

**GLOBAL CAPACITY BUILDING AND THE SOCIAL SIGNIFICANCE OF THE
ACCOUNTANCY PROFESSION**

**A thesis submitted to the University of Manchester for the degree of Doctor of
Philosophy (PhD) in the Faculty of Humanities**

2019

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Word count: 90,568

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LIST OF ABBREVIATIONS AND ACRONYMS

ACCA	Association of Chartered Certified Accountants ^[1] _[SEP]
ADB	African Development Bank
AOB	Audit Oversight Board in Egypt
AME	Arab Middle East
CIMA	Chartered Institute of Management Accountants
CIPFA	Chartered Institute of Public Finance and Accountancy
CMA	Capital Market Authority-Egypt
DFID	Department for International Development- United Kingdom
DNC	Developing Nations Committee-IFAC
EAS	Egyptian Accounting Standards
ECE	Egyptian Code of Ethics
EIAA	Egyptian Institute of Accountants & Auditors
ERSAP	Economic Reform and Structural Adjustment Programme
ESA	Egyptian Standards on Auditing
ESAA	Egyptian Society of Accountants & Auditors
EU	European Union
FRA	Financial Regulatory Authority-Egypt
FSRP	Financial sector reform programme
FSF	Financial Stability Forum
HEEP	Higher Education Enhancement Project-Egypt
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICAEW	Institute of Chartered Accountants in England and Wales
ICAS	Institute of Chartered Accountants of Scotland
IES	International Education Standards
IFAC	International Federation of Accountants
IFAD	International Forum on Accountancy Development
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
IMF	International Monetary Fund
MDGs	Millennium Development Goals
MENA	Middle East and North Africa region
MoF	Ministry of Finance-Egypt
MOHE	Ministry of Higher Education-Egypt
MOSAIC	Memorandum Of understanding to Strengthen Accountancy and Improve Collaboration
NGO	Non-governmental organisation
NIFA	New International Financial Architecture
OECD	Organisation for Economic Co-operation and Development
PAFA	Pan African Federation of Accountants
PAO	Professional Accountancy Organisation
PAODC	Professional Accountancy Organisation Development Committee-IFAC
PAO GDR	Professional Accountancy Organisation Global Development Report
ROSC	Reports on the Observance of Standards and Codes
SAE	Syndicate of Accountants in Egypt

SDGs	Sustainable Development Goals
SMO	Statement of Membership Obligations-IFAC
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
USAID	United States Agency for International Development

STATEMENT ON AUTHORSHIP

This thesis has been written by Perla Mardini under the supervision of Prof. Chris Humphrey and Prof. Brendan O’Dwyer. This statement helps to clarify the use of the terms “I”, “We” and “Our” and the contributions of my supervisors to the writing within this thesis. Hereby, I declare that the term “I” has been used in various chapters (chapters one, two, and six) to discuss the research aims and objectives, give a detailed account of the research methodology and methods used for data collection and analysis, and identify the empirical and theoretical contributions in this thesis. The terms “We” and “Our” to reflect the contributions of my supervisors in the writing of Chapter Three in particular, and their feedback and comments on Chapters Four and Five.

ABSTRACT

The establishment of national and international development agencies in the period after the Second World War and their increased participation in kinds of projects to support social and economic development in developing countries led to a broader development agenda that encompasses issues such as capacity building. This issue evolved to become a central focus of agencies' efforts and offered an overarching concept enabling deeper co-ordination among divergent agencies operating in the international development (ID) field to contribute to sustainable development at the national level. Definitions of capacity building used by different agencies have been vague and inconsistent ranging in scope from a narrow focus on organisational reform to expansive ideas of political and social transformation.

This thesis explores how capacity building came to be shaped in a way to include a commitment to strengthening local accountancy professions. It examines the engagement of the global accountancy profession with the capacity building issue, which involved building a close relationship with international development agencies. Such relationships developed visibly following the mid-1990s Asian crisis and the emphasis being placed on the global adoption of international standards including IFRS/IASs and ISAs to the maintenance of financial stability and the strengthening of the international financial architecture. The International Federation of Accountants (IFAC) succeeded in obtaining a crucial place in the networks of the new international financial architecture and became recognised as a global standard setter. While setting and encouraging the adoption of standards was important, following the succession of subsequent corporate scandals in the United States, significant emphasis was placed on issues of compliance and enforcement. Hence, the global accountancy profession and development community have worked together to enforce adherence to international standards through capacity building, to contribute to local economic and professional development. Despite the efforts made globally to strengthen the capacity of local accountancy professions, and the support rendered by major development agencies, this topic has received little policy and academic attention.

The thesis is composed of three research papers that illustrate: how the global accountancy profession engaged with the capacity building issue to support the strengthening of local professions; the impact that such engagement produced in national professional domains; and the role that education needs to play in a reconfigured representation of capacity building. The research papers are theoretically framed using the concepts of issue-based fields, institutional work, and decoupling. The first research paper examines how IFAC engaged with a range of international development agencies to infiltrate an emerging field focused on the capacity building issue. The paper shows how IFAC sought to shape the interpretation of, and associated capacity building practices to align with its preferred interests and expansion ambitions. The second research paper presents a field-level study of Egypt examining the impact of capacity building efforts on the development of the local accountancy profession and on affecting institutional change, as well as the local responses of national actors to global agendas and related influences. Egypt provides an interesting empirical site as it shows the difficulties and challenges of capacity building in developing countries. Building on the findings of paper two, paper three has important policy implications as it sheds light on the need for global bodies like IFAC and development agencies to focus on accounting educational reform when considering capacity building projects given its contribution to accounting professional development and to the social and economic progress of developing countries and Egypt specifically.

DECLARATION

I declare that no portion of the work referred to in the thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning.

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ACKNOWLEDGMENTS

The PhD has been a journey of constant challenges, but at the same time the most interesting and rewarding experience. This journey would not have been possible without the support of my supervisors, family, and friends. I would like to first express my sincere thanks and gratitude to my supervisors Prof. Chris Humphrey and Prof. Brendan O'Dwyer. Your patience, advice, and guidance have been invaluable, and it has been an honor to be your PhD student and learn from you. Chris, your immense knowledge and creative ideas have always been an inspiration to me. I appreciate all your time, contributions, and insightful advice to make my PhD experience productive and stimulating. I would like to thank Brendan for accepting to join my supervisory team from 2017, to act as my co-supervisor. Thank you Brendan for your interest in my research and for always finding time to meet with me, and providing constructive comments and feedback on my work. I would also like to thank you for all your support and continuous guidance, which greatly boosted my research progress. I would also like to thank Heba El Sayed, who acted as my co-supervisor during the first year of my PhD, and was influential in the development of my thesis topic and the focus on Egypt.

Besides my supervisors, I would also like to thank the Accounting and Finance PhD committee, especially Prof. Stuart Turley and other faculty members, for their insightful comments and suggestions during the mid-year and annual reviews. Moreover, I thank all the interviewees who accepted to take part in, and contribute to my research.

A special thanks also goes to all my friends in Manchester and PhD colleagues who accompanied me on this journey and made my stay in Manchester memorable and enjoyable. To my flat mates Tiffany and Sophia, thank you for always being there and for becoming my family in Manchester. To my colleagues and friends, especially Najeeba and Marta, thank you for your advices and for our chats and discussions around our work. Thank you so much Faten for being a great friend and always spreading positive vibes.

Finally, I would like to thank my lovable parents, siblings, and my husband for their unconditional support and encouragement. To my dad, thank you for supporting me throughout my entire life and believing in me. You have always inspired me to push harder to achieve my ambitious goals and constantly motivated me to pursue a PhD. I thank my mom with all my heart for supporting me in every imaginable way and constantly sending me her blessings. To my siblings, Yolla, Marina and Sarkis, thank you for keeping me motivated, for visiting me, and for listening and being there whenever I needed you. I am deeply indebted to my husband, Ziad, who has greatly supported me throughout my time as a PhD student. Thank you for being there when I needed you the most, and for continuously encouraging me and believing in me. Thank you for all your love, support, patience and encouragement, which enabled me to complete this thesis.

CHAPTER ONE: INTRODUCTION

1.1 General overview

The series of global financial crises that erupted in the 1990s demonstrated the fragility of the international financial system and the need for a more effective and strong regulatory framework. This has necessitated the reconsideration of the international financial architecture to address the problem of the financial instability that had been exposed by the crisis. Moreover, this led to the emergence of the so-called 'New International Financial Architecture' (NIFA) at the Cologne summit in 1999 that relied upon enhanced financial transparency and international standards. Particularly, in the wake of the Asian financial crisis, the International Federation of Accountants (IFAC) has succeeded in gaining a crucial place in the networks of the NIFA and has secured a degree of support for its endeavours from the world's most influential international organisations and development agencies and became recognised as a global standard setter (Loft et al., 2006). For instance, the financial stability forum (FSF) established in 1999 by the G7 Finance Ministers endorsed a set of twelve key standards for achieving financial stability including international accounting standards (IFRS/IAS) and international auditing standards (ISAs) (Humphrey et al., 2009). All countries have been encouraged to adopt the FSF's key standards and codes. Further, the program of "Accounting & Auditing Reports on Standards and Codes" (A&A ROSC) jointly launched by the World Bank and IMF in 1999, to assist developing or emerging economies in the compliance with international standards and codes, used IFRS/IAS and ISAs as the benchmark. This regime has been labelled by Robert Wade as the "Standards-Surveillance-Compliance" system, and the use of international standards was expected to help to strengthen global financial stability and increase transparency (Wade, 2007).

With the rise of the NIFA, the pursuit of financial stability has been closely connected to the global adoption of standards and reinforced the need to focus on strengthening local accountancy professions, and in turn capacity building. IFAC's global significance and position was potentially strengthened both within the global regulatory and the development community through the establishment of the International Forum on Accountancy Development (IFAD) in 1999. Its aim was to build accounting capacity and capabilities in

developing countries and advance the harmonization of international standards (Street & Needles, 2002). The IFAD was created as a working group between IFAC, the large accounting firms, the Basel Committee, IOSCO, OECD, UNCTAD, and the World Bank and regional development banks, which flowed from the East Asian crisis. Although IFAD was subsequently terminated in 2001 (Street & Needles, 2002), it had stimulated future collaboration between IFAC and the international development agencies, as they had shared a common interest in capacity building. Yet, the succession of subsequent financial crises such as the Enron and WorldCom scandals that hit the United States in 2001-2002, and the global financial crisis that struck in 2007-8, magnified the importance of the accountancy profession's role in the development of strong international economies and required the adoption of and compliance with a single set of high quality international standards. Hence, while setting and encouraging the adoption of such standards was important, following the succession of subsequent corporate scandals, significant emphasis was placed on issues of compliance and enforcement. Hence, the global accountancy profession and development agencies have worked together to enforce adherence to international standards through capacity building and the strengthening of accountancy organisations. Focusing more narrowly on compliance, IFAC instituted the Member Body Compliance Program in 2004 to support and enforce compliance with the standards produced by the IFAC boards and committees and with IFRS, as well as with the standards produced by other international independent standard-setting boards (IFAC's Statements of Membership Obligations (SMOs)). In addition, IFAC made considerable efforts to engage with a range of international development agencies to support its expansion ambitions and the ongoing efforts in the implementation of and compliance with international standards. This included 1) the signing of MOSAIC in 2011, a historical memorandum of understanding between IFAC and 12 development partners, to enhance support for capacity building efforts aimed at strengthening professional accountancy organisations and promoting adherence to high quality international standards; and 2) the launching of IFAC-DFID capacity building program in 2014 to support the development and growth of accountancy professions in various developing countries.

Capacity building, a key concept in international development, has been defined differently by various development agencies often with distinct organisational aims, such as the World

Bank, USAID, OECD, and UNDP, and was shaped by their own fundamental beliefs and agendas, making it a broad and vague concept. In fact, while some describe it as a process, for instance towards reduction of poverty, others see it as a development objective targeting the development of individuals, organisations or societies. In addition, documents produced by some of the leading development agencies share a more expansive vision of capacity building as a broad and ambitious undertaking that brings about social and political change (Venner, 2015). Yet, despite the broad and varied usage of the concept, a significant feature of capacity building is that it requires the participation of various actors to address complex multi-faceted problems in developing countries and contribute to social and economic development at the national level. This thesis shows how capacity building, as broadly defined, came to be focused on the strengthening of local accountancy professions to contribute to economic development and sustainable growth in developing countries. Such capacity building efforts undertaken by the global accountancy profession have been assisted by the global expansion of international accounting and auditing standards and the priority given to compliance and enforcement of such standards, and attracted significant support and funding from major international development agencies without attracting sufficient policy and academic attention. Hence, sparse literature and the lack of clarity of the concept of capacity building in general and in relation to accounting emphasise the need for further research. In addition, there has been limited scholarly attention devoted to issues of global compliance and enforcement despite the importance of widespread compliance with a specific set of international standards to capacity building and the strengthening of local accountancy profession.

1.2 Research objectives and research questions

This thesis is composed of three research papers that examine efforts to strengthen accountancy professions through capacity building at the global level through a case study of IFAC, as well as the local level in a particular developing country through a field-level study of Egypt. In the present thesis, evidence was collected through two qualitative case and field level studies and three research papers (chapters three to five), which compose this thesis. The three research papers are interlinked and the underlying theme across all three papers is capacity building.

The first research paper (Chapter three) illustrates how the broader capacity building concept became closely connected to notions of financial stability, compliance and enforcement, and accounting professional development, and examines the engagement of the global accountancy profession with capacity building. Accordingly, the paper's primary aim is to examine how IFAC, the global organisation representing the accountancy profession, has engaged with a range of international development agencies and infiltrated an emerging field centred around the capacity building issue- which we term as 'the capacity building issue-based field'. The paper seeks to explore how IFAC shaped the interpretation of, and associated capacity building practices to suit its preferred interests and expansionary ambitions. In fact, the paper shows how capacity building came to be shaped in a way to include a commitment to strengthening local accountancy professions. Our focus allows us to explore how capacity building provides means for the global accountancy profession to extend its global reach and jurisdiction and gain considerable global influence.

The second research paper (Chapter four) departs from a macro-level study to a field-study that examine the impact of global bodies' efforts to strengthen the local accountancy profession through capacity building in a particular local context, Egypt. The aim of the paper is to examine the efforts undertaken by powerful global actors to instigate institutional change through capacity building such as change in accounting standards, and in the legal and regulatory frameworks. At the same time, the paper examines the response of the various institutional actors within the accountancy professional field in Egypt to the change attempts. Accordingly, the paper's aim is to capture both, efforts made to instigate institutional change, and those made to enable or hinder the change. This provides an interesting case where global capacity building initiatives have been confronted with resistance from the local accountancy profession viewing them as a potential threat to existing institutional arrangements. In particular, paper two addresses the limitations of capacity building when they confront the realities of local accountancy professions and their differing interests and potential resistance to global agendas and pressures. Moreover, the case of Egypt provides evidence of the dominance of private interest on the part of the local accountancy profession.

The third research paper of the thesis (Chapter five) builds on the findings of paper two by exploring one potential avenue for reform, which is supporting educational reform. Accordingly, the paper's primary aim is to illustrate the fundamental problems facing accounting education in a country like Egypt and highlight the need for capacity building to focus on improving education. Given the inefficiency of the education system in Egypt and the serious issues facing accounting education, paper three addresses the need for global bodies like IFAC and international development agencies to shift their focus and resources away from enforcement of and compliance with international standards towards other important issues that are of particular interest to developing countries, and specifically Egypt. The paper has important policy implications as it sheds light on the need for capacity building projects focused on strengthening accountancy professions to address national priorities and focus on areas such as education. The paper reveals that, in a country with ongoing socio-economic challenges, political turmoil and instability especially following the Arab spring uprisings, efforts to develop the profession should be outweighed by the need to first focus efforts on addressing social issues, such as supporting educational reform, which is key to promoting sustainable and inclusive economic growth and social progress of developing countries like Egypt.

Based on these aims, the three research papers seek to answer the following research questions:

1. How and why IFAC sought to infiltrate the capacity building issue-based field and become an influential actor in this field?
2. How did the accountancy profession in Egypt respond to the disruption and the institutional changes underpinning capacity building efforts?
3. What are the problems and challenges facing accounting education in Egypt? What is the role of capacity building in addressing these challenges?

1.3 Theoretical approach

Discussions of capacity building make it clear that it cannot be seen or undertaken in isolation, but is rather deeply embedded in the social, economic, and political environment within which capacity building efforts take place (Eade, 1997, 2007; Venner, 2015).

However, the ubiquitous references to capacity building in many development agency documents resulted in controversy over its meaning. Capacity building becomes a contested arena with competing institutional forces, requiring the involvement of and interaction between a wide range of different actors and organisations with competing agendas, interests, and pressures shaping what is seen as capacity building. Studying capacity building through analysis of the institutional forces at play provides interesting insights into the ways in which capacity building interventions that encompass multiple actors are undertaken at the global level, and the processes through which they are operationalised in a local context in the presence of global pressures for change. As such, three distinct, but interlinked theoretical approaches, drawn from the neo-institutional theory, were adopted in this thesis. The current section commences by introducing the theoretical frameworks adopted in each of the three papers, and then justifies and explains the link between the chosen theories.

1.3.1 Paper one: Issue-based fields

The first research paper (Chapter Three) aims to examine the efforts and strategies undertaken by IFAC and its engagement with a range of international development agencies to infiltrate an emerging field centred around the capacity building issue, which formed alongside the international development field. In doing so, the paper draws on the theoretical concept of an issue-based field and unpacks its interaction with exchange fields. Consistent with DiMaggio & Powell's (1983) definition of organisational fields, Zietsma et al. (2017) characterise exchange fields as fields containing a population of actors such as industry populations, social movement populations, and professional populations and their interaction or exchange partners such as suppliers, customers, etc. Populations within exchange fields are likely to share practices and norms, common meaning systems, and reference to a common identity. The concept of an issue-based field, being distinct from common conceptualisations of organisational fields, was originally advanced by Hoffman (1999) and focuses attention on how a field "forms around a central issue, such as the protection of the natural environment, rather than a central technology or market" (1999, p. 352). Hoffman's (1999) view of fields as issue arenas brings together in one field various sets of actors with distinct identities and disparate purposes and interests to interact around the issue of concern

(O'Sullivan & O'Dwyer, 2015). This can provoke new links between actors, in our case IFAC and international development agencies, that haven't been made before (Hoffman, 1999; Wooten & Hoffman, 2008; O'Sullivan & O'Dwyer, 2015). An issue-based field becomes the centre of common channels of dialogue and discussion where competing interests negotiate over issue interpretation (O'Sullivan & O'Dwyer, 2015, p. 35). Existing studies emphasise how various issue-based field constituents are often committed to, and underpinned by different, competing institutional logics (Zietsma et al., 2017; O'Sullivan & O'Dwyer, 2015).

Zietsma et al. (2017) highlight that issue-based fields are distinct from exchange fields as they typically contain the most diverse set of actors that may be located in different exchange fields. They identified three types of issue-based fields namely competitive, interstitial, and bridging issue-based fields. Existing studies focusing on competitive issue-based fields typically examine how issues arise when a field or group of actors such as social movement organisation, attempts to change the meaning and practices in an existing exchange field or industry (See for example Hoffman, 1999; O'Sullivan & O'Dwyer, 2015). Whereas studies on bridging issue-based fields normally involve examining multiplex or cross jurisdictional issues that concern multiple fields and often rely on boundary organisations to connect such fields and coordinate issue-related activity (See for example Helms et al., 2012; Schussler et al., 2014). Studies on interstitial issue-based fields often examine issues of societal concern that arise in society and concern members of multiple exchange fields and civil society such as HIV AIDS, poverty alleviation, Zika virus, climate change, etc. (See for example Furnari, 2014; Hinings et al., 2017). Our analysis of the field focused on the capacity building issue- an issue of societal concern associated with broad development goals such as economic growth and poverty reduction- allows us to direct attention to the interstitial field notion. We examine the emergence and evolution of the capacity building issue-based field and unpack its interaction with exchange fields, in particular the international development exchange field, and the professional exchange field of accounting. Such a focus responds to Zietsma et al.'s (2017) recent call for further research exploring field to field interactions specifically the interaction between exchange and issue-based fields. Moreover, this focus allows us to gain an in-depth understanding of how the issue-based field aligned various field actors drawn from different exchange fields,

around common practices and meaning systems for the achievement of common goals, as distinct exchange field logics were borrowed and blended.

1.3.2 Paper two: Institutional work

The second research paper (Chapter Four) aims to examine the actions undertaken by powerful global actors in seeking to instigate institutional change, as part of their efforts to strengthen the local accountancy profession in Egypt through capacity building. At the same time the paper illustrates the reactions of the various actors within the accountancy professional field in Egypt to the global pressures and changes underpinning these capacity building efforts. In doing so, the paper draws on the theoretical concept of institutional work originally introduced by Lawrence & Suddaby (2006) which entails the purposive actions undertaken by individuals and collective actors with the aim of creating, maintaining, and disrupting institutions. An important contribution of the institutional work perspective is that it offered a deeper, more nuanced investigation of the relationship between agency and institutions, as well as it shifted the traditional focus of institutional theory from one that draws attention to the processes by which institutions affect action, to one that focuses on actors actions' to affect institutions (Hampel et al., 2017; Lawrence et al., 2009). This recursive relationship between institutions and actions suggests that institutions become the product of intentional efforts of actors, which may be highly visible and dramatic or invisible. Central to the study of institutional work is the idea that actors should not be depicted as cultural dopes confined by institutional arrangements, but rather perceived as reflexive, goal-oriented and capable (Lawrence et al., 2009; Lawrence et al., 2013). Because the institutional work perspective is concerned with the study of activities and actions rather than accomplishments, institutional work is not only associated with successful instances of institutional change but also with failures and acts of resistance and transformation (Lawrence et al., 2009; Lawrence et al., 2011; Canning & O'Dwyer, 2016). The institutional work perspective has evolved and generated a significant body of literature examining the 'who', 'how', and 'what' questions (Hampel et al., 2013; Lawrence et al., 2013). Paper two (chapter four) explores the 'who' and 'how' questions by examining the work that the various actors within and outside the accountancy professional field in Egypt engaged in to affect the processes of institutional change underpinning capacity building.

The focus on the institutional work carried out by actors for the purpose of maintenance has been previously studied in the literature (Micelotta & Washington, 2013; Raviola & Norback, 2013; Currie et al., 2012; Trank & Washington, 2009). These studies often illustrate the work undertaken by powerful incumbents to maintain existing institutional arrangements and the status quo in the face of external threats and pressures for change. Previous studies on institutional maintenance suggest that actors often engage in maintenance work as a response to the institutional disruptions that arise with the proposed institutional changes (Weiss & Huault, 2016; Micelotta & Washington, 2013). Paper two (chapter four) seeks to unpack the forms of maintenance work undertaken by powerful and less powerful actors within the field in Egypt to respond to global pressures and changes underpinning capacity building which prompted institutional disruption. Specifically, the paper identifies two forms of maintenance work, ‘resisting and preservation work’, that these actors engaged in as they sought to prevent change and reinforce existing institutional arrangements. Preservation work entails the actions undertaken to reinforce and protect the institutional status quo and legitimate authority of actors, whereas resisting work entails the actions undertaken to neutralise threats, and prevent change in the face of field level pressures. This allows us to deepen our understanding of the interplay of disruption and maintenance work in affecting institutional change, and how forms of work (disruption work) stimulate or emerge in response to other forms (maintenance work).

1.3.3 Paper three: Decoupling

The third research paper (Chapter Five) seeks to illustrate the problems facing accounting education in Egypt. It examines how higher education policies implemented by the government in Egypt led to undesired outcomes and affected accounting education. The paper draws on the concept of decoupling developed by Meyer and Rowan (1977), which suggests that organisations decouple their practices from their formal structure to solve the problem of institutional pressures. In effect, decoupling is a process whereby organisations abide superficially by institutional pressure and adopt new structures regardless of actual implementation of the related practices (Boxenbaum & Jonsson, 2017). Accordingly, organisations adopt policies to conform to external expectations regarding formally stated goals and operational procedures, but in practice they do not markedly change their

behaviour (Scott, 2008). Meyer & Rowan define decoupling as a deliberate disconnection between organisational structures that enhance legitimacy and organisational practices that are believed to be technically efficient. Hence, the common understanding of decoupling involves a gap or lack of alignment between policy and practice, whereby policies are often unimplemented or adopted symbolically. The reasons for this decoupling were varied. For instance, early studies suggest that organisations decouple if they face strong coercive pressures to implement new practices. However, others argue that decoupling often occurs when the organisational field becomes homogeneous whereby first adopters are eager to implement while late adopters are more likely to decouple in response to normative pressure (Boxenbaum & Jonsson, 2008). More recently, studies suggest that in heterogeneous organisational fields, organisations decouple to survive, when faced with multiple and contradictory pressures (Boxenbaum & Jonsson, 2017). It is however possible that over time, the decoupling turns into coupling (2017, p. 89). In this respect, Bromley & Powell (2012) emphasise that over time, policies and practices can become more aligned, and this phenomenon can be driven by diffuse institutional change rather than top-down implementation of policies.

While early research tend to focus on the gap between policy and practice, Bromley & Powell (2012) extended such work by conceptualizing a new form of decoupling, the means-ends decoupling. The authors argue that decoupling occurs in the relationship between means and ends, which helps to explain why organisations implement policies and a range of practices that have an opaque relationship to outcomes and core goals. Whereas decoupling at the policy-practice level can be thought of as symbolic adoption, Bromley & Powell (2012) characterise means-ends decoupling as symbolic implementation. Bromley & Powell (2012) stress that instances of means-ends decoupling are more common in organisations with a social goal. While previous scholars have documented instances when policies are decoupled from practices, instances when means and ends are decoupled have received little attention in the literature (Bromley & Powell, 2012; Wijen, 2014; Dick, 2015). Paper three (chapter five) seeks to deepen such understanding by examining how higher education policies in Egypt were decoupled from their intended outcomes, and the consequences of such decoupling on higher accounting education. Accordingly, the paper offers empirical evidence that allows us to suggest that capacity building focused on

improving education can be used as a recoupling mechanism through which means and ends become recoupled or closely aligned which may lead to the achievement of desired social goals such as economic growth and poverty reduction.

1.3.4 Link between the chosen theoretical frameworks

The three disparate theoretical approaches drawn upon in this thesis located within the neo-institutional theory, are interlinked as they look in particular at instances of institutional change occurring through field formation (issue-based field) and the emergence of new actors who bring different logics and relationships into the field, through actors' actions and reactions within the field (institutional work), or through change in organisational policies and practices (decoupling). While the focus on institutional work and on decoupling has seen a focus on triggers of endogenous institutional change in fields, the focus on issue-based fields opens avenue for studying exogenous institutional change processes, as issues tend to arise from exogenous shocks.

Hoffman's (1999) theoretical concept of an issue-based field provides key insights into how issues evolve in the wake of triggering events and drive institutional change by causing a reconfiguration of field membership and/or interaction patterns, and how such issues cause a reconstruction of rational and logics that assist actors in mobilising collective action and resources and diffusing issue-based institutions and practices. While Hoffman's theory of issue-based fields allows for capturing events of critical importance and understanding the ways in which issues emerge and trigger institutional change, it offers limited insights into how issues involving multiple fields and leading to field-to-field interaction may affect or frame the institutional work carried out by members of different fields to which the issue relates, and shape the process of institutional change that is likely to result. The concept of institutional work used in paper two (chapter four) addresses such a limitation as it enables scholars to shed light on the role of actors and their efforts in seeking to influence institutional change. Moreover, while Hoffman's view of fields as issue arenas brings together diverse actors often with competing interests and rationales, the institutional work perspective illustrates how the interplay between different forms of work that actors engage in can lead to institutional change that combines conflicting and competing interests in newly negotiated institutional orders (Hampel et al., 2017). In particular, the interplay of

institutional work, in our case between disruption and maintenance work, helps us to better understand the process through which actors with competing and divergent interests succeed in maintaining existing institutional arrangements that favour their interests and hindering attempted institutional change in the face of disruptions

In addition, existing research on institutional work has identified a wide range of forms of institutional work, documented the interplay of different forms of work and described how such interplay can lead to institutional change. An important move in the institutional work literature has been to explore the outcomes of actors' work, including achieving one's objectives, failing at them, and triggering unintended consequences (Hampel et al., 2017, p. 559). In fact, instances of institutional work are simultaneously practices that may have unintended consequences (Hampel et al., 2017; Currie et al., 2012; Canning & O'Dwyer, 2016). While the institutional work perspective directs explicit attention to the purposeful practices that intentionally seek to affect institutions, the concept of means-ends decoupling reflects the complexity of practices and goals or outcomes. Further, the concept of means-ends decoupling is particularly important for understanding some instances of failure of policies and practices to achieve desired outcomes (Bromley & Powell, 2012).

1.4 Research methods and settings

This thesis draws on qualitative research methods, which include documentary analysis, semi-structured interviews, and focus group discussions. The first research paper of the thesis (chapter three) presents a case study of IFAC examining the global engagement of the accountancy profession with capacity building to support the strengthening of local accountancy professions and expand global accounting practices and standards. IFAC, the global organisation representing the accountancy profession, has made significant efforts to support the development of the worldwide accountancy professions and promote adoption of and compliance with international standards. Such commitments and efforts served as a way for IFAC to garner support from international development agencies to progress its capacity building expansion efforts, particularly in developing countries. In this paper, extensive use has been made of a variety of documentary data collected from multiple sources including published reports and documents, archival material, published speeches by actors, as well as publicly available information on the World Wide Web.

The second and third research papers within the thesis (chapters four and five) draw upon a field-level study of Egypt. Egypt is a large and economically significant country and is one of the most populous countries in the Arab Middle East (AME), with a population of almost 97 million. The case of Egypt provides interesting empirical evidence showing the extent to which the local accountancy profession in a fragile and volatile situation pursued the self-interest over the public interest, and has not fully embraced capacity building which arguably leads to social and economic progress of developing countries. In order to collect empirical evidence for the second paper (chapter four), documentary and interview data were used. Specifically, sixteen semi-structured interviews were conducted with key actors involved with the accountancy profession in Egypt including accountancy professionals, members of the two professional accountancy bodies and the regulatory body in Egypt including board members, governmental actors, as well as international experts involved in capacity building projects in Egypt. The interviews were supported with a range of documents including reports published by key actors, publicly available information on websites, published interviews with key actors, as well as information obtained from online magazines and newspapers. Our key focus in paper three (chapter five) is to show the fundamental problems facing education, in particular accounting education, in Egypt and provide policy recommendations regarding education. Although the growing unemployment rates among youth, as well as the disparities in educational opportunities and access to quality education have been long-lasting problems in Egypt, the Arab spring uprisings underscores the urgency of addressing these issues and highlight the need for global bodies' capacity building efforts to focus on educational reform including reforming accounting education in a country like Egypt in order to promote sustainable and inclusive economic growth. Given the focus of paper three on accounting education in Egypt, interview data and focus group discussions, supported by documentary data were collected and analysed. Specifically, seven semi-structured interviews were conducted with accounting academics, as well as four focus group discussions were conducted with accounting students in both public and private higher education institutions in Egypt.

The case studies were selected due to the overall objectives of this thesis, which seeks to examine efforts to strengthen the accountancy profession through capacity building both at the global, macro level, and the local level by focusing on a particular local context. The

case study of IFAC deepens our understanding of how the global accountancy profession engaged with the international development community to expand its reach and jurisdiction, as well as expand global accounting practices and standards in developing countries. Whereas the case study of Egypt provides a detailed analysis of the ways in which national professions respond to global agendas and pressures by resisting institutional change. The case of Egypt recognises that change is not something to happen without a focus on education.

1.5 Empirical and theoretical contributions

The thesis makes the following empirical contributions. The first research paper (chapter three) develops our understanding of the process through which professions, such as the accountancy profession, seek to expand their jurisdiction and exert global professional influence (Samsonova-Taddei & Humphrey, 2014; Humphrey et al., 2017). While previous studies tend to examine the professional expansion strategies being pursued by professional service firms such as the Big Four accounting firms, or professional accounting associations (Greenwood et al., 2002; Suddaby et al., 2007; Samsonova-Taddei & Humphrey, 2014), paper one (chapter three) focuses on the strategies being pursued by IFAC to expand its global reach and jurisdiction by attaching this expansion to the realisation of capacity building, as broadly defined. It is particularly important to study IFAC's expansionary efforts given that it is a body that has expanded its membership from 63 members since its inception in 1977 to now include over 175 members and associates. This has been assisted by the global expansion of international accounting and auditing standards, and the support rendered by major international organisations and development agencies. Further, IFAC's member body compliance program has been central to IFAC's expansion ambitions, serving to assist in complying with international standards (IFAC's SMOs) to attain IFAC membership. The findings of paper one (Chapter Three) illustrate how IFAC developed new alliances and relationships with the international development community focused on the strengthening of local accountancy professions through capacity building, which facilitated its expansionary aims (Humphrey et al., 2017; Gendron & Barrett, 2004). Our empirical discussion provides evidence to suggest that IFAC's engagement with capacity building efforts assisted in expanding and broadening its membership base and outreach to

developing countries, and in advancing its interests in promoting the adoption of and compliance with international standards. In addition, the paper offers a rich understanding of how such efforts provides means for global accountancy bodies to become embedded in local professional and regulatory arenas, and how such bodies significantly influence and shape the development of local accountancy professions.

