Financial Accounting and Reporting in Developing Countries: A South African Perspective

Johan Oberholster

School of Accountancy, University of Pretoria

ABSTRACT

South Africa is currently going through major changes in political, social and other arenas. It is therefore appropriate to consider the effect of these developments on financial reporting in a changing environment. This paper explores the origins of the current South African accounting system, given its status as a developing country, and endeavours to show that financial reporting needs to be amended to reflect the changing face of the South Africa's social fabric, its status as a developing country, as well as the emergence of new users of financial statements. Certain recommendations are made to address these issues.

JEL M 41

INTRODUCTION

South Africa moved into an entirely new dispensation when a new democratically elected government came into power on 27 April 1994. Up to that date, a disproportionate share of the country's resources was directed towards serving a small, generally well-educated, section of the South African population of European origin (Booysen, 1993: 1). If one takes into account that black-controlled firms still owned less than 3% of the market capitalisation on the Johannesburg Stock Exchange (JSE) in July 1997, it is safe to say that this Eurocentric section of the population has in the recent past controlled the bulk of the economic and financial power in the country (Ramaphosa, 1997: 11; Singh, 1997: 1). Given this state of affairs it follows that the communication of accounting information also evolved to serve and address the needs of this first-world Western component of South African society.

As the economy of the country is being restructured to achieve a more even distribution of the economic power, and as a larger portion of that power moves to the previously disadvantaged and less educated sections of the population, it is inevitable that these people will become more important users of financial information. This situation, together with the growing importance of employees as stakeholders in business enterprises (mostly unschooled workers via trade unions) as illustrated by Booysen (1993: 1), raises the question of the suitability of the current format and disclosure provided by the financial statements of enterprises. This article sets out to investigate the origins of the accounting systems used by most developing countries, and seeks to determine whether the accounting systems of the developed countries and the financial reports thus generated, are suitable for use in the developing countries too. These issues are then related to the South African situation. Finally some recommendations to correct the situation are made.

SOUTH AFRICA AS A DEVELOPING COUNTRY

According to Wallace (1990: 3), a developing country can in broad terms be defined as a country seeking to advance to a higher state of economic well-being. This term would therefore include a wide range of countries mostly found in Africa, Asia and Latin America. Apart from the quest for economic development, most of these countries received their independence from the colonial powers from the late 1950s onwards, and share the common characteristic of the presence of poverty, while experiencing wide disparities in their development levels (Todaro, 1994: 34; Wallace, 1990: 3).

In general, the following problems are associated with developing countries:

- poverty;
- rapid population growth;
- high levels of unemployment;
- unequal income and wealth distribution;
- regional imbalances;
- insufficient domestic savings;
- large foreign debt;
- low levels of technology; and
- a need to improve education

(Samuels, 1990: 69; Nafziger, 1997: 73-83; Todaro, 1994: 28).

Against this background and based on numerous reports in the news media and scientific literature, it can be argued that South Africa, too, largely meets these criteria and thus falls within the group of countries classified as developing (Strachan, 1997: 28). However, it is also true that certain parts of the South African economy may show characteristics typical of a developed country. South Africa's status as a developing country is however confirmed by its classification as an upper middle income country in the *World Development Report* according to 1995 data (1997: 215, 223). South Africa may however since then have slipped from an upper-middle income to a lower-middle income country, especially if one takes into account the severe depreciation of the Rand during 1996 and 1998 (Bethlehem, 1996: 16; Schoombee, 1996: 9; Wood, 1996: 7; De Lange, 1998: 7; Muller, 1998: 12).

THE ORIGINS OF ACCOUNTING SYSTEMS IN (MOST) DEVELOPING COUNTRIES

Wallace and Briston (1993: 215) point out that the international transfer of accounting technology has occurred for many years in a non-formalised manner by way of the following methods:

(a) previous colonial legacies;
(b) the importation of accounting qualifications from developed countries;
(c) the activities of transnational enterprises in these countries;
(d) the role of international organisations like the World Bank and regional development agencies like the African Development Bank;
(e) efforts by the developed countries' aid institutions;
(f) the role of the International Federation of Accountants and the International Accounting Standards Committee, and regional groups such as the African Accounting Council and the Association of Accounting Bodies of West Africa;
(g) the fact that English is the first or second language in many of these countries, has led to the use of British, American or Australian textbooks for accountancy training, as local text books are rarely available.

