a communist ideology to gain financial and technical support from the Soviet Union. In Sri Lanka, post-independence governments veered towards the politics and economics of the socialist-bloc, especially when they financed industrial ventures.

This encouraged corruption, economic mismanagement, and patronage politics. For example, in Ghana leaders, ministers and heads of public institutions were prosecuted for ‘kalabule’ (a local term for corruption) and mismanagement - in 1979 six deposed Supreme Military Council government members were shot for corruption. In Bangladesh managers could not resolve industrial relations disputes and matters like appointments, financing, and pricing as they became the prerogative of the minister and his political colleagues (Sobhan and Ahmad, 1980). In Sri Lanka families that formerly served the imperial government exploited their prominence in post independence parties to augment their wealth (Jayawardene, 1972). Government regulations to minimise corruption, e.g. requiring qualified officials, were flouted (Jayawardene, 2000): workers soon realised that satisfaction of demands laid in political patronage via party-based unions not managerial decisions.

Given this it is unsurprising that research catalogues a litany of budget problems in SOEs: state capitalism in action bore little correspondence to its ideals. For example, accounting in an Algerian state construction enterprise existed but apart from financial officers at head office few knew of it; production not accounting language permeated management because of government pressure to complete projects, shortages of materials and production capacity, and state control over costs and prices (Ouibrahim and Scapens, 1989). An Algerian SOE was similar: there was no lack of accounting skills but accounting information was marginal to governmental decisions; annual financial reports were prepared but not scrutinised; cost accounting was used to calculate subsidies not operational planning, decision-making, and control; and production language predominated because managerial bonuses were tied to physical targets (Jones and Seffiance, 1992). Recent research is similar. An enterprise resource planning customization failed in an Egyptian SOE due to institutionalised uniform accountability and accounting requirements from government agencies (Kholeif et al. 2007). World Bank-sponsored MAS reforms in a Ghana company had little impact upon accountability: budgeting remained politicised, delayed, directionless and ineffective (Uddin and Tsamenyi, 2005).

Accounting controls unrelated to rewards or actual circumstances become irrelevant for managers when political interventions predominate. For example, accounting and financial management in the Volta River Authority in Ghana became part of routine negotiations with the government and was constantly renegotiable in the light of environmental changes (Rahaman and Lawrence, 2001). Industrial relations, accountability, and accounting in Bangladeshi SOEs became symbolic and detached from
operations (Hoque, 1995; Uddin and Siddique, 1995; Hoque and Hopper, 1994, 1997; Uddin and Hopper, 1999; Alam, 1997). Formal mechanisms remained intact but became ritualistic, rule-bound, and ceremonial and irrelevant rituals, i.e. loosely or totally decoupled. Politicians did not abandon them for they needed a veneer of legal rationality to secure legitimacy from external bodies and the populace, but they and central planners paid little heed to accounting: budgets set higher but unrealistic production targets to demonstrate political achievements to Parliament and the populace. Meaningful accountability often never occurred - technically and procedurally sound financial accounts were rarely discussed within Parliament or relevant committees. Many managers dissatisfied with this sought more budget participation and flexibility (Maunders et al., 1990), and some resisted granting undue deals on ethical and/or commercial grounds but most recognised their weakness and struck informal deals with local trade union leaders, workers, and suppliers to maintain production, whilst attributing failures to achieve budget to unrealistic targets, or disregarded budgets whilst manipulating them to protect their reputations. Thus bureaucratic procedures designed to control corruption and facilitate legal rationality became vehicles for the behaviour they sought to eliminate.

Hafsi and Thomas (1988) identify three stages in state and SOE relationships (cooperative, adversarial and autonomous) determined by each SOE’s development of a technical core, its financial self-sufficiency, the government’s creation of a supervisory structure, and consensus about political rules. Hafsi et al. (1987) found that though researchers and governments disagree on accountability and performance criteria, infant SOEs did not use formal controls because managers and political authorities had synonymous views and once SOEs were autonomous market pressures provided effective controls at lower administrative cost. Our reading of the literature is more pessimistic. State capitalism rarely functions as intended or in such a linear rational manner. Legislation making enterprises accountable to the state bureaucracy gave conduits for political intervention into the financial management of enterprises rendering legal-rational bureaucracy an illusion. This is not just an issue of venal exercise of power by the powerful (though this can occur) but a product of socio-economic factors. However, political factionalism brought enterprise losses and large public sector deficits and politicians found their space for political manoeuvre increasingly finite as resources diminished. The status quo was unsustainable without external aid but the cessation of ‘Cold War’ politics ended benign loans for client states. Increasingly right wing ideologies such as Thatcherism and Reaganism cast scepticism on economic aid to LDCs, particularly if unaccompanied by market-based reforms endorsed by World Bank and IMF preconditions for loans. The intention was to replace political factionalism and patronage associated with state central planning with private ownership and market exchanges. Aware that fiscal crises precipitate political crises, LDC governments knew they must (or appear to) comply.

**Market capitalism**

Market capitalism often came via World Bank and IMF structural adjustment programmes (SAP) promoting free trade, competition, private capital, limited government intervention, and public sector reforms involving privatisation or closure of
SOEs, subcontracting tasks to the private sector, and NPM programmes (Toye, 1994; Cook and Kirkpatrick, 1995; Hemming and Mansoor, 1988; Cook, 1986). In Bangladesh the initial socialist government fell partly because of inefficient SOEs whose losses consumed 30% of annual project aid. Subsequent military governments facing domestic opposition and fiscal deficits had little alternative but to accept loan conditions from aid agencies demanding privatisation of SOEs (whether loss-making or not). State capitalism in Ghana diminished when Dr. Nkrumah’s government (1957 to 1966) fell and the military National Liberation Council and then civilian Progress Party (PP) governments implemented IMF/World Bank economic policies introducing privatisations in 1970. The Colonel Acheampong military government and popular backlashes in 1972 deferred these but the Soviet bloc decline forced Ghana to turn to Western financial institutions and become an early Sub-Saharan African country to adopt SAPs. In 1983 Flight Lieutenant Rawling’s military government accepted IMF/World Bank initiated reforms to reduce government market interventions, encourage domestic savings and foreign investment, privatise SOEs, and improve the balance of payments. In Sri Lanka in 1977 a new right-wing government pursued an ‘open economy’, and under IMF and World Bank pressure embarked on privatisations and rolling back the public sector.

SAPs promote private property rights and competition in the belief that this will induce controls over owners and managers that encourages them to pursue commercial goals, assisted by legislation that forces trade unions (especially public sector ones) into collective bargaining, sever their party links, and curtails labour rights, especially in export zones. In a nutshell, market mechanisms should co-ordinate and control not government regulatory bodies reliant on a high and problematic accounting input (Peasnell, 1993). Market capitalism pays little heed to culture, race and ethnicity assuming a capitalist MOP with modern management controls, economic rewards, labour contracts, private property rights, and practices like total quality and continuous improvement will secure worker effort, discipline and co-operation under newly empowered managers with economic rent opportunities: the meritocracy of markets will engender social homogeneity, supersede traditional work patterns, and engender individualism, legal rational beliefs, and obligations to employers.

International finance agencies like the World Bank and the IMF expect LDC states to create an infrastructure conducive to international capital by adopting supply-side economics and providing infrastructures that enforce law and order and property rights; permit financial and commercial mobility; promote education and training congruent with market needs; employ ‘new public management’ (NPM) principles in government agencies unsuitable for privatisation; follow legal-rational not partisan decision making; make political parties compete on their ability to manage the new regime; reorganise and lessen public ownership of domestic banks; foster commercial practices; and provide state regulatory bodies, especially for privatised utilities where monopolies prevail. For example, in the 1990s the Sri Lanka Treasury established a division to implement private sector performance evaluation methods in enterprises, and regulatory bodies for industries like broadcasting, transport, insurance, banking, and telecommunications. Where possible private capital is preferred, which requires domestic capital markets. Thus a Ghanaian stock exchange was created in 1989 in anticipation of privatisations to
attract foreign investment, and in Sri Lanka stock market activity resumed in the 1970s and 1980s for similar reasons.

SAPs require effective accounting but development economists and policy makers often neglect this because of their inclinations to macro-economic solutions, and presumptions that accounting is technical, unproblematic, and flows directly from market capitalism. Ndzinge and Briston (1999) despair at the poor links between accountants and development specialists, and the promotion of accounting technologies from rich countries rather than systems adapted to local socio-economic conditions. Too often non accountants assume that accounting, especially if it follows international auditing and accounting standards, will provide the information and transparency necessary for financial markets to invest optimally and make enterprises accountable through hostile takeovers, dismissals of recalcitrant managers, or regulatory or legal interventions. It is assumed stronger agency relationships and improved technology under private ownership and greater competition will improve controls within and over enterprises.