Paper two (chapter four) further develops our understanding of the process through which these capacity building efforts are enacted on the ground in a particular local context, Egypt. Despite previous work on accounting and development and the increasing volume of literature examining the impact of international forces on the development of local accountancy professions in emerging and developing countries including those in the Arab World (Caramanis, 1999, 2002; Boussebaa, 2015; Gallhofer et al., 2011; Gallhofer & Haslam, 2003; Gallhofer et al., 2009; Kamla, 2012; Kamla et al., 2012; Kamla & Haque, 2017; Hopper et al., 2016, etc.), this topic remains neglected. In addition, previous work on professionalisation considers the variation in the engagement and responses of national professional bodies to global agendas and related influences (Suddaby & Viale, 2011; Samsonova-Taddei & Humphrey, 2014). Accordingly, the findings of the paper reveal how global bodies' efforts to strengthen the local accountancy profession in Egypt through capacity building placed pressures to instigate institutional change within the accountancy professional field in Egypt and were encountered with resistance from national accountancy bodies and institutional actors aiming to preserve the status quo and existing institutional arrangements. Our empirical evidence illustrates the strategies being pursued by the local accountancy profession to resist global influences and agendas. In fact, the paper allows us to understand why the efforts and strategies being pursued by global bodies aren't working in national contexts, and reflect on what else needs to be done to improve the capacity of the accountancy profession to act in ways that facilitate the social and economic development of Egypt.

Paper three (chapter five) illustrates the problems associated with, and the challenges facing accounting education in Egypt. It helps us to understand what is being missed from global bodies' capacity building efforts aimed at strengthening local accountancy professions, and directs attention to the need for such bodies to focus on education when considering capacity

building projects in developing countries, specifically in Egypt. Despite the increasing volume of studies in the accounting education literature examining issues concerning accounting education and the changes needed, and illustrating the relationship between the accountancy profession and university accountancy education (see for example Gallhofer et al., 2009; Pincus et al., 2017; Palm & Bisman, 2010; Sikka et al., 2007; Venter & De Villiers, 2013; Birkett & Evans, 2005), the relationship between accountancy education and capacity building hasn't been addressed. Paper three shows how poor accounting education in developing countries (such as Egypt) is, and discusses the contribution that education can make to capacity building. Our empirical focus allows us to draw broader lessons and inform public policy on the need to give significant attention to supporting educational reform, particularly accounting education reform, when considering capacity building strategies and priorities to contribute to the realisation of social and economic goals. Supporting changes in accounting education and educating students (which are the future professionals) about their public interest obligations would have a marked impact on professional and economic development.

The thesis makes the following theoretical contributions. The first research paper (chapter three) advances the mobilisation of Hoffman's (1999) concept of an issue-based field by illustrating how the issue of capacity building emerged and evolved over time bringing together disparate actors from various fields, and facilitating the emergence of the capacity building issue-based field. The extant literature on issue-based fields tend to focus on how powerful issue-related actors that possess the necessary resources, develop issue-based institutions and practices which suit their preferred interests (O'Sullivan & O'Dwyer, 2015; Hoffman, 1999). However, this paper has shown the influence of a peripheral issue-related actor (in our case IFAC), outside the field where the issue of capacity building initially arose, on issue based practices and issue interpretation. Specifically, the paper reveals the efforts undertaken by IFAC to infiltrate the capacity building issue-based field and secure the necessary resources to mobilise actors around issue based practices. The paper's findings show how IFAC shaped the interpretation of, and associated capacity building practices in a manner that is aligned with its preferred interests and expansion ambitions, making capacity building an issue that has a strong focus on accounting professional development. Moreover, the paper unpacks the interaction of the capacity building issue-based field with exchange

fields to which the issue relates, in particular the international development exchange field and the professional exchange field of accounting. In doing so, the paper responds to the recent call for more research on field-to-field interactions (Zietsma et al., 2017). In particular, the paper reveals the collaborative nature of interactions among issue related actors (IFAC and international development agencies) situated in various exchange fields, which became prominent since the Asian financial crisis as they recognised their mutual involvement with capacity building to support the strengthening of local accountancy professions and adoption of and compliance with international standards. This contrasts with prior work that tends to focus on the contested and confrontational interactions between actors in the issue-based field (Hoffman, 1999; Wooten & Hoffman, 2008; O'Sullivan & O'Dwyer, 2015). Furthermore, the paper reveals how distinct exchange field logics were blended and combined around the capacity building issue as IFAC aligned the various issue-based field actors around common practices and meaning systems for the achievement of common objectives.

The second research paper (chapter four) advances our understanding of the concept of institutional work associated with creating, maintaining, and disrupting institutions (Lawrence & Suddaby, 2006). The paper unveils the forms of work undertaken by various actors within and outside the accountancy professional field to affect the processes of institutional change underpinning capacity building efforts to strengthen the local profession and expand global accounting practices and standards. While extant institutional work studies tend to focus on successful efforts to instigate institutional change (see for example Canning & O'Dwyer, 2016; Hayne & Free, 2014), our study reveals a case whereby such efforts were unsuccessful and failed to instigate change such as legal and regulatory change. In doing so, the paper illustrates the interplay of disruption and maintenance work. In particular, it develops our understanding of how institutional change prompts disruption, and how institutional actors engage in maintenance work to protect advantageous institutional arrangements and the status quo from external pressures and threats for change. Consistent with prior work (Canning & O'Dwyer, 2016; Blavoukos et al., 2013), this thesis shows that the political and institutional contexts at the domestic level remain important variables in shaping the response of local actors to global institutional pressures. In addition, the paper advances the extant literature on maintenance work (Micelotta & Washington, 2013; Marti

& Fernandez, 2013; Raviola & Norback, 2013; Currie et al., 2012) by identifying two forms of work ‘resisting work’ and ‘preservation work’ carried out by various actors within the field to respond to the disruption and pressures for change brought about by global bodies’ capacity building efforts.

The third research paper (chapter five) advances our understanding of the theoretical concept of means-ends decoupling, which occurs when organisations implement policies that have limited relationship to core goals and intended outcomes. Extant studies on decoupling tend to focus on policy-practice gaps (Meyer & Rowan, 1977; Rowan & Miskell, 1999; Coburn, 2004), with limited attention being paid to the gap between means and ends (Bromley & Powell, 2012; Wijen, 2014; Dick, 2015). Paper three extends the literature on the means-ends form of decoupling occurring in the field of higher education in Egypt. This theoretical focus illustrates how the implementation of policies to reform the education system in Egypt in the face of institutional pressures and the chronic problems of education, failed to achieve their objectives and led to undesired outcomes. The findings reveal the consequences of such decoupling on accounting education, illustrating the serious problems facing accounting education. Furthermore, the paper draws on the theoretical concept of recoupling whereby policies, practices, and outcomes become closely aligned (Espeland, 1998; Hallett, 2010; Dick, 2015). The findings of the paper allow us to suggest that capacity building focused on improving education may help solve the problems associated with accounting education and lead to desired social goals, thereby reducing the gap between means and ends.

1.6 Outline of the thesis

This thesis is organised in six chapters and proceeds as follows.

1.6.1 Chapter two: Research methodology and methods

This chapter outlines the research methodology and methods applied in this thesis. The chapter starts by explaining the different philosophical assumptions and paradigms in accounting research (section 2.2), and then discusses the case study approach adopted (section 2.3). The fourth section (section 2.4) proceeds to discuss the different qualitative research methods employed in the three research papers within the thesis- in particular

documentary analysis, interviews, and focus group discussions. The following section (section 2.5) provides a detailed background to the case settings and contexts studied, discusses the methods for data collection and the process of data analysis adopted in each paper.

1.6.2 Chapter three: Gaining and maintaining a prominent position in the Capacity Building issue-based field: The case of IFAC

This chapter presents the first research paper within the thesis. This paper examines the engagement of the global accountancy profession with capacity building to strengthen local accountancy professions by placing a particular focus on IFAC, the global organisation representing the accountancy profession. The paper draws on the concept of an issue-based field advanced by authors such as Hoffman, (1999), O’Sullivan & O’Dwyer’s, (2015) and Zietsma et al., (2017), to examine the strategies and efforts undertaken by IFAC to infiltrate an emerging field focused on the capacity building issue, which we term the capacity building issue-based field, and unpack its interaction with various exchange fields to which the issue relates. We contend that IFAC is a prominent global organisation occupying a central position in the professional exchange field of accounting, but a peripheral issue related actor outside the international development exchange field where the issue initially arose. The paper’s findings unveil the collaborative nature of interactions between IFAC and international development agencies. In particular the paper shows how such collaborations facilitated the mobilisation of the necessary resources and actors to diffuse capacity building practices (professional accountancy organisation PAO strategic expansion). In addition, the paper reveals how IFAC aligned issue related actors around common meaning systems and practices for the achievement of common objectives, as distinct exchange field logics were borrowed and blended.

1.6.3 Chapter four: Capacity building as institutional work: constructing the Egyptian accountancy profession

This chapter presents the second research paper within the thesis. This paper examines efforts to strengthen the local accountancy profession through capacity building in a particular developing country, Egypt. The paper draws on the concept of institutional work

developed by Lawrence & Suddaby (2006), and advanced by authors such as Lawrence et al., (2009, 2011, 2013), Canning & O'Dwyer, (2016), Hayne & Free (2014) and others, to unveil the forms of work associated with capacity building efforts to affect the processes of institutional change. Particularly, the paper focuses on the forms of work undertaken by powerful global actors to instigate institutional change such as legal and regulatory change as well as change in accounting standards in line with international standards and practices, which prompted institutional disruption within the accountancy professional field in Egypt. At the same time, the paper directs attention to the forms of maintenance work that institutional actors engaged in to respond to the disruption and to the potentially threatening changes. While previous studies on institutional maintenance tended to focus on the work carried out by powerful incumbents to prevent change (Micelotta & Washington, 2013; Weiss & Huault, 2016; Currie et al., 2012), our study highlights the maintenance work undertaken by powerful and less-powerful actors within the field to counter global bodies' efforts and pressures for change through capacity building. In doing so, the paper illustrates the interplay of two forms of work, maintenance and disruption work, and identifies two forms of work associated with institutional maintenance, 'preservation work' and 'resisting work'. Specifically, the paper's findings illustrate how the political and institutional contexts at the domestic level represent important intervening variables that shape the national response to global pressures and agendas.

1.6.4 Chapter five: Capacity building to address the problems and challenges facing accounting education in Egypt

This chapter presents the third research paper within the thesis. This paper shows the fundamental problems facing accounting education in countries like Egypt, and sheds light on the need for global bodies to give greater attention to accounting education when considering future capacity building projects. The paper draws on the concept of decoupling and places a particular emphasis on one form of decoupling, means-ends decoupling (Bromley & Powell, 2012) to show how the higher education policies implemented by the government of Egypt failed to achieve their intended outcomes and core goals, leading to fundamental problems in accounting education. The paper has important policy implications as it helps to inform public policy on the need for capacity building to focus on areas such as

accounting education to help Egypt overcome its socio-economic challenges, and to solve the problems associated with accounting education, thereby leading to the realisation of desired social and economic goals.

1.6.5 Chapter six: Discussion and conclusion

Chapter six draws a conclusion to the thesis. This chapter presents a detailed discussion which synthesizes the main implications of the findings of the three research papers presented in chapter three, four and five, and includes the contributions provided in the three research papers, and concludes by offering policy recommendations and directions for future research.

CHAPTER TWO: RESEARCH METHODOLOGY AND METHODS

2.1 Introduction

This chapter presents the research methodology and methods undertaken in this thesis. The chapter starts by briefly introducing and describing the main philosophical assumptions and paradigms in accounting research and allocating the thesis under the most suitable research paradigm (section 2.2). The third section (section 2.3) focuses on one specific qualitative approach that lies within the interpretive paradigm, which is the case study research and examines the role of theory and how research quality is evaluated. The third section (section 2.4) then discusses the research methods employed in this thesis including documentary data, interviews, and focus group discussions. The last section describes the research approach adopted in this thesis by providing explanations of the processes of data collection and data analysis undertaken in each of the research papers (section 2.5).

2.2 Philosophical assumptions and paradigms in accounting research

2.2.1 Philosophies of science in Accounting Research

Burrell & Morgan (1979) initiated the idea that social science is conceptualised in terms of four sets of assumptions that are interrelated: ontology, epistemology, human nature, and methodology. These underlying assumptions provide a fundamental theoretical and philosophical grounding for any piece of research (Hopper & Powell, 1985). Assumptions of an ontological nature concern the nature of reality. On the one hand, reality of the world is perceived as an empirical, concrete structure where the external world is taken for granted and is characterised by objective facts, whereas at the other extreme, reality is perceived as a projection of human imagination which exists in the human consciousness (Ryan et al., 2002). Assumptions of an epistemological nature are concerned with the nature of knowledge, how it can be acquired and transmitted. At one end of the continuum, knowledge can be acquired gradually through observation, while at the other extreme, knowledge is attributed with a more subjective and essentially personal nature (Hopper & Powell, 1985). The third assumption is human nature, which explains the relationship between human beings and their environment. At one extreme, people are viewed as being autonomous and free willed, while at the other extreme, people's behaviours and actions are determined and constrained by their external environment (Ryan et al., 2002). The last

assumption is methodology, which explains how research is to be conducted (Berry & Otley, 2004). The first three sets of assumptions have direct implications on the methodological assumptions underlying a research and inform the researcher of the most suitable approaches and research methods for the gathering of valid evidence. When reality is objective and concrete, knowledge is acquired through observation, and people's behaviours are determined, thus, scientific methods will be utilised using statistical techniques to collect and analyse data such as questionnaires and surveys (Hopper & Powell, 1985). Alternatively, when reality is grounded in subjective experiences, knowledge is acquired through interpretation, people possess free will and autonomy, and hermeneutical methods are appropriate (Ryan et al., 2002). These methods were originally used as a method for interpreting the texts of the Bible (Ryan et al., 2002). In fact, the hermeneutical approach has been applied in social research seeking to develop subjective understanding of the phenomena being studied using qualitative methods such as interviews and observations. Ryan et al. (2002) illustrate the major differences between the two polarised social science approaches (subjectivism & objectivism) based on the four assumptions about ontology, epistemology, human nature and methodology. The distinctions between the two approaches are presented in Table 2.1 below.

Table 2.1. Philosophies of accounting research

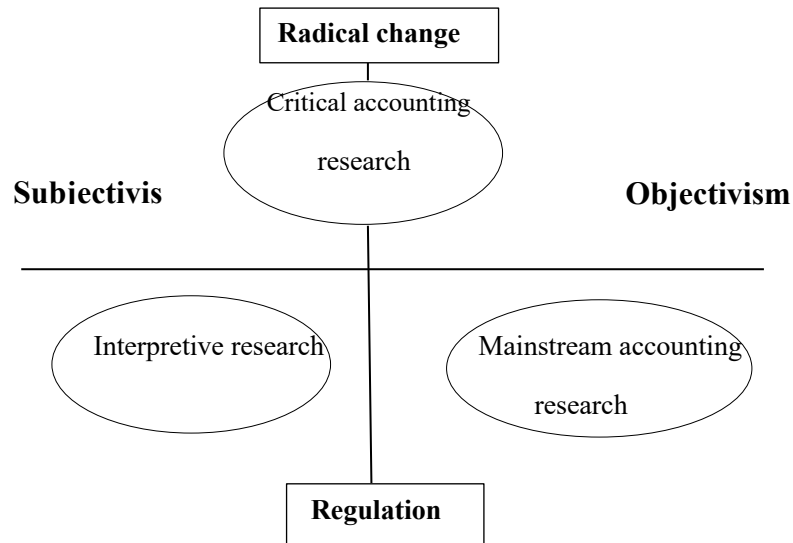
Ontology	Individual consciousness	Concrete construction
Epistemology	Interpretation	Observation
Human nature	Free will	Determinism
Methodology	Hermeneutics	Scientific method
Collapsed to	Subjective	Objective

Adopted from Ryan et al. (2002, p. 39)

2.2.2 Research paradigms in accounting

Ryan et al. (2002) classify three main accounting paradigms which include the functionalist, also called mainstream paradigm, the critical accounting paradigm, and the interpretive paradigm (Figure 2.1).

Figure 2.1. Research paradigms in accounting



Adopted form Ryan et al. (2002, p. 40)

The functionalist or mainstream paradigm is recognised as the dominant framework (Burrell & Morgan, 1979; Chua, 1986), whereas the interpretive and critical paradigms are often considered as alternative (Ryan et al., 2002). The mainstream paradigm provides rational explanations of sociological concerns such as the status quo, social order, consensus, social integration, solidarity, need satisfaction, and actuality (Burrell & Morgan, 1979). This paradigm is characterised by a scientific approach and utilises quantitative methods of data analysis and collections, which provide a basis for generalisations (Chua, 1986).

The critical accounting paradigm combining the terms “radical structuralism” and “radical humanism”, was advanced by Burrell and Morgan in order to overcome the subjective-objective problematic (Ryan et al., 2002). Radical structuralism treats social reality as being composed of external objects independent of any particular person, while radical humanism focuses on individual perceptions and interpretations (Hopper & Powell, 1985). For critical theorists, society consists of contradictory elements and power relations, which generate inequalities all aspects of life. Their concern is to develop an understanding of the social and economic world while criticising the status quo (Hopper & Powell, 1985). Therefore, such theorists incorporate the subjective and objective dimension into a single philosophical framework.

The third and last paradigm is the interpretive, which is concerned with understanding and making sense of the social world (Ryan et al., 2002). This paradigm emphasises the subjective nature of the social world whereby meanings and realities are socially constructed through human interaction (Hopper & Powell, 1985). In essence, interpretive researchers seek to enrich people's understanding of the meanings of their actions (Chua, 1986). In addition, such researchers typically draw on qualitative methods such as interviews, participant observations, as well as other qualitative techniques.

2.2.3 Rationale for choosing interpretive accounting paradigm

Given the underlying ontological and epistemological assumptions of this research, which views reality as socially constructed and subjectively created, and knowledge to be acquired through subjective interpretation and understanding of actors' perspectives and meanings from their experiences, this thesis employs a qualitative, interpretive research approach. Interpretive accounting research assumes that any action is given meaning by the actors around it and therefore must be studied within its wider social environment (Moll et al., 2006, p. 381). The main aim of the thesis is to study the accountancy profession's actions and responses to certain phenomena such as capacity building, and its responsibility towards society and the public. Moreover, the thesis views accounting as a socially constructed phenomenon that cannot be separated from the environment within which it operates.

2.3 Case study research for providing qualitative evidence

2.3.1 Case study and the role of theory

The use of case studies in accounting research is based upon its richness to provide descriptions of accounting techniques, procedures, systems, in order to understand the nature of accounting in practice (Ryan et al., 2002). Moreover, the type of research questions being asked determines the particular method that should be used to collect empirical data. In particular, case studies are considered a suitable method for answering 'how' and 'why' questions, and to investigate a phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident (Moll et al., 2006; Yin, 2003, 2006, 2015). Although case studies draw on small samples making it difficult to make statistical generalisation about the population from which the samples were selected, they

might generate hypotheses for subsequent testing through large sample studies (Ryan et al., 2002). Such studies are particularly appropriate in areas where the theory is not well developed, and thereby enable researchers to generate theoretical generalisations rather than statistical generalisations (Ryan et al., 2002, p. 149). In fact, accounting researchers have conducted a large number of case studies to obtain a better understanding as well as develop theoretical explanations of accounting practices (Humphrey & Scapens, 1996).

In qualitative case study research, theory plays a central role and is used to make sense of case study observations and offer a greater understanding of the empirical issues being studied (Ahrens and Chapman, 2006; Ryan et al., 2002; Llewelyn, 2003). A theory is a rhetorical device that can be used to interpret case studies and convince the research community as to the validity of the case findings and interpretations (Humphrey & Scapens, 1996). The application of theory assists the researcher in designing research questions, guiding the selection of relevant data, interpreting and analysing the data, and generating explanations of the phenomena under study. Such reliance on theoretical concepts remains one of the most important strategies for achieving successful case studies (Yin, 2003). As highlighted by Mason (1996), the development of theory in the research process might come first, before empirical research and analysis; might come last, and is developed from or through data generation and analysis; or theory, data generation and data analysis might be developed simultaneously in a dialectical process (p. 141). Yet, the ‘theory comes last’ view is the most popular approach in qualitative research whereby explanation and theory are fashioned directly from the emerging analysis of the data (Mason, 1996). Berry & Otley, (2004) emphasise that, in qualitative case research, theory and data cannot be separated from one another. In addition, Llewelyn (2003) outline five different levels of theorisation that can assist researchers in their choice of theory: metaphor, differentiation, conceptualisation, context-bound theorising, and context-free grand theorising (Table 2.2).

Table 2.2. Types of theorisation in accounting research

Level	Theory	Focus
One	Metaphor theories	By image-ing and grounding experience

Two	Differentiation theories	By cutting the pie of experience
Three	Concepts theories	By linking agency and structure through practice
Four	Theorising settings	Explaining how contexts for practices are organised
Five	Theorising structures	Explaining impersonal, large-scale and enduring aspects of social life

Adapted from Llewelyn, S. (2003, p.667).

Metaphor theories provide a way of understanding and experiencing a particular phenomenon such as an organisation. Metaphors allow researchers to theorise by linking unfamiliar concepts with familiar concepts and creating meanings and significance through picturing or image-ing the world (Llewelyn, 2003). Differentiation theories are developed through opposing or contrasting concepts such as objective/subjective, thereby creating dualisms and enabling new ways of thinking. Researchers might introduce new concepts or metaphors in seeking to bridge this dualism, which enables them to “create meaning and significance through setting up contrasts and categories that order the world” (Llewelyn, 2003, p. 672). Concept theories explore and reflect specific practices. These practices can be seen as sites of struggle where agency meets structure and represent the point at which people struggle to influence the world they live in. Through explicating practice, concepts theories “create meaning and significance through linking the subjective and objective realms of experience” (p. 674). Theorising settings, often referred to as context-bound theories, enable the researcher to understand and explain a specific phenomenon in its wider setting or context. Although such theories encompass practices, their focus remains on the social conditions and under which these practices are reproduced or the settings in which action takes place. Lastly, theorising structures or context-free grand theorising reflect ideas that have been generated by thinking through issues and relationships in an abstract way rather than being derived from empirical research (Llewelyn, 2003). Grand theories are

concerned with structural, impersonal, large-scale and enduring aspects of social realm, such as social institutions, culture, class relations, the distribution of power, as well as others (Llewelyn, 2003, p. 676). Hence, grand theories tend to be about necessity in the world as well as they may provide universal explanations.

The three research papers in this thesis fall within level three, which is the concept theorising category. Concept theorising is the highest level of theorisation which takes the agent as the unit of analysis and explains how agents engage with structure in social practice (Llewelyn, 2003). Practices become the primary link between agents and structures, and concepts become the primary means of theorising practices (Bourdieu, 1988). In fact, when the key concern is with practices, the power of concepts in theorising becomes enormous (Llewelyn, 2003). The theoretical concepts adopted in this thesis enable me to illuminate how disparate actors from various fields interact around the specific issue of capacity building as part of efforts to strengthen local accountancy professions (chapter three), the actions and reactions to such efforts and the struggles encountered in a particular local context (chapter four), and the role and contribution that education can make to such capacity building efforts, as well as the changes needed to contribute to social progress and sustainable development in developing countries like Egypt (chapter five).

2.3.2 Limitations of case study research

Although case studies have been recognised as an appropriate research method capable of generalisation, and became common in accounting research, such studies have been subject to criticism (Ryan et al., 2002). Ryan et al. (2002) discuss three aspects of case studies that pose difficulty for researchers. First, it is hard to draw precise boundaries around the subject matter of the case, and a holistic ideal of studying all aspects of a social system is unattainable. Yet, as more case studies are carried out, theoretical generalisations can enhance understandings of the subject matter into the larger social systems. The second problem associated with case studies is the researcher bias, which means that no case study is seen to be objective as it involves the researcher's own interpretations of the social reality. The third problem is ethics as researchers may require access to organisations and to confidential information, which may not be easily obtained. Maintaining confidentiality by

ensuring anonymity of organisations and respondents are essential for the researcher to guarantee rich information and avoid damaging the prospects for other researchers.

Qualitative case research may use different criteria to assess and evaluate the quality of the research study, which are discussed in the following section.

2.3.3 Assessing the quality of case study research

The concepts of reliability and credibility advanced by Yin (1994) to assess the quality of quantitative empirical research are problematic and unlikely to be appropriate in qualitative case study research (Berry & Otley, 2004; Scapens, 2004). Qualitative research can be difficult and demanding (Berry & Otley, 2004; O'Dwyer, 2004). Clearly, the researcher is the central actor both in the design and conduct of the research and thereby faces many challenges such as gaining access to research sites and participants, building and maintaining good relations in the field, collecting and analysing the data, and writing the data in creative and credible ways. Various elements have been applied by scholars to assess qualitative research study and include rigour, trustworthiness, and authenticity (Lincoln & Guba, 1985, 2000; Scapens, 2004; Ryan et al., 2002). The term rigor has been applied to ensure carefulness and thoroughness in all aspects of the research process including collecting and analysing the data. Thus, qualitative researchers must use rigorous technique and methods to ensure high quality of data that is carefully analysed (Patton, 1999).

Lincoln & Guba (1985) propose four alternatives to the criteria of reliability and validity for ensuring trustworthiness in qualitative research, namely credibility, transferability, dependability, and confirmability. Credibility refers to the accuracy of the findings, and can be enhanced by validity and triangulation. The validity of particular sources of evidence can be assessed by collecting further evidence on those sources, or feeding evidence and interpretation to the participants of the study to confirm the researcher's interpretation (Scapens, 2004). In addition, credibility can be enhanced by collecting multiple sources of data on a particular issue and using multiple methods, known as triangulation (Scapens, 2004). Transferability refers to the process of transferring the findings from one context to another by providing thick descriptions of the phenomena under study (Lincoln & Guba, 1985). Dependability relates to the consistency and reliability of the research findings, and

the transparency of the research process (Moon et al., 2016). This enables the researcher to provide an audit trail of the research process, allowing future researchers to audit, criticise, or follow the process. Lastly, confirmability is related to the degree of neutrality or the extent to which the findings and conclusions of the study are shaped by the participants and are not biased by personal prejudices of the researcher. Miles and Huberman (1994) define confirmability as the “relative neutrality and reasonable freedom from unacknowledged researcher biases- at the minimum, explicitness about the inevitable biases that exist” (p. 278). In other words, the findings are influenced by the research participants more than the researcher himself.

In addition to advancing trustworthiness as quality criteria, Lincoln and Guba (2000) identified five authenticity criteria for judging the quality of qualitative inquiry, including fairness, ontological authenticity, educative authenticity, catalytic authenticity, and tactical authenticity. First, fairness refers to including and balancing all views, perspectives and voices of those studied. Second, ontological authenticity is defined as the extent to which the findings and outcomes of the research improve the participants’ understanding of the phenomena studied. Third, educative authenticity requires that the researcher’s findings allow participants to better understand and appreciate the constructions of others. The fourth criterion is catalytic authenticity, which refers to the ability of the researcher to generate findings that can induce change. The last criterion which is the tactical authenticity refers to the ability of the researcher to empower participants to take action.

Other researchers suggest that convincing case studies must have three characteristics, namely authenticity, plausibility and criticality (Ryan et al., 2002). Authenticity is achieved when the researcher’s interpretations and arguments are grounded in the case by providing rich details to the reader such as details of people interviewed, meetings attended, and explaining the extent of the researcher’s relationship with the case. Plausibility is achieved when the study makes sense to the reader and displays a high level of knowledge to the researcher. In addition, plausibility is enhanced by drawing on existing literature in the area, examining other cases and theories, as well as writing in a coherent and well-structured manner. And third, criticality is achieved when a case study is related to the possibilities it

provokes, has new ideas, or adds to the theory by offering theoretical insights which then may be used in other case studies.

This section provided a detailed description of the case study approach, the role and types of theory, and the quality criteria associated with qualitative case study research. The following section proceeds to determine the three qualitative research methods employed in this thesis, mainly documentary analysis, interviews, and focus group discussions.

2.4 Qualitative research methods

Qualitative research methods have been employed by researchers to analyse the social realities of a specific phenomenon (Hopper & Powell, 1985), and provide detailed and in-depth descriptions of events, situations, and interactions between people and things (Patton, 1987). The appropriate use of qualitative methods is affected by many factors such as the nature of the phenomena studied, the ideology of the researcher, and the philosophical underpinnings of the theoretical approach being adopted (Berry & Otley, 2004, p. 233). Lee & Humphrey, (2006) argue that qualitative research methods are suitable for studies seeking to understand the origins and role of accounting in its specific historical, social and organisational context. Given the philosophical assumptions underlying this study located within the interpretive paradigm, the purpose of the study, the nature of the research questions as well as the theories adopted, this thesis involves considerable application of qualitative research methods. Thus, data has been collected through multiple qualitative methods, in particular, documentary data, interviews, and focus group discussions to address the specific research questions, with the aim of constructing a more focused, theoretically informed narrative for each of the papers (O'Dwyer, 2004). Such qualitative methods have a central role in developing particular explanations and understanding of the phenomena observed (Berry & Otley, 2004). Regardless of the types of the research methods employed, the process of transforming the data obtained from qualitative research methods remains a challenge for researchers (O'Dwyer; 2004). Yet, such methods can help the researcher to collect rich and detailed data, thereby constructing rich and thick narratives to describe the phenomena under study.

2.4.1 Documentary analysis

Documentary analysis is a systematic procedure for examining and interpreting documents, either printed or electronic that helps the researcher develop understanding of a certain phenomenon and produce empirical knowledge (Bowen, 2009; Corbin & Strauss, 2008). Unlike other qualitative methods, this method entails no real intrusion on organisational actors; yet, it involves a broad spectrum of materials including official records of various kinds, organisation documents, notes, memoranda, maps, photographs, newspaper reports, as well as technological and digital data (Coffey, 2014). Indeed, such documents are considered as ‘physical traces’ of social settings, in other words, “data or evidence of the ways in which individuals, groups, social settings, institutions and organisations represent and account for themselves” (Coffey, 2014, p. 367). In effect, there are many research settings and phenomena that cannot be investigated adequately without use of documentary material and data (Atkinson & Coffey, 2004). The analysis of documents yields data excerpts, quotations, or entire passages that are then organised by the researcher into major themes, categories, and case examples specifically through content analysis (Labuschagne, 2003). Thus, documents become social facts that enable the researcher to share, produce, and interpret information in socially organised ways. As a research method, document analysis is particularly applicable to qualitative case studies and intensive studies generating rich descriptions of a single phenomenon, event, organisation, or program (Stake, 1995 and Yin, 2006). Documentary analysis has been mostly used in combination with other qualitative research methods, as a means of triangulation whereby the researcher collects data from multiple data sources and methods including interviews and observations to generate a rich source of field data (Bowen, 2009; Hopper & Hoque, 2006). The use of a variety of research methods, or triangulation, permits a wider and richer understanding and description of accounting practice. Yet, document analysis has also been used as “a stand-alone method” in qualitative research (Bowen, 2009, p. 29).

2.4.2 Interviews

Interviews are recognised as the most frequently used method in qualitative research (King & Horrocks, 2010), although qualitative interviews may require a lot of planning (Mason, 1996) and the processes of data collection, transcription and analysis can be very time-

consuming. Interviews are helpful in clarifying certain aspects when written sources are often ambiguous or incomplete (Caramanis, 2005). Moreover, interviews can take various forms such as structured, semi-structured, or unstructured (Scapens, 2004). Structured interviews ensure that the same questions are asked to each interviewee, and can generate comparable information, whereas unstructured interviews are more flexible as questions can be changed or adapted to explore emerging lines of inquiry. On the other hand, semi-structured interviews are conducted with an open, broad framework, which allow for a flexible conversation in which the researcher explores the issue in-depth and follows-up the responses that are given by the interviewee. Specifically, semi-structured interviews are a common method used in accounting research to collect qualitative data (Lee & Humphrey, 2006). Irrespective of their form, interviews are necessary to understand complex situations and build a rich understanding of the phenomenon of study (Moll et al., 2006). In addition, tape-recording interviews is strongly preferable and helpful as it allows the researcher to include specific quotes in the write up to improve the credibility of inferences drawn (Moll et al., 2006). Researchers employ in-depth interviewing not only to construct narratives, but social worlds (Miller & Glassner, 2004). As noted by Silverman (2001), “the primary issue is to generate data which give an authentic insight into people’s experiences” (p. 87).

2.4.3 Focus group discussions

Focus group discussion is the most common method used when undertaking qualitative group interviews (King & Horrocks, 2010). Focus groups allow research participants to interact with one another on a predetermined topic. Morgan (1997, p. 6) defines focus groups as a research technique that collects data through group interaction on a topic determined by the researcher. This means that instead of conducting one-to-one interviews, the researcher using focus groups permits group interaction and group discussions to emerge among participants about their views and experiences of a particular topic. The participants of a focus group should be carefully selected. In general, such participants share similar characteristics and experiences that meet the aims of the research and facilitate discussions on the specific topic (King & Horrocks, 2010). As Kitzinger (1995) points out, this method is particularly appropriate when the researcher has a set of open ended questions and seeks to encourage research participants to explore the particular issue of concern in their own

words, generating their own questions and pursuing their own priorities. This method encourages participants to talk to one another, ask questions, exchange anecdotes and comment on each other's experiences and points of view (Kitzinger, 1995). Furthermore, focus groups vary along a continuum from formally structured interaction to more informal sessions depends on the specific aims and purpose of the research, the research setting, as well as the participating groups (King & Horrocks, 2010). Yet, whatever approach (formal/informal) is adopted, the role of the researcher remains to facilitate participation and the sharing of understandings amongst participants in order to generate thick and rich data.

2.5 Research approach

Having illustrated the main research methods used in this thesis, the current section outlines the research approach adopted in each of the three research papers including the data collection and data analysis processes.

2.5.1 Case study one: IFAC

2.5.1.1 About IFAC

The International Federation of Accountants, IFAC, is the global organisation for the accountancy profession that is dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. From its inception in 1977 until late 1990s, IFAC's influence has grown on a global scale, with membership increasing from 63 professional member bodies in 51 countries in 1977, to 106 professional member bodies in 78 countries in 1992 to 156 member bodies in 114 countries in 2001. Today, IFAC is comprised of over 175 members and associates in more than 130 countries and jurisdictions, representing almost 3 million accountants in public practice, education, government service, industry, and commerce.