The effect of the above transfer methods on South Africa is next considered.

Case (a), the British colonial legacy, has been of major importance (Samkin, 1996: 70). South Africa, which became a republic on 31 May 1961 after approximately 150 years of a formal British link in one form or another, is a perfect example of the entrenchment of the British accounting system in a former colony of the United Kingdom. This fact is supported by researchers who have tried to classify the practices embodied in national accounting systems in countries around the world. Mueller (1966: 91-103) suggested ten such national groupings and included South Africa in the British Commonwealth group. Mueller's findings were supported by those of Da Costa, Bourgeois, and Lawson (1978: 79) who also classified South Africa as a part of the British sphere of influence. Frank (1979: 596), once again, classified South Africa as falling under the British sphere of influence.

Briston (1990: 200) states that many countries around the world which were once part of the British Empire, found themselves on independence with a professional accounting body and company law based on the British model. Given its entrenched nature, most of these countries found it very difficult to move away from the British system. Hinton (1968: 11) points out that the South African disclosure requirements at least up to 1968, were based on the Eighth Schedule of the Companies Act of 1926, which was in turn based on the recommendations of the English Institute of Chartered Accountants. Consequently the South African reporting requirements up to that stage were virtually identical with those of England.

According to Chaderton and Taylor (1993: 51), several authors like Engleman and Hove have also argued that colonisation has been the most important vehicle for the transfer of accounting systems to developing countries.

The importation of formal accounting qualifications from developed countries to South Africa, mentioned in (b) above, appears to have been adversely affected by the political dispensation under the previous South African government. This point is argued by referring to the history and activities of the Chartered Institute of Management Accountants (CIMA) and the Association of Chartered Certified Accountants (ACCA) in South Africa.

ACCA, which featured in the South African accounting environment up to the 1950s, closed its South African branch in 1956 and was only relaunched here in 1993, as South Africa's period of political isolation drew to a close. The relaunch followed an investigation by ACCA, after the Association of Black Accountants in South Africa (ABASA) had approached ACCA with a view to establishing its international qualification function in South Africa once more (Kamukwamba, 1997: 14, 15).

Apropos CIMA, little written evidence in this regard is available. A telephone conversation with Craig Durant, the administration officer at the South African Divisional Head Office of CIMA, on 24 July 1997, confirmed that CIMA first opened a branch in South Africa in 1950 and that its membership grew to approximately 1 900 persons during the forty years until 1989. During this forty-year period, the CIMA International Head Office in London merely funded a small contingent of administrative staff and did not actively promote CIMA in South Africa. In 1990, however, with the changing in the political situation in South Africa, a divisional director was appointed in South Africa for the first time, after which CIMA operations in South Africa expanded rapidly. For example, according to a telephone conversation on 25 January 1999 with Samantha Louis, the divisional director of the South African Division of CIMA, membership of the body increased from approximately 1 900 to 2 800 persons during the period 1989 to 1998. It would therefore appear that CIMA kept a low profile in South Africa during the previous political dispensation, and only became active from 1990 when political change was in the offing. Another reason for the recent popularity of the CIMA qualification, could be the fact that it is promoted and regarded as an internationally accepted professional qualification, while the political situation in South Africa has induced especially white people to acquire this qualification to enhance their future marketability and job security abroad.

Transnational enterprises, mentioned in (c) above, have definitely contributed to the transfer of accounting technology to South Africa, given the scale of operations of firms like IBM and Pepsico in the country. But sanctions forced several of them to withdraw from South Africa during the 1970s and 1980s after which their influence waned. With the return of these business enterprises, the position may well become reversed.

The methods of transfer mentioned in (d) and (e) above, have only been reintroduced in South Africa recently, after an absence of several decades. This was mainly due to the fact that South Africa was isolated from the rest of the world for most of the last three decades through sanctions.