**Whence market capitalism?**

Market capitalism is an ‘idealised’ normative model with sometimes unanticipated effects. Talga and Ndubizu (1986) found dissonances between orthodox and political economy paradigms of development, and normative and positive accounting, can produce MASs that reinforce political factionalism and/or new forms of ‘crony capitalism’. Others accuse the World Bank, IMF and Western donors like USAID of ignoring local resistance to privatisation; LDCs’ inadequate financial systems for handling large equity sales; and that privatisations may ignore societal needs, be inadequately regulated, create private monopolies; and not necessarily outperform SOEs (Commander and Killick, 1988; Cook and Kirkpatrick, 1995). Stiglitz (2002) argues that IMF ‘solutions’ worsen (even create) LDC problems by unduly promoting global finance interests. Accounting is integral to these debates and research is needed on the IMF’s accountability and transparency; the role of accounting firms in IMF programs; IMF monitoring of debtor nations and projects, and its links with the finance industry (Arnold and Cooper, 1999).

**MAS within former public enterprises**

Fortunately, such research is emerging: Tinker (1980) and Neu and Ocampo (2007) in studies of Delco in Sierra Leone, and an education project in Latin America respectively show how World Bank practices and discourses promoted a neo-liberal agenda, globalized Western financial practice, and denied local experience; Murphy (*forthcoming*) after scrutinising the Mital steel empire and Kazakhastan privatisations criticises the IMF and World Bank for favouring global capitalism and rootless MNOs; Neu, *et al.* (2006) demonstrate how accounting in World Bank loan agreements act as governance mechanisms that diffuse certain financial technologies to LDCs, re-structure their customs, and reaffirm the Bank’s expertise, legitimacy and influence.

Whatever, market-based reforms impact MASs: after full privatisation a Bangladesh soap company computerised management information systems, and improved market
information and production scheduling (Uddin and Hopper, 2001); the partial privatisation of the Sri Lankan state telephone company (previously renowned for poor service and inefficiency; rule bound, bureaucratic management; and political interventions) brought a Japanese company minority shareholder that undertook its management, bringing consultative leadership, trade union co-operation, new management controls and rewards, intensive capital investment, younger more technically qualified staff, and some commercial success (Wickramasinghe et al., 2004); when a Sri Lankan textile mill was sold the new owners invested in new machinery, maintained existing industrial relations, and improved controls (Wickramasinghe and Hopper, 2004); when a Ghanaian gold mine was corporatized (government equity reduced to 20%), investment revived and Western MASs introduced, including an integrated accounting software package for business planning and control, activity-based costing, cost cutting measures, budget based managerial performance evaluation; and budget training (Tsamenyi and Hopper, 2003).

This accords with reports from China, whose enterprises gradually adopted contemporary MAS practices in the transition from Maoism to Dengism. As elsewhere, accounting is shaped by political discourses: under Mao ideologies of class struggle, central planning, and public ownership constructed a class view of accounting and prohibited Western accounting whereas under Deng, accounting became a neutral technology spanning national boundaries and Western methods were encouraged (Ezzamel, et al., 2007). Gradually an ideology of markets, mixed-ownership and enterprise autonomy with less mandatory state planning and greater macro-economic regulation (Zhou, 1988) induced greater management planning, budgeting, performance evaluation, forecasting, and control within enterprises building on responsibility accounting used since the 1950s (Child and Xu, 1991; Scapens and Yan, 1993; Bromwich and Wang, 1991; Skousen and Yang, 1988; Scapens and Yan, 1993; Scapens and Ben-Ling, 1995; Maschmeyer and Yang, 1990). Lessons were learned from joint ventures, for example, Chinese participants’ MASs resembled those of foreign partners more than their Chinese counterparts (Firth, 1996). However, joint ventures can hit difficulties: Chinese partners often have a longer term strategy than their USA partners and expect eventually to assume control (Yan and Gray, 1994); US partners use controls to transmit and protect their knowledge whereas Chinese partners see them as sharing and protecting investments; and issues like expatriate staffing, socialisation, delegation, parent company communications, and performance incentives often reflect each partner’s relative knowledge and investments (Chalos and O’Connor, 2004). Moreover, Western MAS research is ignorant of Chinese MAS practices and their behavioural underpinnings, which hinders Chinese managers applying Western systems, which has brought calls for more facilitative, process based assistance (Scapens and Yan, 1993). Nevertheless, MAS change in China was popularised in academic journals, seminars, and training sessions (Bromwich and Wang, 1991) and has undergone debate and experimentation, for example on: financially restructuring Chinese SOEs (Lee, 2001); how short-term employment contracts, joint venture experience, stock exchange listing, and training affect “Western” MASs in Chinese SOEs (O’Connor, et al., 2004); responsibility accounting combined with target costing, standard costing, performance evaluation, and internal transfer pricing (Lin and Yu, 2002); implementing ABC when internal resistance
was offset by top management support, a culture of “top–down” management innovations (e.g., Economic-Value Added, Balanced Scorecards and Six Sigma), hierarchical commands and communications, and professional involvement (Liu and Pan, 2007); and how management controls are mediated by political constraints and liberalization measures (industry level growth and foreign firm competition, joint venture experience and stock market listing) (O’Connor, Deng and Luo, 2006). Although China is unique in many respects it has insights and lessons for other LDCs as it has largely controlled development and its transition from central state planning to market-oriented policies itself. It initially retained uniform accounting – a legacy of an economy marked by strong state-ownership, a weak accounting profession, and weak equity markets – but subsequently reformed equity markets, accounting regulation and controls, and local and international accounting standards in a manner consistent with China’s cultural, political and economic history (Davidson, et al., 1996; Graham and Li, 1997; Xiao, et al., 2004).

Market reforms may bring more commercial MAS methods but alternative means could produce similar results. Some claim that insufficient goal clarity; and inappropriate controls, motivation and rewards inhibit SOE performance not ownership, hence performance enhancement can come from improved systems rather than ownership changes (Vernon-Wortzel and Wortzel, 1989). Moreover, privatisations can hit problems: they were delayed or ineffective in Eritrea (Hailemariam and von Eije, 2004); and Caribbean privatisations imposed by the World Bank, IMF and USAID lacked formal planning; hit political, ideological, economic, social and administrative obstacles, and governments sought more scope to consider alternative policies (Austin, et al., 1986).

Uddin and Hopper (2003) challenged a World Bank report claiming that the success of a tranche of Bangladesh privatisations warranted more. In contrast, they judged only one of the thirteen privatisations a commercial success: in the others contributions to state revenue declined; transparent external reports required by law failed to materialise; untoward transactions affecting minority shareholders, creditors, and taxation agencies emerged; and more commercial internal controls wrought declining employment, wages, quality of working life, and employee rights. Above all, the paper questioned the narrow criteria of the World Bank report - namely profit – rather than broader development aims.

Other studies confirm that MAS changes associated with market reforms can have unanticipated effects prejudicial to broader development aims. After corporatization, managerial gaming and ethnic tensions in a Ghana gold mine persisted (Tsamenyi and Hopper, 2003). Following the full privatization of a Bangladesh soap company financial information became a preserve of the controlling family who imposed arbitrary, physical budgets reinforced by hiring, firing, and promoting at whim; capital investment was slight; external reports ceased in violation of company law and stock exchange regulations leading to allegations of irregular financial transactions and exploitation of minority shareholders, and prosecutions by tax officials and banks; the internal state and internal labour markets were destroyed and workers made redundant were rehired at lower wages through internal subcontracting (Uddin and Hopper, 2001). The privatised Sri Lankan textile mill financially collapsed when the owner fled abroad having fraudulently removed machinery purchased with state bank loans (Wickramasinghe and Hopper, 2004). Catchpowle and Cooper (1999) present a gloomy story of privatization in
South Africa claiming that MASs bore harshly on workers, rationalised redundancies, and reduced benefits. Social and environmental reporting by the Volta River Authority of Ghana masked, legitimised and justified exploitation by transnational capital and perpetuated poverty despite strict reporting controls in a World Bank funding agreement (Rahaman et al., 2004). In China old MAS methods co-existing alongside new ones wrought tensions between a profit emphasis and employment generation (Skousen and Yang, 1988); and produced worker unrest, inefficient resource allocation, and demands for more non-financial measures (Maschmeyer and Ji-Liang, 1990).

MAS market-based reforms do not necessarily reduce corruption and patronage associated with political factionalism. In the Bangladesh privatized soap company political influence merely took new forms: ministers used regulatory powers to favour investors, and oust militants and trade unions, in return for management recognising a token government party union and appointing staff recommended by ministers (Uddin and Hopper, 2001). In the Ghana gold mine the government used its minority shareholding and board representation to influence management decisions and political disputes spilled into the company, for example, managers were accused of allegiance to the opposition party and a chief objectionable to the government; in 1993 the Head of State, Jerry Rawlings, inspected the mine, and, by midday expressed his dissatisfaction with conditions and replaced the Deputy Managing Director (Tsamenyi and Hopper, 2003). In the Sri Lankan textile mill workers and indigenous managers allied against the new owners and following the mill’s bankruptcy got political and trade union leaders to resume to state control and reopen the mill during a pre-election period only for it to close shortly after (Wickramasinghe and Hopper, 2004). In the Sri Lankan telecommunications firm disgruntled employees habituated to work in a government department allied with trade union and political leaders frustrated by their exclusion from organisational affairs and got the CEO removed and formal bureaucracy restored by exploiting ministerial powers to appoint board members and, above all, influence the regulatory system (Wickramasinghe et al., 2004).