The past decades saw fundamental shifts and transformations in IFAC's mission statement, which was originally to coordinate the worldwide accountancy profession. IFAC had subsequently moved to define itself as the worldwide organisation for the accountancy profession and global standard setter that placed serving the public interest at the heart of its

mission by establishing and promoting adherence to high-quality international standards. In addition, its current formal mission includes commitments to capacity building:

IFAC serves the public interest and strengthens the accountancy profession by supporting the development of high-quality international standards; promoting the adoption and implementation of these standards; building the capacity of professional accountancy organisations; and speaking out on public interest issues¹.

IFAC has made significant efforts and pursued several strategies since the Asian financial crisis to increase its outreach to international development agencies and engage with capacity building to support the development of accountancy professions and the adoption and compliance with international standards in developing countries. Particularly, the late 1990s saw IFAC attempt to enhance its relationship with a range of international development agencies by launching a new forum, the International Forum on Accountancy Development (IFAD) in 1999 aimed at strengthening accountancy professions in developing countries, and promoting international harmonisation of accounting standards. The new forum brought together the accountancy profession and various international development agencies including the World Bank, to support capacity building in developing countries. In the subsequent years, IFAC remained active and continued its outreach to development agencies to catalyse funding for capacity building. This has gradually facilitated the establishment of the Memorandum Of Understanding to Strengthen Accountancy and Improve Collaboration (MOSAIC) initiative, which was signed in 2011 by IFAC and twelve development and donor agencies to support the development of strong professional accountancy organisations in developing countries. In recent years, IFAC received £STG4.935 million funding from the UK DFID in 2014 to launch a new capacity building program aimed at supporting the development and growth of professional accountancy organisations around the world and assisting them in the adoption and implementation of international standards. The support rendered to IFAC from major development agencies and organisations substantially assisted IFAC to bolster its global status and significance as well as to diffuse its standards globally. Moreover, IFAC's active involvement with capacity building fitted its stated mission and reflected its commitments to support the worldwide development of the accountancy profession and serve the public interest.

¹ IFAC, About IFAC, Organisation overview, <https://www.ifac.org/about-ifac/organization-overview>

It is important in answering my research question that I examined a prominent organisation, one that has established a powerful position and became an influential actor in a particular setting or field. It is evident that IFAC meets this criterion as it was able to infiltrate the capacity building field by increasing its engagement and involvement with international development agencies. In addition, IFAC was able to establish a prominent position within this field, from where it was able to influence the activities and practices of other actors (such as professional accounting bodies) that were already present in the field.

2.5.1.2 Data collection

Documentary evidence can be used to reconstruct the chronology of events over time, such as tracing the series of events to provide narratives on the historical development of accounting professions (Yin, 1994; Lee & Humphrey, 2006). Given the empirical focus of paper one (chapter three) which aims to examine the efforts undertaken by IFAC to enter the capacity building field and gain a prominent position therein, documentary evidence was extensively used by the researcher as the primary research method to collect data. Documentary data was collected from four key sources and covered a wide range of documents and reports downloaded from the World Wide Web, published speeches by actors, archival material, as well as publicly available information on websites and articles from web-based newspapers. Studying IFAC, a highly transparent non-governmental body that has made its actions transparent (Loft et al., 2006), enabled us to gather considerable amounts of information related to capacity building through documents and archival material and answer the research question explored. Documents collected included IFAC annual reports as well as other documents by IFAC, the Professional Accountancy Organisation Global Development Report (PAO GDR) published collectively by IFAC and development agencies through the MOSAIC initiative. Additionally, archival reports and material were collected on IFAD such as the IFAD proposal issued by IFAC in 1999, and articles in the IFAC Quarterly which are not accessible online. Further, a number of other documents and reports published by actors such as ICAEW, ACCA, the World Bank, OECD, and the G20 were collected and analysed. Published speeches by key actors were also collected such as speeches by James Wolfensohn (World Bank president, 1997, 1999). This data was supplemented by a range of publicly available information on the world wide

web including articles from the web-based newspapers and online magazines, and information and press releases on IFAC's web site (www.ifac.org) as well as web sites of other key players such as the World Bank, and the UK Government. This data enabled me to examine the efforts undertaken by IFAC over the past decades to increase its engagement with, and garner the support of international development agencies to infiltrate the emerging field focused on the capacity building issue, which formed alongside the international development field. Having collected all the documents, documentary analysis was performed to summarise results, analyse unique findings, identify specific themes, and raise interesting aspects by incorporating theory into my analysis.

2.5.1.3 Data analysis

Data analysis was undertaken throughout the study, and was based on analysis of a range of archival and documentary data. This data was examined and interpreted in order to elicit meaning, gain understanding, and develop empirical knowledge (Corbin & Strauss, 2008). The documentary analysis process involved extracting quotes or entire passages from texts and organising them into major themes and categories, referred to as content analysis (Labuschagne, 2003). In addition, this process involved an extensive examination and on-going analysis and reflection of the data and interpretation of the findings in accordance with the theory adopted and the main research question explored. During the process of analysing the data, we engaged in the activity of coding, which signifies an analytical process of disaggregating and elaborating the data in related themes (Schwandt, 2007).

All documentary data collected was structured and subsequently coded. The process of coding for this study was undertaken in two phases. During the first phase of coding, different analytic themes were produced to gain a deeper insight into the efforts and strategies being pursued by IFAC to increase its engagement and involvement with capacity building, and to understand how such strategies evolved over time particularly since the outbreak of the Asian crisis until present. At this phase, we were able to understand how IFAC initially engaged with capacity building by establishing the IFAD initiative, how its strategies developed to increase its outreach to international development agencies in order to catalyze funding and support for capacity building, and how it enhanced its collaboration with such agencies to strengthen accountancy professions in developing countries by

launching new capacity building initiatives and programs. During the second phase of coding, overarching themes were identified in accordance with the main research question and the theory adopted, and acted as the basis for the analysis of the documentary data presented in the following section. At this analytical phase, content analysis focused explicitly on explaining the data in the context of Hoffman's (1999) theorisation of issue-based fields and Zietsma et al.'s (2017) analysis of issue based and exchange fields. This allowed us to identify how IFAC, a peripheral issue related actor, sought to mobilise the necessary resources and actors around capacity building practices. Moreover, we mobilised the notion of interstitial issue fields outlined in Zietsma et al.'s (2017) analysis, as this enabled us to understand how members from multiple exchange fields (the professional exchange field of accounting and international development exchange field) interacted around the issue of capacity building, as well as to understand the nature of their interactions. This process of analysing the data involved a re-reading and re-interpretation of the key themes identified to incorporate them in our analysis. As a result, various themes were produced and included: mobilising political support; constructing a shared meaning system around capacity building; collaborative interactions; diffusing new issue based practices-professional accountancy organisation (PAO) strategic expansion; logic blending-such as the market, professional and effectiveness logics; collaborative capacity building initiatives and partnerships; interacting in interstitial spaces; mobilising collective action and resources-such as social, economic and cultural resources; global expansion strategies; shaping issue interpretation and practices. In addition, our analysis of the data required a process of working back and forth between data and ideas in order to make sense of, interpret, and theorise the data (Schwandt, 2007). During this phase, we continued to add to the documentary evidence to ensure our case analysis was supported with sufficient data.

2.5.2 Field-level study two: Egypt

2.5.2.1 *Country selection criteria: Egypt*

Egypt is a large and economically significant country, and is one of the most populous countries in the Arab Middle East (AME) with a population of nearly 97 million, situated geographically at the intersection of Europe, Asia and Africa. Throughout its history, the country experienced considerable social, economic and political transformation, including

the emergence of capitalism in the era of the British colonial rule, the rise of socialism and nationalism in the postcolonial period, and the transformation to a market-based economy in the neo-colonial period which helped the integration of Egypt into the global economy. Following the recent unrest in Egypt, known as the 2011 Arab spring uprisings, Egypt has been undergoing a major political and economic transition. Yet, the ongoing social and economic challenges facing the country and political conflict, together with the instability in the Middle East and North Africa (MENA) region, stalled Egypt's transition as well as its economic growth. Such transformations throughout Egypt's long history largely affected its business environment and had major implications on the development and evolution of the accountancy profession in the country.

The MOSAIC Global Development Report (GDR) issued by IFAC and international development agencies in 2013 provided insights on the difficulties and challenges facing the development of professional accountancy organisations in developing countries which constrain the efforts of such global bodies and their ability to contribute to financial sector development, economic growth and poverty reduction in such countries. Significant challenges include the lack of strong legal and regulatory framework to enable the development of the accountancy profession in specific country contexts, and the adoption of and compliance with international standards, particularly with IFAC's SMO requirements. Specifically, the selection criteria for Egypt was made as it provides an interesting empirical case to examine the difficulties and challenges of compliance and enforcement of international standards in particular local contexts, as well as the challenges facing the development of strong national legal and regulatory frameworks. In addition, the case study of Egypt provides interesting insights into how particular local contexts shape the national responses to global bodies' efforts through capacity building. Further, it illuminates how capacity building should be tailored to the specific needs of particular local contexts, which can be useful in directing future design and implementation of capacity building to focus on areas such as education.

2.5.2.2 Data collection: Paper two

Given the focus of paper two (chapter four) which aims to examine the work undertaken by global actors to strengthen the local accountancy profession in Egypt through capacity building and instigate institutional change which prompted institutional disruption, and the work carried out by institutional actors to respond to the disruption and the change attempts, the paper involved a mix of data including documentary data as well as semi-structured interviews. The main documents collected included a variety of published material and reports by global actors such as the World Bank, UNCTAD, USAID, EU, IFAC, as well as others. Some important documents collected and analysed included the Accounting & Auditing Reports on the Observance of Standards and Codes (A&A ROSC) review conducted by the World Bank in 2002, the Statement of Membership Obligations (SMO) action plans developed by the Egyptian Society of Accountants and Auditors (ESAA) as part of IFAC's Member Body Compliance Program, and documents related to the EU-Egypt Twinning project. In addition, other published materials were collected including published interviews with key actors, as well as publicly available information on websites of key actors and online magazines including Egyptian magazines and newspapers. The documentary data was supplemented by in-depth, semi-structured interviews conducted with a number of key actors associated with the Egyptian accountancy profession. Contact was initially made in July 2016 in Lebanon when I arranged a meeting with a board member of the Lebanese Association of Certified Public Accountants (LACPA) that is also a member of the Arab Federation of Accountants and Auditors (AFAA). This member has a network of good contacts with professional accountants and auditors in Egypt, and was able to put me in touch with board members of the Egyptian Society of Accountants and Auditors (ESAA) and the Financial Regulatory Authority (FRA) to be able to arrange future interviews with accounting professionals in Egypt. A list of approximately ten interviewees was provided, however, I used a snowball technique during my fieldwork trip while seeking to arrange more interviews. In total sixteen interviews were undertaken both face-to-face and over Skype. These interviews began in September 2016 in Cairo, Egypt, resulting in fifteen face-to-face interviews, which lasted anywhere from 40 minutes to 2 hours. In addition, further interviews were conducted over Skype during February/March 2018. Interviewees included professional accountants, members of the professional accountancy organisations and the

regulatory body including board members, governmental actors, as well as international experts involved in capacity building projects in Egypt (See Appendix 3, p. 253). Interview themes included the evolution of Egyptian accounting standards in compliance with international standards, perceptions on the role of global bodies in Egypt and the impact of their capacity building efforts on the development of the local profession, their roles and relationship with other key actors in the field, and perceptions on the EU-Egypt Twinning project that was taking place during the time of the study. In addition, an interview guide was created to ensure that all key points were addressed with each interviewee.

At the beginning of each interview, I provided a brief outline of my research project, explained the purpose of the interview and the expected outcome of the research project, and guaranteed confidentiality and anonymity of the interviewees in the dissertation. The use of semi-structured interviews offered considerable flexibility and allowed the emergence of key themes during the discussion. To ensure accuracy, all interviews were tape-recorded, except two interviews whereby notes were taken instead. In addition, during and after each interview, the researcher took further notes. Subsequently, all interviews were translated from Arabic to English and transcribed, which allowed me to analyse in depth and gain a better feel of the data (O'Dwyer, 2004).

2.5.2.3 Data analysis: Paper two

Data analysis was undertaken throughout the life of the study. It commenced at the documentary data collection phase by employing a form of content analysis, which was considered appropriate to the objectives of the study (Canning & O'Dwyer, 2016; Horton et al., 2004). This was of particular importance as it allowed me to gain a deeper understanding of the chronology of the events and institutional changes underpinning capacity building in Egypt from the period of the 1990s onwards, and to establish causal links between the events. These included changes to the accounting and auditing standards and the regulation and supervision of the accountancy profession in Egypt, as well as the efforts to change the existing accounting and auditing legislation. Once our interview data collection had ceased, we started to code the data while trying to capture both the actions to instigate change, the reactions or responses to it, and the role that the various actors played to affect the processes of institutional change. This involved a rereading of the interview transcripts, the notes taken

during and after the interviews, and the documentary data. Further, this entailed categorizing themes and performing coding in several stages to address the research question.

Given the focus of this paper, which seeks to capture the actions and reactions involved with capacity building, during the first round of coding, we started to code using Lawrence & Suddaby's (2006) typology of institutional work as a guide. Hence, some categories of institutional work were explicitly revealed from the data such as educating and policing work. In addition, this allowed us to offer a nuanced categorisation of the forms of institutional work (such as 'legal' and 'regulatory' defining work) instigated by various actors to support other forms of work, a process that Canning & O'Dwyer (2016) conceptualised as *supportive interactive work*. This allowed us to unveil distinct forms of defining work undertaken to enable institutional changes such as changes in accounting standards, as well as changes in accounting legislation. However, these forms of work were not enough to capture the reactions and responses of institutional actors to the change attempts underpinning global bodies' capacity building efforts that prompted institutional disruption, and to describe and explain the underlying tensions and conflict that emerged within the field as a result of capacity building. During this stage of the analysis, the researcher took an iterative approach of moving between the data and the institutional work theory (Currie et al., 2012; Canning & O'Dwyer, 2016), which brought to the fore the forms of maintenance work carried out by actors as a response to the disruption. Consequently, following a review of existing literature on institutional maintenance, the researcher was able to identify two types of work associated with maintaining institutions, in particular 'preservation work' and 'resisting work' to theorise the efforts of actors to maintain existing institutional arrangements and the status quo in the face of external pressures and threats for change.

2.5.2.4 Data collection: Paper three

This paper involved a mix of data including documentary data, semi-structured interviews, and focus group discussions. The paper drew on seven face-to-face semi-structured interviews conducted with accounting academics, as well as focus group discussions conducted with accounting students from public and private higher education institutions in Egypt (See Appendix 5, p. 255). Access to interviews was achieved through the contact I

had with an accounting professor at one of the private universities in Egypt, which was then able to arrange further interviews with other accounting academics. During the interviews with accounting academics conducted in Cairo in September 2016, I proposed the potential of conducting focus group discussions with students. Hence, I was able to arrange four focus groups with students in public and private universities in Egypt during the same period. Specifically, two focus groups were conducted with accounting students from Cairo University (CU) which is a public higher education institution, and two focus groups conducted with accounting students from the American University in Cairo (AUC) which is a private higher education institution. The number of students participating in each focus group ranged from 5 to 10 students, with a total of student participants 29. The focus groups were conducted in Arabic, as well as they were recorded, translated and transcribed with discussions ranging from 45 to 70 minutes. The following themes informed the discussions: the quality and effectiveness of accounting education, past work or training experience, educational and employment opportunities, opportunities to attain professional qualifications, their career aspirations and abilities, as well as their perceptions of the accountancy profession.

At the beginning of each focus group, I briefly outlined the aim of the study, the purpose of the discussion as well the main topics that will be addressed. Following this, students were asked to introduce themselves, and their current position. Although I was following an interview guide to ensure all questions were asked and all themes are addressed, the discussions were informal allowing students to express themselves freely. Moreover, during the focus group discussions, notes were taken of key points raised. In addition to the interviews and focus groups, a range of documents were collected related to higher education in Egypt, including reports published by key actors such as the Ministry of Higher Education in Egypt, the World Bank, the EU, OECD, and UNESCO, which reviewed and assessed the higher education system in Egypt. In addition, the documentary data was supplemented by information available online on websites of such actors.

2.5.2.5 Data analysis: Paper three

Key themes were identified during the data collection phase and emerged from the focus groups conducted with accounting students. Various data sources were drawn upon in this

paper including notes taken during the focus group discussions, transcripts, and documentary data. In addition, the paper drew on seven interviews conducted and analysed with accounting academics. The data analysis process began following the selection of an appropriate theoretical framework that answers the main research question addressed.

During the first stage of the data analysis process, a number of themes were identified after in-depth reading of the transcripts of the focus groups. These themes included: the disconnect between higher education policies and their intended outcomes on the ground, the deterioration in the quality of higher education and its consequences on higher accounting education, changes needed to realise desired goals and outcomes, and the need for capacity building to align policies and outcomes. The data used for this paper including field notes, interview and focus group transcripts, and documents were re-visited and analysed further which led to the formulation of an initial thick description of the phenomenon under study (Canning & O'Dwyer, 2003). During the second stage of the data analysis, effort was made to incorporate the theory into the analysis and to identify theoretically informed themes to provide a rich description. In particular, this stage enabled me to interpret my findings using the theoretical concept of means-ends decoupling to gain an understanding of how this form of decoupling, in other words the disconnection between policies and their intended outcomes, has impacted higher accounting education. As I focused on capacity building as mechanism to reduce the gap between means and ends, I was able to link my empirical findings with the existing theoretical concept of recoupling.

2.6 Chapter summary

This chapter started by introducing the main philosophies and paradigms in accounting research and allocated the research within the interpretive accounting paradigm. It then discussed the case study research and described the three qualitative research methods employed in this thesis which included interviews, documentary analysis, and focus group discussions. This was followed by providing a detailed description of the research approach adopted in each of the three papers in the thesis.

A qualitative case study of IFAC as well as field level study of Egypt were conducted to enhance understanding of capacity building efforts aimed at strengthening local accountancy

professions at both the global level and the local level in a specific country context. The chapter has provided a detailed explanation of the sources of evidence used in the thesis, and how such evidence or data was collected and analysed in each of the three research papers. The thesis proceeds by presenting the three research papers in chapters three, four, and five.

CHAPTER THREE: GAINING AND MAINTAINING A PROMINENT POSITION IN THE CAPACITY BUILDING ISSUE-BASED FIELD: THE CASE OF IFAC

Abstract:

The global accountancy profession plays a prominent role in supporting the development of accountancy professions in developing countries, as well as supporting the adoption of and compliance with international standards, which it continually claims is crucial to economic development. This paper specifically examines the efforts undertaken by the International Federation of Accountants (IFAC) to engage with a range of international development agencies and expand its outreach through capacity building and the strengthening of accountancy professions. Drawing on Hoffman's (1999) theorisation of issue-based fields, the paper delineates the strategies through which IFAC has sought to infiltrate the field centred around the issue of capacity building- which we term 'the capacity building issue-based field'. We unveil how IFAC, a peripheral issue related actor outside the international development field where the capacity building issue arose, attempts to mobilise necessary resources and actors around the capacity building issue and shape the interpretation of, and associated capacity building practices in a manner aligned with its core interests and expansion ambitions. We offer nuance to prior work on field to field interactions, by unpacking the interaction between the capacity building issue-based field and exchange fields to which the issue relates, specifically the professional exchange field of accounting and the international development exchange field. Within this process, we reveal the collaborative nature of interactions between IFAC and international development agencies that are embedded in various exchange fields. Moreover, we extend work examining the blending of institutional logics by revealing how IFAC aligned various issue related actors around common practices and meaning systems for the achievement of common objectives, as distinct exchange field logics were borrowed and blended.

3.1 Introduction

In the aftermath of the Second World War and the succession of global financial and economic crises, international and national development agencies such as the World Bank, the United States Agency for International Development (USAID) and the United Kingdom Department for International Development (DFID) were established and expanded their development aid programs to support national economic and social development, especially in developing countries (Chen, 2014; Williams, 2012). The subsequent escalation in interactions between the network of bilateral and multilateral aid agencies underpinned the formation of the international development² field (ID). As the field evolved, the focus of development agencies' programmes shifted considerably, from an emphasis on improving infrastructure, to stressing basic human needs, to fostering structural adjustments and good governance (Williams, 2012). Sustainable development, however, proved elusive (Bigsten & Tengstam, 2015). This was widely attributed to the lack of capacity and capability in developing countries³ to implement the agencies' programmes and to use aid flows effectively (Venner, 2015; Tierney et al., 2011; World Bank, 2005; IMF, 2002). To address this, different agencies, often with distinct organisational aims, began mobilising around what came to be known as the issue of 'capacity building', which became a fundamental element for sustainable development and aid effectiveness. In addition, the EU's transition to budget support⁴ as well as its support to capacity building was viewed as crucial for implementing poverty reduction strategies and delivering more effective aid (European Union, 2012). This capacity building issue evolved to become a central focus of agencies'

² International development means the attempts on the part of western states, development agencies and other organisations to assist, direct, or help in the process of 'development' in less-developed states. Organisations that form part of the project of international development, and that occupy the international development field include bilateral donors, regional development banks, multilateral organisations, and private and non-governmental organisations (Williams, 2012).

³ Countries that are now referred to as "developing" were in the early years of the United Nations called "underdeveloped" or "less developed". These terms were used, for example, in General Assembly resolution 1710 (XVI) of 19 December 1961, by which the Assembly designated the 1960s as the First United Nations Development Decade (World Economic and Social Survey, 2017, https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESS_2017_ch2.pdf).

⁴ Budget support involves the direct transfer of funds to a partner country's budget where they can be managed using national systems. The idea is that this would contribute to more harmonised aid and more alignment with the priorities of partner countries, and therefore leads to more efficient and effective aid with more sustainable results.

individual aid efforts and offered an overarching concept enabling deeper co-ordination among divergent agencies operating in the international development field.

Capacity building has proven to be a fluid and wide-ranging notion, both in definitional and operational terms⁵. The UNDP, for example, defines it as the process through which individuals, organisations, and societies obtain strengthen and maintain the capabilities to set and achieve their own development objectives over time⁶. The OECD refers to it as the process whereby people, organisations, and society unleash, strengthen, create, adapt, and maintain capacity over time⁷. According to the World Bank, capacity building refers to the abilities of individuals, institutions and societies to perform functions, solve problems, as well as set and achieve a county's development goals in an effective, participatory, and sustainable manner⁸. Despite, or perhaps due to, the broad nature of these definitions, capacity building has, over the past two decades, remained central to international development agencies' efforts to deepen and broaden development cooperation and maximise the impact of aid to achieve sustainable development outcomes. Yet, greater diversity of actors within the international development field and the intensification of their interactions have rooted the formulation of shared principles, commitments, and actions towards realizing an ideal of *effective* aid and development. Indeed, an institutional logic of effectiveness had underpinned actions in the international development field. In effect, international development agencies endorsed mutually agreed actions and principles set out and reaffirmed in a series of global forums, to intensify their efforts toward improving effectiveness through building more inclusive development partnerships; making development cooperation more effective, accountable, and transparent; and improving developing countries' ownership.

As part of the process of improving aid effectiveness and achieving sustainable development, international development agencies have acknowledged the importance of strengthening public financial management (PFM) systems and capacity. To carry this

⁵ For instance, the World Bank, the Organisation for Economic Co-operation and Development (OECD), the United Nations Development Programme (UNDP) all offer their own unique definitions.

⁶ UNDP, Supporting Capacity development: The UNDP approach

⁷ OECD (2006), The Challenge of Capacity Development- Working towards good practice

⁸ World Bank (2003), Capacity Enhancement Brief No. 1, Nurturing capacity in developing countries: From consensus to practice, World Bank Institute, Washington, DC.

agenda forward, the accountancy profession and development agencies have come together to progress capacity building to improve the quality of public financial management and financial reporting. This paper studies the manner in which the accountancy profession, in particular IFAC, has inserted itself into the process through which capacity building has been interpreted, shaped and enacted within the international development field. The accountancy profession's involvement in this process is underpinned by both the commercial (or market) and professional logics (e.g. Lander et al., 2013; Malsch & Gendron, 2013; Suddaby et al., 2009). Within the literature, the desire to serve the public interest and provide high quality services and practices is commonly viewed as driving professionalism, and is founded on values such as objectivity, integrity, rigor and independence (Picard et al., 2014; Malsch & Gendron, 2013; Suddaby et al., 2009). By contrast, commercialism involves promoting a wide range of services designed to increase market share and short-term profitability (Picard et al., 2014; Malsch & Gendron, 2013). Specifically, in the current paper, these logics support a belief that strengthening the position of the accountancy profession in developing countries: contributes to developing strong and competent accountancy professionals and improves their ability to provide high quality services; promotes the adoption of high quality international standards; enhances the quality of financial reporting and auditing; contributes to the effective functioning of capital markets and economic growth, and thereby realises the profession's commitment to working in the public interest.

The International Federation of Accountants, IFAC, the global organisation representing the accountancy profession and its related professional accountancy organisations (PAOs)⁹, has been central to the developments above, and has made significant efforts since the Asian financial crisis to engage with a range of development agencies and expand its outreach through capacity building and the strengthening of accountancy professions, which it continually claims is crucial to economic development and stronger financial infrastructure. In evidence of this commitment, IFAC and the then big five accounting firms, launched a new forum, the International Forum on Accountancy Development (IFAD) in 1999 with the

⁹ According to IFAC, PAOs are national level membership bodies comprised of individual professional accountants, auditors, and/or accounting technicians who perform a variety of roles in the field of public and private sector accountancy and adhere to high quality standards of practice.

support of international development agencies, to promote international harmonisation of accounting standards and assist developing countries in the adoption and implementation of international standards. The creation of IFAD was a direct response to the criticisms showered on the profession from organisations such as the World Bank, and the increased concerns about the quality of financial reporting and auditing (Loft et al., 2006; Humphrey et al., 2009). As attention has begun to focus on compliance issues, IFAC introduced a new program in 2004, the IFAC Member Body Compliance Program, for monitoring the compliance by IFAC member bodies with IFAC standards. Although IFAD was disbanded following Enron and WorldCom scandals in the US, it had stimulated future collaborative work between IFAC and international development agencies as they had a shared interest in the capacity building issue. This included the Memorandum Of Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration (MOSAIC) launched in 2011 and the capacity building program launched in 2014 which supported IFAC's capacity building expansion efforts as well as efforts to achieve compliance with the IFAC Statements of Membership Obligations (SMOs)¹⁰. Hence, with the rise of the new international financial architecture following the Asian financial crisis and the subsequent global financial crises of the 2000s, capacity building came to be framed around the adoption of and subsequently the compliance and enforcement of international standards to support the strengthening of local accountancy professions and the development of effective PAOs that serve both the public and private sectors¹¹. This study specifically examines how and why IFAC infiltrated an emerging field focused on capacity building – the “capacity building issue-based field” - which formed alongside the international development exchange field. We study how it shaped the interpretation of, and associated capacity building practices to align with its interests and expansion ambitions, and positioned itself prominently in the field. We mobilise the concept of an issue-based field advanced by

¹⁰ The foundation of IFAC's Member Body Compliance Program are seven SMOs. Five of the SMOs relate to the international standards established by the four independent standard-setting boards whose structures and processes are facilitated by IFAC and the International Accounting Standards Board. The remaining two establish best practices for Quality Assurance Reviews and Investigation and Disciplinary Processes.

¹¹ SMO 5 reflects the fact that most IFAC member bodies and associates (PAOs) do not have the direct responsibility for public sector standards issued by the IPSASB, and that the power to approve or set the standards generally rests with the government. Hence, IFAC's capacity building efforts to strengthen PAOs become more geared toward the private sector. However, IFAC made efforts to strengthen the dialogue between PAO and government stakeholders by encouraging PAOs to collaborate with the national authorities, standard setters, and governments to support and achieve IPSASs implementation.

Hoffman (1999) as well as Zietsma et al.'s (2017) conceptualisation of exchange and issue-based fields to study how members from multiple fields interact around a specific issue. We contend that IFAC is a prominent global organisation occupying a central position in the professional exchange field of accounting, but a peripheral issue-related actor outside the international development exchange field where the issue of capacity building arose. Our empirical focus is on the strategies being pursued by IFAC to extend its reach and influence, and expand and develop its accounting practices and infrastructure to developing countries.

Our focus is important for the following reasons. First, IFAC has been recognised as the global organisation of the accountancy profession that has an influential voice to represent and advocate on behalf of the public and the profession¹². Its current formal mission includes commitments to developing and promoting adherence to high quality international standards, building the capacity of professional accountancy organisations (PAOs), and speaking out on relevant public interest issues¹³. Second, IFAC's vision is "a global accountancy profession recognised as a valued leader in the development of strong and sustainable organisations, financial markets, and economies"¹⁴. To realise this vision, IFAC worked closely with its global network of member and associate PAOs to support its capacity building expansionary efforts, which thus became an important strategic objective for IFAC. Lastly, since the Asian financial crisis, IFAC has secured a key position in the networks of the international financial architecture, and has attracted significant support from major international organisations and development agencies, which assisted in the diffusion of international standards (Loft et al., 2006; Humphrey et al., 2009). While some studies examining IFAC's key role within the global financial governance arena have emerged in the accounting literature (Humphrey et al., 2009; Arnold, 2012; Loft et al., 2006), there has to date been almost no research examining IFAC's capacity building expansionary efforts which assisted in growing its status and significance both within the global regulatory community and the international development community, and advancing its interests in promoting adoption and enforcement of international standards.

¹² IFAC is comprised of over 175 member and associate professional accountancy organisations (PAOs) in over 130 countries and jurisdictions representing nearly 3 million accountants.

¹³ IFAC, Organisation Overview, <https://www.ifac.org/about-ifac/organization-overview>

¹⁴ IFAC, PAO Capacity Building Program, <https://www.ifac.org/about-ifac/developing-global-profession/pao-capacity-building-program>

The paper makes the following contributions. Empirically, it advances prior work on professional expansion which suggests that professions expand their expertise and knowledge base by defining new practice areas, thereby potentially facilitating their expansionary aims and exertions of global professional influence (Humphrey et al., 2017; Gendron & Barrett, 2004; Shafer & Gendron, 2005; Suddaby & Viale, 2011). Studies within this stream of literature have tended to focus on the global expansion strategies pursued by professional service firms, particularly the Big Four accounting firms, through the expansion of the range of services they provide, as well as those pursued by professional accounting associations through the expansion of their credentialing and educational services and qualification offerings outside their domestic jurisdictional domains (Greenwood et al., 2002; Suddaby et al., 2007; Samsonova-Taddei & Humphrey, 2014). These strategies typically involve interactions between professional service firms and their corporate clients (Suddaby et al., 2007), or interactions between national professional bodies and global professional actors (Samsonova-Taddei & Humphrey, 2014). We extend and develop this literature, by focusing on the strategies being pursued by the global accountancy profession, particularly IFAC, to expand its global reach and jurisdiction by attaching this expansion to the realisation of capacity building, as broadly defined. We reveal that IFAC's interactions and relationships with international development agencies were central to these global expansion strategies allowing IFAC to expand its membership base and jurisdiction and exert significant influence on the development of national professions.

Theoretically, the paper progresses previous work exploring the emergence and evolution of issue-based fields; in particular work examining how actors' positions (as peripheral or central actors) and access to resources in a field influence issue interpretation and practices (Hoffman, 1999; O'Sullivan & O'Dwyer, 2015; Van Wijk et al., 2013; Zietsma et al., 2017; Furnari, 2017; Litrico & David, 2017). We trace how disparate actors from diverse fields have interacted around the capacity building issue thereby facilitating the emergence of the capacity building issue-based field. Specifically, we show how a peripheral actor, in our case IFAC, infiltrated this issue-based field and secured the resources necessary to mobilise actors (such as well-established professional accountancy organisations and regional organisations) around issue based practices (professional accountancy organisation (PAO) strategic expansion). We reveal how IFAC, shaped the interpretation of, and associated

capacity building practices in a manner aligned with its core interests and expansionary aims. This focus is distinct from prior work examining the process of issue interpretation where contestation is pervasive within the issue-based field and enables central issue-based field actors to exercise control over issue-based institutions and practices that suit their preferred interests (Hoffman, 1999; O’Sullivan & O’Dwyer, 2015; Litrico & David, 2017).

Moreover, the paper responds to calls for the further examination of field-to-field interactions, in particular the examination of the relationship between exchange and issue-based fields (Zietsma et al., 2017). A significant number of studies focus on the interactions among members *within* a field (DiMaggio & Powell, 1983; Wooten & Hoffman, 2018; Humphrey et al., 2017; Reay & Hinings, 2009). However, field members also interact with members of other fields either in regular exchange relationships or in issue-focused debates, bringing in resources from other fields and allowing new, appropriate practices to emerge as a result of interactions (Zietsma et al., 2017; Greenwood et al., 2002; Smets et al., 2012). While little attention has been paid to the external connections of a field, we focus attention on the capacity building issue-based field’s linkages to the professional exchange field of accounting and the international development (ID) exchange field¹⁵ from which resources (such as social, cultural, and economic capital) were gradually drawn. We show how issue based practices (such as PAO strategic expansion) diffused among actors within the issue-based field through IFAC’s collaborative interactions with international development agencies. In contrast to prior work examining contested and confrontational interactions between issue related actors (Hoffman, 1999; Wooten & Hoffman, 2008; O’Sullivan & O’Dwyer, 2015), our case analysis allows us to reveal the collaborative nature of the interactions between issue-related actors that are embedded in various exchange fields. In particular, we advance aspects of Hoffman’s (1999) study of how the emergence of new field members causes a reconfiguration of the interaction patterns among various field constituents, by unveiling how a new actor (IFAC) can enter an issue-based field provoking

¹⁵ The professional exchange field of accounting includes accountants, professional accounting organisations, the global organisation for the accountancy profession (IFAC), regional organisations and accountancy groupings, international accountancy firms, and international regulatory bodies who regard themselves as legitimate players within the global accounting and auditing regulatory arena. The international development (ID) exchange field includes international donors and development agencies such as bilateral and multilateral donors, governments, NGOs, etc., providing aid and development assistance to developing countries with the objective of advancing economic growth and reducing poverty.

new patterns of interactions among existing exchange fields' constituents (such as the UK DFID and other development agencies, regional accountancy organisations, and professional accountancy associations). It is particularly important in studying capacity building to understand interfield relationships (such as the relation between exchange and issue-based fields) given that capacity building is an issue that addresses complex multifaceted problems requiring the participation of and coordination between various actors and/or organisations within the same field, or from different fields.