Of the professional bodies mentioned in (f) above, only the International Accounting Standards Committee (IASC) has recently played a major part in the development of accounting in South Africa, up to the 1994 election. This role can be attributed to the fact that South Africa remained an active member of the IASC throughout its years of isolation, and therefore kept abreast of the accounting issues addressed by this body (Hepworth, 1979: 472; Mockler, 1993: 3).

With the launch of the Harmonisation and Improvement Project of the South African Institute of Chartered Accountants in 1993, the IASC once again emerged as a major influence, seeing that the bulk of the revised South African accounting standards are closely aligned to those of the IASC (Mockler, 1993: 3; Blumberg, 1995: 3).

As regards (g), the fact that the English language has dominated the business world for so long, contributed to the use of English textbooks which further entrenched the British accounting system in South Africa (Victor, 1992: 36). The subsequent emergence of accounting textbooks in Afrikaans in the early 1970s, contributed little to changing the entrenched British position, for at that stage the South African accounting system had already developed along British lines and the new Afrikaans textbooks merely reflected the *status quo*.

In recent times Wallace (1993: 123) has also supported the majority of the above-mentioned points in the international context, by stating that before 1960, accounting regulations and practices moved from the one-time imperial powers to the now independent ex-colonies. He added that countries once incorporated with the British Empire, operate accounting systems based on the belief "that economic resource allocation can be achieved by the invisible (or visible) hands of the free market system."

Moreover, as the United Kingdom is a leading economically developed country according to the World Development Report (1997: 215, 223), and as South Africa and other former British colonies have based their accounting systems on that of the United Kingdom, it follows that the accounting systems of several developing countries (including South Africa) have been greatly influenced by the United Kingdom model.

PROBLEMS ASSOCIATED WITH THE TRANSFER OF THE ACCOUNTING SYSTEMS OF DEVELOPED TO DEVELOPING COUNTRIES

As shown in the previous section, the accounting systems of most developing countries were imported from developed countries. The next logical step would therefore be to determine whether the accounting systems of the developed countries are in fact suited to the environments, circumstances and needs of the developing countries. Problem areas are now individually discussed.

Different environments and needs

According to Scott (1970: 7), the environments in which the accounting systems of developed countries operate, differ to a large extent from those of developing countries. As a consequence, it is unlikely that these systems will produce information which is relevant to developing countries struggling with completely different problems.

Wallace (1990: 43) has stated that the developing countries are not homogeneous, and according to Samuels (1990: 69) neither are their problems which include poverty, unequal wealth distribution, regional economic imbalances, insufficient domestic savings, large foreign debt, low levels of technology and the need to improve education.

Briston (1990: 215) concurs with the view that each country is different and has different needs. As a result, accounting is also likely to be influenced by the different political, economic, social and religious environments in which it operates. He (1990: 201) adds that it should be borne in mind that a specific system of accounting (such as the United Kingdom system) evolved in a particular environment, and may need considerable adaptation to meet the needs of another country.

Considering these points, the financial statements produced in a developing country like South Africa, which are based on accounting standards designed for developed countries, may not address really relevant issues. For example, to what extent are business enterprises involved in alleviating typical problems associated with developing countries? When this is **not** the case, reason for the omission may be due to the fact that **developed** countries do not normally experience these problems.

Different users

Oni (1986: 26) states that the difference between the objectives of financial reporting in developed as opposed to developing countries, lies in the fact that the most important user groups in developing countries are different from the most important user groups in developed countries.

Briston (1984: 12-26) is also of the opinion that the accounting objectives of developed countries are different from those of developing countries, and that conventional accounting statements are investor-driven and therefore of little relevance to countries with few private investors, no stock exchange and very strong government involvement in the economy. He (1990: 201) also argues that the United Kingdom system presupposes that the bulk of economic activity is carried out by companies financed by private shareholders, whose shares are listed on a stock exchange.

Although all of the above scenarios may not apply here, South Africa is in a situation where private and institutional investors mainly consist of the Eurocentic component of South African society, with the Afrocentic majority very much in the background. This problem can mainly be attributed to the fact that the African section of the population was not economically empowered under the previous government (Ramaphosa, 1997: 11). However, moves are afoot to correct this situation, as can be seen in the changing share ownership on the JSE. Black firms owned only R4,6 billion of the total market capitalisation on the JSE in 1995, while this had risen to R65,6 billion (or 7%) by mid-November 1998 (Dasnois and De Kock, 1999: 9).