**MAS public sector reform**

Market-based reforms in government accounting also have a chequered history. Optimists claim that sound change management (Aharoni, 1981), and cultures that supported clear mission statements and managerial autonomy over personnel issues (Grinde, 1997) can overcome many implementation problems. Diamond (2004) claims that international organizations usually concur on what auditing standards (an important component of NPM) in government departments are required but implementation capacities vary and he proposes a change framework to overcome this and commends selecting models compatible with local audit traditions. Improved change methods may be required sometimes. For instance, for overcoming essentially political rivalries between reformers during Indonesian local government accounting reforms (Marwata and Alam, 2006); and resistance in an Egyptian public hospital to MAS reforms that disrupted everyday routines and challenged physicians' power (Hassan, 2005).
However, problems can transgress change management issues. Demands for information on public sector performance can remain unmet due to low-institutional capacity and corruption (Mimba, et al., 2007). Budgetary reforms that were loan conditions in a World Bank SAP in Malawi overwhelmed the state’s limited capacity to collect and process information, giving weight to arguments that rational systems of planning less effective than MASs that focus on control, use simple, delegated short-run budgets not long-run plans, work within actual and short-run data and within existing resources, avoid large projects and spread risk, budget continuously and flexibly, and use output controls tied to rewards (Mserembo and Hopper, 2004). Others complain that external agencies too often use the developed world as a benchmark to evaluate LDC MAS practices and advocate methods derived from inappropriate development economic theory that are incompatible with indigenous cultures, local democracy, and ignore domestic politics and conflicts (Rahman et al, 1997). And accounting reforms can facilitate abdication of the state’s role and mask exploitation, not least through their discourse and language (Arnold and Cooper, 1999). For example, introducing economic rents, selling state houses, and the use of balanced scorecards by the Fijian Public Rental Board following World Bank loan conditions possibly enhanced efficiency and wealth but frustrated the Board’s mission of accommodating poor people (Sharma and Lawrence, 2005); accounting discourse associated with financially re-structuring a Fijian SOE reinforced institutionalised racial discrimination (Davie, 2005); a profit oriented MAS introduced by external financial institutions in the Fijian Development Bank overturned protections of indigenous Fijians from settler exploitation and importation of cheap Indian labour and ended up reinforcing racial privileges (Alam, et al., 2004); MAS changes from international development agencies that reflected values, concepts, rationales and practices inconsistent with Kiribati culture brought major problems (Dixon (2004); and resistance to privatising urban water services in Ghana was diminished by accounting language that prioritised “profitability” “affordability” and “accountability” (Rahaman, et al., 2007).

Awio, et al., (2007) argue that NPM emphasises hierarchy, especially managers reporting to political masters, and instead they commend systems that incorporate “bottom-up” accountability where public service deliverers are responsible to communities they serve as in the Ugandan Community-led HIV/AIDS Initiative. However, MAS reforms purporting to increase local autonomy, democracy and accountability may not do so. Decentralisation and local autonomy may be desirable but can exacerbate the corruption and undue political interference it seeks to reduce. Anticorruption organizations, especially the World Bank, United Nations, IMF, OECD, and Transparency International, view accounting’s role in reducing corruption as relatively unproblematic, whereas radical approaches are ambivalent – seeing accounting as potentially both an enabler and constrainer of economic accountability and liberal democracy (Everett, et al., 2007). For example, a Chinese hospital that introduced Western accounting methods to improve managerial information and decentralise control was frustrated by vestiges of the command economy that set prices below cost (Chu and Rask, 2002). Malawi local government reforms increased managerial autonomy only for politicians to regain control by interference, sabotage and corruption resulting in managers regaining some autonomy by exploiting NPM-based managerial prerogatives, central government interventions, and corrupt collusions with councillors (Tambulasi, 2007).
NGOs

Frustrated by governments’ failure to effectively deliver programmes, corruption and political patronage, many aid institutions have turned to non governmental organizations (NGOs) - typically independent non-profit organisations dependant wholly or partly on charitable donations and voluntary service. NGOs are now major players in LDCs. In 1992 international NGOs handled $7.6 billion of aid to LDCs: 30,000 NGOs handle 15% of overseas development aid. NGOs are two types: operational NGOs that execute development-related projects, and advocacy NGOs that defend or promote a specific cause. Operational NGOs vary in aims, scope and size but can be large, influential organisations, for example BRAC and Grameen Bank in Bangladesh. They engage in delivering literacy and clean water projects, consulting, selling goods and services, finance for the poor and education and training. At their best they possess humanitarian political or social goals; strong grassroots links; field-based development expertise; innovation and adaptability; process-oriented approaches; participation linked to learning; long-term commitment; an emphasis on sustainability; cost-effectiveness, and cross cultural management. However, despite a generally positive view, there are complaints that NGOs sometimes unfairly compete with private organizations; can be corrupt; fail operationally; have limited financial and management expertise; are too dependant on charismatic leaders; and their vocal criticisms underplay broader social or economic issues. For example, NGOs can be vehicles for ideology not assistance; subject to capture by politics; and may fail because they are unelected and unaccountable (Lehman, 2007). NGOs can be ineffective, for example NGOs supporting indigenous Africans unsuccessfully fought mining companies over pollution, land degradation, and health because governments desperate for capital exercised limited jurisdiction over foreign companies and favoured them and political clients when granting employment, contracts, and export quotas, and (Ranuthge, 2001; Uyangoda, 2000).

NGOs are under-researched within accounting despite sometimes deficient systems for evaluating projects, protecting public deposits, and legal frameworks (see Accounting, Auditing and Accountability Journal, V. 19, N. 3, 2006; and O'Dwyer and Unerman, 2007). NGOs raise ethical and technical issues poorly addressed in conventional accounting. Their strong values of fairness, equity, transparency, participation, learning, environmental sustainability, and commitments to social and political goals call for novel controls and rewards. For example, three Tanzanian NGOs perceived accounting as alien (though perceived impending bankruptcy could mitigate this) and used it symbolically to gain legitimacy rather than conventional planning and control but this was of minor import as stakeholders sought more accessible means of societal scrutiny and operational transparency (Goddard and Assad, 2007); treasurers in local voluntary organisations in Mauritius also used MASs mainly to symbolise rationality to gain external legitimacy to little avail as funding bodies saw accounting data as marginal for voluntary organisations.

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3 The World Bank defines NGOs as "private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development" (Operational Directive 14.70).
with social objectives and they preferred engendering trust within “emotional” and informal relations (Soobaroyen and Sannassee, 2007). Thus relationships and accounting concerns within and surrounding NGOs can differ from commercial organisations. For example, members of an Irish overseas aid agency became concerned that corporate rhetoric on its social accounting downplayed needs for substantive change and stakeholder empowerment in African projects (O’Dwyer, 2005). Moreover, accounting can render NGO practices inconsistent with their aims, for example a Zambian microfinance NGO found it supplanted bottom-up accountability and constrained accountability to other stakeholders (Dixon, et al., 2007); and Traidcraft found “social bookkeeping” did not augment accountability to stakeholders as intended but made management interpret religious principles more commercially (Dey, 2007).

MAS in private enterprises

Researchers frequently argue that Western MAS methods are alien to many LDCs and MAS reforms should pay more heed local circumstances, practices and customs. Insight into such accommodations, and whether more effective indigenous accounting practices exist might come from private companies operating in LDCs.

For example, do MNOs shape MASs according to local circumstances? However, such studies are few. Rivera (1982) prescribes segmental accounting to retain central control and notes problems of insufficient experts, poor accounting education, and malfunctioning public services. Frucot and Shearon (1991) ascribed the satisfaction and locus of control being related for USA but not Mexican managers in MNOs to cultural differences, and Mexican managers in wholly foreign owned MNOs holding different beliefs about budget participation and the locus of control to Mexican managers in Mexican companies to MNOs being able to homogenise cultures by selective recruitment or socialisation. Leach-Lopez et al., (2007) extended this study finding strong associations between budget participation and performance for USA managers in the USA and Mexican managers in USA companies in Mexico but the causal explanation varied, especially for Mexican managers not bilingual or without US supervisors. We have tantalising but limited results on how MNOs may mitigate the effects of culture.