Lastly, the paper contributes to the literature examining logic blending in organisational fields (see for example Glynn & Lounsbury, 2005; Mars & Lounsbury, 2009; Ramus et al., 2017). This work highlights how organisations blend institutional logics to manage the tensions that emerge when competing logics interact and compete for centrality. Ramus et al. (2017) emphasise how collaboration between organisational members advancing competing logics, may lead to the emergence of blended practices and to logic blending. This can be enabled as those members first identify practices that are essential for achieving the objectives associated with their logic, and subsequently collaborate to develop new practices that embody multiple logics. We extend and develop this literature by unveiling how the blending of multiple institutional logics occurs in the capacity building issue-based field, as various issue related actors situated in different exchange fields collaborate and align around common practices to achieve common objectives. This responds to Zietsma et al.'s (2017) recent call for more research examining the emergence of interstitial issue fields with the borrowing and blending of distinct logics from the exchange fields to which the issue relates. We particularly show how IFAC made the capacity building issue and associated capacity building practices (PAO strategic expansion), important for development agencies and for advancing the international development effectiveness agenda. In doing so, IFAC aligned the various actors occupying the issue-based field around common practices and meaning systems, as distinct exchange field logics were borrowed and blended such as the effectiveness, commercial (market) and professional logics.

The structure of the paper is as follows. The next section introduces the theoretical framework adopted in this study. The third section outlines the research method, and the fourth section provides background information to the emergence of the international

development exchange field aligning actors around the issue of capacity building. Section five presents a narrative to the case analysis in the context of the theoretical framework adopted. A discussion to the case analysis is provided in section six, followed by a conclusion to the paper.

3.2 Theoretical Framework

We frame our analysis of IFAC's emergence in the field focused on capacity building using Hoffman's (1999) concept of an issue-based field, while unpacking its interaction with various exchange fields to which the issue of capacity building relates. First, we delineate the notions of issue-based and exchange fields. We then mobilise the interstitial field notion to frame our analysis of the nature and evolution of the capacity building issue-based field, and to examine its relationship with the international development exchange field and, in particular, the professional exchange field of accounting. Lastly, we show how institutional logics blending occurs in issue-based fields, in particular in interstitial issue fields.

3.2.1 Theorising issue-based fields

The organisational field represents 'the central construct of neo-institutional theory' (Wooten & Hoffman, 2008, p. 56). Within organisational fields, embedded actors interact with one another in a predictable fashion as they share common meanings (Glynn & Abzug, 2002), produce similar products or services (DiMaggio & Powell, 1983), or share common cultures and networks (Scott, 2014). Consistent with DiMaggio & Powell's (1983) definition of organisational fields, Zietsma et al. (2017) characterise exchange fields as fields containing a population of (homogenous and heterogeneous) actors that are likely to share common meaning systems, practices, norms, references to a common identity, and their interaction or relationship with exchange partners. The types of populations that inhabit a field define the specific type of exchange field, such as industry populations, social movement populations, and professional populations (Zietsma et al., 2017). Professional exchange fields include a focal profession and its interaction partners such as professional services organisations, professional associations, and regulators. The professional exchange field of accounting, for example, includes accountants, accounting firms, professional associations, regulators of the profession, and educators of accounting professionals

(Zietsma et al., 2017, p. 399). The purpose of this field is to control professional practices and enforce boundaries around them, thus creating a high degree of homogeneity in practices and meanings and a strong professional identity¹⁶.

In contrast to the traditional conception of organisational fields, Hoffmann (1999) argues that fields can also “form around a central issue - such as the protection of the natural environment - rather than a central technology or market”, thereby bringing together “various field constituents with disparate purposes” (1999, pp. 351-352). As a result, and in the wake of triggering events, a specific collective of organisations or actors who share a common interest in an issue can emerge in or around an organisational field, causing a shift in field membership and/or interaction patterns, and facilitating the creation of a separate issue-based field. Hence, the issue-based field brings together various field constituents that may be located in different exchange fields (Zietsma et al., 2017). Moreover, their formation tends to be dynamic and contested, evolving through the entry or exit of particular organisations or actors and through the alteration of the interaction patterns and power balances among them (Hoffman, 1999; Wooten & Hoffman, 2008, 2017; Leibel et al., 2018). Issues emerge when some field actors start seeing and constructing a specific matter as important for their interests and objectives (Furnari, 2017), thereby making new links between actors, in our case IFAC and international development agencies, that haven’t been made before (Hoffman, 1999; Wooten & Hoffman, 2008; O’Sullivan & O’Dwyer, 2015).

Issues frequently have no objective meaning attached to them but are, instead, assigned meaning through ‘issue frames’- that is schemata of interpretation that field actors use to frame and act upon issues to mobilise and attract others’ support on their views of the issue (Litrico & David, 2017; Furnari, 2017). Yet, various actors often with distinct interests and holding different perspectives interpret issue differently (See Table 3.1, p. 106), leading to variation in issue interpretation across field actors (Hoffman, 2001; O’Sullivan & O’Dwyer, 2015; Litrico & David, 2017). Issue-based fields evolve to “become centers of debates in which competing interests negotiate over issue interpretation” (Hoffman, 1999, p. 351).

¹⁶ Other exchange fields include industry exchange fields which include a focal industry population that produces the same products or services and their interaction partners such as retailers, suppliers, customers, regulators, and so on. Social movement exchange fields represent fields that mobilise and coordinate actors and resources to further a specific agenda or extend an ideology, and include movement organisations, supporters, funders and others.

While interactions between disparate actors in the organisational field to which an issue relates may be contentious, new or ambiguous issues can allow room for collaborations between powerful/central organisational field actors and peripheral actors (Van Wijk, et al., 2013; O’Sullivan & O’Dwyer, 2015). Here, actors work collectively to frame issues of societal concern and mobilise collective action and resources - which can be political, economic, symbolic, cultural or social - around these issues (O’Sullivan & O’Dwyer, 2015; Misangyi, Weaver & Elms, 2008; Schneiburg & Lounsbury, 2008). Creed et al. (2002) suggest that actors construct legitimating accounts to create common meanings and identities that justify issue-related practices, and legitimate and mobilise action around issues. As the diverse actors in an issue-based field increase their levels of formal or informal interaction, prior research shows how powerful central actors can use established networks and resources to capture the interpretation of the issue and diffuse issue-related institutions and practices that fit with their preferred rationales and logics (O’Sullivan & O’Dwyer, 2015). Although peripheral actors (outside or at the periphery of fields) may have limited resources and capacity to influence issue-related practices (Hardy & Maguire, 2008), they have been shown to be adept at gaining the support of powerful, central issue-related actors in order to increase their influence in the issue-based field¹⁷ (Van Wijk et al., 2013; Zietsma et al., 2017).

3.2.2 The nature of interstitial issue-based fields

Interstitial spaces are interaction settings between or at the intersection of fields (Hinings et al., 2017; Zietsma et al., 2017; Furnari, 2016), wherein actors positioned in diverse exchange fields interact with one another as they share a common interest around a specific issue (Furnari, 2014). Interstitial issue fields emerge in these interstitial spaces, wherein members from different exchange fields underpinned by different logics and practices coordinate to respond to an emerging issue, such as capacity building, the focus of this paper. Given that the multiple actors occupying the interstitial issue fields may be influenced by different

¹⁷ Issue-based fields contain a more diverse set of actors than exchange fields (Zietsma et al., 2017). They are characterised as competitive, bridging, or interstitial. Competitive issue fields arise when one field or group of actors seeks to change existing meanings and practices within an exchange field, for example, when a social movement organisation attempts to change an industry. Bridging issue fields arise when issues are cross-jurisdictional such as the issue of CSR (corporate social responsibility) and are of interest to many different fields. This type of issue-based field relies on ‘boundary organisations’ to connect multiple fields on specific issues, bridge diverse groups, and coordinate issue-related activity across fields (Zietsma et al., 2017, p. 402).

logics, these fields' conditions are described as fragmented (Zietsma et al., 2017). Interstitial spaces can generate new collaborations and provide space for new systems of meaning and relations to be worked out between diverse actors, thereby contributing to the structuration of the issue-based field (Furnari, 2014; Zietsma et al. 2017). An interstitial issue field frequently arises when the issue is of societal concern such as HIV/AIDS, poverty alleviation or climate change, as these issues are more likely to concern members of multiple exchange fields (Zietsma et al., 2017). In such a situation, “no one [exchange] field is likely to dominate discussions on the issue, [underlying] logics are multiple and fragmented, and boundaries are permeable”¹⁸ (p. 401). Although these various actors may be influenced by multiple, fragmented institutional logics, yet, they may be aligned towards achieving a common agenda and mutually reinforcing for a field to emerge (Hinings et al., 2017; Furnari, 2017). The institutional infrastructure emerging in interstitial issue fields may be borrowed, transposed and translated from fields to which the issue relates (Hinings et al., 2017). A less elaborated institutional infrastructure provides space for new actors from existing disparate exchange fields, with new ideas, to enter the interstitial issue field (see also: Van Wijk, et al., 2013). Over time, as disparate groups form alliances, a shared identity and institutional infrastructure may emerge in the field (Zietsma et al., 2017).

Organisations or actors within a field interact with one another or with their exchange partners more frequently than with actors outside the field (Furnari, 2016; Wooten & Hoffman, 2018; Humphrey et al., 2017). While a significant number of studies examine the interactions between field members within one field, little attention has been paid to the external connections of a field and the mechanisms through which legitimacy, resources, and political support are transferred to the field constituents (Zietsma et al., 2017). Zietsma et al. (2017) discussed the need to theorise inter-field relationships and to explore field to field interactions especially when addressing issues of societal concern that involve multiple fields and require inter-field action. Our analysis of the capacity building issue-based field, an interstitial issue field, allows us to better understand inter-field relationships by unveiling how members from various exchange fields interacted around the specific issue of capacity

¹⁸ For instance, the ‘impact investing field’ is an interstitial issue-based field, which draws elements of its institutional infrastructure from existing exchange fields such as the philanthropy field, the investment field, the corporate social responsibility (CSR) field, and the social entrepreneurship field (Hinings et al., 2017; Zietsma et al., 2017).

building -broad societal issue concerned with alleviating poverty and stimulating sustainable economic growth.

3.2.3 Logic blending in (interstitial) issue-based fields

Many studies assume that common logics exist at the field level and guide behaviour, and that organisations' boundaries, identities and interactions are defined and stabilised by shared institutional logics¹⁹ (Greenwood & Suddaby, 2006; Scott, 2001). Yet, in issue-based fields, a common logic rarely exists at the field level, but rather at the level of a specific population within a field such as an industry, or a profession, or a social movement population (Zietsma et al., 2017). Hence, Hoffman's (1999) idea of an issue-based field brings together a diverse set of actors with competing interests underpinned by multiple and often competing logics in one field (O'Sullivan & O'Dwyer, 2015), whereas in exchange fields actors may be underpinned by a single logic (Zietsma et al., 2017).

The focus on issue-based fields is consistent with various previous studies which emphasise that organisational fields are comprised of and influenced by multiple, competing institutional logics (Lounsbury, 2007; Reay & Hinings, 2009; Thornton et al., 2005; Thornton et al., 2012; Greenwood et al., 2011; Kaufman & Covaleski, 2018). In some cases, multiple logics may offer consistent and compatible prescriptions that an organisation can easily reconcile and sometimes blend (Thornton et al., 2012). The reconciliation of multiple, competing logics does not necessarily result in a dominant logic, but instead in the coexistence of logics (Kaufman & Covaleski, 2018; Thornton & Ocasio, 2008; Reay & Hinings, 2009). However, in many situations, the coexistence of multiple and divergent logics in a field generates institutional complexity and leads to tensions, consequently inciting disagreement about an organisation's objectives, strategies, and practices (Ramus et al., 2017). Specifically, scholars have pointed out that collaborative efforts among adherents of different logics has a central role in managing institutional complexity, and allow organisations to successfully blend logics and reconcile tensions (Ramus et al., 2017). This blending of logics is often catalysed by exogenous shocks or pivotal organisational events,

¹⁹ Thornton & Ocasio (1999: 804) defined institutional logics as "the socially constructed, historical patterns of cultural symbols and material practices, assumptions, values, and beliefs by which individuals produce and reproduce their material subsistence, organise time and space, and provide meaning to their daily activity".

and may lead to the diffusion of new practices (Glynn & Lounsbury, 2005). This is consistent with previous studies of hybrid organisations which show how organisations successfully combine distinct, conflicting logics by creating new hybrid organisational forms and practices (Battilana & dorado, 2010; Battilana & Lee, 2014). As such, the institutional logics perspective emphasise that blending is similar to hybridisation, whereby institutional logics are transformed by combining elements of the diverse logics in the field (Thornton et al., 2012; Ocasio et al., 2017). Recent work has shown that issue-based fields, once settled, feature blended logics around the issue (Zietsma et al., 2017). The authors called for future research to address how the borrowing and blending of institutional logics of existing exchange fields occurs in issue-based fields, in particular interstitial issue fields.

The current paper draws on the concept of issue-based fields advanced by Hoffman (1999) to examine how and why IFAC, an initially peripheral issue-related actor, sought to infiltrate the issue-based field focused on capacity building and position itself prominently therein thereby influencing how capacity building was interpreted and acted upon in the field. Our focus unpacks the interaction between an issue-based field (focused on capacity building), and two exchange fields - the professional exchange field of accounting and the international development exchange field - from which resources were gradually drawn. We seek to advance Zietsma et al.'s (2017) analysis of logic blending in issue-based fields by unveiling how IFAC aligned the various field actors around common practices and meaning systems for the achievement of common objectives, while blending distinct exchange field logics. Before we outline the narrative depicting this process, the following section presents the research methods adopted.

3.3 Research methods

Qualitative research methods were deployed to answer the paper's primary aim, which seeks to examine how and why IFAC emerged in the capacity building issue-based field making its expansion central to the enactment and interpretation of capacity building. The paper relies heavily on documentary analysis of publications and reports, archival material, and a range of publicly available information on websites (See Appendix 1, p. 249).

3.3.1 Documentary data

Documentary data covers a wide range of materials and official records both printed and electronic (digital and technological data such as websites and social networking sites) that permit to trace the actions and activities of organisations. Indeed, documents can be considered as the physical traces of social settings, in other words, data or evidence of the ways in which individuals, groups, social settings, institutions and organisations represent and account for themselves (Coffey, 2014, p. 367). Hence, in qualitative research, when gathered carefully and analysed critically, documents may become a social research data providing a powerful tool for understanding social and organisation practices (Coffey, 2014). Documentary data and evidence is applicable to qualitative studies producing rich descriptions of a single phenomenon, event, organisation, or program (Stake, 1995; Yin, 2006). Specifically, this type of data has been used in a number of qualitative accounting studies to provide narratives and describe phenomena in historical accounting research such as the development of accounting professions (Humphrey & Lee, 2014). Such methods have also been used in contemporary accounting research by collecting and analysing documents downloaded from the world wide web (Humphrey & Lee, 2014).

In this paper, a range of documentary data was collected to understand IFAC's efforts to engage with a range of international development agencies and expand its outreach through capacity building and the strengthening of accountancy professions in developing countries over the period 1999 until the present. The documents collected comprised archival material and reports on the International Forum on Accountancy Development (IFAD) initiative, published speeches by actors, IFAC annual reports as well as other documents published by IFAC. These were helpful to trace earlier history and understand IFAC's primary developments and the shifting patterns of activities and related strategies that it pursued to secure a position in the capacity building issue-based field. Further, a number of other documents and reports published by actors such as ICAEW, ACCA, the World Bank, OECD, and the G20 were collected and analysed. Another important document collected was the Professional Accountancy Organisation Global Development Report (PAO GDR) produced collectively by IFAC and international development agencies in 2013 through the Memorandum Of Memorandum of Understanding to Strengthen Accountancy and Improve

Collaboration (MOSAIC) initiative. Published speeches by key actors were also collected such as speeches by James Wolfensohn (World Bank president, 1997, 1999). This data was supplemented by a range of publicly available information on the world wide web including articles from the web-based newspapers and online magazines such as *The Accountant* and *Accounting Today*, and information and press releases on IFAC's website as well as websites of other key players such as the World Bank, and the UK Government. The documentary data and evidence collected provided in-depth narratives of the actions and strategies being pursued by IFAC to increase its outreach to, and garner the support of international development agencies to infiltrate the capacity building issue-based field and gain a prominent position therein.

3.3.2 Data analysis

Data analysis was undertaken throughout the study, and was based on analysis of a range of archival and documentary data. This data was examined and interpreted in order to elicit meaning, gain understanding, and develop empirical knowledge (Corbin & Strauss, 2008). The documentary analysis process involved extracting quotes or entire passages from texts and organising them into major themes and categories, referred to as content analysis (Labuschagne, 2003). In addition, this process involved an extensive examination and on-going analysis and reflection of the data and interpretation of the findings in accordance with the theory adopted and the main research question explored. During the process of analysing the data, we engaged in the activity of coding, which signifies an analytical process of disaggregating and elaborating the data in related themes (Schwandt, 2007).

All documentary data collected was structured and subsequently coded. The process of coding for this study was undertaken in two phases. During the first phase of coding, different analytic themes were produced to gain a deeper insight into the efforts and strategies being pursued by IFAC to increase its engagement with a range of international development agencies and expand its outreach through capacity building, as well as to understand how such strategies evolved over time particularly since the outbreak of the Asian crisis until present. At this phase, we were able to understand how IFAC initially engaged with capacity building by establishing the IFAD initiative, how its strategies developed to increase its outreach to international development agencies in order to catalyze

funding and support for its capacity building expansionary efforts, and how it enhanced its collaboration with international development agencies to strengthen accountancy professions in developing countries by launching new initiatives and programs. During the second phase of coding, overarching themes were identified in accordance with the main research question and the theory adopted, and acted as the basis for the analysis of the documentary data presented in the following section. At this analytical phase, content analysis focused explicitly on explaining the data in the context of Hoffman's (1999) theorisation of issue-based fields and Zietsma et al.'s (2017) analysis of issue based and exchange fields. Moreover, we mobilised the notion of interstitial issue fields outlined in Zietsma et al.'s (2017) analysis, as this enabled us to understand how members from multiple exchange fields (the professional exchange field of accounting and international development exchange field) interacted around the issue of capacity building, as well as to understand the nature of their interactions. This process of analysing the data involved a re-reading and re-interpretation of the key themes identified to incorporate them in our analysis. As a result, various themes were produced and included: mobilising political support; constructing a shared meaning system around capacity building; collaborative interactions; diffusing new issue based practices-professional accountancy organisation (PAO) strategic expansion; logic blending-such as the logic of effectiveness²⁰ and the market and professional logics; collaborative capacity building initiatives and partnerships; interacting in interstitial spaces; mobilising collective action and resources-such as social, economic and cultural resources; shaping issue interpretation and practices. In addition, our analysis of the data required a process of working back and forth between data and ideas in order to make sense of, interpret, and theorise the data (Schwandt, 2007). During this phase, we continued to add to the documentary evidence to ensure our case analysis was supported with sufficient data.

²⁰ Based on Reay & Jones's (2015) study capturing institutional logics, we use the technique of 'pattern inducing' by examining and categorizing text segments in the documentary data to reveal the existing underlying meanings and identify patterns of behaviors and beliefs of international development agencies associated with the logic of effectiveness underpinning the international development field. The documents from the high level forums on aid effectiveness included many statements reporting on the commitments of such agencies to make aid and development more effective, and on shared principles that would guide their actions to achieve common development goals.

3.4 Case contextualisation: ‘Capacity building’ in international development

International development assistance has a long history and can be traced back to the 19th century. It intensified after World War II, as wealthier nations collaborated to promote economic development and alleviate poverty in developing countries by providing foreign aid and technical assistance (Tierney et al., 2011). In the period after the War a network of multilateral development agencies gradually emerged to administer this aid and assistance. Over the following three decades, these agencies were joined by bilateral aid agencies and donors, as well as private organisations, civil society organisations (CSOs), and international non-governmental organisations (NGOs). These actors interacted intensely around aid assistance and evolved to form the field of international development (ID)²¹. Given their limited development impact over subsequent decades (Venner, 2015), many field members identified a lack of ‘capacity’ in recipient developing countries as the fundamental obstacle to fostering sustainable impacts. In the late 1980s and 1990s members from the international development field began to mobilise their efforts around enabling this elusive ‘capacity building’ in aid-recipient nations and the issue of ‘capacity building’ became the central focus of the international development agenda.

The World Bank, formed in 1944, became increasingly concerned with capacity building. For instance, in 1989, its study of development in Sub-Saharan Africa identified capacity building aimed at strengthening capacities of people, institutions, and local governments, along with better economic policies and infrastructure, as key to achieving sustainable development (World Bank, 1989). In 1991, the World Bank launched the African Capacity Building Initiative (ACBI), to strengthen the capacities of African governments in economic policy analysis and development management (World Bank, 1991)²². To coordinate ACBI actions and to manage African capacity building funds, a new institution, the African Capacity Building Foundation (ACBF), was established in 1991 as a collaborative effort

²¹ Multilateral development agencies and institutions include the IMF and the International Bank for Reconstruction and Development (now known as the World Bank) 1944, the UNDP 1965, the EC 1958, the OECD, and regional development banks such as the African Development Bank (AfDB), the Inter-American Development Bank (IDB), the Asian Development Bank (AsDB), and the European Bank for Reconstruction and Development (EBRD) 1991; bilateral aid agencies and donors include the UK DFID and the USAID 1961; as well as private organisations, civil society organisations, and international NGOs include Oxfam, Save the Children, as well as others.

²² World Bank (1991), The African Capacity Building Initiative, Toward improved policy analysis and development management.

between the World Bank, the United Nations Development Programme (UNDP) and the African Development Bank to help build sustainable human and institutional capacity for good governance and development in Africa²³. Furthermore, the UNDP published a Technical Advisory Paper in 1997 emphasizing the importance of capacity building and the need to focus on building national capacities to achieve sustainable development. In the aftermath of the Asian financial crisis in 1997-98, the Bank further sharpened its focus on the issue of capacity building. In a speech given during the World Bank's 1999 annual meeting²⁴, its then president highlighted that capacity building, which includes building effective and accountable institutions to address development issues and reduce poverty in borrowing countries, should be at the core of the bank's activity. The then World Bank president stressed the need to establish collaborative partnerships with international development agencies and donors, as well as other actors to support capacity building.

Given that aid was not producing the expected development results, the focus on capacity building grew further in the period from 2000, and development agencies such as the OECD Development Assistance Committee, the UNDP, the Asian Development Bank, USAID, DFID as well as others, have commissioned a number of studies and issued reports on their approach to capacity building²⁵ (Venner, 2015). In addition, capacity building became a key part of the budget support predominantly provided by European donors and development agencies from the late 1990s onwards as a means of delivering more efficient and effective aid and achieving sustainable development results (European Union, 2012). The notions about effective aid were later solidified by the OECD-led high-level fora on aid effectiveness in Rome (2003), Paris (2005), Accra (2008), and Busan (2011) that resulted in global commitments. Capacity building became central for development agencies' efforts to

²³ The African Capacity Building Foundation, <https://www.acbf-pact.org/who-we-are/acbf-survey>

²⁴ James Wolfensohn, World Bank Annual meetings speech, September 28, 1999, Coalitions for change, <https://www.imf.org/external/am/1999/speeches/pr02e.pdf>

²⁵ OECD, 'The Challenge of Capacity Development: Working Towards Good Practice', in DAC Guidelines and Reference Series (Paris: Development Assistance Committee, Organisation for Economic Co-operation and Development, 2006); AusAID, 'Capacity Building Handout – Lessons Learned' (Canberra: Australian Agency for International Development, 2005); USAID, 'Human and Institutional Capacity Development Policy Paper' (Washington, DC: United States Agency for International Development, 2009); 'Developing Capacity: An Evaluation of DFID Funded Technical Cooperation for Economic Management in Sub-Saharan Africa: Synthesis Report' (London: UK Department for International Development, 2006); World Bank Institute, 'The Capacity Development Results Framework: A Strategic and Results Oriented Approach to Learning for Capacity Development' (Washington, DC: World Bank Institute, 2009). UNDP, 'Supporting Capacity Development: The UNDP Approach' (New York: United Nations Development Programme, 2009).

raise the effectiveness of aid (Tierney et al., 2011). In the fourth high-level forum held in Busan, international development agencies asserted that the lack of capacity remained a formidable obstacle for development in developing countries and called for more inclusive and broader development partnerships to support capacity building to advance aid and development effectiveness agenda and achieve sustainable development results. The Busan Partnership led to the establishment of a new, inclusive Global Partnership, to maximise the effectiveness of development cooperation in support of sustainable development²⁶. Throughout this ongoing debate, capacity building has been the key priority of development cooperation and became an explicit and integral part of the Sustainable Development Goals (SDGs) (Vallejo & Wehn, 2016). As attention to the capacity building issue grew in the international development field, the field focused around the issue of capacity building was emerging, bringing together a diverse range of development agencies and other stakeholders including IFAC, to advance the effectiveness agenda and contribute to the achievement of common development goals in developing countries. In fact, IFAC's entry into the capacity building issue-based field since the mid-1990s was a direct response to the challenges issued to the accountancy profession by the World Bank and others, and the importance placed on the need for harmonised international standards. In the subsequent years, IFAC strategies developed as it sought to strengthen its relationship with international development agencies to garner support for its capacity building expansionary efforts and further international standards adoption and compliance. Such strategies and efforts are depicted in the next section.

3.5 Case Narrative

The case narrative analyses how IFAC sought to enter and gain a prominent position in the capacity building issue-based field, which formed alongside the international development exchange field. The first sub-section (3.6.1) unveils how IFAC initially engaged with the capacity building issue following the Asian financial crisis and the increased concerns with the adequacy of global financial regulation and standards. We show how IFAC sought to develop a close relationship with international development agencies, which led to the

²⁶The Global Partnership for Effective Development Cooperation (GPEDC) was established in 2011 to boost the international development community's efforts towards achieving the Sustainable Development Goals (SDGs) and countries' national development goals.

establishment of a new initiative (the IFAD) and the construction of shared meanings. Sub-section two (3.6.2) shows how, in the wake of several disruptive events such as the subsequent global financial crises of the 2000s, IFAC's strategies evolved to demonstrate its on-going commitments to strengthening accountancy professions in developing countries and continue its outreach to international development agencies to secure their support and catalyse funding for its capacity building expansionary efforts. Sub-section three (3.6.3) uncovers how the extensive social capital that IFAC had built with international development agencies facilitated the establishment of a new collaboration (the MOSAIC) to achieve common objectives and goals. This allowed IFAC to align issue related actors around common meanings and practices as distinct exchange field logics were blended. Sub-sections four (3.6.4) and five (3.6.5) unveil how the social capital gradually facilitated the mobilisation of the necessary resources (such as economic and cultural capital) and collective action around capacity building practices (PAO strategic expansion). The final sub-section (3.6.6) illustrates how IFAC succeeded in shaping the interpretation of, and associated capacity building practices in a manner aligned with its core interests and expansion ambitions.

3.5.1 The inception of IFAC's efforts to engage with the capacity building issue

The Asian financial crisis that erupted in 1997-98 destabilised global financial systems (Arnold, 2012), and created a strong stimulus for the need to strengthen global financial regulations and enhance the transparency of the financial system. This led to the emergence of the "New International Financial Architecture (NIFA)" that relied upon international standards and codes, including financial reporting and auditing standards, to ensure a sound financial system and prevent future crises (Arnold, 2012). Hence, in the wake of the crisis, a new organisation was established, the financial stability forum (FSF) in 1999 by the G7 which endorsed a set of twelve standards and codes necessary for sound financial systems. Significantly, these standards included international accounting standards (IFRS/IAS), and international auditing standards (ISAs), which were deemed critical for the maintenance of financial stability (Loft et al., 2006; Arnorld, 2012; Humphrey et al., 2009). Moreover, the World Bank and IMF jointly developed a program of Accounting and Auditing Reports on the Observance of Standards and Codes (A&A ROSC) in 1999. The program focused on strengthening financial systems in developing countries and improving compliance with

international standards and codes, using IFRS/IAS and ISAs as benchmarks. However, due to the lack of the necessary capacity to implement accounting standards in many countries, international regulators realised the need to enhance accounting capacity and capabilities in developing countries to enable them to adopt and implement international standards (Humphrey et al., 2009).

The Asian financial crisis and the widespread concerns with the adequacy of global financial regulation and standards, served as a way for IFAC to gain support from international regulators and development agencies through endorsement of its standards, and grow its status and significance (Loft et al., 2006). In light of the Asian crisis and the efforts to strengthen the international financial architecture, IFAC developed a close relationship with a network of international development agencies, which resulted in the establishment of the International Forum on Accountancy Development (IFAD) in New York in June 1999. The IFAD was a response to strong criticism of IFAC from the World Bank²⁷ for not doing enough to enhance accounting capacities and capabilities and was pushed to play a more active role in establishing accountancy professions in developing countries and pushing the agenda for international harmonisation of accounting standards (Humphrey et al., 2009). IFAC called a meeting in January 1998, in Washington, bringing together representatives of IFAC with representatives of the World Bank and other development agencies to discuss their joint interest in capacity building in developing countries. The meeting resulted in acknowledgment that there is a need to improve coordination between development agencies and the accountancy profession and effectively combine resources to support the development of accountancy professions in developing countries (IFAC Quarterly, January 1998, p. 3). For Harding, the resources devoted to the development of strong accountancy professions were “totally inadequate” (IFAC Quarterly, April 1999, p. 3). As a result of discussions and a number of meetings between IFAC and various development agencies, it was agreed to form the IFAD. The forum brought together international development

²⁷ At the World Congress of Accountants in Paris in 1997, James Wolfensohn, the then president of the World Bank, made a strong speech via teleconference criticizing the global accountancy profession (including IFAC and IASC) for not doing enough, particularly in relation to enhancing professional accountancy bodies in developing countries, and emphasizing the need to achieve common global accounting and auditing standards and extend them to the developed and developing world (<https://openknowledge.worldbank.org/bitstream/handle/10986/26155/Remarks0to0the0lfensohn00President.pdf?sequence=1&isAllowed=y>).

agencies (including multilateral development agencies, regional development banks, and bilateral development agencies of the G7 countries), international financial institutions, government representatives from developing countries, the international accountancy profession (such as IFAC and IASC) and regional accountancy organisations, and the large accounting firms (Background information, IFAC, March 1999, pp. 6-7). It's role was to ensure that the resources of the profession and development agencies were harnessed in the interest of enhancing accounting capacity and capabilities in developing countries and improving their economies. The Forum contributed to a common frame of reference and advice about the key priorities needed to build accounting capacity in developing countries (p. 1). In expanding on the priorities ahead for IFAD, Harding said:

“It is quite apparent that there is a dearth of accountants and a lack of adequate accounting capability, both in the public and private sectors. This capacity needs to be built as a matter of urgency. Governments must acknowledge the need for a sound financial infrastructure and recognise the importance of the role of accountants within this infrastructure in advising and reporting, in assuring the credibility of financial information, and in establishing control mechanisms and systems. They must be encouraged to recognise accountants as key components in the matrix of responsible governance necessary for the effective operation of government and government agencies and industry and commerce. Not least, improved accountability is essential in order to encourage development aid and loans and to raise private sector foreign investment” (IFAC Quarterly, April 1999, p. 3).

In fact, the establishment of IFAD represented the beginning of IFAC's effort to construct a shared meaning system around capacity building, underpinned by the market and professional logics. These logics supported a belief that increased transparency of financial reporting and accountability supported by a strong accountancy profession, would lead to increased investments and sustained economic growth in developing countries.

"The crises of the past 18 months have shown that the economic situation in one country reverberates worldwide. The rapid flow of speculative and investment capital aggravates already fragile situations-putting developing countries and their investors at risk. Proper accountability at all levels in these countries is the key to restoring confidence now and for the future (p. 1)"

The IFAD initiative allowed IFAC to expand its accounting practices and standards in developing countries, increase its collaboration and interaction with international development agencies, as well as increasing its role and significance within the professional exchange field of accounting. Moreover, this presented an opportunity for IFAC to promote

adoption of international accounting and auditing standards worldwide with the intent of providing investors and other users with sound and transparent financial information. However, IFAD disbanded after Enron and WorldCom scandals hit the U.S. in 2001-2002, which undermined investors' confidence in corporate financial reporting and audit quality. Although IFAD was terminated, it had stimulated future collaboration between IFAC and the international development agencies as they had a shared interest in the issue of capacity building.