As was pointed out in previous paragraphs, the financial statements and accounting systems in developed countries are designed primarily for the use of *investors*, although they are used by other people as well. These financial statements would however not necessarily address the problems typical of the developing countries. To do so, changes to financial statements produced by investor-driven accounting systems should include additional disclosures by firms indicating how they assist in alleviating problems like poverty, correct regional imbalances, and contribute to the education of workers. Such disclosures apply specifically to South Africa, and could also be extended to include details on the affirmative action programmes implemented by enterprises.

Market forces in developing countries

According to Samuels (1990: 70), the conventional system of accounting in the developed world is designed for a situation where most of the crucial decisions regarding the allocation of resources are made according to market forces, while this is not necessarily the case in developing countries. Measurement and reporting practices implicit in the accounting standards of developed countries, are designed to meet their own circumstances and would therefore be inappropriate in the case of developing countries where the market forces are affected by government intervention.

The impact of government on free market forces can be illustrated in the South African context, amongst others, by reference to the involvement of the Department of Health in regulating the prices of pharmaceutical products and medicines (SAPA, 1997: 1). The allocation of resources in South Africa therefore also appears to be affected by government intervention.

Acceptance of international accounting standards

Although most national accounting systems initially used by developing countries were designed and became entrenched in colonial days, subsequent developments have mainly been derived from international trends dictated by developed countries such as the United Kingdom and United States. This is confirmed by the fact that several developing countries, including South Africa, have for various reasons chosen to adopt the International Accounting Standards (IASs) issued by the International Accounting Standards Committee (IASC) with only minor changes, for implementation in these countries (Mockler, 1993: 3).

Wallace (1993: 133), however, argues that the International Accounting Standards do not normally address the topics particularly relevant to developing countries, seeing that to developed countries "development" means industrialisation and the improvement of ancillary stock and capital market operations. This view of development might explain why the IASC has neglected the regulation of mining and agricultural businesses which are the potential engines of many developing countries.

Samuels (1993: 20) continues by saying that several research papers have come to the same conclusion, namely that the accounting standards a country adopts, should reflect the local situation. This appears to be confirmed by the South African experience with the acceptance of IASs. So far the "easy" IASs have passed through the Harmonisation and Improvement Project, and already some problems have surfaced (Blumberg, 1995(b): 3).

Consequently, if the problems associated with the status of South Africa as a developing country are taken into account, the acceptance of the IASs without any attempt at making these more acceptable to unschooled users, could create even bigger problems.

Uses of financial statements in developing countries

Peasnell (1993: 10, 11) points out that the *purpose* of accounting information systems should always be kept in mind. The economic and social policies pursued by many third-world countries are different from the developed market economies and call for different kinds of accounting information. He further argues that modern Anglo-American accounting thought is based on the assumption that accounting reports are intended to facilitate decision-making and should therefore be judged in those terms.

According to Samuels (1990: 71), for accounting to be useful in developing countries, is should be relevant to their economy and social climate, and also move towards a more complete information system.

Samuels (1990: 75) adds that the accounting demands of a nation go beyond those required for making economic decisions about business operations and, when properly structured, these should enable a nation to decide on the efficient allocation of its scarce resources.

Briston (1978: 105-20) again states that the accounting standards of the United Kingdom are concerned only with the issues of corporate reporting of annual financial statements, while the information needs of other users are not seen as the concern of the accountant.

Therefore, should financial statements in South Africa be adapted to disclose, in addition to the information required for decision-making in business affairs, also other information associated with the solving of national problems, this could lead to an improved understanding of business and greater loyalty by users with a poor financial background.

One system of accounting for all developing nations

Already some two decades ago, Briston (1978: 109) argued that Western (mainly United States and United Kingdom) accounting systems, particularly in the public sector, did not keep pace even with environmental changes and principles. Systems appropriate to developed countries are therefore most unlikely to be appropriate to the entirely different social and economic environment of the developing world.