Elsewhere, MNOs are objects of suspicion, for example MNOs and large international accounting firms may have influenced Fiji’s adoption of international financial reporting standards (IASs) to gain resources prejudicial to public interests (Chand and White, 2007). However, judging MNOs is not clear cut: in Malaysia local companies were less committed to social responsibilities than foreign companies, particularly those from the USA and Britain (Teoh and Thong, 1984). Nevertheless, MNOs’ use of transfer pricing to shift taxation to favourable jurisdictions thereby denying LDCs of revenue is a major concern. Armstrong (1998) argues that MAS research neglects this because its neo-classical economic orientation focuses on individual state-MNO relations rather than the effects of growing global capitalism, and economic regulation and calculation by nation states. Some MAS research advocates standard global transfer pricing procedures to prevent MNOs exploiting different tax policies, import duties, transfer pricing regulations, withholding taxes, profit repatriation and currency risks (Bokorski, 1997).
For example, transfer prices of MNOs in Bangladesh rendered them less profitable than local firms despite the MNOs’ superior market power and resources (Rahman and Scapens, 1986); using identical transfer prices for tax compliance and internal management in an MNO brought a more coercive MAS (Cools, et al., forthcoming); and debates on cost and market-based transfer pricing prevail in China (Chan and Chow, 2001). Given the importance of transfer pricing in public policy generally, and LDCs specifically, the sparseness of MAS research is surprising and disturbing, especially as many LDCs and policymakers have switched from vilification of MNOs to endorsement and encouragement in the belief that they provide foreign capital, create employment, and bring managerial expertise.

Research in large indigenous companies may indicate whether MASs in LDCs raise distinct issues but this too is sparse. Only two surveys of costing practice were found. MAS use and sophistication was limited in 40 Egyptian private firms: no advanced accounting techniques were applied, activity-based costing concepts were largely unknown, and costing was used for pricing not performance measurement, process improvement or cost reduction (Van Triest and Elshahat, 2007). In contrast, a survey of 119 Malaysian companies revealed that intellectual capital influenced their MASs - particularly towards value-based and mixed financial and non-financial measures, and ‘beyond-budgeting’ controls that addressed economic uncertainty (though not stock market movement or investor reaction) rather than profit and performance oriented systems. Financial capital budgeting measures (but rarely “real options”) were used but possibly to legitimise decisions (Tayles, et al., 2007).

According to Velayutham and Perera (1996) in the West accounting information normally services contracts between agents and principals and such transacting reflects individualistic norms whereas in Asia and Africa collective relations prevail and accounting rationalises these. Some studies, often in a contingency vein touch on this. Malaysian companies used budgets for forecasting and control, perceived budget pressure as strong, and sought more budget participation (Chun, 1996) but participation in budget goal setting, managerial performance and appropriate goals were positively associated for senior managers in a major commercial Thai bank found but there was no association between participation in budget goals and commitment to achieve them (Virameteekul et al., 1995). After the Indian market-based economic reforms in 1991 firms’ budgets were perceived as more realistic, meaningful, and useful, especially when forming strategy, but unlike Western firms Indian firms sought more supplier partnerships despite being defenders, which was consistent with Indian culture (Anderson and Lanen, 1999). In Latin America, defender and reactor strategies were positively associated with social and economic crises whereas prospector and analyzer strategies were negatively associated, and prospector strategies and the use of budgets were significantly related (Collins et al., 1997). Over seven years major MAS changes were institutionalised in the Banco do Brasil (Guerreiro, et al., 2006). In South Africa four retailing companies increasingly used contemporary MASs, especially ABC and balanced scorecards, following government deregulation and global competition policies (Waweru, et al., 2004). However, Botha (1995) argues that the market reforms brought inequalities and injustices created by apartheid into greater focus, and require financial management that better supports
democracy, sustainable growth and wealth redistribution. From the limited evidence available there is a growing and effective uptake of contemporary MAS methods in larger companies within LDCs following market liberalisation, though they may need adjusting for cultural and political reasons.

Family rather than institutional ownership is more prevalent in LDCs than many Western countries. Hence in LDCs senior managers often come from owning families leading to controls that are informal, arbitrary, direct, and the province of the family; predominately personal rather than formal relations; and rules and regulations superseded by family or friendship connections (Black et al., 2000). Case studies support these observations. A Pakistan company founded by three brothers initially ran on trust. It was soon successful despite lacking formal accounting controls except for tax purposes and to satisfy the bank. However, business crises brought clashes resulting in cost accounting for dealers, decentralised management, and formal rewards but trust and family ties still predominated. When the elder brother, who had worked for an MNO, assumed control he introduced a centralised MAS. Disputes flared: professional managers resented their reduced discretion, the other brothers wanted to revert to traditional controls despite knowing it would impair efficiency, family disputes over shareholdings and distributions raged, and eventually the business failed. Efficiency and formal rationality could not be separated from traditional values (Ansari and Bell, 1991). The importance of ‘family’ was also found in a Chinese owned Indonesian firm (Efferin and Hopper, 2007). Chinese Indonesians have suffered political discrimination and harassment consequently the owners who were old friends were suspicious of the state and ethnic Indonesian employees. Appointments, business intelligence, and commercial matters relied on social networks of friends and relations where trust and ‘face’ were vital. However, they introduced rational Western controls including budgets, financial controls, formal wage scales, and some financial rewards for performance. Within the owners’ immediate circle budgeting was participatory, open and based on trust, and financial responsibility was collective but no financial information went beyond the ‘family’. Thus controls blended Chinese values with Western methods adapted to local contexts, especially ethnic tensions. This tallies with a Chinese company whose MAS reproduced Chinese cultural values of high power distance, top-down communication, pseudo-participative management, dictatorial leadership, which produced repressed subordinates who occasionally complained of inequality (Chan and Lee, 1997).

**Agricultural, small and micro enterprises**

MAS research reproduces past development policy biases by concentrating on large industrial and commercial organisations and neglecting agricultural ones, micro-organisations, and domestic production that are substantial economic sectors of many LDCs, especially regarding employment. The only contribution on contemporary large scale agricultural organisations was on Sri Lankan tea plantations (Alawattage and Wickramasinghe, forthcoming) where post-colonial social and political factors blurred boundaries between economic enterprises, civil society and the state. Accounting was used for financial control and external reporting but also reproduced and sustained the political hegemony over labour in everyday practices of ‘tea-making’. Otherwise
agriculture remains virgin territory for MAS researchers which is sad for it is economically crucial and often takes unusual organisational forms such as co-operatives. Similar issues reign for small companies. Only one study by Kattan, et al., (2007) was found, which reports that ten years of fluctuating Palestinian political crises led a small company’s MAS to become more mechanistic when the environmental and political situation was stable but became organic under greater uncertainty.

MAS research on micro-organisations is in its infancy. Asechemie’s (1997) claim that African accounting systems in informal economic sectors still accommodate traditional values provoked a sharp rejoinder from Wallace (1997) who questioned his account of pre- and post-colonial modes of production in Nigeria, the existence of African maintenance accounting, his oral history evidence, and whether pre-colonial Nigeria cash accounting and master-servant relations were impervious to agency problems. On the other hand, Asechemie and Ikeri (1999) found Nigerian artisans did not keep systematic cost records (as reported by Onuoha, 1994; Phillips, 1991, Nwachukwu, 1990, Asechemie, 1995) but used accounting strategically and flexibly, for example marginal costs was perceived as fairer than profit maximization and fostered price competitiveness, nor did they deduct their labour value - consistent with African traditions. Native tradition influenced accounting by three Bangladeshi small traders: its absence was attributed to social and state institutions not demanding it, and norms of reciprocity and trust when trading though debtor records were sometimes kept once traders became literate (Jacobs and Kemp, 2002). Calculative practices of fishing people in a poor rural community in Sri Lanka also reproduced a mode of production rooted in traditional village cultures and local economic and political power relations (Jayasinghe and Wickramasinghe, 2007). Satta (2004) points out that development policy makers and scholars increasingly realise that micro enterprises are important sources of new jobs in LDCs but their growth is constrained by difficulties obtaining finance from banks that follow conventional lending methods, over-estimate risk in loan proposals, and have high transaction costs, and he develops a model to overcome this. After assessing three Tanzanian small firm financing schemes a cooperative bank was found to be the most effective in poor rural areas bereft of mainstream financial services, and accounting researchers should help formulate standardised methods for evaluating small firms' financing schemes (Satta, 2006). Micro-finance is a neglected but important area of MAS research that calls for novel methods, often action-based, and major reconstitution of what is perceived as the MAS domain.

Discussion and conclusions

So, ‘What do we know about MAS in LDCs?’ Research is growing but apart from China is not extensive in any country. Much concentrates on SOEs and effects of market reforms, especially privatisation, in large industrial and government organisations. A catalogue of indifference to MAS in SOEs and to some degree government agencies, and an enactment of political not commercial rationalities are revealed during state capitalism. MAS is not absent, nor is its potential ignored, but it often plays a legitimating rather than a managerial function. The infusion of market capitalism, often at the behest of external aid agencies, has spurred greater MAS development and usage for
commercial purposes, though political and coercive control can persist sometimes via new regulatory structures. Research on MAS in private companies suggests that economic liberalisation drives MASs development for commercial reasons but issues of culture, ethnicity, corruption, coercion, and political patronage often still abound, especially when families dominate ownership, and cultures are collectivist and inclined to informal trust. There is little evidence of MASs unique to any LDC, rather locals adapt them to local circumstances. The modest literature on governmental accounting, like its counterpart on richer countries, often questions the effectiveness of rational economic methods implicit in MAS and NPM reforms. Again, MAS adoption may promote economic goals but not necessarily development goals like transparency, democracy, quality of working life, employment, and increased state revenue. Elsewhere MAS research is slight. So how might we fruitfully advance?