3.5.2 IFAC strategic developments to enhance its focus on the capacity building issue

The Enron and WorldCom collapses resulted in increased scrutiny of the accountancy profession. In the aftermath of these scandals, IFAC entered into a restructuring process and underwent a series of reforms to rebuild trust in financial reporting and demonstrate its commitment to strengthening the worldwide accountancy profession. As part of the reform, IFAC established the Member Body Compliance Program and the Compliance Advisory Panel in 2003, aimed at promoting the adoption and implementation of international standards and achieving compliance with the IFAC statements of membership obligations (SMOs). IFAC's SMOs were designed to assist professional accountancy organisations in meeting international standards, and became recognised globally as a framework for developing strong, credible, and high quality accountancy organisations (IFAC, 2014). Moreover, IFAC established the Developing Nations Permanent Task Force, which became known as the Developing Nations Committee (DNC) in 2006²⁸, to support IFAC's efforts to expand its standards and promote global compliance. IFAC's DNC focused on establishing and developing accountancy organisations in developing countries by assisting them in meeting IFAC's SMOs. The committee assisted IFAC in building a closer relationship with a range of international development agencies as well as it sought to catalyse funding for the strengthening of accountancy professions in developing countries. In the 2005 annual report of IFAC, Ian Ball, IFAC's Chief Executive emphasised:

²⁸ The DNC worked with the IFAC Member Body Compliance Program to respond to the needs of developing nations, including accessing resources within the IFAC membership and donor agencies; facilitating assistance to the developing profession, in partnership with IFAC member bodies, regional accountancy organisations and other relevant organisations; monitoring the work of IFAC boards and committees and providing input and support where appropriate; and working with standard-setting boards to ensure they are aware of, and give due consideration to, the issues relevant to the profession in developing nations (IFAC, 2009b, p. 1).

“As we strive to build accountancy capacity worldwide, IFAC’s Board and the Developing Nations Committee have also provided leadership and direction on how to build a quality profession, with the appropriate foundation of education, training and licensing. Our goal is to have an IFAC member body in every country of the world. This is something that can be accomplished only with the support and involvement of international development and funding agencies. I am happy to report that we have developed stronger and productive ties in these areas” (IFAC Annual Report, 2005, p. 8).

The subsequent global financial crisis that erupted in 2007-8 provoked the G20 leaders to action in an attempt to restore economic growth and prosperity, and stabilise the world’s financial systems²⁹. Hence, the G20 leaders urged international accounting bodies to increase their efforts to achieve a single set of high quality, global accounting standards (G20, April 2009). In response to the global financial crisis, IFAC initiated the G-20 Accountancy Summit in July 2009 bringing together IFAC, accountancy organisations including those of the G20 nations, and development agencies including the World Bank. The aim was to achieve consensus by the profession on a series of recommendations to be developed for the next meeting of the G20 nations in September³⁰. In its recommendations to the G20, IFAC called for an urgent need to establish a strong global partnership between IFAC, the World Bank and the G20 nations, with appropriate resourcing, with the primary objective of strengthening accountancy professions in developing countries³¹. IFAC stated that such a strategic initiative would focus on strengthening accountancy professions in developing countries and assisting these countries in the adoption of and compliance with international standards. Moreover, IFAC emphasised that although some progress has been made towards strengthening accountancy professions through IFAC’s compliance program, its Developing Nations Committee, and the World Bank programs (such as the ROSC), more remained to be done to support the development of the worldwide accountancy profession.

In seeking to address the challenges facing the development of accountancy professions in developing countries, and to further strengthen IFAC’s relationship with international

²⁹ <http://www.g20.utoronto.ca/2008/2008communique1109.html>

³⁰ IFAC Press Releases/News Alerts, July 24, 2009, IFAC G20 Accountancy Summit issues renewed mandates for adoption of global standards, <https://www.ifac.org/news-events/2009-07/ifac-g20-accountancy-summit-issues-renewed-mandate-adoption-global-standards>

³¹ IFAC, July 31, 2009, Recommendations for the G20 Nations – Meeting of September 24 – 25, 2009

development agencies, IFAC's DNC underwent a review in 2010. The DNC was renamed the Professional Accountancy Organisation development Committee (PAODC), which was tasked with helping IFAC achieve strong and sustainable professional accountancy organisations to lead to a stronger financial infrastructure and more resilient economics (IFAC, 2014). The committee's work was carried out in diverse ways at the national, regional and global levels by maintaining on-going collaboration with professional accountancy organisations, regional organisations and accountancy groupings, and international development agencies, as they shared a common interest in capacity building³². At the global level, and as part of its dedication to fostering and deepening development partnerships, the committee participated in the development of a new collaboration between IFAC and international development agencies, the Memorandum Of Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration (MOSAIC) initiative.

3.5.3 Improving collaboration between IFAC and international development agencies- The signing of MOSAIC

The fourth high-level forum on aid effectiveness was held in Busan, South Korea, in 2011, which created space for a new partnership to be worked out between IFAC and international development agencies. The Busan forum represented the broadest coalition of development agencies and stakeholders committed to shared principles, common goals and differential commitments for effective international development. Different sessions were held during this three-day event, bringing together over 3000 participants³³ who were part of the development agenda, amongst them IFAC (OECD, 2011). The forum created a space wherein different actors interacted to further the principles of aid effectiveness in the context

³²At the national level, the Committee has undertaken numerous outreach and representation activities aimed at raising awareness of the profession, its role in the financial sector and overall economy, and impact on economic growth and social progress. At the regional level, the Committee has provided assistance and support to all regions of the globe: The Committee supported the launch of the Pan-African Federation of Accountants (PAFA); led and strengthened cooperation for the CReCER 2011 "Development of Capital Markets in Latin America and the Caribbean" Event in Latin America; designed and executed the Middle East North Africa (MENA) Region PAO Development Roundtable Workshop; worked in coordination with the World Bank Centre for Financial Reporting and Reform to host a working session with European PAOs; and attended the Confederation of Asian and Pacific Accountants (CAPA) Strategic Committee Meeting. (PAODC- 2011 Progress report).

³³ Busan participants included heads of states and ministers of developing and developed countries, heads of multilateral and bilateral institutions, representatives of governments, as well as representatives from a wide range of development stakeholders including international, regional and local organisations, civil society, NGOs, the private and the public sector (OECD, 2011).

of establishing more inclusive development partnerships that would have an impact on poverty reduction, sustainable development, and on strengthening and enhancing developing countries' capacities.

The development of strong and transparent financial management systems and the ability to utilise partner country systems in the delivery of aid had become widely recognised as a major aspect of effective development assistance through the Paris Declaration, the Accra Agenda for Action and the Busan Forum. During the Busan forum, IFAC and twelve development and donor agencies including the World Bank and regional development banks, bilateral donors, as well as others³⁴ signed the Memorandum Of Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration (MOSAIC). IFAC emphasised that it had engaged with MOSAIC partners to explore how a stronger accountancy profession could support their strategic objectives (IFAC, 2018). At a session held during Busan on strengthening public financial management, Warren Allen, the then Deputy president, addressed the need to make public financial management reforms sustainable through building professional and technical skills in accounting and auditing, and combining local capacity with internationally recognised standards, for which professional accountancy organisations could play a critical role to improve the quality of financial reporting and financial management in developing countries³⁵ (OECD, 2011). In a speech during the MOSAIC signing ceremony, Allen highlighted that IFAC engaged in development partnerships with the international development community to contribute to key development goals such as economic growth, social progress, and financial stability. He further stressed the need for greater coordination around the capacity building issue to increase aid effectiveness:

“In 2005, when more than 100 donor organisations and developing countries signed the Paris Declaration on Aid Effectiveness, a strong commitment was made to making aid more effective in its support of development results... Although progress

³⁴ MOSAIC signatories are the following: African Development Bank (AfDB); Asian Development Bank (ADB); Australian Agency for International Development (AusAID); Finland; the Global Alliance for Vaccines and Immunisation (GAVI); the Global Fund to Fight AIDS, Tuberculosis, and Malaria; Inter-American Development Bank (IDB); the Swedish International Development Cooperation Agency (SIDA); UK Department for International Development (DFID); the United States Agency for International Development (USAID); New Zealand; and the World Bank (MOSAIC, 2013).

³⁵ Warren Allen was a panel member in the session “*A new strategic direction to strengthen public financial management and procurement for better public services and results*” held during Busan.

has been made in achieving the 13 targets set forth by the Paris Declaration, there is considerable work yet to be done, especially in the areas of capacity building and improving the quality of public financial management systems in partner countries. These challenges are complex and interwoven, which makes solving them complicated. Previous efforts to resolve the challenges and continue forward progress have been insufficient, in large part because efforts were uncoordinated. In order to overcome these obstacles and make sure there are long-lasting, positive affects for development, international organisations can no longer operate without some degree of coordination. This includes IFAC and the international development community, but also the World Bank, OECD, the Asian Development Bank, and our other colleague organisations. This is why MOSAIC is critical and it's signing significant. MOSAIC recognises this need for greater coordination (emphasis added)³⁶.

Members of IFAC's PAO Development Committee including development agencies, regional organisations, and PAOs represented IFAC on the MOSAIC Steering Committee meetings. The first MOSAIC Inaugural Steering Committee meeting took place in Jaipur, India, in February 2012³⁷. Discussions were held during the meeting on the important role that the accountancy profession could play in promoting growth and development, and agreements were reached including the development of a global report to identify key challenges, success factors and proposed activities for developing and strengthening PAOs at both the regional and national level³⁸. During the second Steering Committee meeting in London in October 2012³⁹, a key focus for discussion was a draft Global Development Report, which outlined the status of PAO development and priorities for the future⁴⁰. As a result, IFAC and development agencies collaboratively produced a high-level report in 2013, the Professional Accountancy Organisations Global Development Report (PAO GDR). The MOSAIC PAO GDR report emphasised that stronger professional accountancy organisations (PAOs) “support the production of high quality financial information, improve

³⁶ Warren Allen, Signing ceremony for MOSAIC: Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration, Fourth High Level Forum on Aid Effectiveness, Busan, South Korea

³⁷ The meeting was co-hosted by the Institute of Chartered Accountants of India and the Institute of Cost Accountants in India on February 22, 2012. Several participants representing IFAC, PAOs, and development and donor agencies attended the meeting.

³⁸ IFAC-Donor Community MOSAIC MoU- Inaugural SC Meeting, Jaipur, Feb 2, 2012, From Anthony Hegarty, Chief Financial Management Officer, World Bank, http://web.worldbank.org/archive/website01531/WEB/0_CO-17.HTM

³⁹ The meeting was hosted by the Chartered Institute of Public Finance and Accountancy (CIPFA) on October 16, 2012.

⁴⁰ IFAC Events, Oct 16, 2012, London, UK, Presentation of MOSAIC draft PAO Global Development Report during second steering committee meeting, <https://www.ifac.org/news-events/2012-10/presentation-mosaic-draft-pao-global-development-report-during-second-steering-c>

the quality of financial management, contribute to public and private sector development, economic growth, and the aid effectiveness agenda” (MOSAIC, PAO GDR, 2013, p. 3, emphasis added). The blending of market and professional logics with the effectiveness logic became salient with the signing of MOSAIC, and guided the actions of IFAC and international development agencies, which recognised their mutual involvement in capacity building to expand international accounting practices and standards in order to achieve sustainable development results and improve aid effectiveness. These logics supported a belief that strong and effective PAOs develop and produce capable and competent accounting professionals that provide high quality services in the public interest, produce high quality financial information and improve the quality of financial management, which in turn enhances the effectiveness of development assistance⁴¹, and attracts foreign direct investments essential to advancing economic growth and alleviating poverty in developing countries. Hence, the MOSAIC provided the foundation for improving cooperation and collaboration between IFAC and international development agencies, to advance IFAC’s capacity building expansionary efforts, in pursuance of common development goals and the aid effectiveness agenda. In commenting on the report, Jennifer Thompson, MOSAIC Steering Committee co-chair and chief financial management officer at the World Bank said the PAO GDR

“allows us to further the principles of aid effectiveness—embodied in the Paris Declaration, Accra Agenda for Action, and the Busan Partnership for Effective Development Cooperation—to contribute to economic growth and a reduction in poverty”⁴².

The MOSAIC report explicitly framed how IFAC and international development agencies would work together by agreeing upon essential elements for strengthening accountancy professions through capacity building. Through these elements, IFAC and its MOSAIC partners developed a shared understanding and meaning system around capacity building to enable the development of strong and effective PAOs, and provided direction for future

⁴¹ The MOSAIC report emphasised that when PAOs have the capacity to facilitate the production of high quality financial information by their members, the development agencies benefit through more reliable partner country systems, improved transparency and accountability, strengthened systems of monitoring and evaluation, and reliable information that facilitates decision making.

⁴² IFAC Press Releases/News Alerts, October 2013, International Donor Initiative Releases Report Assessing Accountancy’s Global Landscape, <https://www.ifac.org/news-events/2013-10/international-donor-initiative-releases-report-assessing-accountancys-global-lan>

collaboration. In fact these elements were drawn in large part from IFAC’s SMOs and served as a way for IFAC to broaden its membership base⁴³, expand its outreach and jurisdiction in developing countries, and develop accountancy professions in line with international standards. Another essential element was related to strengthening public financial management, an area that received increased attention and support from development agencies. The MOSAIC strengthened collaborative ties between IFAC and international development agencies, bringing the interests of IFAC into alignment with the goals of such agencies.

“MOSAIC will help organisations to align activities, focus on building the capacity of professional accountancy organisations, and achieve mutually beneficial results creating stronger systems of public financial management, higher quality accountancy information, and financial reporting, which is IFAC’s vision”⁴⁴.

3.5.4 Mobilising financial resources to diffuse capacity building practices-PAO strategic expansion

The MOSAIC initiative was a significant step towards facilitating mobilisation of financial resources and political support needed to diffuse capacity building practices such as PAO strategic expansion aimed at strengthening the role of the professional accountancy organisations and expanding international accounting practices and standards around the world. In 2014, IFAC received funding from the World Bank to launch the MOSAIC website, which served as a global platform to facilitate knowledge sharing on capacity building and PAO development⁴⁵. During the same year, and following IFAC’s proposal to implement a series of five year capacity building support program, IFAC received £STG4.935 million from the UK Department for International Development (DFID) to strengthen PAOs in ten DFID focus countries in four regions: Asia, the Caribbean, the Middle East and North Africa, and Sub-Saharan Africa. The proposal was received as part of an on-going dialogue between IFAC and DFID on the role the accountancy profession

⁴³ IFAC members are required to support IFAC’s mission and programs; demonstrate compliance with the Statements of Membership Obligations; be financially and operationally viable and have an appropriate governance structure; make financial contributions to IFAC; and meet the other criteria described in the Membership Application Process, the IFAC Constitution, and the IFAC Bylaws.

⁴⁴ Warren Allen, Signing ceremony for MOSAIC: Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration, Fourth High Level Forum on Aid Effectiveness, Busan, South Korea

⁴⁵ IFAC Press Releases/News Alerts, November 2014, IFAC and International Donor Initiative MOSAIC Launch New Website to Support Global Accountancy Profession Development, <https://www.ifac.org/news-events/2014-11/ifac-and-international-donor-initiative-mosaic-launch-new-website-support-global>

could play in supporting DFID's efforts on economic growth and improved public financial management. IFAC and the DFID, which were both signatories of MOSAIC, launched the "Professional Accountancy Organisation capacity building program" that supported the development and growth of PAOs around the world⁴⁶. IFAC chief operating officer Alta Prinsloo argued that by signing the MOSAIC and launching the capacity building program, IFAC has "rejuvenated" its strategy, and has made the development of the global accountancy profession through capacity building one of its priorities⁴⁷. The capacity building issue was perceived as resonating best with the interests and objectives of international development agencies which assisted in mobilising resources. In an interview in *Accounting Today*, IFAC chief financial officer, Russell Guthrie acknowledged that IFAC strengthened its collaboration with international development agencies "to bring more resources to the table" and "bring greater attention to the importance of capacity building to strengthen the profession" to development agencies. He further stated that such collaborations facilitated the development of shared meanings between IFAC and international development agencies:

Capacity building has been an increased focus for us over the past four or five years to strengthen accounting professions... We've been having an ongoing dialogue with development agencies such as the World Bank, the African Development Bank, the USAID, and the UK DFID to see how accountancy capacity building fits with their strategies for economic development in emerging economies. Through that work, we did come to a sort of shared understanding that if the policy intent is to grow a country's economy and stimulate foreign direct investment and create investor confidence, then actually having a strong accountancy professions was one important element to support that kind of growth (emphasis added)⁴⁸.

Central to DFID's selection of IFAC as a partner in the capacity building program was its utilisation of IFAC's social capital accumulated through its relationships with international development agencies particularly the World Bank, as well as its access to the expertise of its members bodies and its international networks including professional accountancy

⁴⁶ The new initiative was announced at a roundtable event in London, hosted by Justine Greening, UK Secretary of State for International Development, and attended by Warren Allen, the then IFAC President.

⁴⁷ The Accountant, 2 October 2014, IFAC gathers momentum for PAO Capacity Building, <http://www.theaccountant-online.com/news/ifac-gathers-momentum-for-pao-capacity-building-4392922/>

⁴⁸ Accounting Today Magazine, 06 July 2016, IFAC pushes to build accounting profession in developing world, By Michael Cohn, <https://www.accountingtoday.com/opinion/ifac-pushes-to-build-accounting-profession-in-developing-world>

organisations, regional organisations and accountancy groupings⁴⁹. Moreover, IFAC stated on its website that it had been selected by DFID due to the unique position it held to spearhead initiatives that demand a global reach and public interest focus⁵⁰.

3.5.5 Gaining influence in the capacity building issue-based field: Mobilising collective action and cultural resources

IFAC and DFID agreed that under the capacity building program, capacity building support, including peer-to-peer support would be provided by well-established PAOs including those in the UK to build the managerial, financial, and technical capacity of less-established PAOs in developing countries. In fact, the financial resources provided to IFAC through the DFID funding, as well as the extensive social capital it had built assisted IFAC in increasing its interaction with, and mobilising actors (well-established professional accountancy organisations such as the ACCA & ICAEW, ICAS and CIPFA, and regional accountancy organisations such as PAFA) around PAO strategic expansion by undertaking capacity building partnerships in developing countries. These partnerships facilitated cooperation and collaboration between less-established PAOs and well-established PAOs and regional organisations, to strengthen accountancy professions in developing countries. IFAC believed that a critical success factor in achieving sustainable results would be “enhanced collaboration across the global, regional and national levels of the accountancy profession, and the involvement of the entire international development community” (IFAC, 2016, p. 4).

Ultimately, IFAC was given the power and authority to provide funding to and select the most suitable delivery partners to partner with national or regional bodies on capacity building. The selection process was made following a global call issued by IFAC for expressions of interest for organisations wishing to partner in country level projects, and proposals and review processes involving multiple global organisations, the program oversight committee and an independent selection panel. Interested organisations needed to demonstrate that they had the needed skills and experience of working on donor funded projects and PAO-to-PAO partnering. As a result, IFAC agreed to work with five

⁴⁹ IFAC, PAO Capacity Building Program, <https://www.ifac.org/about-ifac/developing-global-profession/pao-capacity-building-program>

⁵⁰ IFAC, Current arrangements, <https://www.ifac.org/about-ifac/developing-global-profession/current-agreements>

accountancy organisations from the UK including ACCA, CIPFA, ICAEW, CIMA and ICAS. IFAC pooled their cultural resources by drawing on their existing knowledge, expertise, and extensive experience in undertaking capacity building in areas such as accountancy education, professional qualifications, and financial management, and working in partnerships with national PAOs⁵¹. In commenting on the IFAC-DFID capacity building projects, Justine Greening, International development Secretary said:

“The UK’s financial sector is second to none and its skills and experience can boost development across the world. By helping developing countries to manage their own resources better and attract investment we can create the jobs and growth needed to lift people out of poverty”⁵².

“These ground-breaking partnerships will allow countries in the developing world to benefit from the very best expertise Britain has to offer”⁵³.

Initially, IFAC announced three projects to begin in May 2014 in three countries- Ethiopia, Nigeria, and Zambia, and selected ACCA, CIPFA and ICAEW to partner with PAOs in these countries to improve their financial management and investment climates⁵⁴. The main role of IFAC was to facilitate, coordinate, and supervise these projects. In the following years, IFAC and DFID extended their program to operate in more countries throughout Africa such as Rwanda, Uganda, Ghana and Zimbabwe. For instance, IFAC selected ACCA

⁵¹ For instance, in its document ‘Developing the profession’, ACCA states that it has an extensive history in, and commitment to capacity building, and has undertaken donor-funded development projects and established partnerships with national PAOs to strengthen the global accountancy profession by offering a wide range of expertise including establishing or strengthening professional bodies and regional groupings, improving education standards and qualifications, advising on regulatory structures, quality assurance programmes and regulatory policies, and helping develop international standards in accounting, auditing, ethics, education, and public sector accounting (ACCA, 2015). In addition, in a document ‘Building capacity for a sustainable future’, ICAEW states that it’s experience in regulation, education and training is helping build the capacity of accountancy professions. ICAEW worked on PAO partnering projects funded by donor agencies, to provide practical assistance and mentoring to build the capacity of national accountancy professions in developing countries to foster high quality financial management, reporting, and auditing (ICAEW, 2014).

⁵² GOV.UK, Press Release, 10 April 2014, British accountants to develop accountancy expertise in Africa and Asia, <https://www.gov.uk/government/news/british-accountants-to-develop-accountancy-expertise-in-africa-and-asia>

⁵³ GOV.UK, Press Release, 13 January 2014, DFID drafts in UK accountancy skills to boost international development, <https://www.gov.uk/government/news/dfid-drafts-in-uk-accountancy-skills-to-boost-international-development>

⁵⁴ First, IFAC selected ACCA to provide training to the Ethiopian Ministry of Education in accountancy practice on international professional standards to help accountancy organisations to comply with global financial reporting and auditing standards. Second, IFAC agreed to partner with CIPFA to provide training to several government bodies in Nigeria on the fight against corruption. Third, IFAC selected ICAEW to review audit regulation in Zambia to help strengthen auditing standards and regulation and ensure compliance with international accounting systems.

to support the Institute of Certified Accountants of Rwanda (iCPAR) and enhance its capacity by strengthening its systems for accountancy education, qualification, and continuing professional development. The selection of ACCA was made due to its extensive experience in capacity building

“ACCA has 40 years of experience strengthening professional accountancy organisations, including working in emerging market economies and conflict and fragile states, and working with employers, governments, regulators, and other key players,” ACCA Executive Director of Markets Stephen Heathcote commented. “We strongly believe in the development of strong, self-sustaining national accountancy organisations, which in turn support a robust global profession. iCPAR has so much to build on—from its strong beginnings to its relationship with the national government—this agreement will give it the helping hand needed to fully support Rwanda⁵⁵”.

In addition, IFAC selected CIPFA and ICAS to strengthen the accountancy profession in Uganda, which formed a joint venture to support the Institute of Certified Public Accountants of Uganda (ICPAU) in areas of accountancy education, qualification, and examinations; quality assurance; continuing professional development; and public sector financial management. This joint venture drew on ICAS’s 20-plus years of development experience and CIPFA’s specialisation in the public sector⁵⁶. IFAC has also worked in partnership with the Pan African Federation of Accountants (PAFA) to accelerate the development of the accountancy profession and strengthen PAOs in the African region⁵⁷. Other capacity building partnerships were subsequently announced by IFAC in countries such as Zimbabwe, Ghana, and Kyrgyzstan⁵⁸.

⁵⁵ IFAC, Press Releases/News Alert, January 05, 2016, IFAC selects ACCA to strategically strengthen accountancy profession in Rwanda, <http://www.ifac.org/news-events/2016-01/ifac-selects-acca-strategically-strengthen-accountancy-profession-rwanda>

⁵⁶ ICAS News, 19 October, 2015, ICAS and CIPFA in Uganda partnership, <https://www.icas.com/ca-today-news/icas-and-cipfa-in-uganda-partnership>

⁵⁷ The Accountant, 12 May 2017, A strong profession in Africa means a strong global profession, IFAC President Rachel Grimes says, <http://www.theaccountant-online.com/news/a-strong-profession-in-africa-means-a-strong-global-profession-ifac-president-rachel-grimes-5813060>

⁵⁸ In 2015, IFAC chose ICAEW to assist the Institute of Chartered Accountants of Ghana (ICAG) in enhancing its accountancy education, training, and qualification system that would result in well-educated and skilled professionals who support high quality accounting practices and financial information in the private and public sector. In 2016, IFAC selected CIPFA to partner with the Institute of Chartered Accountants of Zimbabwe (ICAZ) and the Public Accountants and Auditors Board, Zimbabwe (PAAB), to strengthen the capacity of public sector accountancy. Building on the success of ongoing capacity building projects throughout Africa, in 2018, IFAC announced the selection of ICAEW to begin work with the accountancy profession in Kyrgyzstan to further develop the profession.

By mobilising collective action and financial and cultural resources, IFAC was able to gain greater influence in relation to other accountancy organisations. Its capacity building program has been subject to review and has received an A+ rating on the second and third annual reviews performed by the UK DFID⁵⁹. Moreover, the program succeeded in demonstrating commitment to developing the accountancy profession in developing countries and won an award in 2016, with the title of “accounting capacity building champion of the year”⁶⁰. In commenting on the award, Fayez Choudhury said:

“IFAC is delighted to receive the award on behalf of PAOs and their members in emerging economies. Their passion to grow and support their economies—and become sustainable, self-supporting PAOs—is an inspiration”.

3.5.6 Shaping issue (capacity building) interpretation and practices

Through its capacity building expansionary efforts, IFAC sought to shape and influence how the capacity building issue was interpreted and acted upon in the issue-based field in a manner aligned with its preferred interests and expansion ambitions. In fact, the capacity building issue came to be shaped in a way to include a commitment to strengthening accountancy professions in developing countries, which became key to achieving sustainable development results. Ultimately, IFAC developed a set of tools to provide guidance on how to strengthen accountancy professions in developing countries. For instance, the professional accountancy organisation global development report (PAO GDR) published through the MOSAIC initiative identified key elements for driving the development of PAOs in developing countries to achieve sustainable growth and alleviate poverty. These elements provided a reference point for examining the status of a high functioning PAO, and were largely based on IFAC SMOs, which served as a framework for developing accountancy professions in line with international standards and practices. IFAC has also developed a number of publications, as part of its PAO Capacity Building Series, providing guidance on the development of strong and effective accountancy professions⁶¹.

⁵⁹ UK Department For International Development (DFID), Annual Review-Summary Sheet, Review Dates: March 2017 & March 2018

⁶⁰ IFAC, Press Releases/News Alert, October 12, 2016, A passion to support local economies and public interest is critical to capacity building success, <https://www.ifac.org/news-events/2016-10/passion-support-local-economies-and-public-interest-critical-capacity-building>

⁶¹ IFAC, PAO Capacity Building Series, <https://www.ifac.org/about-ifac/developing-global-profession/pao-capacity-building-series>

During the PAO Development Committee meeting in Cape Town, South Africa in October 2016, discussions focused on how to support accountancy professions within different country contexts, while recognising that a consistent approach remained essential. As a result, IFAC developed a standardised framework, which used common criteria for developing effective professional accountancy organisations that would contribute to a country's economic development and growth. IFAC highlighted key components which form the building blocks of capacity building, and fall into three main categories including *a PAO's sustainability*- appropriate legal and regulatory frameworks, institutional and managerial capacity, and intellectual and professional capacity; *standards and enforcement*-facilitating the adoption and implementation of standards for accountancy education, ethics, financial reporting, audit, and public sector accounting based on international standards; and *a PAO's relevance*-connectivity between a PAO and its membership and key stakeholders, as well as the broader society in order to understand and respond to the needs of such groups across the private and public sectors⁶².

It is evident that IFAC made its expansion central to the enactment and interpretation of capacity building, bringing greater attention to the importance of its capacity building expansionary efforts to international development agencies. This, in addition to the social capital deriving from the network of relationships that IFAC has created with such agencies, economic capital deriving from the financial resources provided to IFAC to diffuse capacity building practices, and cultural capital deriving from its access to expertise and knowledge of well-established professional accountancy organisations, assisted IFAC in enhancing its position in the capacity building issue-based field in relation to other professional accounting associations that are part of this field.

3.6 Discussion

The case narrative reveals the emergence of a peripheral issue-related actor, IFAC, in the capacity building issue-based field, which formed alongside the international development exchange field. It examines the efforts conducted by IFAC to position itself prominently in the issue-based field. The case highlights how IFAC shaped the practices underpinning, as

⁶² IFAC, Framework for PAO Capacity Building, <https://www.ifac.org/about-ifac/developing-global-profession/framework-pao-capacity-buildi>

well as the interpretation of, the capacity building issue to align with its interests and expansion ambitions. We specifically unveil a dynamic process through which IFAC and international development agencies interacted around capacity building in a manner that facilitated IFAC to expand its global reach and professional jurisdiction. Our focus enhances our understanding of how issue-based fields align diverse issue-related actors around common practices and meaning systems for the achievement of common objectives, by borrowing and blending distinct exchange field logics (See Figure 3.1, p. 106).

The case unveils how a new actor (IFAC) can enter an issue-based field, provoking new patterns of interactions among disparate actors situated in various exchange fields to which the issue relates. The field we examine is an interstitial issue field centered around the capacity building issue- an issue of societal concern associated with broader development goals such as economic growth, poverty reduction, and social progress. We show how IFAC initially engaged with the issue of capacity building in response to criticisms of the World Bank and to the concerns with the quality of financial reporting and auditing that had been stimulated by the Asian financial crisis. The disruptions suffered during the crisis and the increased uncertainty in global financial markets, brought together disparate actors from within the international development exchange field and the professional exchange field of accounting. These actors interacted to address the issue of capacity building to strengthen accountancy professions and promote harmonisation of accounting standards with the intent of fostering overall economic growth and financial stability. Specifically, this facilitated the inception of collaborative efforts between IFAC and international development agencies, particularly the World Bank, as they shared a common interest in the issue of capacity building, and assisted in the construction of shared meanings (Furnari, 2014). For example, the establishment of a new global initiative, the International Forum on Accountancy Development (IFAD), represented the beginning of IFAC's efforts to construct a shared meaning system around capacity building, underpinned by market and professional logics. Capacity building aimed at strengthening accountancy professions became explicitly connected to improving transparency, and accountability, and supporting the adoption of international standards that would lead to increased investments and economic growth in developing countries. This was crucial for IFAC to garner support from influential international organisations and development agencies through endorsement of its standards,

which assisted in bolstering its international presence and significance as a global standard setter for the accountancy profession (Loft et al., 2006). Although IFAD was subsequently disbanded, it had stimulated future collaboration between IFAC and international development agencies around the issue of capacity building.

The social capital accumulated through the establishment of the IFAD initiative was crucial for IFAC to infiltrate the capacity building issue-based field while at the same time gaining global presence and increasing its influence in the professional exchange field of accounting. Subsequently, in the wake of several disruptive events such as the succession of global financial crises during the 2000s, IFAC undertook various strategic initiatives to demonstrate its on-going commitments to strengthening accountancy professions in developing countries and furthering the adoption of and compliance with international standards and practices, as well as building and maintaining relationships with international development agencies and other actors to contribute to this aim. In evidence of this commitment, IFAC instituted the Member Body Compliance Program in 2003 focused narrowly on monitoring and supporting member organisations' compliance with IFAC membership requirements including the IFAC's SMOs. In addition, IFAC maintained a good relationship with the International Organisation for Supreme Audit Institutions (INTOSAI)⁶³ and cooperated on the development⁶⁴ of auditing standards with the aim of promoting the adoption of a single set of standards for financial audits and enhancing the quality in public sector audits⁶⁴. These Supreme Audit Institutions (SAIs), which are a key part of the public financial management system in a country, played a crucial role in contributing to aid and development effectiveness by providing assurance that development partner funds are spent efficiently and effectively⁶⁵. Additionally, IFAC recognised the role that PAOs play in supporting public sector accountancy and public financial management

⁶³The INTOSAI established its International Development Initiative (IDI) in 1986, which played an important role in facilitating bilateral and multilateral collaboration to support capacity building aimed at improving the work of Supreme Audit Institutions (SAIs) in developing countries sharing good practice in the public sector auditing, and promoting the implementation of the International Standards for Supreme Audit Institutions (ISSAIs) (INTOSAI Development Initiative-Strategic Plan 2014-2018).

⁶⁴ IAASB (2010), December 14, IAASB welcomes INCOSAI's declaration on international standards of Supreme Audit Institutions, <https://www.iaasb.org/news-events/2010-12/iaasb-welcomes-incosais-declaration-international-standards-supreme-audit>

⁶⁵ OECD, Good Practices in Supporting Supreme Auditing Institutions <https://www.oecd.org/development/effectiveness/Final%20SAI%20Good%20Practice%20Note.pdf>

issues to advance the objectives of aid effectiveness and efficiency. Hence, since 2011, IFAC deepened its engagement with a range of development agencies by signing a new agreement during the Busan meeting, which focused on expanding accounting practices and standards and improving financial reporting, auditing, and financial management. At this meeting, actors from various exchange fields interacted and deepened cooperation to achieve common goals and further the aid effectiveness agenda. This interstitial space facilitated the establishment of a new collaborative partnership between IFAC and international development agencies, which provided a space for new meaning systems and relations to be worked out around the broader capacity building issue (Zietsma et al., 2017; Furnari, 2014). The growth in diverse actors positioned in different fields and their increasing level of interaction was generative of new issue-based practices (Furnari, 2014), such as professional accountancy organisation (PAO) strategic expansion aimed at expanding IFAC's outreach and jurisdiction through capacity building and the strengthening accountancy professions in developing countries.

Our analysis illustrates how IFAC, a prominent actor within the professional exchange field of accounting, but a peripheral issue related actor, sought to mobilise resources and actors around the capacity building issue. This is distinct from prior work examining issue-based fields which contend that powerful, central issue-based field actors mobilise collective resources and action around the issue of concern (O'Sullivan & O'Dwyer, 2015). We show how IFAC sought to enhance its collaboration and maintain ongoing liaison with international development agencies to garner their support and secure funding to develop the profession. IFAC utilised its powerful central position in the professional exchange field of accounting as well as the extensive social capital it had built with international development agencies, to mobilise actors and the additional resources (such as economic and cultural capital) necessary around issue-based practices such as PAO strategic expansion. The funding that IFAC received from the UK DFID to support its capacity building expansionary efforts, allowed IFAC to mobilise and work in collaboration with well-established regional and professional accountancy organisations (such as ICAEW, ACCA, ICAS, PAFA as well as others) and draw on their knowledge and expertise in capacity building as well as their experience in partnering with national professional accountancy organisations. This in turn

assisted IFAC to grow its status and significance in the issue-based field amongst other accountancy bodies.