Peasnell (1993: 2) concurs with Briston in pointing out that part of the problem is that the accounting needs of the Third World differ greatly from country to country. Developing countries include states like Singapore, Korea and Taiwan which are industrialising rapidly and have a promising future. Some other countries are again rich in natural resources, such as Nigeria and Indonesia, and their relative lack of development has much to do with a colonial legacy, the birth pains of nationhood, and difficulties in establishing good government (Peasnell, 1993: 2).

Samuels (1990: 79) argues that the diversity of economic and social systems in third-world countries, would necessitate evolutionary rather than revolutionary changes in existing accounting systems. Relevant existing information which is available to an enterprise, but which is not disclosed currently, should be presented in the financial statements of enterprises in developing countries. Such disclosures would facilitate a better understanding of financial statements.

Wallace (1990: 4) also states that developing countries are not a homogeneous group and that each country differs from the other as regards:

- gross national product;
- population;
- political system;
- culture;
- economic system; and the
- degree of literacy.

These factors will invariably impact on the nature and extent of financial reporting.

In the light of the above considerations, the accounting systems, the financial reports generated by these systems, as well as the accounting standards of developing countries should be adapted to the circumstances of a particular developing nation.

The South African situation

The accounting system operational in South Africa at present, has been imported from the United Kingdom and the reports generated by it are not necessarily appropriate to overall South African circumstances. Furthermore, at this stage the financial statements generated by the system merely meet the requirements of the first-world component of the South African corporate sector, and the acceptance of IASs will not change the situation. The fact that South Africa is a developing country is ignored, and this is not an ideal situation seeing that a large part of the South African population, including the workers who are becoming a force to be reckoned with, do not understand or accept it as their own.

SUMMARY AND CONCLUSION

In the light of the above considerations, it can safely be stated that the accounting systems of most developing countries, originate from previous colonial powers like the United Kingdom, and others too. Subsequent developments in the accounting systems, and the financial reports generated by them for the developing countries, appear to be derived mostly from accepting the guidance of the IASC and other international accounting bodies. However, the IASC for example, is dominated by the economically developed world, and international accounting standards do not specifically cater for the different environments, users and needs of the developing nations. These standards also do not take into account the fact that market forces in developing countries are usually affected by government intervention, more than in the economically developed nations.

Consequently, the acceptance of IASs by developing countries without any adaptation, fails to accommodate the problems that are unique to them. Furthermore, the heterogeneous nature of the developing countries does not allow for the development of a single system of accounting and reporting for these countries as a group.

RECOMMENDATIONS

Background

In the South African context, it is therefore suggested that the IASs which are accepted in terms of the Harmonisation and Improvement Project, be adapted to reflect the circumstances unique to South Africa as a developing country. This process of adaptation should, seeing that the majority of the South African population and employees are of African origin, amongst other things permit the accommodation of African culture in financial statements by way of additional disclosures. This would lead to greater understanding and possession of financial information by a much larger body of economic stakeholders (Blumberg, 1996: 10).

The line of thought above does not propose that the main body of international accounting standards be South Africanised, as this would defeat the object of the Harmonisation and Improvement Project, which is to make South African corporate reporting more useful to international investors. This would in the long run not contribute to the well-being of South Africa as a whole.

It is however suggested, that the existing standard-setting process be amended, one way or another, to ensure that the majority of the South African population also contribute to the accounting standards developed for South African use. Given the fact that the main body of South African accounting standards should not largely differ from international accounting standards, it proposed that certain *additional* disclosures in financial reports be required in South African accounting statements, over and above what is required by the international accounting standards. These disclosures should take into account the status of South Africa as a developing country, as well as the cultural background of the majority of the South African population. To determine exactly *what* should be disclosed, is a subject for future research. This article addresses only the underlying reason why our current accounting statements fail to meet the needs of our current circumstances.

The existing standard-setting process

At present, the setting of accounting standards in South Africa is the responsibility of the South African Institute of Chartered Accountants, the body that represents the chartered accountants of the country (Samkin, 1996: 74). This body is therefore ultimately responsible for the generally accepted accounting practices currently applied in South Africa. In order to ensure that the necessary (above-mentioned) disclosures are in fact made, it is recommended that the composition of the bodies involved in the standard-setting process in South-Africa be investigated and revised, to ensure that the majority of the South African population also contribute to the accounting standards prepared for South African use.