This review tried to cast its net widely but the task is not ended. Much vital MAS research lies untapped in non-Western and non-English research outlets; reports by governments, transnational governmental bodies like the World Bank and aid agencies; and non accounting journals in development studies, public administration, and management. Systematic literature reviews of these should yield further insights. Given the lack of academic research in LDCs external institutions and governments often commission policy papers from local academics or consultants - alternative academic research funding is negligible and dividing academic and practice work an unaffordable luxury in many LDCs. Discourse theory and textual analysis researchers are making inroads into such material but they are a rich seam of information for others to exploit.

An important but mundane point concerns definitions. The term LDCs used here is too broad: capitalisms vary and LDCs are not homogenous (or even sectors within them), which makes generalisation dangerous. Whilst not denying the possible uniqueness of each site, LDCs need more systematic classification, preferably built from cases, according to say differences in wealth and its distribution; political systems, institutions, ideologies, and policies; forms of capitalism; cultures, religions and ethnic differences; degrees of corruption and effective governance; colonial inheritances and post-colonial links; modes of production; and economic structures. Similarly, the definition of MASs needs extending to incorporate features like trust, reciprocity, informality, power, corruption, and accountability. We found defining MAS a struggle and often arbitrary decisions on its boundaries were made, for example accountability, social processes, and informal information and controls were included but not social and environmental accounting. And does project management, a major development concern, lie within the MAS remit? Given the pleas for better development project evaluation, not least financial, it is surprising that MAS researchers and practitioners alike are so uninvolved (see Abdeen, 1980 on this in Syria). Drawing boundaries around LDCs and MAS and categorising their features has dangers if not carefully derived and tested empirically and if it privileges quantitative over qualitative research but it would benefit comparative analysis, systematic and cumulative knowledge acquisition, and bespoke prescription.

Much research is pragmatic and not explicitly theoretical. That which is not tends to be influenced by social and critical theories, possibly because their methods are open,
grounded, process oriented and exploratory; give voice to neglected constituencies; are sensitive to ethnocentricity, and address dynamic political issues ranging from ideology and language to class struggle and globalisation. Exploratory bottom-up methods have revealed a rich tapestry of socio-economic and political factors and institutions bearing on MASs that mainstream research often neglects. For example, McNicholas and Barrett (2005) argue that Maori research methodologies resemble critical theories seeking emancipatory change to further democratic governance based on dialogue (Gallhofer and Haslam, 2006). More ethnographic, participation observation and ‘action’ studies are needed, especially on micro-organisations and sites where traditional cultures prevail, if recurring clarion calls to adopt MAS practices accordingly are to materialise. Triangulation and eclecticism over theories and research methods is required: research on LDCs is too scarce to be ignored on grounds of methodological predilection.

Case studies have yielded rich pickings, will continue to do so, and often are the most apt methods but more aggregated economic and contingency-type studies based on and testing findings from fieldwork and practice are also needed as case studies have low generalisation, and may inadvertently prioritise cultural and political factors over economic or organisational ones. MAS research remains vague on what Western systems are inapplicable to LDCs - is it in entirety, degree, or just parts (Baydoun and Willett, 1995): and when, where and how? In contrast, financial accounting research on LDCs inclines to quantitative aggregate studies of the effect of factors like ownership, competition, organisational size, unionisation, and stock exchange listing. For example, Egyptian accounting development (emergence of profession and accounting education) from 1961 to 1997 was related to the economic and political environment, stock market development, and SOE privatisation (Hassabelnaby, et al., 2003); African countries that modified IASs to local conditions had higher economic growth rates than those ignoring IASs (Larson, 1993) but economic growth and equity market development and adopting IASs were negatively correlated in 27 LDCs (Larson and Kenny, 1995): investors in most LDCs avoid high risk projects because weak capital markets without a well-developed accounting infrastructure stymie diversification causing resource misallocation (Lee, 2001). However, little is known on whether such factors affect MASs either directly or via financial accounting. One exception found timely release of audited final annual reports by companies on the Zimbabwe Stock Exchange related to access to modern technology and strong internal controls (Owusu-Ansah, 2000). Greater interchange of financial and MAS research in LDCs is needed blending the former’s survey skills and findings with the case skills and results of the latter. Gaining reliable economic statistics and organisational data in LDCs is notoriously difficult but, as financial accounting and development economics show, not impossible. And whatever the research ilk, it must go beyond studying inputs influencing MAS design and operation to examine outputs, i.e. effectiveness criteria that include commercial outcomes but also development goals like the quality of working life, health, employment generation, wages, environmental protection, empowerment of women and minorities, transparency and good governance, and tax revenues, to provide a more humanitarian platform for external intervention and governance.
An example of triangulation benefits lies in contingency theory, which argues environmental uncertainty may stymie formal, detailed long-run planning and budgeting. However, Caiden and Wildavsky (1974) argue that poverty breeds particular uncertainties with distinct ramifications. For example, poor countries may lack skilled personnel; be dependent on external commodity markets, donor institutions, and MNOs; have few slack resources and no functional redundancies (i.e. can only afford one of everything fail); weak infrastructures and unpredictable weather patterns; and limited capacity to levy and collect taxes or acquire local finances. Responses to recurrent crises may obliter ate budget commitments and the uncertainty of poverty breeds conservatism, for example people turn to their family or tribe for support or stockpile. This makes planning expenditure difficult, leading to frequent budget failures, and politicians, often from socio-economic elites committed to personalised rather than ideological politics, may profess certain ideals or goals but not act on them (Grindle 1980), using budget powers for political not economic ends. Caiden and Wildavsky even advocate banishing planners, seeing their techniques as problems not solutions for they wrongly presume feasible objectives; expose planners and politicians; make platitudinous and impractical claims to rationality; are expensive, idealistic, and remote; and become all things to all people. They argue that planned, programmed budgeting (PPBS) is dysfunctional and encourages repetitive budgeting (annual scrutiny and approval of budget estimates occurs but cash expenditure requires central line-by-line approval). Caiden and Wildavsky are not anti-budgeting: indeed, they argue that budgeting supersedes and precedes planning being shorter-term, and easier to change and enforce. Some contingency studies have picked up the distinctive nature of uncertainty in LDCs (see Alam, 1997; Kattan, et al., 2007; O’Connor, et al., 2006). For example, Hoque (1995) and Hoque and Hopper (1994) found managers in Bangladesh SOEs dissatisfied with their budgets set centrally and subsequently they played little part in day-to-day management. A contingency study on the same site using variables derived inductively from this fieldwork established associations between environmental factors (political climate, industrial relations, competition, aid agencies, and government regulation) and budget factors (participation, accountability, performance evaluation, financial analysis, interaction among managers, and budget flexibility) (Hoque and Hopper, 1997). Alam (1997) when studying similar organisations combined contingency and institutional theories to explicate similar findings. Contingency studies have greater potential in LDCs when surveys are triangulated with other theories and methods - especially qualitative investigations to inductively identify factors for statistical investigation for conventional contingency theory tends to be static; neglects processes, political relationships and history; lacks the depth and rigour to study culture; and is essentially atheoretical.

MAS researchers mainly study large government and private organisations whereas contemporary development policy and practice emphasises small and micro-organisations - households, shopkeepers, money lenders, peasant agriculture, fishing, small firms; large agricultural organisations like plantations and co-operatives; banks; and NGOs. This is important, for increasingly development funding is channelled to micro-organisations through microfinance providers like rural banks, cooperatives, and NGOs. Here accounting needs blending with household and village exchange relations, their social structures, and values and beliefs, to reduce poverty and empower marginal, less
powerful groups. Micro finance innovations in savings and credit services to poor and low-income households and domestic or rural micro-enterprises provide fascinating examples. For example, transaction costs must be minimal for small loans to say village women wishing to develop domestic enterprises to be financially viable. Micro-finance institutions have generated creative, simple and effective (but not invariably so) systems to generate, assess, and repay loans to poor and disadvantaged groups using informal oral social controls and accountability embedded in traditional cultures. However, much work pertinent to accounting needs to be done, for example, building financial infrastructures that support and sustain micro-finance institutions and programs, and induce more private sector institutions to participate.

Little is known about MAS knowledge diffusion in LDCs - again most research is on financial accounting. For example, professional expertise, education and training, legal backing, and the proportion of MNOs to local companies influenced adoption of IASs in Fiji, where harmonization may be irresistible given external pressures and insufficient local resources and skills (Chand, 2005); Wallace (1990) claims accounting in LDCs is a tale of continuous importation of Western practices and institutions by transnational accounting firms and professional bodies, MNOs, international projects, and recommendations of international accounting committees, with little evidence that accounting techniques in rich and poor countries differ or that LDCs import inappropriate practices - the problems are socio-economic and political not technical. In contrast, Hove (1990) alleges that standardised accounting will not serve LDCs as it favours colonialism, powerful foreign investors and MNOs, foreign aid, and professional accountancy institutions from the developed world. There is material on the diffusion of financial accounting and its social utility but whether this holds for MAS too remains unknown.