In addition, our analysis extends prior work examining how issues are interpreted and acted upon in the issue-based field, and uncovering heterogeneity in actors' interpretation of issues (Hoffman, 1999; O'Sullivan & O'Dwyer, 2015; Litrico & David, 2017). In particular, we unveil that various international development agencies (such as UK DFID, UNESCO, OXFAM, AusAid, etc.) supported capacity building in areas including health, education, public financial management, environmental and natural resource management, among others. Such agencies developed their own, distinct interpretation of capacity building, creating ambiguity regarding the issue's interpretation and practices. Despite the broad and somewhat vague interpretation of the concept, our analysis shows how IFAC sought to influence and shape the interpretation of, and associated capacity building practices (such as PAO strategic expansion) in a way that suits its preferred interests and expansionary aims. This was associated with expanding and strengthening the role of professional accountancy organisations in developing countries to support the adoption of and compliance with high quality international standards and improve the quality of public financial management, which it claimed would advance the objectives of aid effectiveness that international development agencies aspired to. Hence, the capacity building issue and associated capacity building practices such as PAO strategic expansion, emerged as being important not just to IFAC but to international development agencies. Moreover, we show how IFAC, developed a set of tools aimed at guiding capacity building practices. For instance, through the MOSAIC global development report and its capacity building framework, IFAC explicitly framed what capacity building came to represent in a way that is aligned with its core interests and expansion ambitions. This included strengthening legal and regulatory frameworks, supporting adoption of international standards and enhancing compliance with IFAC SMOs, and strengthening public financial management.

The study of issue-based fields provides insights into how such fields bringing together disparate actors from various (exchange) fields with competing interests- become organised around multiple, often competing institutional logics (Hoffman, 1999; Wooten & Hoffman, 2008; Scheinberg & Lounsbury, 2008; O'Sullivan & O'Dwyer, 2015). However, our study

of the capacity building issue-based field allows us to engage with the argument that multiple institutional logics coexist in issue-based fields and lead to the hybridisation or blending of logics (Glynn & Lounsbury, 2005; Reay & Hinings, 2009; Ramus et al., 2017; Thornton & Ocasio, 2008; Lounsbury, 2007; Kaufman & Covalleski, 2018). In particular, we advance prior work examining how, in the wake of triggering events, the blending of multiple competing logics occur and how peripheral logics gain centrality thereby challenging the historically dominant logics (Ramus et al., 2017; Glynn & Lounsbury, 2005). This work shows how actors blend institutional logics to manage the tensions caused by competition between different logics within a field. Ramus et al. (2017) highlight how collaboration among organisational members advancing competing logics enables the blending of logics and the emergence of blended practices by combining the objectives of the carriers of each logic in order to minimise internal tensions. Instead, our analysis reveals a case whereby actors from multiple (exchange) fields, occupying the capacity building issue-based field, collaborated to achieve common objectives and goals. Our case sheds light on the borrowing and blending of institutional logics that Zietsma et al. (2017) argue occurs in issue-based fields, particularly in interstitial issue fields. We show how IFAC aligned various issue-based field actors around common practices (such as PAO strategic expansion) and meaning systems by blending distinct exchange field logics such as the effectiveness, market, and professional logics. In our setting, as international development agencies strengthened their efforts to increase aid effectiveness in order to achieve sustainable development results, IFAC engaged with a range of development agencies to demonstrate how its capacity building practices and expansionary efforts would contribute to broader development goals and the aid effectiveness agenda. These efforts were underpinned by a belief that expanding accounting practices and standards to ensure alignment with international standards enables the profession to provide services of high quality in the public interest, allows for more efficient and effective delivery of official development assistance, and contributes to the development and sustainable growth of economies.

By examining the emergence of the capacity building interstitial issue field, our case analysis nuances previous studies on field-to-field interactions (Furnari, 2016; Freeman & Audia, 2006; Abbott, 2005). In particular, we unpack the interaction between exchange fields and issue-based fields, specifically the professional exchange field of accounting, the

international development exchange field, and the capacity building issue-based field. Our case illustrates the mechanisms through which IFAC (a member of the professional exchange field of accounting) has gained legitimacy, resources (social, cultural, and economic capital), and political support to secure a position within the capacity building issue-based field by establishing linkages with actors from within existing exchange fields including international development agencies and accountancy organisations. Hence, our case analysis indicates that issue-based and exchange fields cannot be disconnected, and that one field affects and is affected by the other as actors populating the issue-based field are embedded in other exchange fields to which the issue relates (Zietsma et al., 2017; O'Sullivan & O'Dwyer, 2015). Moreover, our case analysis is consistent with previous work examining collaborative interactions between members of movements and fields (see for example Van Wijk et al., 2013), rather than contested and confrontational interactions among disparate powerful (mature field incumbents) and less powerful (external movements) issue related actors with divergent interests (Scheinberg & Lounsbury, 2008; O'Sullivan & O'Dwyer, 2015). Van Wijk et al. (2013) asserted that incumbents in mature field to which the issue relates, may collaborate with activists with the intent to bring the interests of a challenging group (external/challenger movement) into alignment with their own goals. In our case, we observed instead the collaborative nature of interactions between members from various exchange fields to which the capacity building issue relates. The increasing level of interaction between diverse actors, enabled a peripheral issue related actor (IFAC) to impact upon issue based practices, meanings, and logics in a way that resonates with its interests as well as the interests and objectives of other issue-related actors (such as international development agencies). Furthermore, our study has shown how IFAC's collaborative relationships with international development agencies enabled IFAC to mobilise the political support necessary to diffuse new practices and extract resources from other exchange fields.

Our analysis of IFAC's efforts to engage with the capacity building issue and infiltrate the capacity building issue-based field reveal the global expansion strategies conducted by the accountancy profession to expand its global reach and influence. We suggest that such strategies have been assisted by the global expansion of international standards, and the support rendered to IFAC by major international organisations and development agencies

(such as the FSF, IOSCO, the EC, and the World Bank). *Inter alia*, IFAC's global expansion strategies have involved establishing networks and relationships with international development agencies to expand its outreach and jurisdiction through capacity building and the strengthening of accountancy professions in developing countries. Previous work highlights how professions expand their jurisdictions by colonizing other professions, or by expanding their areas of activity and services (see for example Humphrey et al., 2017; Suddaby & Viale, 2011; Greenwood et al., 2002; Samsonova-Taddei & Humphrey, 2014). Our analysis is consistent with such work showing how professions seek out new alliances or collaborative initiatives that would enable them to facilitate their expansionary aims and exert global influence (Humphrey et al., 2017; Samsonova-Taddei & Humphrey, 2014; Suddaby & Viale, 2011). We particularly show how IFAC developed a close relationship with a network of international development agencies by establishing global collaborative capacity building initiatives, while seeking to expand and broaden its membership base and outreach to developing countries by strengthening current or potential IFAC members or associates and promoting adoption of and compliance with international standards globally. This extends Samsonova-Taddei & Humphrey's (2014) analysis of the ways in which accountancy organisations seek to gain considerable global influence, by revealing how IFAC's engagement with the issue of capacity building allowed it to exert a significant influence on the development of accountancy professions in line with international standards while expanding its global reach and professional jurisdiction into developing countries.

3.7 Conclusion

Despite IFAC's growing international significance, and its capacity building expansionary efforts to support the development of accountancy professions in line with international standards and practices in developing countries as well as to support the growth of their economies, this topic has not attracted significant attention in the accounting literature. The paper has illustrated the strategies and efforts conducted by IFAC to engage with a range of international development agencies as they had a shared interest in the capacity building issue. It specifically examined how and why IFAC sought to infiltrate the capacity building issue-based field and become an influential actor in this field thereby shaping issue interpretation and practices. The paper draws on the concept of an issue-based field

advanced by Hoffman (1999) and Zietsma et al.'s (2017) conceptualisation of issue-based and exchange fields, to examine the emergence and evolution of the capacity building issue-based field and to unpack its interaction with existing exchange fields such as the professional exchange field of accounting and the international development exchange field.

The paper makes the following contributions. Empirically, it deepens our understanding of how professions, such as the accountancy profession, expand their jurisdiction and influence by expanding their areas of activity and practices. Existing studies tend to examine the global strategies of influence pursued by professional accountancy bodies or international accountancy firms in their quest to expand their jurisdictional boundaries (Humphrey et al., 2017; Suddaby & Viale, 2011; Greenwood et al., 2002; Samsonova-Taddei & Humphrey, 2014), with limited attention being paid to the mechanisms through which the accountancy profession seeks to expand its global reach and jurisdiction through capacity building. We particularly focus on how IFAC engaged with capacity building as part of its global expansion strategies, in seeking to expand its jurisdiction and membership base and exert a significant global influence on the development of accountancy professions in line with high quality international standards. Moreover the paper offers the following theoretical contributions. First, it advances the existing literature that analysed issue-based fields (see for example Hoffman, 1999; O'Sullivan & O'Dwyer's, 2015; Van Wijk et al., 2013; Zietsma et al. 2017). Existing studies tend to examine how central, powerful issue related actors mobilise the necessary resources and actors around the issue of concern and exert influence over issue interpretation and practices (O'Sullivan & O'Dwyer, 2015; Litrico & David, 2017). In contrast, we examine how a peripheral issue related actor, outside the field where the issue of capacity building arose, mobilised collective action and resources around issue based practices such as professional accountancy organisation (PAO) strategic expansion. We reveal how IFAC shaped the interpretation of, and associated capacity building practices in a manner that suits its preferred interests and expansion ambitions, thereby making its expansion central to the enactment and interpretation of capacity building. Second, whereas issue-based field studies typically examine the interaction between members of movements and fields (O'Sullivan & O'Dwyer, 2015; Van Wijk et al., 2013), we reveal the interaction between issue related actors that are embedded in various (exchange) fields. This focus responds to recent calls for more research on field to field

interaction, specifically the interaction between exchange and issue-based fields (Zietsma et al., 2017). We unveil the collaborative nature of interactions between IFAC and international development agencies (See Van Wijk et al., 2013), as opposed to contested and confrontational interactions common in issue-based fields (Hoffman, 1999; Wooten & Hoffman, 2008; O'Sullivan & O'Dwyer, 2015). Third, the paper deepens our understanding of how institutional logics can be blended and combined in issue-based fields (Zietsma et al., 2017). We particularly reveal how IFAC aligned various issue related actors around common meaning systems and practices in order to achieve common objectives, as distinct exchange field logics were borrowed and blended.

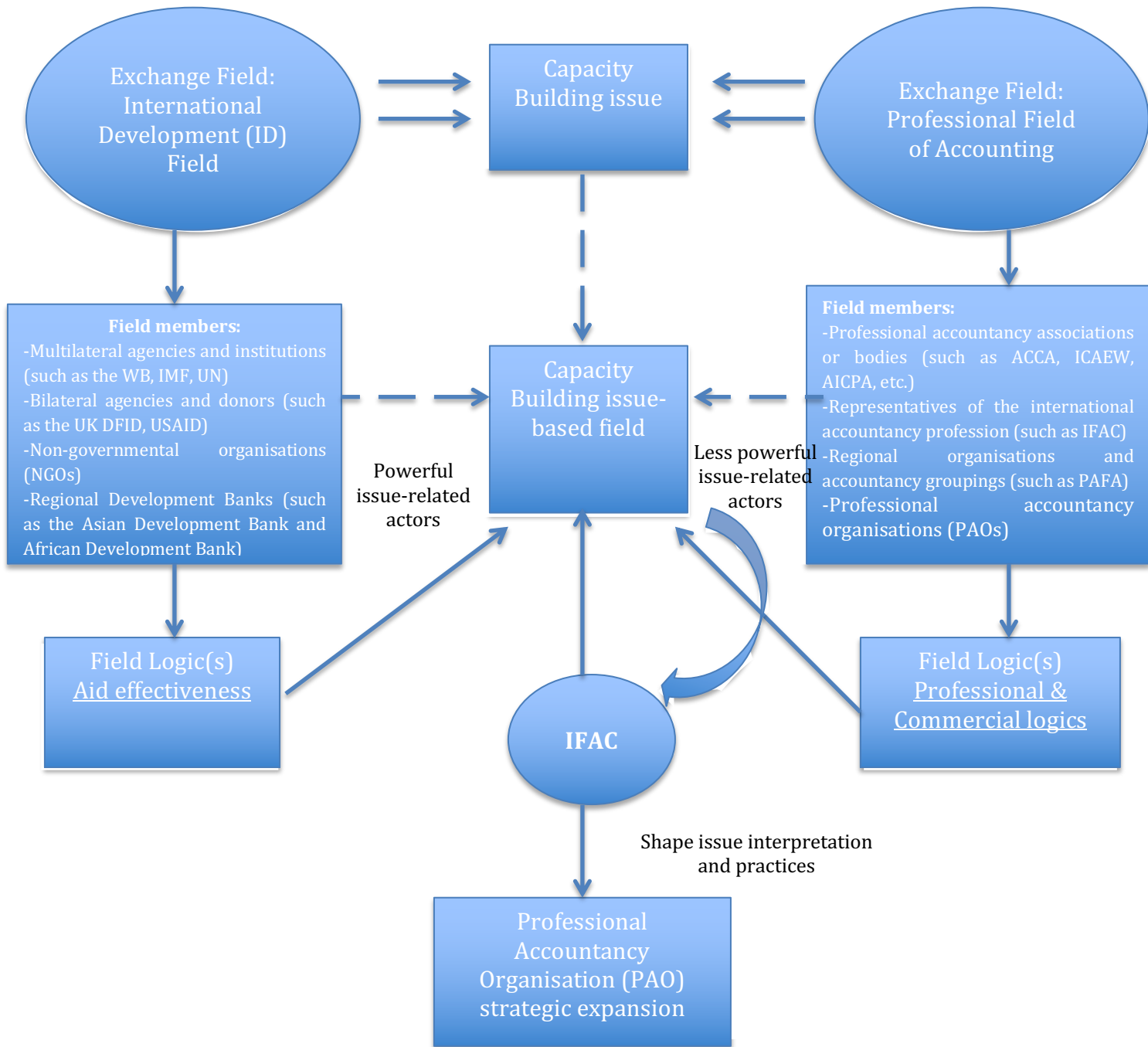
Our findings nuance criticisms directed towards the accountancy profession's public interest role (Williams, 2014; Paisey & Paisey, 2018; Baker, 2005; Canning & O'Dwyer, 2001; etc.). Our focus is on IFAC, which formally describes itself as the global representative of the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. In evidence of its commitment to working in the public interest and to fulfill its mission of the worldwide development of the accountancy profession, our evidence suggests that IFAC enhanced its focus on capacity building. However, central to its capacity building expansionary efforts has been to support the production of high quality financial information, which it believed is crucial for achieving sound capital markets, building investor confidence, and facilitating international investments. This raises questions as to whether IFAC is merely serving the interests of global capital markets. In particular, our findings allow us to suggest that IFAC, through its standard setting role, continue to prioritise the development, enforcement of, and compliance with international standards, which may be seen as self serving rather than serving the public (Baker, 2005). In turn, the claims about serving the public interest become a means of securing the profession's private interest (Paisey & Paisey, 2018). The potential exists for future research to explore more in depth the impact that IFAC's capacity building expansionary efforts produced on the development of national accountancy professions and economies. This allows us to gain a better understanding of whether these efforts address the needs and interests of professions in developing countries and fit the needs of their economies. In addition, investigating further priority areas that require additional support would be worthwhile and would assist

international development agencies and the global accountancy profession in designing future capacity building initiatives.

Table 3.1. Examples of Interpretation of capacity building by various development agencies

Development agency	Interpretation of capacity building & associated capacity building practices	Source
UK Department for International Development (DFID)	Capacity building to strengthen public financial management in areas such as revenue management, budgeting and planning, budget execution, transparency and accountability, and budget control and oversight.	UK DFID, Support to public financial management in Tanzania (2012)
Organisation for economic development and cooperation (OECD)	Capacity building for environmental management to create a more transparent governance of environmental and natural resources, which make a vital contribution to economic growth and well-being in developing countries. This includes integration of environmental issues in national development plans, national budgetary processes, and key economic sector strategies.	OECD: Enhancing capacity- A basis for greening development
Australian Agency for International Development (AusAid)	Organisational capacity to assist law and justice institutions (ministries of justice and interior, courts, police forces, corrections systems) to tackle major organisational deficiencies and improve quality of services. Such assistance includes training of staff, the provision of infrastructure and equipment, and the introduction of new management systems and practices.	Organisational capacity building- Evaluation of Australian law and justice assistance (2012)
The Global Fund to fight Aid, Tuberculosis and Malaria	Capacity building focused on building resilient and sustainable health systems to improve the availability and quality of data for analysis and use in strategic decision making.	The Global Fund Strategic Framework for Data Use for Action and Improvement at Country Level (2017-2022)
Oxfam	Oxfam's definition of capacity building is marked by its own fundamental beliefs: that all people have the right to an equitable share in the world's resources and to be the authors of their own development, and that the denial of such rights is at the heart of poverty and suffering. Strengthening people's capacity to determine their own values and priorities and to act on these is the basis of development.	The Oxfam Handbook of Development and Relief (1995)
United Nations Educational, Scientific, and Cultural Organisation (UNESCO)	Capacity building for educational development to achieve the Education for All goals- improving the management and functioning of the education sector to improve educational outcomes.	The role and impact of NGOs in capacity development- From replacing the state to reinvigorating education (2009)

Figure 3.1 Inter-field relationships around the capacity building issue



CHAPTER FOUR: CAPACITY BUILDING AS INSTITUTIONAL WORK: CONSTRUCTING THE EGYPTIAN ACCOUNTANCY PROFESSION

Abstract

Capacity building efforts have been undertaken by the global accountancy profession with the support of international development agencies to support the development of local accountancy professions and contribute to the development and sustainable growth of the economies of developing countries. As part of these efforts, a great emphasis was placed on the adoption of and compliance with international standards, and the existence of a strong legal and regulatory environment. This paper examines such efforts undertaken by global actors to strengthen the accountancy profession in Egypt and realise institutional change including legal and regulatory change as well as change in accounting and auditing standards to align with international standards and practices. We frame our analysis using the concept of institutional work to capture the actions that the various actors within and outside the accountancy professional field in Egypt engaged in as they sought to affect institutional change within the field. We show how the pressures to instigate change, particularly legal and regulatory change, prompted institutional disruption as it threatened the status and position of various institutional actors within the field, and gave rise to intra-professional conflict. We unveil two forms of maintenance work, ‘resisting’ and ‘preservation’ work, that the powerful and less powerful actors engaged in to respond to the disruption, prevent change, and reinforce existing institutional arrangements and the status quo. In doing so, we document the interplay of disruption and maintenance work, and find that one form of work (maintenance) stimulates or emerges as a response to the other (disruption). Specifically, our findings illustrate how the political and institutional contexts at the domestic level represent important intervening variables that shape the national response to global institutional pressures. Our study offers a case of failure of institutional work associated with unsuccessful instances of institutional change, whereby the profession in Egypt has not fully embraced capacity building efforts.

4.1 Introduction

During the decades of the 1980s and 1990s, following the end of the ‘Cold War’⁶⁶, prominent international financial institutions such as the World Bank, and International Monetary Fund (IMF) sought to reinvigorate economic growth in developing countries through the implementation of economic policies and the promotion of private sector development. The policies pursued by these Washington-based institutions to allow developing countries to become more market oriented and liberalise and stabilise their economies have been referred to as the Washington consensus⁶⁷, and were attached to the World Bank and IMF loan conditionalities (World Bank, 2010). Hence, in the early 1990s, the World Bank and IMF technical assistance sought to help countries shift from centrally planned to market-based economies, and such assistance increased further following the Asian financial crisis of 1997-98, to help strengthen the architecture of the international financial system⁶⁸. In the wake of the Asian crisis, a great emphasis was placed on standards that Robert Wade (2007) identified as a move from a doctrine of ‘liberalise the market’ to one of ‘standardise the market’ (Humphrey et al., 2009, p. 811). Therefore, the Financial Stability Forum (FSF) was created in 1999 by the G7 which endorsed a set of 12 financial standards and codes including international accounting and auditing standards. These standards were deemed critical to improve transparency and promote international financial stability (Humphrey et al., 2009). In addition, the World Bank launched jointly with IMF the Accounting and Auditing Reports on Standards and Codes (ROSC) program in 1999, using IFRS/IAS and ISAs as the benchmark. The aim of ROSC was to help developing countries strengthen their financial systems by improving compliance with international standards and

⁶⁶ The Cold War ended in 1989 following the collapse of the Soviet power. The end of the Cold War embarked a dramatic shift towards neoliberalism, and US-led dominant international financial institutions such as the World Bank and IMF have made played a major role in promoting market-oriented, neoliberal reforms by making such reforms a prerequisite for development assistance.

⁶⁷ In 1989, English economist John Williamson coined the term ‘Washington Consensus’ to refer to a strongly market-based approach to development. It highlights ten specific economic policy prescriptions considered central to the standard reforms for the economic and political crises in the South promoted by the IMF, the US Treasury Department and the World Bank (Clarke, 2015, p. 278).

⁶⁸ IMF, 2003, IMF Technical assistance, Transferring knowledge and best practice, <https://www.imf.org/external/pubs/ft/exrp/techass/techass.htm>

providing policy recommendations for building countries' accounting and auditing capacity⁶⁹.

As the significance of international standards has grown in the wake of the Asian financial crisis, greater attention was given to capacity building⁷⁰, which came to be framed around the adoption and subsequently the compliance and enforcement of standards to support the development of accountancy professions, particularly in developing countries. Globally, the accountancy profession deepened its engagement with a range of international development community and has sought to expand its outreach and jurisdiction through capacity building and the strengthening of professions in developing countries (The focus of Paper 1-Chapter Three). However, the profession's capacity building expansionary efforts cannot just be analysed at the global level, but need to be also studied at the local level. This paper provides interesting insights into how capacity building is enacted on the ground in a particular local context, Egypt, to expand international accounting practices and standards and support the development of local accountancy professions.

The existing literature on accounting professionalisation examine the impact of international forces on the development of local accountancy professions as well as their influence on domestic regulatory developments (Chua & Poullaos, 1993; Cooper et al., 1998; Sikka & Willmott, 1995; Caramanis, 1999, 2002). Specific interest has been directed towards the globalisation of the accountancy profession, and the links with imperialism by characterising western professional bodies as imperial bodies with imperial interests (Annisette, 2000; Kamla et al., 2012). A recurring finding was that globalisation and the existence of western imperialistic relations through Anglo-American accounting associations (such as ACCA,

⁶⁹ World Bank, ROSC Accounting & Auditing, http://web.worldbank.org/archive/website01531/WEB/0_CO-75.HTM

⁷⁰ Capacity building is a broad concept that has been defined in various ways by different development agencies. For instance, UNESCO (2005) refers to capacity building as the process by which individuals, groups, organisations, institutions, and societies increase their abilities to perform core functions, solve problems, define and achieve objectives; and understand and deal with their development needs in a broad context and in a sustainable manner. OECD/DAC (2008) defines it as the process whereby people, organisations and society as a whole unleash, strengthen, create, adapt, and maintain capacity over time. UNDP (2008) defines it as the process through which individuals, organisations, and societies obtain, strengthen, and maintain the capabilities to set and achieve their own development objectives over time. According to the World Bank (2003), capacity building refers to the abilities of individuals, institutions and societies to perform functions, solve problems, as well as set and achieve a county's development goals in an effective, participatory, and sustainable manner.

ICAEW, CIMA, and AICPA), transnational accounting firms (the Big Four), and transnational organisations (such as the World Bank, IMF, IFAC) shape the development and evolution of local accountancy professions as well as they promote western accounting standards, practices, and education, while displacing local alternatives (Boussebaa, 2015; Gallhofer et al., 2011; Gallhofer & Haslam, 2003; Kamla, 2012; Kamla et al., 2012; Kamla & Haque, 2017; Hopper et al., 2016). However, despite previous work on the development of the accountancy profession, efforts to strengthen accountancy professions in developing countries through capacity building, which arguably contribute to economic growth, have not received considerable attention from scholars.

This study examines the impact that capacity building efforts, which received a great deal of attention particularly following the Asian financial crisis of 1997/8 and attracted significant support and funding from international development agencies, have produced on the development of local accountancy professions and on the processes of institutional change by particularly focusing on Egypt. We mobilise the theoretical concept of institutional work (Lawrence & Suddaby, 2006) to capture both the actions initiated by global actors as part of their efforts to instigate change through capacity building, which prompted institutional disruption, and the actions of the various institutional actors within the accountancy professional field in Egypt to respond to the disruption and the change attempts. The key institutional actors include the two professional accounting organisations, the Egyptian Society of Accountants and auditors (ESAA), and the Syndicate of Accountants (SAE), the regulatory body, the Financial Regulatory Authority (FRA), as well as the Ministry of Finance (MoF)⁷¹ (see Appendix 4, p. 254 for an illustration of the institutional structure of the accountancy profession in Egypt). In the current study, capacity building efforts have been undertaken by global actors, to support the development of the accountancy profession

⁷¹ ESAA is a professional society for public accountants established by a Royal Decree in 1946. ESAA is a member of IFAC since 1980 and is the only representative of Egypt in IFAC, dedicated to develop educational and professional standards for its members. Whereas the SAE, a branch of the Syndicate of Commercial Professions established by a law in 1972, provides membership certificate to university graduates with a degree in accounting without being subject to examination or any other assessments. The branch admits all accountants registered in the General Register of the Accountants and Auditors maintained by the MoF. The FRA established by a Law in 2009, is responsible for regulation and supervision of public interest entities (PIEs), and oversees auditors who are licensed to audit PIEs and banks. FRA is a member of the International Forum of Independent Audit Regulators. The MoF is the main organisation responsible for proposing legislation in relation to accounting and auditing practices.

in Egypt as well as economic development, by promoting the adoption of and compliance with international standards and developing sound legal and regulatory frameworks that embody international standards and best practices. The focus on Egypt is important for the following reasons. First, Egypt has undergone major political, economic and social transformation throughout its history, and its business environment experienced dramatic reforms which influenced accounting practices and the development of the accountancy profession (Farag, 2009; Samaha & Dahawy, 2010). From the early 1990s onwards, following the introduction of structural adjustment policies, Egypt has attracted greater western interest and its government entered international agreements with key international organisations and development agencies, to implement reforms in a number of areas in order to promote economic growth, which ultimately affected the development of the accountancy profession. Second, Egypt is a large and economically significant country, and is one of the most populous countries in the Arab Middle East (AME), with a population of almost 97 million. Despite being relatively significant, until present, research touching accountancy professions in the Arab World remains scarce and we have little in-depth knowledge of the issues affecting accountancy professions in AME countries (Kamla 2012; Gallhofer et al., 2011), such as capacity building.

The paper makes the following contributions. First, it advances prior work that has examined the impact of international forces on local accounting practices and institutions, and the interrelationship between local actors, including national professional groups and state actors, and powerful international actors including foreign governments, and international organisations (Caramanis, 2002; 2007). The focus on the capacity building efforts undertaken by global actors in Egypt allows us to examine the interconnectedness of national politics with global forces, and the implications of such interconnections on the development of the Egyptian accountancy profession. Although Caramanis (2002; 2007) analysis suggests that local players in economically and politically weak nation-states are unlikely to resist international pressures channeled through powerful international actors, our findings direct attention to the important role national professional groups and other actors associated with the profession played in resisting international pressures for change brought about by capacity building. Moreover, our case supports earlier studies illustrating the role that international forces play in creating tensions and conflict within professional

fields at the local levels (Caramanis 1999; 2002; 2007). Our findings show how the attempts to instigate institutional changes generated tensions and conflict among the key institutional actors, associated with the need to secure their power and status in the field. Studying such tensions and interactions between the local and the global on the ground provides interesting insights into how regulatory mandates operate with the presence of international pressures (Canning & O'Dwyer, 2016). Our focus allows us to offer an understanding of the consequences of capacity building on the ground, which would greatly inform and influence public policy on the need to shift the focus of capacity building to design effective capacity building strategies and programs.

Second, the paper contributes to the existing literature examining the relationship between institutional work and professions, and the key role that professionals and other actors associated with the professions play to effect or resist institutional change by engaging in institutional work (Suddaby & Viale, 2011; Hayne & Free, 2014; Canning & O'Dwyer, 2016; Currie et al., 2012; Ramirez, 2013; Micelotta & Washington, 2013). Our focus on capacity building allows us to examine the institutional work that the various actors associated with the Egyptian accountancy profession, occupying positions within and outside the profession, engaged in to influence the processes of institutional change. Our findings highlight how the institutional changes such as legal and regulatory change as well as the changes in accounting standards, triggered by efforts to expand international accounting practices and standards, disrupted the existing institutional arrangements underpinning the accountancy profession in Egypt. Although our findings direct attention to the supportive interactive work (Canning & O'Dwyer, 2016), instigated by the government as well as institutional actors in Egypt to support the work underpinning capacity building and enable institutional change (for example legal and regulatory defining work undertaken to support policing work), our study offers a case of failure of institutional work associated with unsuccessful instances of legal and regulatory change. This is particularly important given that few studies analysed failed efforts to change institutions despite the growing understanding of how institutional change occurs as actors engage in forms of institutional work (Greenwood et al., 2017).

Third, the paper extends the literature that examined the work carried out by actors to maintain institutions, which commonly involves efforts undertaken to respond to potentially threatening changes (Micelotta & Washington, 2013; Marti & Fernandez, 2013; Raviola & Norback, 2013; Currie et al., 2012). By focusing on the forms of work to enable institutional maintenance, we further our understanding of how and why actors respond to the disruption work carried out by global actors by working to effect or resist change. While previous studies emphasise how powerful actors engage in maintenance work by undertaking resistance efforts in order to prevent or reverse change (Micelotta & Washington, 2013; Weiss & Huault, 2016), our study highlights the role that the powerful and less-powerful actors within the accountancy professional field in Egypt played to counter global bodies' efforts and pressures for change. This focus is important as it allows us to reveal how the political and institutional contexts at the domestic level represent important intervening variables that shape the national response to global institutional pressures (Canning & O'Dwyer, 2016; Blavoukos et al., 2013). By building on prior work (for example Micelotta & Washington, 2013; Weiss & Huault, 2016), we identify two forms of work associated with maintaining institutions aimed at reinforcing and ensuring the continued adherence of institutional arrangements: (i) preservation work aimed at preserving the position, status and legitimate authority of institutional actors, and (ii) resisting work aimed at neutralising threats and preventing change in the face of pressures. Our findings allow us to gain a deeper understanding of the resisting and preservation work undertaken by powerful actors (ESAA and FRA) and a less powerful actor (SAE) to maintain the existing institutional arrangements that favour their interests. We show how actors engaged in forms of maintenance work to reinforce their position and status in the field and oppose institutional changes triggered by global actors. In doing so, the paper responds to calls for further research focusing on the institutional work undertaken by institutional actors such as professional bodies to maintain the status quo in the face of change (Canning & O'Dwyer, 2016). Our findings provide interesting insights into how various actors with competing interests, engage in maintenance work cohesively to prevent the change.

Empirically, our study illustrates the interplay between two forms of institutional work, disruption and maintenance work that actors engaged in as a result of capacity building. This interplay is central to the study of capacity building and the impacts of capacity building

cannot be understood without looking at how such forms of work interact, because one form of work stimulates, and emerges in response to the other. By doing this, we highlight how different types of work may be combined in specific empirical instances of institutional change (Furnari, 2016). Our case concerns global bodies' efforts to instigate institutional changes through capacity building. We particularly focus on the interplay of the work done to effect institutional change, and the work done to hinder and prevent the change. Disruption work represents the work carried out by powerful global actors such as the World Bank, IFAC, EU, etc. in an effort to instigate institutional change within the accountancy professional field in Egypt. Whereas maintenance work represents the efforts of key institutional actors within the field seeking to respond to (and constrain) potential change, and prevent the disruption. Our analysis suggests that the disruption work stimulated by the desire for change, provoked maintenance work. Consequently, change, which is undesirable, is likely to remain slow or is unlikely to happen and tends toward maintenance of existing institutional arrangements that align with the interests of the various actors within the field.

The remainder of the paper proceeds as follows. The next section introduces the theoretical framework adopted, which is institutional work. This is followed by an outline of the research methods adopted. Subsequently, section four provides a brief historical account of political and economic context to understand the institutional context wherein the Egyptian accountancy profession developed. The main empirical part of the paper is presented in section five followed by a discussion to the main findings and a conclusion to the study.

4.2 Theoretical framing

We mobilise the concept of institutional work to frame our analysis of the effortful actions of global actors to instigate change through capacity building, and the reactions and responses of key institutional actors within the field in Egypt to the change. We first introduce the concept of institutional work and outline the different forms of work. We then illustrate the interplay of disruption and maintenance work in affecting institutional change before we delineate the forms of maintenance work undertaken in response to the disruption and change attempts.

4.2.1 The concept of institutional work

The concept of institutional work originally advanced by Lawrence & Suddaby (2006), refers to “the purposive actions of individuals and organisations aimed at creating, maintaining, and disrupting institutions” (p. 215). Such definition suggests that institutions are the product of specific actions taken by individuals or collective actors in the fields in which they operate. These actions are driven by distinctive personal interests or agendas of actors, which may affect institutional change or preservation (Lawrence et al., 2009). The definition of institutional work highlights three key elements: first, it portrays institutional actors as ‘reflexive, goal-oriented and capable’; second, it places institutional actors’ actions at the centre of institutional dynamics; and third, it focuses on the relationship between agency and structure (Lawrence et al., 2013, p. 1024). The institutional work perspective has shifted the traditional emphasis of institutional approaches to organisational theory from one that focuses on the processes by which institutions affect action, to one that focuses on how actions of actors affect institutions (Lawrence et al., 2009). Moreover, it has offered a deeper, more nuanced investigation of the relationship between agency and institutions, and helped in avoiding the assumptions that institutional actors are either “cultural dopes trapped by institutional arrangements”, or “hypermuscular institutional entrepreneurs” (Hampel et al., 2017; Lawrence et al., 2009).