The current composition of bodies involved in the standard-setting process in South Africa

At present two bodies are involved in the local standard-setting process, namely, the Accounting Practices Board and the Accounting Practices Committee (Samkin, 1996: 73).

The control, development and publication of statements pertaining to generally accepted accounting practice in South Africa, rests with the Accounting Practices Board, which is composed as follows:

- Banking Associations Joint APB Committee;
- Chamber of Mines of South Africa;
- Die Afrikaanse Handelsinstituut;
- Institute of Municipal Treasurers and Accountants;
- Investment Analysts Society of Southern Africa;
- Public Accountants' and Auditors' Board;
- Southern African Accounting Association;
- The Chartered Institute of Management Accountants;
- The Johannesburg Stock Exchange;
- The South African Chamber of Business;
- The South African Institute of Chartered Accountants;
- The South African Institute of Chartered Secretaries and Administrators; and the
- Steel and Engineering Industries Federation of South Africa.

(Source: South African Institute of Chartered Accountants, 1991: AC100.03.)

Moreover, the Accounting Practices Board was formed by the National Council of Chartered Accountants (SA) (currently the South African Institute of Chartered Accountants) (Vorster, *et al.*, 1997: 5). To ensure that the accounting standards developed commanded the widest possible acceptance, the National Council of Chartered Accountants decided to form a body sufficiently representative of the business community to provide leadership in the setting of accounting standards (Samkin, 1996: 74). The Accounting Practices Board members are appointed by their constituent bodies as follows: The South African Institute of Chartered Accountants appoints five members, the Johannesburg Stock Exchange appoints two members and all the other bodies appoint a single member. Each member has a single vote; the chairman is non-voting and does not represent a constituent body (Blumberg, 1995(a): 1).

The Accounting Practices Committee is a committee of the South African Institute of Chartered Accountants, and is responsible for the development of statements of generally accepted accounting practice. Once these statements have been developed, they are submitted to the Accounting Practices Board for approval (Samkin, 1996: 75).

According to Blumberg (1995(a): 2), the composition of the Accounting Practices Committee is as follows:

- 1 chairperson;
- 4 auditors;
- 3 preparers;
- 2 users;
- 1 academic; and
- 2 International Accounting Standards Committee representatives (as observers).

Blumberg (1995(a): 2) adds that the members of the Accounting Practices Committee are appointed by the Council of the South African Institute of Chartered Accountants on the principle of the "best person for the job". During their term of three years, members present their own view and not that of their firm or company.

Problems associated with the current composition of standard-setting bodies

In view of the composition of the two bodies involved in the current standard-setting process, and the well-known fact that the majority of leadership positions in the South African business world are held by chartered accountants, the standard-setting process for accounting standards is clearly dominated by the South African Institute of Chartered Accountants. According to Mabena (1997: 5), less than 10% of the chartered accountants in South Africa are black (i.e. Coloured, Indian and African) and of that 10% only very few are African (Aitken, 1995: 21). Consequently, it is evident that the representation by the African section of the population in the standard-setting process is very limited, therefore, their influence on the standard-setting process is also bound to be limited. Apart from the fact that their numbers are small, it should be kept in mind that African chartered accountants are highly skilled individuals who probably subscribe to Western culture to a large extent. For these reasons, merely enlarging the Accounting Practices Board or the Accounting Practices Committee by appointing an African chartered accountant, is unlikely to serve the African cause, or the cause of employees as stakeholders in enterprises.

From the perspective of the developing world, there is also a lack of representation in the current system of standard-setting. Individuals endowed with this kind of knowledge are not likely to be represented amongst the members currently listed under either the Accounting Practices Board or the Accounting Practices Committee.

Final recommendations

To solve the problems identified above, it is recommended that the composition of the Accounting Practices Board and the Accounting Practices Committee be amended as follows:

- To serve the cause of employees as users of financial information and the African perspective, representation on these bodies should be extended by appointing members of the major trade union groupings in South Africa and the National Economic Development Labour Council (NEDLAC). Examples of trade unions would be the Congress of South African Trade Unions (COSATU) and the National Council of Trade Unions (NACTU).