Accounting in many LDCs remains influenced by professional bodies from former imperial powers (see the Auditing, Accounting and Accountability Journal, 1999/3). For example, English speaking Caribbean countries’ colonial ties with the UK are now being supplanted by US influence (Chaderton and Taylor, 1993); Indian financial reporting followed British lines until independence and the growth of an indigenous accounting profession (Matson and Robson 1997); in Nigeria the accounting profession reflects local politics, changing with military and civilian governments (Uche, 2002); in the Philippines accounting changes by the USA colonial government met local resistance culminating in distinctive local accounting (Dyball, et al., 2007, 2006); and LDC professional development can follow racial and ethnic divides (see Sian, 2006, on Kenya, and Annisette, 2000, 2003 on Trinidad and Tobago). Western accounting professional bodies, including MAS ones, remain active in many LDCs, whereas others have developed indigenous MAS professional bodies and educational institutions but we remain ignorant of their operations and relative merits apart from work by Wickramasinghe et al, 2007 on the diffusion of balanced scorecards by the Chartered Institute of Management Accountants (CIMA) in Sri Lanka, which is seen as a globalisation process that failed in the firm researched due to professional rivalries, the rise of alternative fads or techniques, and the owner’s reluctance to relinquish older financial measurement tools.
Organisations like the World Bank, the IMF, United Nations, NGOs, and aid agencies also influence MASs in LDCs but they and their knowledge diffusion role is neglected. Saravanamuthu (2004) alleges that World Bank accounting cannot reconcile competing stakeholder needs as it concentrates on economic necessities and neglects social and environmental degradation but Annisette (2004) argues that such criticisms ignore institutional pressures on the Bank to manage the global economy on private international capital’s behalf, and how operational factors render socio-environmental goals marginal. Whatever, research on aid institutions must link MAS activities in local sites to actions by transnational governance bodies, treaties, professional and consulting firms, MNOs, and international capital. For example, non-market institutions, including transnational accounting firms and industry lobbies in Europe and the US, create a global market for accounting and auditing services under the auspices of World Trade Organization international trade agreements that negate domestic regulations licensing and qualification requirements, and the technical standards reduce domestic regulation and democratic economic governance (Arnold, 2005). Multinational audits promote globalization by linking the local and the global: and their commercialization and conduct facilitates audit firms’ diversification into business advisory services bringing new client relationships (Barrett, et al., 2005). Such studies indicate the need for research on how transnational financial institutions and governance produce and re-produce globalization in everyday managerial practices like MASs.

Lastly, as Everett et al. (2007) indicate, accounting research neglects corruption. Transparency International’s 2005 Corruption Perceptions Index reveals the most corrupt countries are frequently LDCs and economists attribute low economic development to this as it undermines democracy; values of trust and tolerance; erodes institutional capacities of government and their legitimacy; impedes good governance by reducing legislative accountability, distorts representation in policymaking, compromises the rule of law; and brings unfair service provision in public administration. In extremity corruption represents embezzlement of entrusted funds and booty capitalism diverts domestic financial capital abroad (hence the stereotypical but sadly often accurate image of African dictators with Swiss bank accounts). University of Massachusetts researchers estimated capital flight from 1970 to 1996 from 30 sub-Saharan countries totalled $187bn, which exceeds their external debts. Transparency International’s 2004 Global Corruption Report estimates that Mohamed Suharto, President of Indonesia (1967–98) embezzled US$15 to 35 billion; Ferdinand Marcos, President of the Philippines (1972–86) US$5 to 10 billion; and Joseph Estrada, President of the Philippines (1998–2001), US$78 to 80 million. A Kenya human rights commission report claimed the government spent $12 million on luxury vehicles for cabinet ministers and senior government officials between January 2003 and September 2004, sufficient for one year’s antiretroviral therapy for 147,000 HIV/AIDS sufferers. If corruption is commonplace it can become the norm when businesses or citizens interact with government officials - in some LDCs half of the population paid bribes during the previous year. The Inter-American Development Bank claims that corruption devours 20% of government procurement funds and 10% of GDP in Latin America, which increases business costs and risks of breached agreements; shields firms with connections from competition; sustains inefficient firms; diverts public investment into unduly complex capital projects.
where bribes and kickbacks are more plentiful; reduces the quality of government services and infrastructure; increases budgetary pressures on government; and impedes compliance with construction, environmental, or other regulations. For example, in 2005 accidents in Chinese private coal mines killed 6,000 workers often because regulators were bribed to neglect unsafe conditions or part-owned the mines.

Accounting cannot resolve all the problems of poverty, injustice, and corruption but it is a piece in the jigsaw of effective control, regulation, accountability, and the rule of law. Corruption flourishes when there is little government transparency, no freedom of information legislation, contempt for freedom of speech and the press, absent or dysfunctional democracy, poorly-paid government officials, and illiterate populaces. However, many LDCs lack needed financial and technical capacity, institutions are weak, budget processes opaque and undemocratic, fiscal controls are lax, and public participation opportunities limited, which encourages resource diversion from key social priorities at early budgeting stages, resource allocations contrary to budget decisions, and leakage of public funds masked by false financial statements. For example, World Bank surveys in Uganda and Tanzania found up to 41% of central government resources allocated to local councils were diverted to other uses or private pockets. In Ghana, only 20% of non-wage public health expenditures reached service delivery points. Such problems are particularly acute when large amounts must be spent quickly, as with disaster relief and HIV-AIDS funding.

Accountability requires public policies, practices and expenditures open to public and legislative scrutiny and for civil society involvement in budget formulation, execution and reporting. MASs should follow comprehensive, clear and simple accounting standards and deliver timely, reliable and accurate information, reinforced by effective supervision, auditing, and sanctions for financial misconduct to hold public officials accountable and enable civil society to take action over irregularities. Participatory budgeting enables more stakeholders to influence budget allocations, check spending matches specified priorities, and monitor the quality of goods and services provided. Such reforms bring results, for example, the Indian Right to Information Act 2005 “engendered mass movements … bringing the lethargic, often corrupt bureaucracy to its knees and changing power equations completely.” (Jakarta Post, 31 August, 2006). Publishing surveys and audit and accountability reports makes corrupt practices more visible and enables public monitoring to challenge abuses and cultures of impunity. For example, publishing monthly intergovernmental fund transfers in the Ugandan local media reduced fund losses by 78%. Good, accessible financial information facilitates benchmarking within and across governments, for example the Peruvian newspaper, *Ciudadanos al Dia*, compares the transparency, costs, and efficiency of government departments, and its annual best practice awards gain widespread media attention, which encourages government agencies to compete. Information technology has a role, for example submitting internet applications and tax returns for computer processing can reduce corruption by reducing interactions with officials, speeding up decisions, and reducing human errors. However, beneficiaries of corruption may resist better controls. For example, cash registers in a Kenyan hospital could not be implemented until patient fee collectors were fired and new personnel appointed. Within 3 months, user fee revenue
jumped 50% with no utilization effects, and within 3 years annual they were 400% higher. In brief, MAS research needs to study corruption and build systems with transparency and public scrutiny, local engagement, creative use of technology, and strengthened regulatory institutions.

Corruption is not just a domestic concern for poor countries: rich countries, especially Luxembourg, Switzerland, the UK, and the USA are net recipients of capital inflows from LDCs lacking the resources and institutional infrastructure to effectively regulate financial transgressions. Rich countries must make corrupt business practices abroad illegal and subject to domestic audit with meaningful sanctions for transgressions; and enforce legislation, often emanating from the United Nations concerning capital flows into bank accounts, reducing bank secrecy, making MNO accounts transparent, regulating on-shore and off-shore tax havens, sharing taxation returns with other countries, enforcing international transfer pricing regulations, and protecting ‘whistleblowers’. MNOs, especially extractive ones, have particular responsibilities. In the Democratic Republic of the Congo mining forms 25% of gross domestic product. It is argued that contracts with MNOs have been too favourable, finances not transparent, and tax evasion and corruption widespread. Today the state is bankrupt and reputable companies must fill a vacuum left by the state regarding health, education and infrastructure, and face difficult issues including whether to respond to government and rebel threats and requests. The exploitation of societies lacking capitalist values or institutions, effective regulation, and symmetrical bargaining power raises major ethical issues for capitalist organisations operating overseas, their managers, governments hosting MNO headquarters, international capital markets and accountants to fairly, transparently and accurately assess profits, commissions and taxes due in particular locales; help LDC governments strike economically sound contracts with MNOs; and prevent environmental and social degradation. *Caveat emptor* cannot prevail in inequitable situations. The professional responsibility of accountants and businesses, and MAS researchers and research institutions transcends borders and should incorporate an ethical and humanitarian dimension in the public interest. It should actively support say NGO campaigns such as ‘Publish What You Pay’ launched in 2002 seeking greater audited, transparent payments, receipts, and management of revenues from the extractive sector; for discrepancies to be reconciled and resources used more effectively within LDCs; greater combating of corruption; and improved corporate social responsibility, to ensure a stable and secure supply of energy to world markets. MAS research has a political dimension to prevent market-based regimes reverting to political patronage and coercive controls.
Figure 1