Institutional work is not only associated with successful instances of institutional change, since the study of institutional work focuses on activities rather than accomplishments (Lawrence et al., 2009, 2011; Canning & O’Dwyer, 2016). This allows for success as well as failure, acts of resistance and of transformation to occur (Lawrence et al., 2009). Hence, the study of institutional work draws attention to the issue of intentionality whereby actors engage in highly reflexive forms of action with the aim of intentionally shaping institutions and affecting institutional arrangements within which they are situated (Hampel et al., 2017; Zietsma & Lawrence, 2010). In any given field, the institutional work that actors engage in is influenced by the actors’ social position or status in the field, their control of resources, as well as their formal authority which may also affect institutional outcomes (Canning & O’Dwyer, 2016; Currie et al., 2012; Empson et al., 2013; Hayne & Free, 2014; Lawrence & Suddaby, 2006; Micelotta & Washington, 2013).

The institutional work perspective has generated a body of research that explores the ‘who’, ‘how’ and ‘what’ questions, to understand who undertakes or engages in institutional work, how actors employ institutional work, and what constitutes institutional work (Hampel et al., 2017; Lawrence et al., 2013). A significant stream of research has explored who engages in institutional work (Suddaby & Viale, 2011; Empson et al., 2013; Currie et al., 2012; Kraatz, 2009; Canning & O’Dwyer, 2016; Micelotta & Washington, 2016). The ‘Who’ question focuses on the actors and includes the people, organisations, and networks that undertake institutional work. Research exploring the institutional work undertaken by homogeneous set of actors such as professionals and other actors associated with the professions has been prominent in the literature, and focuses especially on the role that professional groups play in institutional change (Currie et al., 2012; Canning & O’Dwyer, 2016; Micelotta & Washington, 2013; Suddaby & Viale, 2011). Moreover, a number of existing studies of institutional work have examined the ‘how’ question (Hayne & Free, 2014; Gawer & Phillips, 2013; Hirsch & Birmiss, 2009; Canning & O’Dwyer, 2016; Zietsma & Lawrence, 2010; Trank & Washington, 2009; Currie et al., 2012; Marti & Fernandez, 2013). Such studies explore how actors employ institutional work across individual, organisational, community, and national levels of analysis (Hampel et al., 2017). Investigations of how actors engage in institutional work have drawn attention to the three types of work, creating, maintaining, and disrupting institutions, with studies uncovering the simultaneous occurrence of different forms of work (Empson et al., 2013; Canning & O’Dwyer, 2016)⁷². The current study focuses on the ‘*Who*’ question by highlighting the work undertaken by professionals and other actors associated with the profession around the processes of institutional change. Moreover, it focuses on the ‘*How*’ question by examining how global actors managed to disrupt existing institutional arrangements, and how institutional actors responded to the disruption by engaging in maintenance work.

⁷² Other researchers have paid attention to the ‘What’ question to explore what constitutes institutional work by particularly focusing on the relationship between agency and institutional work (for example Battilana & D’Aunno, 2009; Zundel et al., 2013). For instance, Battilana & D’Aunno, (2009) examine the what question by drawing on a relational, multi-dimensional understanding of agency that includes habit, imagination and practical evaluation (Lawrence et al., 2013).

4.2.2 The different forms of institutional work

Three broad categories of institutional work were identified by Lawrence & Suddaby (2006) and include the work through which institutions are created, maintained, and disrupted (See Table 4.1, p. 119, for a summary of the different forms of work within each category). Ten distinct forms of work are associated with creating institutions and are grouped under three sets of practices. The first set of institutional work includes ‘vesting, defining, and advocacy’, and reflects political work that actors engage in to reconstruct rules. The second set includes ‘constructing identities, changing norms, and constructing networks’, which emphasises actions in which actors’ belief systems are reconfigured. Such forms of work attend to the roles, values, and norms that underpin institutions (Lawrence & Suddaby, 2006). The final set comprises ‘mimicry, theorising, and educating’, and involves actions designed to alter abstract categorisations in which the boundaries of meaning systems are altered (Lawrence & Suddaby, 2006). The second category of institutional work associated with maintaining institutions involves supporting, repairing or recreating the social mechanisms that ensure compliance, in other words, it involves actors’ actions intended to maintain the controls that underpin institutions (Lawrence & Suddaby, 2006). Lawrence & Suddaby (2006) identified two main categories of maintenance work; the first category includes ‘enabling, policing, and deterring’, which ensure adherence to rule systems and involves the use of forms of regulatory and legitimate authority; whereas the second category includes, ‘valourizing/demonizing, mythologizing, and embedding and routinizing’, which focuses on reproducing existing norms and belief systems. While previously neglected, research and theory focusing on the purposeful actions of actors to maintain institutions has recently received more attention (see for example Zilber, 2009; Dacin, et al., 2010; Zietsma & Lawrence, 2010; Riaz, et al., 2011), as scholars have begun to “illuminate the purposeful, effortful, and creative work institutional actors engage in to preserve the integrity of institutions” (Micelotta & Washington, 2013, p. 1138). Finally, institutional actors engage in disruption work, which involves attacking, or undermining the mechanisms that lead members to comply with institutions (Lawrence & Suddaby, 2006). The three forms of institutional work aimed at disrupting institutions are: disconnecting sanctions/rewards, disassociating moral foundations, and undermining assumptions and beliefs. These forms of work associated with institutional disruption involve attacking or

undermining the mechanisms that lead actors to comply with institutions (Lawrence & Suddaby, 2006). Prior research drawing on institutional work has made connections to Oliver’s (1992) concept of deinstitutionalisation to show how actors engage in disruptive work (Maguire & Hardy, 2009). In fact, investigations of institutional change have led scholars to consider disruptions in the institutional order as triggers of deinstitutionalisation processes, capable of tearing apart existing institutional arrangements (Micelotta & Washington, 2013).

While many studies tend to focus on the forms of institutional work envisioned by Lawrence & Suddaby (2006), other researchers incorporate other forms of institutional work such as emotion, identity, boundary, strategy, practice and values work (Phillips & Lawrence, 2012), political, technical and cultural work (Perkmann & Spicer, 2008), defensive work (Maguire & Hardy, 2009), and repair work (Micelotta & Washington, 2013). In addition, categorizing the forms of institutional work into the three sequential stages of creating, maintaining and disrupting institutions is criticised by authors for being far too simplistic and lacking the nuance necessary to illustrate the complexity imbedded in actors’ efforts to instigate institutional change (Canning & O’Dwyer, 2016). Empson et al. (2013) argue that this categorisation “suggests that institutional change happens in a linear manner and that institutions are developed to replace others as they decay”, while reality may be “far more complex and messy” (p.814). Hence, actors might engage in all of these stages simultaneously, and the different forms of work do not exist in isolation but rather interact and can be deployed together (Currie et al., 2012; Hayne & Free, 2014; Hirsch & Bermiss, 2009), may build on one another and reinforce each other (Canning & O’Dwyer, 2016; Micelotta & Washington, 2013).

Table 4.1. Lawrence & Suddaby’s (2006) typology of forms of institutional work

Creating institutions	
Advocacy	The mobilisation of political and regulatory support through direct and deliberate techniques of social suasion.
Defining	The construction of rule systems that confer status or identity, define boundaries of membership or create status hierarchies within a field.
Vesting	The creation of rule structures that confer property rights.
Constructing identities	Defining the relationship between an actor and the field in which that actor operates
Changing normative associations	Re-making the connections between sets of practices and the moral and cultural foundations for those practices.

Constructing normative networks	Constructing interorganisational connections through which practices become normatively sanctioned and which form the relevant peer group with respect to compliance, monitoring and evaluation.
Mimicry	Associating new practices with existing sets of taken-for-granted practices, technologies and rules in order to ease adoption.
Theorising	The development and specification of abstract categories and the elaboration of chains of cause and effect.
Educating	The educating of actors in skills and knowledge necessary to support the new institution.
Maintaining institutions	
Enabling work	The creation of rules that facilitate, supplement and support institutions, such as the creation of authorizing agents or diverting resources.
Policing	Ensuring compliance through enforcement, auditing and monitoring.
Detering	Establishing coercive barriers to institutional change.
Valourizing and demonizing	Providing for public consumption positive and negative examples that illustrate the normative foundations of an institution.
Mythologizing	Preserving the normative underpinnings of an institution by creating and sustaining myths regarding its history
Embedding and routinizing	Actively infusing the normative foundations of an institution into the participants' day to day routines and organisational practices
Disrupting institutions	
Disconnecting sanctions/rewards	Working through state apparatus to disconnect rewards and sanctions from some set of practices, technologies or rules
Disassociating moral foundations	Disassociating the practice, rule or technology from its moral foundation as appropriate within a specific cultural context
Undermining assumptions and beliefs	Decreasing the perceived risks of innovation and differentiation by undermining core assumptions and beliefs.

Adapted from Canning & O'Dwyer (2016, p. 4).

4.2.3 The interplay of disruption and maintenance work in effecting institutional change

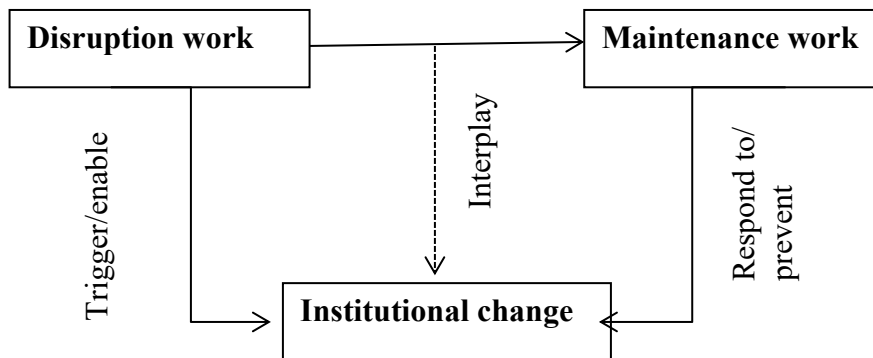
The study of institutional work provides an understanding of “how and why institutional work occurs and with what effect, and so tracing that work alongside changes in institutions could provide insight into the recursive relationship between forms of institutional work and patterns of institutional change and stability” (Lawrence et al., 2011, p. 55). Drawing upon Lawrence & Suddaby (2006), scholars began to illuminate the relationship between institutional maintenance and change. An important observation that concerns this relationship is that the maintenance work should be distinguished from stability and the absence of change, and that it normally occurs as a consequence of change in an organisation or a field (Lawrence & Suddaby, 2006). Existing studies on institutional maintenance recognise that maintenance work is normally triggered by the threat of potential changes in the field in the face of field-level pressures, and involves considerable

efforts to respond to the threat of potential changes to existing institutional arrangements (Micelotta & Washington, 2013; Lawrence, 1999; Zilber, 2009; Jarzabkowski et al., 2009; Trank & Washington, 2009; Currie et al., 2012). In essence, powerful actors engage in maintenance work to maintain their status and power in the field and defend existing institutions which they favour, when confronted with change (Trank & Washington, 2009; Weiss & Huault, 2016; Micelotta & Washington, 2013). For instance, Currie et al. (2012) suggest that elite professional actors within the healthcare field, in this case specialist doctors, engage in forms of maintenance work to protect and maintain their privileged position, in the face of external threats for change. Trank & Washington (2009) offer an examination of a legitimating organisation (the Association to Advance Collegiate Schools of Business, AACSB) engaging in purposeful actions to maintain its impact and the legitimacy of its accreditation within the field of business education in the face of field-level pressure and change when alternative structuring mechanisms gained power within the field. Whereas Micelotta & Washington (2013) examine a case of institutional maintenance when institutional arrangements are disrupted in the setting of Italian professions by revealing the actions instigated by professionals to maintain their professional power and prevent change from occurring. Micelotta & Washington (2013) theorise institutional maintenance as a process of repair of disrupted arrangements, and suggest that incumbent actors, such as professionals, managed to counter government's efforts at reform by engaging in repair work aimed at reversing the disruption and re-establishing their status quo. In this respect, maintenance work is undertaken by powerful actors to respond to the institutional disruptions, resist institutional change, and maintain existing institutional arrangements (Weiss & Huault, 2016; Micelotta & Washington, 2013). Institutional disruption may thus be seen as a precursor or a stage in the process of institutional change and aims to enable change (Jarzabkowski et al., 2009), whereas institutional maintenance normally occurs as a consequence of change, and aims to prevent the change to occur.

Despite prior work examining how institutions can be maintained when disruptions occur to trigger institutional change, there remains a limited understanding of how the interplay between such forms of work (maintenance and disruption work) can hinder institutional change. Studying such interplay is of particular importance, given that prior studies tend to focus on the interplay of different forms of work that can lead to change (Hampel et al.,

2017). The paper seeks to enhance our understanding of how one form of work occurs and is instigated by actors as a reaction or as a response to the other, thereby affecting (and hindering) the processes of institutional change, in our case legal and regulatory change, brought about by capacity building. We illustrate such interplay in Figure 4.1.

Figure 4.1. Typology of the interplay of *Disruption work* and *Maintenance work*



Studying such interplay offers an opportunity to analyse the institutional disruption that ensues with the proposed institutional changes, and to understand how actors become involved in forms of maintenance work in the face of change (Weiss & Huault, 2016).

4.2.4 Maintenance work of resistance and preservation in response to disruption work

Institutional work aimed at maintaining institutions has important coercive and normative dimensions (Currie et al., 2012). A number of studies have made efforts to unpack the concept of maintenance and to unveil the forms of work undertaken by institutional actors to maintain institutions (Currie et al., 2010; Micelotta & Washington, 2013; Lawrence & Suddaby, 2006; Sminia, 2011). The institutional work lens indicates that various forms of maintenance work may be initiated to reinforce existing systems of rules, norms, and beliefs, ensure the continued adherence of institutional arrangements and structures, and prevent disruption and institutional change. Therefore, individuals and organisations engage in creative actions aimed at deterring change attempts and ensuring the perpetuity of governing rules that enable the maintenance of existing institutional arrangements. Greenwood et al. (2017) emphasise that, because a central feature of institutional research is the perseverance of social beliefs and arrangements, research on institutional maintenance is one of the most important areas for further development.

By building on previous work, we reveal the actions involved as institutions undergo institutional disruptions by identifying two main forms of maintenance work aimed at reinforcing existing institutional arrangements, 'preservation work' and 'resisting work'. First, the concept of preservation work represents a form of work carried out by actors with the aim of reinforcing and preserving the position, status quo and authority of institutional actors. Institutional preservation has been examined by previous scholars such as Hirsch & Bermiss (2009), which connect the work of preserving institutions to the notion of strategic decoupling, which they refer to as 'institutional dirty work' (Lawrence et al., 2009). Hirsch & Bermiss (2009) explore how actors in the Czech Republic used preservation work to maintain the old societal rules, despite a seemingly transition to a market economy. Other scholars have illuminated the work institutional actors engage in with the aim of preserving institutions (see for example Currie et al., 2012; Dacin et al., 2010; Lok & de Rond, 2013; Trank & Washington, 2009; Zietsma & Lawrence, 2010; Micelotta & Washington, 2013). Such studies highlight how incumbent actors seek to protect advantageous institutional arrangements from external threats and disruptions. For instance, Micelotta & Washington (2013), illustrate the maintenance work undertaken by incumbents, such as Italian professional associations, to preserve the institutional status quo and ensure the perpetuity of governing rules, norms of social interactions and cognitive interpretive frames that undergird their positioning in the social sphere.

Second, the concept of resisting work represents the actors' actions aimed at neutralising threats, and preventing change in the face of field-level pressures. The form of resisting work, while not being directly applied in extant studies on institutional work, has been highlighted in previous literature. Micelotta & Washington (2013) emphasise that institutional maintenance is tightly related to acts of resistance. The authors highlight the resistance strategies undertaken by incumbent actors by using forms of work such as demonising, policing and deterrence, to resist the pressures at reforms and to minimise the impact of regulatory changes on professional practices. Their study reveals that resistance was undertaken with the aim of repairing institutional arrangements that have been broken or disrupted. Hence, incumbent actors typically engage in resisting work after a disruption occurs, with the aim of resisting pressures, preventing change and maintaining existing institutional arrangements. Likewise, Weiss & Huault (2016), examine the strategies

undertaken by powerful actors under coercive pressure, to resist attempts to implement reforms and hinder institutional change. In addition, Hirsch & Bermiss, (2009) argue that organisations whose identity and image are inconsistent with institutional pressures for change will resist change attempts. Other scholars such as Marti & Fernandez (2013), connect the study of institutional work to the sociological literature on power and on oppression and resistance, by examining the case of the Holocaust. The authors reveal the different forms of resisting work that emerge as a response to the inhumane oppression to illustrate how the nature of those forms of resistance is influenced by the existing forms of oppressive arrangements.

The current study draws on the concept of institutional work as it casts light on the actions and reactions of the various actors within and outside the accountancy professional field in Egypt in seeking to affect the processes of institutional change. In doing so, the paper illustrates (1) the disruption work in light of capacity building efforts of global actors in seeking to strengthen the Egyptian accountancy profession and instigate institutional changes including legal and regulatory change as well as changes in accounting and auditing standards, and (2) the forms of maintenance work, such as resisting and preservation work, undertaken by key institutional actors within the field in Egypt to respond to the disruption and the change attempts. The research question motivating this study is therefore: “How did the accountancy profession in Egypt respond to the disruption and the institutional changes underpinning capacity building efforts?”

4.3 Research methods

Qualitative research methods were deployed to address the paper’s primary aim which seeks to examine the work that the various actors engaged in to affect the process of institutional changes brought about by capacity building. As highlighted by Lawrence & Suddaby (2006), qualitative methods are well suited for the study of institutional work to “document, analyse and understand the practices through which actors create, maintain, and disrupt institutions” (p. 238). In fact, two primary methods were employed to collect empirical data for the current study including documentary data and semi-structured interviews.

4.3.1 Documentary data

Initially, the researcher collected a variety of documentary data and published material, which proved central to understanding the key developments that occurred in the accountancy professional field in Egypt, the role of the various actors within the field, and the efforts undertaken to strengthen the legal and regulatory frameworks and align Egyptian accounting and auditing standards with international standards. This included reports published by actors such as the World Bank, UNCTAD, the African Development Bank, the USAID, the European Union, as well as others. Some important documents collected and analysed included the Accounting & Auditing Reports on the Observance of Standards and Codes (A&A ROSC) review conducted by the World Bank in 2002, the Statement of Membership Obligations (SMO) action plans developed by ESAA as part of IFAC's Member Body Compliance Program, and documents related to the European Union-Egypt Twinning project. This data was supplemented by published interviews with key actors such as Hazem Hassan, chairman of KPMG in Egypt and president of the ESAA, publicly available information on websites of key actors such as the ESAA, IFAC, and FRA, as well as information obtained from online magazines and newspapers (See Appendix 3, p. 253).

4.3.2 Interview data

Documentary data is often combined with other qualitative research methods such as interviews, observations, and physical artifacts, as a means of triangulation, which helps the researcher validate the findings across multiple sources of data (Yin, 1994; Bowen, 2009). In this study, documentary data was supplemented by in depth, semi-structured interviews conducted with a number of key actors associated with the Egyptian accountancy profession. Contact was initially made in July 2016 in Lebanon when one of the authors met a board member of the Lebanese Association of Certified Public Accountants (LACPA) that is also a member of the Arab Federation of Accountants and Auditors (AFAA), which has a network of good contacts with professional accountants and auditors in Egypt. The author proposed the potential of conducting a field level study of Egypt that would require conducting interviews with accounting professionals and other actors associated with the Egyptian accountancy profession. As a result, a list of approximately ten interviewees was provided including interviews with board members of the Egyptian Society of Accountants and

Auditors (ESAA) and the Financial Regulatory Authority (FRA). However, a snowballing technique was used while seeking to arrange more interviews. In total sixteen interviews were undertaken both face-to-face and over Skype between September 2016 and March 2018. All interviews were tape recorded except two interviews whereby notes were taken instead. As most interviews were conducted in Arabic, the author translated and subsequently transcribed all interviews. The duration of the interviews ranged from 40 minutes to 2 hours. Key actors within the accountancy professional field as well as actors involved with capacity building in Egypt were selected to be interviewed. Interviewees included accountancy firms' managers or partners as well as professional accountants working in accountancy firms, members of the ESAA and FRA including board members, members of SAE, governmental actors, as well as international experts including a World Bank specialist and the Spanish director of the EU-Egypt Twinning project (See Appendix 2, p. 251). The interviews supported the documentary data and were helpful in clarifying certain aspects that were ambiguous or incomplete (Caramanis, 2005), especially in relation to understanding how various institutional actors within the accountancy professional field in Egypt responded to the capacity building efforts of global actors and the pressures for change. The interview data enabled the researcher to collect detailed data in order to understand and build a rich understanding of the phenomenon of study (Moll et al., 2006). In addition, the interview data allowed the construction of a thick narrative about the process of capacity building efforts undertaken in a particular local context, Egypt. Indeed, the mix of documentary and interview data enabled us to triangulate our findings and ensure the construction of an in-depth narrative of the interrelated events and actions undertaken by various actors in seeking to instigate or hinder institutional change.

4.3.3 Data analysis

Data analysis was conducted throughout the study in different phases. The researcher initially performed content analysis by analysing the documentary data, which allowed for an understanding of the capacity building efforts undertaken by global actors to support the development of a strong accountancy profession in Egypt and instigate institutional changes. These included changes to the accounting and auditing standards and the regulation and supervision of the accountancy profession in Egypt in line with international standards and

practices, as well as the efforts to change the existing accounting and auditing legislation since the 1990s to embody international standards. In addition, this was helpful in enhancing our understanding of the key role that the different actors played within the processes of institutional change. The researcher was able to develop this understanding further at the interviews, while returning to the documentary data as new issues were highlighted at the interviews (Canning & O'Dwyer, 2016). Following the completion of the interview data collection, the process of analysing the interviews started, which allowed us to gain a deeper understanding of the actions of key actors within the field in Egypt to respond to the change attempts. This form of content analysis enabled us to analyse the empirical evidence from both documentary and interview data by relating it to theoretical issues, in order to establish a chain of evidence and build rich explanation (Caramanis, 2005). Subsequently, the process of coding the data began while trying to capture both the actions to instigate change, and the reactions to it. This allowed us to start coding using Lawrence & Suddaby's (2006) typology of institutional work as a guide. Hence, some categories of institutional work were explicitly revealed from the data such as educating and policing work. In addition, this allowed us to offer a nuanced categorisation of the forms of institutional work (such as 'legal' and 'regulatory' defining work) instigated by various actors to enable institutional changes (such as changes in accounting standards, as well as changes in accounting legislation). However, these forms of work were not enough to capture the reactions and responses of actors to the change attempts that disrupted the field, and to describe and explain the underlying tensions and conflict that emerged as a result of capacity building. During this stage, we took an iterative approach of moving between data and theory (Currie et al., 2012; Canning & O'Dwyer, 2016), which brought to the fore the forms of maintenance work carried out by actors as a response to the disruption work. Consequently, following a review of existing literature on institutional maintenance, we were able to identify two types of work associated with maintaining institutions, in particular 'preservation work' and 'resisting work' to theorise the efforts of actors to maintain existing institutional arrangements in the face of external pressures and threats for change. Through the lens of institutional work that informed the analysis in the paper, we were able to capture efforts at both maintenance and change.

4.4 Background context

In order to provide an understanding of the impact of capacity building efforts on the Egyptian accountancy profession and on instigating institutional change, some historical background concerning the political and economic developments alongside the developments of the accountancy profession is necessary as a prelude to the analysis of the empirical data. By tracing the history, we gain deeper insights into the institutional context wherein the Egyptian accountancy profession operates, and the role that the key actors play in shaping the field.

4.4.1 A historical overview of the development and the state of the accountancy profession in Egypt

Although formal Egyptian independence was declared in 1922, British occupation of Egypt lasted until 1956 after the Egyptian revolution against British rule took place in 1952. During this period, in 1946, the Egyptian Society for Accountants & Auditors (ESAA) was established by a royal decree under the British influence⁷³ as the first professional accountancy organisation in Egypt, which reorganised in 1977 as a non-profit organisation and became a member of IFAC in 1983 (Samaha & Hegazy, 2010; Mostafa Ali, 2012). According to the World Bank 2002 review, the ESAA functions as an elite body of accounting professionals that develops professional and educational standards for its approximately 2,400 members⁷⁴, while not all of them are actively involved in auditing practice. Its membership requires candidates to complete at least three years of full-time work experience in the office of a practicing member of the ESAA or equivalent and to undertake and pass comprehensive exams in accounting and auditing. In addition, members of the Institute of Chartered Accountants in England and Wales (ICAEW) or another acceptable foreign professional body, as well as holders of a doctoral degree in accounting with three years of experience in practice are eligible for ESAA membership (World Bank, 2002; UNCTAD, 2008). Members of ESAA who are potentially qualified including those

⁷³ As a result of the British colonial influence, ESAA rules and examinations, the training of accountants, the organisation of the accounting profession, the law regulating companies, disclosure standards and the financial reporting practices were designed according to the British system (Kamla, 2007).

⁷⁴ Hazem Hassan, president of the ESAA, estimates that ESAA has 2,400 members. (Accounting and Business magazine, April 2017, <https://www.accaglobal.com/my/en/member/member/accounting-business/2017/04/interviews/hazem-hassan.html>)

who are members of international professional bodies such as ACCA, ICAEW and AICPA enjoy enormous prestige and are normally partners, managers, and audit seniors in auditing firms with international affiliations including the Big Four accounting firms (Samaha & Hegazy, 2010).

Following the Egyptian anti-colonial movement of 1952, a number of nationalisation decrees were issued to diminish the dominant role of foreign and private capital. This included the nationalisation of banks, insurance companies, and most manufacturing companies, creating a large public sector whereby the government played a major role in controlling economic activity (Frag, 2009; Mostafa Ali, 2012). Hence, in late 1960s and early 1970s, under President Gamal Abdel Nasser⁷⁵, socialist policies were implemented and the Egyptian economy became centrally planned and all investment decisions in the economy were made directly or indirectly through the government (Kholeif et al., 2008). This required changes in accounting systems and practices. As a result, in the mid-1960s, the unified accounting system was designed for the public sector and all public sector organisations except banks and insurance companies adopted the Egyptian Uniform Accounting System (EUAS) introduced in 1966 to plan and control economic activity thereby restricting the role of accountants to bookkeeping and producing UAS reports (Abdelsalam & Weetman, 2007). Moreover, a professional accountancy organisation was established by a law in 1972, the syndicate of accountants (SAE), a branch of the Syndicate of Commercial Professions. In accordance with the Accounting Practice Law No 133 of 1951⁷⁶, the SAE provides membership certificate to university graduates with a degree in accounting without being subject to examination or any other assessments. The registration committee for Accountants and Auditors in the Ministry of Finance (MoF) allows syndicate members to register as trainee accountants. Trainees become licensed as first-level accountants after acquiring three years of professional work in an accountant's office, which

⁷⁵ Gamal Abdel Nasser was the second President of Egypt, serving from 1956 until his death in 1970. Under Nasser, Egypt followed an economic policy based on central planning and state intervention in the economy.

⁷⁶ In 1951 the government issued the first law (No 133/1951) to regulate and organise accounting and auditing practices in Egypt. This law provided a framework for accounting and financial reporting, and authorised the Ministry of Finance (MoF) to develop a standardized chart of accounts and instructions on accounting treatments and reporting formats (World Bank, 2002).

authorises them to work as auditors of sole proprietorships and partnership enterprises. After an additional five years of work experience, accountants obtain a final registration certificate permitting them to audit joint stock companies. Auditors can also register directly through membership in the ESAA, which qualifies them for a license to audit joint stock companies (African Development Bank, ADB, 2007; UNCTAD, 2008). According the UNCTAD 2008 review, the registration committee in the MoF had a list of more than 30,000 registered accountants and auditors. In fact, many practicing auditors in small- and medium-sized firms who are not members of the ESAA suffered from a lack of training and the proper knowledge and professional competence for providing high quality auditing services (World Bank, 2002; UNCTAD, 2008), which caused tensions and conflict between the two professional accountancy organisations in Egypt, mainly the ESAA and the SAE.

The war between Israel, Egypt and other Arab states shook the region in 1973. Following the Arab-Israeli war, Egypt has striven to liberalise the economy and reduce nationalisation and state control. During this period, the Egyptian government sought to rebuild the economy by undertaking a number of structural and economic programmes in order to transform Egypt from a centrally planned to a market oriented economy. As a result, Egyptian President Anwar Sadat⁷⁷, which succeeded President Nasser, introduced a major economic reform program in 1974 which came to be known as *Infitah*, or open-door policy. The main premise of *Infitah* was to open and liberalise the economy to attract private and foreign investment (Farag, 2009). During this period, many Egyptian accounting firms formed partnerships with the major international accounting firms (Zerban, 2014). Hence, since the early 1980s, there were a number of privatisation initiatives and Egypt achieved unprecedented economic growth reaching a GDP growth rate of almost 15%⁷⁸, prompted by substantial increases in foreign assistance and foreign direct investment. Yet, the rapid growth came to an end in the late 1980s due to stagnation and severe macroeconomic imbalances triggered by the decline in oil prices (World Bank, 1997). Following the collapse of oil prices in the mid-1980s, Egypt experienced a significant slow-down in economic

⁷⁷ President Sadat took over after President Nasser's death in 1970 until his assassination in 1981. *Infitah* was President Sadat's policy of opening the door to foreign and private investment in Egypt in the years following the 1973 war with Israel.

⁷⁸ The World Bank, GDP Growth, Egypt, Arab Republic, <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=1985&locations=EG&start=1975>

growth, rising unemployment and poverty, and high inflation, leading to further deterioration of economic and social situation (African Development Bank, 1999). In response to the deterioration in the Egyptian economy, the government signed the economic reform and structural adjustment program (ERSAP) with the World Bank and IMF in 1991 in an attempt to stabilise the economy and restore growth and macro-economic imbalances. As part of the reform, the World Bank and IMF exerted pressures on Egypt to adopt international accounting standards. This resulted in the issuance of a new Capital Market Law (CML), which required all listed companies to prepare their financial statements in accordance with the International Accounting Standards (IAS). The CML issued in 1992 granted the Capital Market Authority (CMA)⁷⁹- which became known as the Egyptian Financial Supervisory Authority (EFSA) in 2009 until 2017 when it rebranded itself in English only as the Financial Regulatory Authority (FRA)⁸⁰- the legal authority to regulate and supervise the Egyptian capital markets and the public interest entities⁸¹, and promote adherence to and monitor compliance with international standards.

4.5 Case narrative

The case narrative examines the efforts undertaken by global actors including the global accountancy profession and international development agencies to expand international accounting standards and practices in Egypt through capacity building. The narrative starts by examining the efforts undertaken by the World Bank through various reform programs, to support the development of the accountancy profession in Egypt by instigating legal and regulatory change. Further, it illustrates the policing work undertaken by the World Bank and IFAC to support the adoption of and compliance with international standards. At the same time, the narrative reveals the forms of work that the various actors within the field

⁷⁹ The Capital market Authority (CMA) was established in 1979 by presidential decree, however, it was not until the Capital Market Law of 1992 was passed that the CMA was given a mandate to regulate Egypt's capital markets to ensure fairness and transparency (USAID, The Egypt capital markets development project, February 2004).

⁸⁰ In November 2017, the Egyptian Financial Supervisory Authority (EFSA) has rebranded itself in English only to the Financial Regulatory Authority (FRA) and has been working to make the change official in its documents and website. (Enterprise Press Stories, November 2017, <https://enterprise.press/stories/2017/11/06/efsa-becomes-fra/>). For this purpose and to avoid confusion, the author in this thesis uses the term FRA instead of EFSA.

⁸¹ In Egypt, public interest entities are defined as listed companies, public subscription companies, securities companies, and investment funds established by banks and insurance companies in accordance with Law 10 of 2009 (IFAC Member Organizations, Egypt, <https://www.ifac.org/about-ifac/membership/country/egypt#>).

engaged in to support the changes in accounting standards and in the legal and regulatory frameworks to align with international standards and best practices. It further illustrates the capacity building efforts of the EU in seeking to issue a new legislation that embodies international standards and establishes clear institutional arrangements for regulation and enforcement of such standards in Egypt. The narrative reveals that this has disrupted the status of key actors such as the ESAA, SAE, and FRA, and was perceived as a threat to their position and authority in the field. The narrative highlights that, despite previous efforts made to change the existing legislation (Accounting Practice Law No 133/1951), and the apparent consensus on the need to reform the legal framework, the EU failed to issue a new legislation. Moreover, it unveils how the proposed changes under the legislation generated contradictions and disagreements leading to tensions and conflicts between the various actors within the field. The final section in the narrative reveals the maintenance strategies of resistance and preservation undertaken by various actors within the field to respond to global bodies' change attempts and disruption. In doing so, the narrative captures both the actions and reactions involved with capacity building efforts and institutional change, as well as it illustrates the interplay of disruption and maintenance work depicted in Figure 4.2 (p. 155).