- To amend financial reports to disclose the way in which enterprises have addressed the problems associated with developing countries, development economists and representatives from appropriate government departments dealing with specific development issues, may be appointed to the above-mentioned two bodies.

In fairness to the South African Institute of Chartered Accountants, it should be mentioned that a new accounting standard-setting process has in fact been proposed, where COSAS and NEDLAC are represented on the nomination board (South African Institute of Chartered Accountants, 1995: 28). To date, however, the old system still functions and as the proposed new system would only allow four representatives from each nomination group and representation for African culture is not guaranteed, it is doubtful whether the proposed new standard-setting process will satisfactorily address the problems discussed above, or main issues pertaining to the economically developing countries.

REFERENCES

1. AITKEN, C. (1995) "Where to from here?", *Accountancy SA*, May, 21-4.
2. BETHLEHEM, R (1996) "No Boom Visible yet but Reason for Optimism", *Financial Mail*, 20 December: 16.
3. BLUMBERG, R. (1995a) *The Accounting Standard Setting Process in South Africa*, Unpublished report prepared by Project Director: Accounting, South African Institute of Chartered Accountants: 1-2.

4. BLUMBERG, R. (1995b) "International Accounting Standards - the Way to Go?", *Accountancy SA*, May: 3.
5. BLUMBERG, R. (1996) "An Employee Perspective on Disclosure of Information", *Accountancy SA*, September: 5-10.
6. BOOYSEN, S.F. (1993) *'n Raamwerk vir Finansiële Verslagdoening aan Werknemers in die Republiek van Suid-Afrika*, Unpublished doctoral thesis. Pretoria: University of Pretoria.
7. BRISTON, R.J. (1978) "The Evolution of Accounting in Developing Countries", *International Journal of Accounting Education and Reseach*, 14(1): 105-20.
8. BRISTON, R.J. (1984) "Accounting Standards and Host Country Control of Multi-Nationals", *British Accounting Review*, 16: 12-26.
9. BRISTON, R.J. (1990) "Accounting in Developing Countries: Indonesia and the Solomon Islands as Case Studies for Regional Co-Operation", In: Wallace, R.S.O., Sameuls J.M. and Briston R.J.(eds.) *Research in Third World Accountancy*, Vol 1, London: Jai Press Ltd.
10. CHADERTON, R. & TAYLOR, P.J. (1993) "Accounting Systems of the Caribbean: Their Evolution and Role in Economic Growth and Development", In: Wallace, R.S.O., Sameuls J.M. and Briston R.J.(eds.) *Research in Third World Accountancy*, Vol 2. London: Jai Press Ltd.
11. DA COSTA, R.C., BOURGEOIS, J.C., and LAWSON, W.M. (1978) "Linkages in the International Business Community: Accounting Evidence", *International Journal of Accounting Education and Research*, 13(2): 73-85.
12. DASNOIS, A. & DE KOCK, E. (1999) *Business Report*, 27 January, 9.
13. DE LANGE, L. (1998) "Laat die Rand Val", *Finansies en Tegniek*, 5 Junie: 7.
14. FRANK, W.G. (1979) "An Empirical Analysis of International Accounting Practices", *Journal of Accounting Research*, 17(2): 593-605.
15. HEPWORTH, J.A. (1979) "The International Accounting Standards Committee", *South African Chartered Accountant*, 15(November): 472-3.
16. HINTON, G. (1968) "The International Harmonisation of Auditing Standards and Procedures", *South African Chartered Accountant*, 4(January): 5-11.
17. KAMUKWAMBA, C.C. (1997) "ACCA in South Africa", *Accountancy and Finance Update*, 2(April): 14,15.
18. MABENA, P. (1997) "Building for the Future", *Accountancy SA*, May: 5-11.
19. MUELLER, G.G. (1966) "Accounting Principles Generally Accepted in the United States versus Those Generally Accepted Elsewhere", *International Journal of Accounting Education and Research*, Vol 3, No 2: 91-103.
20. MOCKLER, K.G. (1993) *Newsletter to Members from the Chief Executive*, Letter, 10 December: 1-4.

