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Accounting Forum

journal homepage: www.elsevier.com/locate/accfor



'Agents-in-focus' and 'Agents-in-context': The strong structuration analysis of central government accounting practices and reforms in Nepal

Pawan Adhikari*, Kelum Jayasinghe

Essex Business School, University of Essex, UK

ARTICLE INFO

Article history:

Received 3 June 2016
Received in revised form
31 December 2016
Accepted 11 January 2017
Available online xxx

Keywords:

Strong structuration theory
Emerging economies
Government accounting
Nepal

ABSTRACT

Drawing on Stones' (2005) strong structuration theory, the paper unfolds why and how the key stakeholders of central government accounting in Nepal are involved in the reproduction of routinised accounting practices, resisting the externally-propagated changes. Government accountants (the agents-in-focus) through their capability to control the budget routines have enjoyed a powerful social position in their position–practice relations with the agents-in-context, i.e. professional accountants and international consultants, higher-level officers and administrators, auditors, and politicians. Social position along with historically-imbued dispositions and their conduct and context analysis have enabled government accountants to strategically exercise their agency. Government accountants have articulated duality and a dialectic relation with the agents-in-context, which have resulted in the reproduction of everyday accounting practice and the resistance to the World Bank-led reforms, such as accrual accounting and, more recently, the Cash-Basis IPSAS.

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1. Introduction

This paper is meant to generate a nuanced insight into central government accounting practices and reforms in emerging economies. In particular, using Stones' (2005) strong structuration theory (SST) as a sensitising device, we have striven to investigate 'why' and 'how' the key internal stakeholders of central government accounting in Nepal, including government and professional accountants, higher-level officers and administrators, international consultants, politicians, and auditors, are involved in the reproduction of routinised accounting practices, resisting the externally-propagated changes. We have given special attention to government accountants (the agents-in-focus) at different levels of Nepalese administration who share similarities in agency and structures, given their central role in mediating accounting practices and changes within the networks of relationships.

Prior work on government accounting and budgeting in Nepal (Adhikari, Kuruppu, & Matilal, 2013; Adhikari & Mellemvik, 2011), as well as in other emerging economies (Harun, Peursen, & Eggleton, 2012; Goddard, Assad, Issa, & Malagila, 2016; Lassou & Hopper, 2016; Neu et al., 2009), has given much attention to international monetary organisations, mainly the World Bank and the International Monetary Fund (IMF), and the institutional pressures that these organisations have exerted to instigate reforms. These organisations, through their lending activities, technical assistance, and reports on best prac-

* Corresponding author.

E-mail address: padhik@essex.ac.uk (P. Adhikari).

tices, have created a perception that government accounting practice in emerging economies is deficient, resulting in weak governance, accountability, and economy (Rahaman & Lawrence, 2001; Rahaman, 2010; Hopper et al., 2016). Therefore, government accounting reforms lay at the heart of their development discourses about these economies, which they argue would be achieved by adopting certain neo-liberal measures advocated by the New Public Management (NPM) and the New Public Financial Management (NPFM) (Hood, 1995; Guthrie, Olson, & Humphrey, 1999); for instance, accrual accounting, participatory budgeting, and International Public Sector Accounting Standards (IPSASs) (Van Helden & Uddin, 2016; Kuruppu et al., 2016).

The experience of many emerging economies which have, in recent years, undertaken reforms in government accounting delineates that such changes have often been overshadowed by unintended consequences and failures (Uddin, Gumb, & Kasumba, 2011; Goddard et al., 2016). In some emerging economies, reforms have been abandoned as they have turned out to be difficult to implement, and, in other cases, they have been adopted but not put into practice or proved to be dysfunctional (Andrews, 2012; Adhikari et al., 2013; Hopper et al., 2016). For instance, Lassou and Hopper (2016) have in their study of a country in Francophone Africa illustrated how a locally-developed government accounting system, widely regarded as effective, was abandoned for a French system, which later turned out to be problematic in practice. That government accounting reforms have become more a means for emerging economies to secure legitimacy at the institutional level rather than for improving the existing practice is evident in the extant literature (Adhikari & Mellemvik, 2011; Harun et al., 2012; Neu et al., 2009). Several reasons have been cited for the failure of the ceremonial adoption of externally-proposed government accounting reforms in emerging economies, primarily inadequate planning; poorly grounded reform recipes, i.e. the adoption of the one-size-fit approach; a lack of human resources and IT systems; and the intervention of consultants (Van Helden & Uddin, 2016; Van Helden & Ouda, 2016). Corruption has become another dominant factor in recent years making government accounting reforms in emerging economies expensive and dysfunctional (Goddard et al., 2016; Uddin et al., 2011).