Stages in Transition

**Pre-colonialism**
(traditional indigenous mgt a/c?)

---

**Colonial Despotism**
Govt a/c
A/c for foreign cos.
Physical coercion

---

**Independence (revolution)**

---

**State Capitalism**
Mgt a/c for central planning & control

---

** Politicised State Capitalism**
Loosely/decoupled mgt a/c
Political control

---

**Market Capitalism**
Structural adjustment programmes
Mgt a/c for control & efficiency

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**Politicised Market Capitalism?**
Privatisations – varied results
Profit criteria not congruent with development aims
New avenues of politic control, e.g. regulation
<table>
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<tr>
<th>Regimes of control in ex-colonial LDCs: contextual factors and MASs</th>
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<tr>
<td><strong>Mode of Production</strong></td>
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<tr>
<td>Politicised State Capitalism (Actual Regime)</td>
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<tr>
<td>Market Capitalism</td>
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35
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<tr>
<th>(Ideal Regime)</th>
<th>Private ownership of enterprises.</th>
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<td></td>
<td>New public sector management</td>
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<td>&amp; individual economic self-betterment.</td>
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<td>Consumerism &amp; materialistic choice</td>
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<td>supply side economic role.</td>
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<td></td>
<td>Oriented to attract multinational &amp; international capital.</td>
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<td></td>
<td>Stronger capital market &amp; regulation, especially of utilities</td>
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<td>government</td>
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<td>Weakened Trade Unions.</td>
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<td>Decline in industry-wide collective bargaining.</td>
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<td>Lowered employee protection.</td>
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<td>Export zones</td>
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<td>Stronger capital markets</td>
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<td>Greater financial regulation &amp; enforcement.</td>
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<td>Lessened political intervention.</td>
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<td>Contemporary Western best practice</td>
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<td>Tight production targets</td>
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<td>Economic performance measurement</td>
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<td>External reporting for capital markets</td>
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<th>(Actual Regime)</th>
<th>Domination of capital over labour</th>
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<td>Wider income differentials</td>
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<td>Fractions of capital, ownership diffuse/financial institutions/multinationals/local families.</td>
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<td>Crony capitalism.</td>
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<td>Mediation of ‘modern’ market cultures with traditional &amp; political decisions</td>
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<td>Often the basis of political &amp; social decisions</td>
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<td>Weak enforcement</td>
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<td>Decisions politicised</td>
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<td>Democratic parties based on charismatic leaders from socio-economic elites</td>
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<td></td>
<td>Factionalism based on regions, religion &amp; ethnicity</td>
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<td>Segmented labour markets between core &amp; periphery,</td>
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<td>Trade unions co-opted into political parties.</td>
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<td>Private accounts, top-down physical budgets</td>
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<td>Return of coercive control but no physical violence</td>
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<td>Weak compliance of external regulations – financial and non-financial</td>
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<td>Toothless trade unions with low bargaining power</td>
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<td>Internal sub-contracting</td>
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<th>Contemporary Market Capitalism</th>
<th>Dominated by financial institutions/multinationals/local families.</th>
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Appendix one

Management accounting research papers by countries (72)

Africa (21):
Algeria (2) (Jones and Seffiance, 1992), (Ouibrahim and Scapens, 1989);
Egypt (3) (Hassan, 2005, (Kholeif et al., 2007), (van-Triest and Elshahat, 2007);
Ghana (2) (Rahaman and Lawrence, 2001), (Uddin and Tsamenyi, 2005);
Malawi (2) (Mserembo and Hopper, 2004), (Tambulasi, 2007);
Mauritius (1) (Soobaroyen and Sannassee, 2007);
Nigeria (2) (Olowo-Okere and Tomkins, 1998), (Asechemie and Ikeri, 1999);
South Africa (2) (Botha, 1995); (Waweru et al, 2004);
Tanzania (2) (Goddard and Assad, 2007) (Satta, 2006);
Uganda (1) (Awio, et al., 2007);
West Indies (1) Cowton and O’Shaughnessy, 1991);
Zambia (1) (Dixon et al., 2007);
África general (2) (Asechemie, 1996, 1997);

Asia (37):
Bangladesh (7) (Alam and Lawrence, 1994), (Alam, 1997), (Hoque, 1995) (Hoque and Hopper, 1994, 1997), (Rahman, and Scapens, 1986), (Uddin and Hopper, 2001);
China (17) (Bromwich and Wang, 1991), (Chalos and O'Conner, 2004), (Chan and Chow, 2001), (Chan et al., 2001), (Chu and Rask, 2002), (Chan and Lee, 1997), (Lin and Yu, 2002), (Firth, 1996), (Liu and Pan, 2007), (Maschmeyer and Ji-Liang, 1990), (O'Connor et al., 2004), (O'Connor et al., 2006), (Scapens and Yan, 1993), (Scapens and Ben-Ling, 1995), (Skousen and Yang, 1988), (Yan and Gray, 1994), (Zhou, 1988);
India (1) (Anderson and Lanen, 1999);
Indonesia (2) (Efferin and Hopper, 2007); (Marwata and Alam, 2006);
Malaysia (2) (Chun, 1996), (Tayles et al., 2007);
Pakistan (1) (Ansari and Bell, 1991);
Sri Lanka (5) (Alawattinge and Wickramasinghe, forthcoming), (Jayasinghe and Wickramasinghe, 2007), (Wickramasinghe and Hopper, 2005), (Wickramasinghe et al., 2004a); Wickramsinghe et al, 2007);
Thailand (1) (Virameteekul et al., 1995);
Taiwan (1) (Lee, 2001);

Australasia (3):
Fiji (2) (Alam et al., 2004) (Sharma and Lawrence, 2005);
Kiribati (1) (Dixon, 2004)

Latin America (6):
Brasil (1) (Guerreiro et al., 2006);
México (2) (Frucot and Shearon, 1991); (Leach-Lopez et al., 2007);
Unspecified or various (2) Collins et al. (1997) (Neu et al., 2006)
Venezuela (1) (Rivera, 1982);
Middle East (2):
Bahrain (1) (Joshi, 2000);
Palestine (1) (Kattan, Pike, and Tayles, 2007, JAOC);
Syria (1) (Abdeen, 1980)

Cross-continental/Global (3):
(Bokorski, 1997) (Hafsi and Thomas, 1988); (Cools et al., forthcoming)

In addition we found 21 general review papers apposite to management accounting in LDCs with diffuse empirical grounding, namely (Aharoni, Y, 1981), (Belverd and Needles, Jr., 1976), (Caiden and Wildavsky, 1974), (Cook and Kirkpatrick, 1995), (Diamond, 2004), (Enthoven, 1982), (Ghartey, 1985), (Hafsi et al., 1987), (Hove, 1986), (Lehman, 2007), (Maunders et al., 1990), (Mimba et al, 2007), (Mirghani, 1982), (Murphy, forthcoming), (Ndzinge and Briston, 1999), (Needles, 1994), (O’Dwyer, 2005), (Perera, 1989), (Rahman et al, 1997), (Samuels, 1990), (Vernon-Wortzel and Wortzel, 1989), (Wallace, 1990).
Appendix two

Sites of papers on management accounting in LDCs (96)

General review papers on accounting and development (15)
(Belverd and Needles, Jr., 1976), (Enthoven, 1982), (Ghartey, 1985), (Hove, 1990), (Lee, 2001), (Mirghani, 1982), (Needles, 1994), (Ndzinge and Briston, 1999), (Olowo-Okere and Tomkins, 1998), (Perera, 1975, 1989), (Samuels, 1990), (Scapens and Ben-Ling, 1995), (Seiler, 1966), (Wallace, 1990

Management accounting and control in SOEs including transition through full or partial privatisation (32)

(Aharoni, 1981), (Alam, 1997), (Alam, and Lawrence, 1994), (Alam et al., 2004), (Botha, 1995), (Bromwich and Wang, 1991), (Cook and Kirkpatrick, 1995), (Hafsi et al.,1987), (Hafsi and Thomas, 1988), (Hoque, 1995), (Hoque and Hopper, 1994, 1997), (Jones and Seffiance, 1992), (Kholeif et al., 2007), (Lin and Yu, 2002), (Maschmeyer and Ji-Liang, 1990), (Maunders et al., 1990), (O’Connor et al., 2004), (O’Connor et al., 2006), (Ouibrahim and Scapens, 1989), (Rahaman and Lawrence, 2001), (Scapens and Yan, 1993), (Sharma and Lawrence, 2005), (Skousen and Yang, 1988), (Uddin and Hopper, 2001), (Uddin and Tsamenyi, 2005), (van-Triest and Elshahat, 2007), (Vernon-Wortzel and Wortzel, 1989), (Waweru et al., 2004), (Wickramasinghe and Hopper, 2005), (Wickramasinghe et al., 2004), (Zhou,1988