21. MULLER, J. (1998) "Waar jou Rand Iets Werd is", *Finansies en Tegniek*, 11 September: 12.
22. NAFZIGER, E.W. (1997) *The Economics of Developing Countries*, New Jersey: Prentice-Hall International Inc.
23. ONI, A.M. (1986) "The Objective of Financial Reporting: The viewpoint of a Developing Country", In: *Standard Setting for Financial Reporting - a Report of the Proceedings on an International Conference*, August 17-20, at the Henry Chauncey Conference Centre Princeton, NJ.
24. PEASNELL, K.V. (1993) "Accounting in Developing Countries: The Search for Appropriate Technologies", In: Wallace, R.S.O., Sameuls J.M. and Briston R.J.(ed.) *Research in Third World Accountancy*, Vol 1, London: Jai Press Ltd.
25. RAMAPHOSA, C. (1997) "Empowerment - the Future of Black Business", *Boardroom*, February: 11-14.
26. SAMKIN, J.G. (1996) *South African Corporate Management's Attitude to the Accounting Standard-Setting Process and International Harmonisation*, Unpublished doctoral thesis, Pretoria: University of South Africa.
27. SAMUELS, J.M. (1990) "Accounting for Development: An Alternative Approach", In: Wallace, R.S.O., Sameuls J.M. and Briston R.J.(ed.) *Research in Third World Accountancy*, Vol 1. London: Jai Press Ltd.
28. SAMUELS, J.M. (1993) "International Accounting Standards in the Third World: A Synsthesis of Six Articles", In: Wallace, R.S.O., Sameuls J.M. & Briston R.J.(ed.) *Research in Third World Accountancy*, Vol 1. London: Jai Press Ltd.
29. SAPA. (1997) "Doctors May face Community Service", *The Pretoria News*, 20 June: 1.
30. SCHOOMBEE, P. (1996) "Onstabiele Rand SA se Voorland", *Finansies en Tegniek*, 23 February: 9.
31. SCOTT, G.M. (1970) *Accounting and Developing Nations*. Seattle: University of Washington Graduate School of Business Administration.
32. SINGH, S. (1997) "Some Major Black-Controlled Firms on the JSE Perform Well". *Business Day Online - News*, 3 July, http://www.bday.co.za/cgi-bin/post-query.perl.
33. SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS. (1991) *Preface to Statements of Generally Accepted Accounting Practice*, AC100, Johannesburg.
34. SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS. (1995) *Proposed amendments of the Companies Act, 1973 on Legal Backing to Accounting Standards*, Johannesburg.
35. STRACHAN, B. (1997) "Sloppy Planning Cripples Good Intentions", *Sunday Times Business Times*, 27 July: 28.
36. THE WORLD BANK. (1997) *World Development Report 1997*, New York: Oxford University Press.

37. TODARO, M.P. (1994) *Economic Development,* New York: Longman Publishing.
38. VICTOR, D.A. (1992) *International Business Communication,* New York: Harper Collins Publishers Inc.
39. VORSTER Q., JOUBERT, W.A., KOEN, M. and KOORNHOF, C. (1997) *Descriptive Accounting,* Kenwyn: Juta and Co, Ltd.
40. WALLACE, R.S.O. (1990) "Accounting in Developing Countries: A Review of Literature", In: Wallace, R.S.O., Sameuls J.M. and Briston R.J.(ed.), *Research in Third World Accountancy,* Vol 1, London: Jai Press Ltd.
41. WALLACE, R.S.O. (1993) "Development of Accounting Standards for Developing and Newly Industrialized Countries", In: Wallace, R.S.O., Sameuls J.M. and Briston R.J.(ed.), *Research in Third World Accountancy,* Vol 2, London: Jai Press Ltd.
42. WALLACE, R.S.O & BRISTON, R.J. (1993) "Improving the Accounting Infrastructure in Developing Countries", In: Wallace, R.S.O., Sameuls J.M. and Briston R.J.(ed.), *Research in Third World Accountancy,* Vol 2, London: Jai Press Ltd.
43. WOOD, S. (1996) "Rand's Slim Chances", *Finance Week,* 25 April: 7.