With few exceptions (Jack & Kholeif, 2008; Uddin & Tsamenyi, 2005), the issues of organisational actors (agency) at the ontic (micro) level and the influence that these actors can have in making public sector accounting reforms in emerging economies a success or a failure have drawn less attention in the literature. For instance, Uddin & Tsamenyi (2005) have in their case study of budgetary and other public sector reforms in a Ghanaian state enterprise illustrated why such changes were politicised and delayed by internal actors, thereby making them unable to serve public interests. In a similar vein, Jack & Kholeif (2008) have investigated the implementation and use of Enterprise Resource Planning, an information technology system, in an organisation in Egypt, and reported an exploration of conflicting beliefs about the role of management accountants. Studies have delineated that organisational actors resist the proposed accounting changes that are incompatible with the existing practices and structures (Nor-Aziah & Scapens, 2007; Englund et al., 2011; Scapens & Roberts, 1993). Such changes lead to structural contradictions and pose organisational actors with a threat in pursuing their interests and exercising their power relationships (Ashraf & Uddin, 2015). Organisational actors, therefore, tend to maintain the status quo so that their vested power and interests are not affected by the outcomes of the reforms.

However, there remains a paucity of research addressing how government accounting permeates day-day work and the role of active agency and structures in facilitating accounting practices and resisting changes. By looking at the central government accounting of Nepal, this study aims to make a contribution to the substance of this debate. A striking aspect of Nepalese government accounting has been the stability of cash accounting, despite several endeavours over the last five decades to implement reforms such as accrual accounting and programme budgeting, and, more recently, the Cash-Basis International Public Sector Accounting Standard (IPSAS) (Adhikari et al., 2013). This stability in accounting has resulted in the Nepalese central government being a prominent research setting to explore the role of agency and structures, factors which play a key role in executing accounting practices and changes (Adhikari & Mellemvik, 2011).

As mentioned earlier, we have drawn on Stones' (2005) SST as a sensitising device to investigate why and how the key internal stakeholders of Nepalese government accounting are involved in the reproduction of routinised accounting practices and resisting changes. The SST is claimed to be the strengthened version of structuration theory contributing to the extension of knowledge assembled by prior Giddensian work, which is focused on the duality between agents and abstract structures, i.e. significance, legitimation, and domination, through the combination of the external and internal aspects of structures (Coad, Jack, & Kholeif, 2015; Coad, Jack, & Kholeif, 2016; Harris, Northcott, Elmassri, & Huikka, 2016). The SST-based accounting literature argues that the theory has helped accounting researchers overcome the Giddens flat and abstract ontology and promote empirical case studies of particular agents and structures, where the agents are embedded in a network of position–practice relations at different ontological scale (Coad & Glyptis, 2014; Elmassri et al., 2016; Feeney & Pierce, 2016). Coad et al. (2015) state that another strength of strong structuration theory (SST) lies in its potential for effective research design for empirical studies so as to generate more meaningful insight into the way accounting is implicated in everyday organisational life. We argue that the use of SST in this study enables us to focus more on agency and outcomes, and to engender a comprehensive understanding of day-to-day government accounting practices and reforms in Nepal by unfolding the position–practices of government accountants (the agents-in-focus) and their capability of articulating duality and a dialectic of relations with other agents (the agents-in-context).

The remainder of this paper is organised as follows. In section 2, we discuss Stones' SST and its relevance in the study of government accounting practices and reforms in Nepal. The research method is outlined in section 3. Section 4 offers a brief overview of the evolution of Nepalese public administration and government accounting, and sheds light on the day-to-day government accounting practices and the changes proposed. We present our empirical findings in Section 5, analysing the

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