Large private companies and MNOs (15)
(Anderson and Lanen, 1999), (Can and Lee, 1997), (Chun, 1996), (Collins et al., 1997), (Frucot and Shearon, 1991), (Guerreiro et al., 2006), (Joshi, 2000), (Leach-Lopez et al., 2007), (Liu and Pan, 2007), (Rivera, 1982), (Tayles et al., 2007)
MNOs – transfer pricing: (Borkowski, 1997), (Chan and Chow, 2001), (Rahman, and Scapens, 1986), (Cools et al., forthcoming), (Virameteekul et al., 1995)

Joint ventures (with foreign companies) (3)
(Chalos and O’Connor, 2004), (Firth, 1996), (Yan and Gray, 1994

Indigenous SMEs (4)
(Ansari and Bell, 1991), (Efferin and Hopper, 2007), (Kattan et al., 2007), , (Wickramasinghe et al., 2007)

Plantations and agriculture (2)
(Alawattage and Wickramasinghe, forthcoming), (Cowton and O’Shaughnessy, 1991

Microfinance (4)
(Dixon et al., 2007), (Jayasinghe and Wickramasinghe, 2007), (Satta, 2004, 2006

Household accounting (2)

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Governmental accounting (15)
(Abdeen, 1980), (Awio et al., 2007), (Caiden and Wildavsky, 1974), (Chu and Rask, 2002), (Diamond, 2004), (Dixon, 2004), (Grindle, 1997), (Hassan, 2005), (Marwata and Alam, 2006), (Mimba et al., 2007), (Mserembo and Hopper, 2004), (Neu et al., 2006), (Olowo-Okere and Tomkins, 1998), (Rahman et al., 1997), (Tambulasi, 2007)

NGOs (4)
(Goddard and Assad, 2007), (Lehman, 2007), (O’Dwyer, 2005), (Soobaroyen and Sannassee, 2007)
Appendix three

Research methods used to research management accounting in LDCs (85)

Case studies - from observations through interviews to documentary analysis (45)

(Debeen, 1980), (Alam, 1997), (Alam and Lawrence, 1994), (Alam et al., 2004),
(Alawattage and Wickramasinghe, forthcoming), (Ansari and Bell, 1991) (Asechemie,
1997), (Awio et al., 2007), (Caiden and Wildavsky, 1974), (Chan et al., 2001), (Chan and
Lee, 1997), (Chu and Rask, 2002), (Cools et al., forthcoming), (Dixon, 2004), (Dixon et
al., 2007), (Efferin and Hopper, 2007), (Goddard and Assad, 2007), (Grinde, 1997),
(Guerreiro et al., 2006), (Hafsi and Thomas, 1988) (Hassan, 2005), (Hoque and Hopper,
1997), (Jayasinghe and Wickramasinghe, 2007, (Jones and Seffianc, 1992), (Kattan et
al., 2007), (Kholeif et al., 2007), (Lin and Yu, 2002), (Liu and Pan, 2007), (Marwata and
Alam, 2006), (Neu et al., 2006), (O’Dwyer, 2005), (Olowo-Okere and Tomkins, 1998),
(Ouibrahim and Scapens, 1989), (Rahaman and Lawrence, 2001), (Rahman, and Scapens,
1986), (Satta, 2006), (Sharma and Lawrence, 2005), (Tambulasi, 2007), (Uddin and
Hopper, 2001), (Uddin and Tsamenyi, 2005), (Waweru et al., 2004), (Wickramasinghe
and Hopper, 2005), (Wickramasinghe et al., 2004), (Wickramasinghe et al., 2007), (Yan
and Gray, 1994)

Field study and questionnaires (7)
(Anderson and Lanen, 1999), (Chalos and O'Connor, 2004), (Chan and Chow, 2001),
(Hoque, 1995), (Hoque and Hopper, 1994), (Tayles et al., 2007), (Soobaroyen and
Sannassee, 2007)

Questionnaires (10)
(Borkowski, 1997), (Firth, 1996), (Chun, 1996) (Frucot and Shearon, 1991), (O’Connor
et al., 2004), (Collins et al., 1997), Joshi 2000), (Leach-Lopez et al., 2007), (O’Connor
et al., 2006), (van-Triest and Elshahat, 2007), (Virameteekul, et al., 1995)

Experiental (1)
(Diamond, 2004)

Desk study and documentary analysis (21)
(Aharoni, 1981), (Asechemie and Ikiri, 1999), (Bromwich and Wang, 1991), (Cook and
Kirkpatrick, 1995), (Cowton and O’Shaughnessy, 1991), (Enthoven, 1982), (Lee, 2001),
(Lehman, 2007), (Maschmeyer and Ji-Liang, 1990), (Mauders et al., 1990), (Mimba et
al., 2007), (Mirghani, 1982), (Mserembo and Hopper, 2004), (Rahman et al, 1997),
(Rivera, 1982), (Satta, 2004), (Scapens and Yan, 1993), (Scapens and Ben-Ling, 1995),
(Seiler, 1966), (Skousen and Yang, 1988), (Zhou, 1988)

In addition we found 13 papers apposite to management accounting (financial accounting
or accounting/ development) in LDCs: (Belverd and Needles, Jr., 1976), (Botha, 1995),
(Ghartey, 1985), (Hove, 1986), (Hafsi and Thomas, 1988), (Hafsi et al., 1987), (Ndzinge
Appendix four

Theorising management accounting in LDCs (80)

Economics (3)
(Chan and Chow, 2001), (Maschmeyer and Ji-Liang, 1990), (Rahman and Scapens, 1986)

Development economics (4)
(Cook and Kirkpatrick, 1995), (Lee, 2001), (Satta, 2004, 2006)

Ethnography/grounded theory/action/hermeneutics (10)
(Ansari and Bell, 1991), (Awio et al., 2007), (Dixon, 2004), (Efferin and Hopper, 2007),
(Goddard and Assad, 2007), (Jayasinghe and Wickramasinghe, 2007), (Liu and Pan,
2007), (Marwata and Alam, 2006), (Rahaman and Lawrence, 2001), (Wickramasinghe et
al., 2007)

Governmentality (Foucault/Bourdieu/structuration theory/accountability) (6)
(Dixon et al., 2007), (Jones and Seffiance, 1992), (Neu et al., 2006), (O’Dwyer, 2005),
(Ouibrahim and Scapens, 1989), (Uddin and Tsamenyi, 2005)

Labour process/political economy/Gramscian (8)
(Alam et al., 2004), (Alawattage and Wickramasinghe, forthcoming), (Asechemie, 1997),
(Lehman, 2007), (Olowo-Okere and Tomkins, 1998), (Uddin and Hopper, 2001),
(Wickramasinghe and Hopper, 2005), (Wickramasinghe et al., 2004)

Institutional theory (4)
(Firth, 1996), (Hassan, 2005), (Kholeif et al., 2007), (Soobaroyen and Sannassee, 2007)

Institutional theory and contingency theory/MCS theories (6)
(Alam, 1997); (Alam and Lawrence, 1994), (Cools et al., forthcoming), (Guerreiro et al.,
2006), (Hoque and Hopper, 1997), (Sharma and Lawrence, 2005)

Contingency theory/RAPM/statistical (12)
(Chun, 1996), (Anderson and Lanen, 1999), (Chalos and O’Connor, 2004), (Frucot and
Shearon, 1991), (Collins et al., 1997), (Hoque, 1995), (Joshi, 2000), (Kattan et al., 2007),
(Leach-Lopez et al., 2007), (O’Connor et al., 2004), (O’Connor et al., 2006), (Waweru et
al., 2004)

Public administration (3)
(Caiden and Wildavsky, 1974), (Mserembo and Hopper, 2004), (Tambulasi, 2007)

GST/social psychology (3)
(Aharoni, 1981), (Baydoun and Willett, 1995), (Yan and Gray, 1994)

No explicit theory (21)
(Abdeen, 1980), (Asechemie and Ikiri, 1999), (Borkowski, 1997), (Bromwich and Wang, 1991), (Chan and Lee, 1997), (Chu and Rask, 2002), (Cowton and O'Shaughnessy, 1991), (Diamond, 2004), (Enthoven, 1982), (Lin and Yu, 2002), (Maunders et al., 1990) (Mimba et al., 2007), (Mirghani, 1982), (Rahman et al, 1997) (Rivera, 1982), (Scapens and Yan, 1993), (Scapens and Ben-Ling, 1995), (Skousen and Yang, 1988), (Tayles et al., 2007), (van-Triest and Elshahat, 2007), (Virameteekul et al., 1995)

We found another 15 papers apposite to management accounting (financial reporting or accounting/ development) in LDCs with no explicit theory: (Belverd and Needles, Jr., 1976), (Botha, 1995), (Ghartey, 1985), (Grindle, 1997), (Hasi and Thomas, 1988), (Hafsi et al., 1987), (Hove, 1990), (Ndzinge and Briston, 1999), (Needles, 1994), (Perera, 1975, 1989), (Samuels, 1990), (Seiler, 1966), (Vernon-Wortzel and Wortzel, 1989), (Wallace, 1990)
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