4.5.1 The World Bank reform disrupting the regulation of accounting: The role of regulatory defining work

Under the prescribed structural adjustment programs and the pressures of the World Bank & IMF, the government of Egypt had gradually been harmonising the Egyptian Accounting Standards (EAS) with international accounting standards (IAS). In 1997, the Ministry of Foreign Trade issued a new ministerial decree which mandated the use of EAS by all companies regulated by the CMA, as well as it established the Permanent Committee for Standards of Accounting and Auditing to review and issue the standards. Although official responsibility to set accounting and auditing standards was given to the permanent committee, the standards committee of ESAA had the main responsibility for translating, developing and drafting the standards (World Bank, 2002). As from 1998, the committee issued the first set of EAS that were essentially an Arabic version of IAS to be adopted by all listed companies, and by the year 2002, a set of twenty two EAS and six Egyptian

Standards on Auditing (ESA) were issued by ministerial decrees. Most of the EAS were comparable with IAS though adapted for local conditions, whereas the ESA dealt only with reporting issues and ignored other areas of international standards on auditing (UNCTAD, 2008). A board member in ESAA mentioned the following:

In 1997, ESAA did an ‘Arabisation’ of the international accounting standards and issued the first set of standards referred to as Egyptian Accounting Standards (EAS). As of 2002, we were able to update the standards and issue a new set of accounting standards that is better aligned with the international standards, but of course with some deviations and adaptations to our local environment (I2).

A member of FRA further stressed:

In Egypt, we have lots of problems in our economic environment, and therefore we cannot take the standards as they are, but we need to translate them and see what fits with our environment... Family type businesses and small and medium enterprises (SMEs) predominate the economic structure in Egypt, and such firms do not need complex standards (I1).

A member of ESAA (I9) stressed that most firms didn’t have highly trained accountants and advanced accounting systems to implement international standards, especially small auditing firms which used manual accounting and bookkeeping systems to record their transactions. Hence, following the regulatory defining work to update the standards, the Egyptian institute of accountants and auditors (EIAA)⁸², which was associated with SAE, started to provide training to accountants and auditors to enhance their knowledge about the application of the new standards⁸³. However, its role diminished as ESAA regained control over education and training of accountants. President of EIAA and managing partner at one of the largest accounting firms in Egypt stated:

The institute provided training for thousands of accountants and auditors on the developments made in relation to the standards, as well as it organised workshops to acquaint them with the skills needed to be able to use computer accounting systems. It also offered training courses for those wishing to sit for ESAA’s certification examinations and succeeded in increasing ESAA’s membership, which was previously very limited. The institute also helped ESAA in the translation of the

⁸² The USAID granted funding to the Egyptian government, in 1983 to establish the Egyptian Institute of Accountants & Auditors (EIAA) which was headed by the former Prime Minister of Egypt, Dr Abdel Aziz Hegazy. The institute operated as an independent body, but was associated with the Syndicate of Commercial Professions-Accounting & Auditing Branch (USAID, 1990).

⁸³ Al-Ahram newspaper, April 2004, The Accounting & Auditing profession in Egypt, Dr Abdel Aziz Hegazy, <http://www.ahram.org.eg/Archive/2004/4/6/Opin7.htm>

standards. However, the institute didn't have membership fees, and its source of income was only coming from the grants and donations. Today its role is frozen, and ESAA has taken the lead in relation to training (I6).

4.5.2 The implementation of legal defining work: The commencement of resisting work and the failure to issue a new legislation

In the late 1990s, efforts were made to change and modify the Accounting Practice Law 133 of 1951⁸⁴ by drafting a new law to incorporate the amendments made to accounting and disclosure requirements. The law was drafted by the MoF, in coordination with SAE and ESAA to replace the existing law of 1951. The draft law incorporated education, examination, and other requirements for licensure, and a system of oversight over the profession, as well as it emphasised the creation of a Supreme council for Accounting and Auditing⁸⁵. The draft law was referred to the People's Assembly for approval, which approved most of its components except two or three components, as the different Egyptian bodies didn't agree on them. This caused a delay in finalising and issuing a new law. For instance, the legislation required all accountants, especially those registered in the Syndicate, to fulfill the set hours of continuous education and training and pass several competency exams to obtain the license to practice the profession. However, this excluded members of ESAA, which caused some parties to oppose it. Particularly, the Syndicate called for the establishment of a Supreme council, which shall establish an independent committee to be responsible for training and examination of all professionals⁸⁶. Another component was related to allowing international accounting firms to operate independently, without having to partner with licensed Egyptian professionals. Egyptian bodies also

⁸⁴ The Accounting Practice Law 133/1951 is the law governing the accounting and auditing profession in Egypt. Under current law, individuals joining the public practice of accounting and auditing must register on the General Register for Accountants and Auditors, which is maintained by the Ministry of Finance and does not require a qualifying examination for entry (UNCTAD, 2008).

⁸⁵ The key features of the draft law included introducing a qualifying examination to obtain an auditing license and establishing continuous education schemes, recognising audit firms and individual auditors as providers of statutory audit services, amending the public oversight architecture over the professional performance, and strengthening the operational capacity of the professional bodies and emphasizing coordination through the creation of a Supreme Council for Accounting and Auditing. IFAC, Egypt, <https://www.ifac.org/about-ifac/membership/country/egypt>

⁸⁶ Al-Ahram Newspaper, April 2004, The Accounting & Auditing profession in Egypt, Dr Abdel Aziz Hegazy, <http://www.ahram.org.eg/Archive/2004/4/6/Opin7.htm>

opposed this component and called for restricting non-Egyptians to practice the profession⁸⁷. Hence, despite the efforts undertaken to change the existing law, the draft of the law remained under discussion for several years with little indication about its progression. A member of the Ministry of Investment and International Cooperation⁸⁸ in Egypt stressed that the professional bodies resisted the proposed changes to the legislation and were not able to reach an agreement:

The law has been in the discourse since the late 1990s, and the MoF which is entrusted by the government to update the law, made lots of efforts to bring ESAA and the Syndicate together under a new legislation that provides clear mandates for each of the professional organisation. It was impossible for the syndicate and ESAA to reach an agreement on the mandates and responsibilities of each of them and they were always disputing and resisting any changes proposed to the law... Several endeavours were made to bring these bodies together but they always failed (I7).

4.5.3 Further World Bank reform programs disrupting regulatory and supervisory frameworks: The role of enabling work

In 2002, as part of the joint initiative between the World Bank and IMF on Accounting & Auditing Reports on the Observance of Standards and Codes (A&A ROSC), the World Bank conducted a review to assess accounting and auditing standards and practices in Egypt. Through the ROSC, policing work was undertaken as a means of enforcement and monitoring to enhance compliance of EAS with international standards. The ROSC report highlighted that compliance has been constrained by a lack of capacity among those who prepare and audit financial statements and by inadequate regulatory enforcement mechanisms. In its policy recommendations section, the report emphasised the need to take immediate steps to issue a new law taking into consideration the legislative and regulatory shortcomings, establish an accounting and auditing oversight body, and improve the degree of compliance with international standards (World Bank, 2002).

Following the ROSC, the World Bank continued to provide support to the Egyptian government and the accountancy profession through the Financial Sector Reform Program

⁸⁷ Al-Ahram newspaper, December 2006, Two years after the Accounting Practice Law was frozen in the People's assembly, Who is responsible? <http://www.ahram.org.eg/Archive/2006/12/24/Econ3.htm>

⁸⁸ The Ministry of Investment & the Ministry of International Cooperation were merged in February 2017, with the approval of the Egyptian parliament, to become the Ministry of Investment and International Cooperation (MIIC).

(FSRP) launched in 2004 to be implemented over the period 2005-2008. The aim of the program was to develop the financial sector by strengthening the regulatory and supervisory capacity in order to create an enabling environment for private sector-led growth (African Development Bank, 2012). As part of the reforms, the need to improve the quality of financial reporting and disclosure had been recognised (UNCTAD, 2008). Therefore, ESAA standards committee played a major role in updating and preparing the Egyptian standards, which were issued in 2006 in line with IAS. The new standards were compliant with international standards to a great extent with few adaptations and departures from IAS/IFRS⁸⁹, which couldn't be translated due to legal and legislative reasons. An ESAA member mentioned the following:

In 2006 we made significant changes to the EAS and did our best to align the new set of standards issued with the international standards, however the standards were not fully compliant with IAS as legal frameworks and legislations such as the Capital Market Act, Company Act, and accounting practice law restricted full compliance and legal enforcement of international standards (I5).

In addition, within the context of the FSRP, efforts were made to strengthen regulatory and supervisory framework. As a result, a new regulatory authority, FRA⁹⁰, was established in 2009 to supervise non-banking financial entities and further improve the regulatory environment and oversight capacity in Egypt. The Audit Oversight Board (AOB) established in 2008, became the oversight unit within the FRA responsible for regulating and supervising non-banking financial markets and instruments⁹¹. Further, FRA developed the Egyptian Code of Ethics (ECE) to be applicable to auditors registered with the FRA, which was based on the 2006 version of the IESBA Code of Ethics. This enabling work was crucial

⁸⁹ The main departures and adaptations from IAS/IFRS are: (a) EAS 1 "Presentation of financial statements" (corresponding to IAS 1); (b) EAS 10 "Fixed assets and their depreciation" (corresponding to IAS 16); (c) EAS 19 "Disclosure in financial statements of banks and similar financial institutions" (corresponding to IAS 30 which has been superseded by IFRS 7); & (d) EAS 20 "Accounting rules and standards for financial leasing operations" (corresponding to IAS 17) (UNCTAD, 2008).

⁹⁰ The Financial Regulatory Authority (FRA) was established by a Law in 2009 and replaced the three existing authorities regulating the main non-bank financial services, namely the Capital Market Authority (CMA), the Egyptian Insurance Supervisory Authority (EISA), and the Mortgage Finance Authority (MFA).

⁹¹ The Audit Oversight Board (AOB) established according to the amendments made to the Capital Market Law (CML) by a new law (No. 123) in 2008, became the oversight unit within the FRA responsible for regulating and supervising non-banking financial markets and instruments, including the Capital Market, the Exchange, and all activities related to Insurance Services, Mortgage Finance, Financial Leasing, Factoring and Securitization

as FRA sought to set ethical requirements and rules, and carry out disciplinary actions in the case of violations and non-compliance with accounting and auditing standards as well as the standards of professional conduct contained in the ECE. In addition, this supported the World Bank's efforts as it helped in strengthening oversight, regulatory, and supervisory capacity. A member of the FRA stated:

The creation of FRA was a great milestone in the accounting profession in Egypt, and triggered significant changes in the field such as enhancing the oversight and supervisory function of the profession, and reinforcing the application and compliance of international accounting standards and ensuring the application of the code of ethics issued in line with IFAC's code ... in addition, FRA made efforts to change the culture of the profession by integrating ethicality and imposing penalties over auditors who engage in unethical practices and who do not comply with international standards (11).

4.5.4 Implementing regulatory defining work: Enhancing the position of ESAA through educating work

The Arab spring uprisings of 2011 sparked political instability as well as it stalled Egypt's growth⁹². The reform of the accountancy profession became less of a priority, and consequently, numerous laws and reforms were delayed including changes in accounting standards and accounting legislation. Hazem Hassan, chairman of KPMG and president of the ESAA emphasised:

The uprising of January 2011 and the unrest that followed had far-reaching ramifications for businesses in Egypt, and for finance professionals too... It put the accountancy sector temporarily on the back foot. Prior to the uprising in 2011, numerous reforms and new regulations had been slated for introduction in line with international best practices, but instability delayed their implementation. Now as Egypt is getting back on track, the accountancy sector faces a range of new challenges, not least as a result of last year's currency devaluation and other structural reforms⁹³.

Few years after the wave of uprisings, the need to strengthen the regulation of accounting and support the adoption of and compliance with international accounting standards was

⁹² In early 2011, the Arab Spring uprisings hit Egypt and succeeded in the overthrow of the Egyptian government under Mubarak regime. Since the uprisings, Egypt plunged into a period of economic and political turbulence and turmoil, and social unrest.

⁹³ ACCA Accounting and Business (AB) magazine, 01 April 2017, Interview with Hazem Hassan, chairman of KPMG in Egypt, <http://www.accaglobal.com/uk/en/member/member/accounting-business/2017/04/interviews/hazem-hassan.html>

seen as vital to galvanise the economy⁹⁴. Moreover, with more pressures and coercive actions, such as monitoring and policing work exerted by IFAC to ensure compliance with the international standards through its Member Body Compliance Program⁹⁵, ESAA and FRA engaged in efforts to modify EAS and to enhance and achieve compliance with IAS⁹⁶. Hence, in 2015, after nine years from the latest update, the Egyptian Accounting Standards Committee⁹⁷ issued a new set of EAS that were compliant with the 2014 version of IFRS, to be applied by all entities starting from the year 2016.

Following the implementation of the new standards, ESAA Board of Directors decided to carry out educating work to provide its members with the sufficient knowledge about the international standards and the necessary skills to implement them. Hence, ESAA established a training centre⁹⁸ in 2015 to educate professionals about the new standards, enhance their knowledge and understanding of the standards, and ensure their effective implementation. The 2016 SMO action plan developed by ESAA's Board of Directors indicated that, since its inception, the training centre has achieved remarkable success, by providing training programs and courses for large numbers of professional accountants, giving priority for ESAA's members, to explain the revised standards (IFAC SMO, 2016). However, ESAA's strategy to undertake educating work meant that it sought to maintain control over education and augment its status and position in the field vis-a-vis other professional groups. An ESAA member stated:

⁹⁴ ACCA Accounting and Business (AB) magazine, July 2015, Post-revolutionary Egypt turns for growth to standards, <http://www.accaglobal.com/uk/en/member/member/accounting-business/practice/egypt-standards.html>

⁹⁵ In 2004 IFAC instituted the Member Body Compliance Program for its members and associates, which is comprised of a) an assessment of the regulatory and standard-setting framework, b) a self-assessment regarding PAO level of compliance with the IFAC Statements of Membership Obligations (SMOs), and c) annual SMO Action Plans detailing how members and associates plan to make progress toward, or continue to meet SMO requirements.

⁹⁶ As part of IFAC member body compliance program, ESAA performed a self-assessment to evaluate compliance with in relation Statement of Membership Obligations (SMOs) requirements. Following the self-assessment questionnaire, ESAA issued several action plans in 2008, 2014 and 2016 to address policy matters and demonstrate the progress of the accounting profession towards the fulfilment of IFAC SMOs requirements.

⁹⁷ The issuance of the new standards culminated efforts of a committee that included experts from FRA, as well as representatives of ESAA and the Egyptian auditors and of the Central Auditing Agency (CAA), the General Authority for Investment (GAFI) and the Egyptian Institute of Accountants and the Division of practitioners of Free professions- the Egyptian Commerce Syndicate (http://www.efsa.gov.eg/content/efsa_en/efsa_news_en/efsa_336_en.htm).

⁹⁸ The building consisted of a training centre, which can accommodate up to 500 trainees at the same time, a library, administrative offices, meeting rooms for the committees, and a Board of Directors Hall.

ESAA is a well-respected body that enjoys a high, prestigious status in the accountancy professional field. Its members are required to complete 120 hours of training and CPD every three years as a prerequisite to maintain the license... Recently, ESAA has established a new training centre to provide education and training courses for its members on the new standards, which allows them to achieve a certain level of skills and knowledge and maintain their status in the field (I10).

Another professional accountant mentioned the following:

ESAA continuously offers training to its members on the international standards and on the changes and developments in accounting and financial reporting practices and standards. ESAA established a new training centre in 6th October City to offer appropriate and adequate training courses, seminars and workshops mainly for its members to enhance their understanding and application of the new standards, and ensure they maintain a high status and prestige (I11).

While ESAA maintained control over professional education and training, tensions in the relationship between the two professional accountancy associations in Egypt, ESAA and SAE augmented. In fact, only a handful of elite members in the ESAA received proper training while the syndicate members had limited access to training and lacked the appropriate knowledge for adopting the new standards and supporting high quality financial reporting. A member of the syndicate mentioned the following:

In the syndicate, we do not have proper access to training or professional education and we don't have enough knowledge about the new standards issued. The newly established training centre by ESAA provides training mainly for ESAA members, which are around 2,000 professionals only. Whereas all other professionals such as those in the syndicate that are almost 30,000 professionals, cannot afford the training fees set by ESAA or are not even authorised to take these training courses. ESAA wants to retain its significant and powerful position and it has the financial resources to do so. It is dominating the field in a bad and manipulative way... It should either open access to training to all professionals at low fees, or give up the training and education to another institute (I 12).

4.5.5 Further legal defining work: The EU's attempt to issue a new legislation

Despite the efforts made to align Egyptian standards with international standards, an updated legislative framework of the accounting and auditing profession that embodies international standards and the amendments made, has not yet been approved. Hence, in 2015, under the support of the EU-Egypt Association Agreement Programme (SAAP)⁹⁹, the Egyptian

⁹⁹ Egypt and the European Union (EU) share a long-standing relationship, which was strengthened in 2001 when the EU-Egypt Association Agreement was signed, and became effective since 2004. The agreement

Ministry of Finance (MoF), Ministry of International Cooperation, and the EU jointly launched a new Twinning Project titled “Enhancing the Accounting and Auditing Profession in Egypt”¹⁰⁰. Its main objective was to reform the legislative framework of the accountancy profession in Egypt and strengthen the capacity of the concerned bodies of the profession¹⁰¹. The project was funded by the EU in cooperation with the MoF, with a total budget of EUR 1.175 Million, to be run for two years by the Spanish Ministry of Finance and Economy.

The legal defining work to issue a new legislation through amendment of the Accounting Practice Law No 133 (1951), which clearly defines the roles and responsibilities of the different bodies concerned with the profession, and provides the legal basis for education and licensing of professionals, accounting and auditing standards, oversight, and quality assurance, was a key component of this project. Egypt didn’t witness any update to the 1951 law although several attempts were previously made to issue a new legislation to avoid the shortcomings of the current law applicable more than 65 years ago. Hence, the MoF, which is the governmental unit responsible for accounting and auditing legislation, finally decided to take action to radically change the existing legislation. An advisor to the MoF mentioned the following:

This law provides a platform for a decent profession and will benefit the overall accountancy profession... It will control ethical violations, provide a legal basis for licensing, ensure that all professionals maintain appropriate knowledge and understanding of the standards, as well as ensure that they have access to training and continuous professional education which will increase professional competencies and capabilities (I4).

aimed at improving the relationship and cooperation between the two nations that would support socio-economic and political reform agenda in Egypt. Subsequently, in 2005, a special financial agreement entitled “Support to the Association Agreement Programme” (SAAP) was signed to promote institutional capacity building and technical assistance for Egyptian institutions, by taking into account EU best practices. The SAAP is affiliated to the Ministry of International Cooperation and funded by the EU. In 2010, the SAAP held its annual conference, which was entitled “Institutional Building Instruments in Egypt”, highlighting the need to implement projects aimed at improving the regulatory, legislative and institutional frameworks in Egypt in line with the EU best practices.

¹⁰⁰ The launch event was attended by representatives of the MoF, the EU Delegation and the Embassy of Spain as well as representatives from the different professional organisations in Egypt including ESAA and the Syndicate, as well as the FRA.

¹⁰¹ EU-Egypt, Twinning Project Fiche (2015), Enhancing the accountancy and auditing profession in Egypt

A key concern of the EU project was to align various actors involved in the supervision, registration, examination and certification of the accounting profession, including ESAA, FRA, the MoF and the Syndicate, and promote cooperation among them.

This Twinning project aims to set up a new legal framework and a new architecture for the accounting and auditing profession in Egypt in which different actors work together for the best interest of the profession... which is what Egypt lacks at the moment (I8).

Moreover, there seemed to be a consensus among key actors such as the FRA and ESAA on the need to reform this law. An FRA member stated:

The law regulating the profession in Egypt dates back to 1951 which is a disgrace as many changes occurred in the Egyptian economic environment and in the accountancy profession since that period... in that period there was nothing called international accounting standards, quality assurance, etc. There is a big shortage in this law that gets us to a point where we are unable to develop the profession unless we change this law... An updated version of this law is a key element for the development of the profession, which is why this project is important (I1).

In addition, president of ESAA stated:

I hope that the accounting profession in Egypt will flourish to the extent that all ESAA members and non-members enjoy high and comparable professional levels. This will only come true by replacing the current law for practicing the profession issued in 1951. It has undergone no change since then. A new law should be issued reflecting the professional developments of the accounting and auditing profession over the past 60 years¹⁰².

4.5.6 Disrupting existing institutional arrangements and the status quo

The legal defining work saw EU introduce new requirements for licensing, examinations, professional education, and oversight and supervision. Yet, this has disrupted the existing institutional arrangements underpinning the Egyptian accountancy profession as well as the status of the various actors within the field. The new legislation proposed the establishment of a new independent public oversight board, like a Supreme Council for Accounting & Auditing, aimed at enhancing and enlarging the scope of professional oversight. Moreover,

¹⁰² Connecting Voices (CV) Middle East and North Africa (MENA), September 2014, Interview with Hazem Hassan, Chairman of the Egyptian Society of Accountants & Auditors (ESAA), conducted by Mohamed Yehia, Senior Financial Management Specialist, World Bank, <http://documents.worldbank.org/curated/en/404531509083180797/pdf/120699-WP-PUBLIC-connecting-voices-3.pdf>

it proposed the enforcement of license examinations, and continuous education for all professionals in line with IFAC international education standards. The draft law emphasised that the entities that are likely to be mandated to perform the training and certification activities would operate under the supervision of the MoF, as well as it recognised the EIAA affiliated to the Syndicate as a potential training provider. Accordingly, this law was seen as a threat to ESAA's role as the body responsible for professional training and education, and certification activities. A board member of ESAA stated:

The EU and the MOF have put a draft for a new law, and worked on four components including registration, training, examinations, and supervision. ESAA is already contributing to two of them by providing appropriate training, education and examination for professionals. ESAA has the upper hand in relation to professional training and education and the EU project wants to reduce our control over these activities and diminish our privilege and role in the field (I2).

In addition, the EU project proposed amendments to the registration process, and the formulation of prerequisite qualifications to register and obtain the license to practice the profession. Particularly, the new law proposed the design of a new strategic plan for training and certification for accountants and auditors in line with international benchmarks, under the supervision of the MoF. Yet, this has disrupted the status of SAE whose professionals were not subject to any competency examination to become licensed. Moreover, this created tensions between the MoF and SAE, which announced its rejection to the proposed law under the Twinning project. Head of the Syndicate of Commercial Professions stated that this law treated professional accountants as employees of the MoF and neglected the role of the syndicate and its register. He further affirmed that the Syndicate does not accept the MoF to control the profession through the Supreme Council¹⁰³.

Another key component of the EU project was to enhance the scope of professional oversight and extend the oversight of auditors to include all the certified accountants who provide audit services. The EU proposed the design of a new accounting and auditing oversight architecture and the establishment of a new oversight body, to replace the audit oversight board (AOB) operating under the FRA. This has disrupted the status of the FRA as

¹⁰³ Masress News, September 2016, The draft Law for practicing the accounting and auditing profession creates tension between the Syndicate of Accountants and the Ministry of Finance, <https://www.masress.com/hawadeth/282736>

the public authority responsible for oversight and supervision, and restricted its autonomy and its privilege to self-regulate. A board member in FRA stated:

The FRA demonstrated its ability to contribute to a high quality regulatory environment in Egypt, by supervising and regulating non-banking financial markets, improving the quality of auditing of public interest entities (PIEs) and ensure the implementation of international standards, and enforcing IFAC's code of ethics on members. The EU project proposes the establishment of a new independent oversight body... They are trying to reduce the FRA's regulatory power and authority (I3).

The EU's attempt to reform and update the legislative framework generated contradictions and disagreements around the proposed changes, leading to tensions and conflicts among different actors within the field. An advisor to the MoF commented:

What is stopping the issuance of a new law is the continuing conflict among Egyptian bodies who seek to serve their own interests. The ESAA wants to hold the monopoly of professional certification, training and examination, and thinks that it is a prestigious body and its membership should not be open to everyone. The Syndicate refuses to amend the registration committee of the MoF, which does not require any qualifying examination for entry. And the FRA doesn't want to lose its oversight authority. Such bodies seek power, money, and authority in the field... I think this law needs a lot of time to be implemented, until the different bodies agree on its main components... The MoF should have the convenient power to group all bodies together and encourage them to work collaboratively for the best interest of the profession (I4).

4.5.7 World Bank and ACCA efforts to support prior legal defining work

Throughout the year 2015, the World Bank organised several educational workshops to complement, coordinate with, and supplement the ongoing EU-Egypt Twinning project. In May/June 2015, the 'Strengthening Accounting Qualification in Egypt' workshop took place in Cairo¹⁰⁴, bringing together key actors from within the accountancy professional field in Egypt including representatives from the MoF, SAE, ESAA, as well as representatives from the World Bank, and the EU. Its key aim was to enhance accounting practicing requirements and educational requirements by aligning them with international standards and promoting IFAC SMOs including SMO 2 related to the international education standards (IES) for professional accountants. The workshop participants reasserted the need to reform the current law on accountancy to strengthen such requirements, including instituting the

¹⁰⁴ The 'Strengthening Accounting Qualification in Egypt' workshop was a continuation of two previous workshops, the IFRS for Educators Training and the Egyptian University Accounting Education Workshop.

requirement for passage of professional examination, inclusion of continuous professional development (CPD), and attainment of appropriate professional experience in order to get the license. In this respect, speaking at the World Bank event, member of ESAA, and ACCA Fellow said:

It is key for us to establish a sustainable accountancy profession, one that adheres to international standards and legislative frameworks. Professional education, training and CPD are part of this equation... The application of consistent standards best supports international business, and the desire of talented people to have successful, international careers. But this capacity building work cannot be done in isolation; to achieve this, ACCA works with global bodies such as the World Bank, and the International Federation of Accountants (IFAC) and forges strong global partnerships with other professional bodies¹⁰⁵.

Following the World Bank event, the Association of Chartered Certified Accountants (ACCA) and ESAA jointly signed a new strategic partnership agreement in 2016 during ESAA's two day knowledge sharing visit, organised by ACCA, in London and Glasgow, aimed at strengthening the accountancy profession in Egypt¹⁰⁶. The key areas identified in the partnership agreement included information and knowledge sharing, continuous professional development for members and offering local qualification developments such as papers in IFRS. In addition, ESAA offered training courses for candidates who wished to gain the IFRS diploma. In commenting on this agreement, a board member in ESAA said:

This agreement allows us to improve the capacity of our professionals by improving our curricula and examinations in line with the international standards, and introducing a tailored diploma in Arabic. Our main objective behind this diploma is to serve the interests of the university graduates and professional accountants and auditors including those that are not members of ESAA by giving them the opportunity to develop themselves and hold a globally recognised professional qualification... this is because the education system is very bad so most graduates and professional accountants and auditors do not hold any qualifications or have the basic competencies to do the job. In addition, the exams, syllabus, and textbooks are taken from the ACCA books but will be in Arabic for those who are not fluent in the English language (I2).

¹⁰⁵ Business Intelligence Middle East, June 2015, Ethics, exams and experience central to the development of the global accountancy profession, <http://www.bi-me.com/main.php?id=68667&t=1&c=128&cg=4&mset=>

¹⁰⁶ ACCA Accounting and Business (AB) magazine, 7 September 2016, ACCA and Egyptian Society of Accountants and Auditors (ESAA) sign a partnership to develop the accountancy and finance profession in Egypt, <http://www.accaglobal.com/uk/en/news/2016/september/acca-esaa-partnership.html>

In fact, this new partnership agreement assisted ESAA to re-establish its status in the field, which was disrupted by the EU project, and to maintain and reinforce its dominant position as an elite professional accountancy body. An ESAA member stated:

This agreement helped to reinforce and further strengthen ESAA's position. By signing this agreement, ESAA demonstrated its commitments to developing the skills and knowledge and development of its members as well as it demonstrated its ability to control professional services such as education, certification and training of professionals (I16).

Yet, this agreement seemed to have created tensions in the field as some actors perceived it as serving the interests of specific elite groups, such as ESAA's members. Interviewee I13 claimed:

Most professionals especially those in the Syndicate, cannot afford the fees of the training courses to undertake the exams of the ACCA certificate or the IFRS diploma. This agreement is only made to generate large amounts of profits and serve the interests of specific groups such as ESAA's elite members, rather than serving the interest of the broader profession.

4.5.8 Lack of agreement and the failure to issue a new legislation

Following the efforts of the World Bank and ACCA to support the EU project, the Spanish experts proposed further amendments to the preliminary draft law to be able to reach an agreement between the various institutional actors on the proposed legislation. In April 2017, a new version of the draft law was issued after discussing the draft proposal with the various actors within the field. While the project was underway, an interview was conducted with the Spanish director of the project, which pointed out:

I am very skeptical about the outcome of this project... I have been in Egypt for 18 months and was expecting to get better results by now. However, until today we didn't advance very much and we couldn't get the different parties to agree on, and implement an action plan... the main parties involved, including the ESAA, the FRA, and the syndicate fail to agree on different components of the project including professional examination, registration and certification, and supervision. The FRA opposes the amendments of the oversight architecture and the establishment of a new independent oversight body. ESAA wants to maintain its control over training and certification activities, and rejects the design of a new training and certification programme. And the Syndicate wants to maintain its register, and opposes the amendments to the registration committee of the MoF.

He further added:

The problem is that the Egyptians are not accepting change... the profession is very old school and believes that a very small elite group must control the profession... what we are trying to do is at least convincing them that change must occur (I8).

A key component of the new version of the law was to establish a Supreme Council of Accounting & Auditing, an independent body, to act as the highest regulating authority of the accounting and auditing profession in Egypt. According to the law, the council would consist of a chairman, board of directors, deputies from FRA, ESAA, SAE and the MoF, as well as permanent committees¹⁰⁷. The Spanish director of the project asserted that the new draft was issued in an effort to achieve an agreement between the various actors:

We made a lot of efforts to bring all the bodies together, and reach an agreement on the law. We laid on the table all possibilities, and tried to work out different structures that would divide the competences of the different actors. We issued a new version of the law, which maintains FRA's supervisory power with regard to public interest entities (PIEs), and which recognises ESAA and the Syndicate as one of the certified entities to hold professional examinations, however all these bodies should operate under the Supreme Council... Despite all the efforts we made, the lack of agreement between the different Egyptian bodies remained the key issue, and I think this is on-going... this made it somehow impossible to get the law to be sent to and passed by the parliament (I8).

Despite the efforts of the EU experts to reach an agreement between the various actors with divergent interests, these endeavors failed to achieve consensus among these actors, which constrained the ability to implement a new legislation. A member of FRA mentioned the following:

The project didn't get to a point where all concerned parties including FRA, ESAA, the syndicate, and the MoF reached a point of agreement. The implementation of the law was very difficult and the major problem was the lack of agreement and consensus. This agreement would have been reached by fairly distributing the roles and responsibilities of all parties under a new law... The project wanted to put forward a law based on international practices, but that weakens and even eliminates the role of all actors, while giving a dominant role to the MoF (I1).

¹⁰⁷ These committees included an auditing standards committee, code of professional conduct and ethics committee, training and continuing education committee, examination and licensing committee, disciplinary measures and legal action committee, follow-up, information, and reports committee, and control committee (EU Draft Law, 2017).

The EU-Egypt Twinning project was initially supposed to run for 24 months, yet, the project lasted for 27 months and a closure event was held in May 2017 without having achieved its planned outcomes¹⁰⁸. The proposed changes and amendments of the Practice Law (No 133/1951) put forward by the EU were eventually unsuccessful and the proposed legislation was not implemented due to the impossibility of overcoming disagreements and reaching consensus.

4.5.9 Disrupting the outcomes of the EU's legal defining work: The implementation of resisting and preservation work

Despite general consensus among the various actors on the need to issue a modern and updated legislative framework for the accountancy profession, these actors seemed to oppose and reject the changes to regulatory and legal frameworks proposed by the EU and resisted the issuance of a new legislation. For certain interviewees “any changes to the legal framework that ignore the old structures would not be possible” (I13). In addition, there was a view that the EU is imposing western practices and that “One size cannot fit all”, which meant that what works in Europe cannot work in Egypt (Interviewee I2). In this respect, the Spanish director of the project stated:

From the beginning, there was this perception that the EU went to Egypt to impose laws and practices from foreign colonialist countries. This is a misconception that the Egyptian bodies had, which definitely wasn't our aim... either they want an updated law or they don't. The EU has funded different Twinning projects and succeeded in helping a lot of developing countries in institutional building by sending its money and experts, without having to impose anything. However, we couldn't succeed in this project in Egypt and this is in part due to the wrong perceptions that the Egyptians had (I8).

Hence, while ample effort was put forth by the EU and the Egyptian government to change the legislative framework, there was also a substantial work done to maintain the existing law and oppose the issuance of the proposed law. The EU thus struggled to implement the new legislation, due to the resisting and preservation work undertaken by actors to retain their status and legitimate authority in the field, resist threats and prevent change. A professional accountant stated:

¹⁰⁸ European Union in Egypt, Facebook page, Successful closing of EU-Egypt Twinning on the professionalization of the Accounting & Auditing Profession <https://www.facebook.com/media/set/?set=a.1653751281320980.1073741995.517902401572546&type=3>

It is very hard to implement the new law proposed by the EU and the key professional actors in the field will always fight to retain the existing position and status that they have in the field... I personally believe that the Accounting Practice Law of 1951 will always prevail as long as the same elite actors control the profession (I14).

The Spanish director of the EU project added:

We are trying to enhance the accounting and auditing profession in Egypt in line with the best practices in Europe. However, in Egypt, different bodies do not get along... each accountancy body is worried about losing part of its authority over the profession and fighting to maintain its power in the field... Everyone serves its own interests rather than working for the best interests of the profession, and the best interests of the public (I8).

Particularly, FRA opposed the establishment of a new independent oversight unit to protect its privilege to self-regulate and its legitimacy in the field, which were threatened. A member of FRA mentioned the following:

The FRA has an oversight unit since 2009. It isn't possible to collapse the unit that already exists and waste all the efforts that we made to establish this unit and establish a new oversight unit operating under the MoF or under another body. We could improve the oversight unit of the FRA rather than establish a new one. As a regulator I cannot guarantee that this unit will have the capacity to promote adequate audit quality and undertake appropriate and effective oversight activities (I1).

Professional bodies including ESAA and SAE have also opposed the legislative changes brought about by the EU and sought to protect their power and status in the field. A member of the Ministry of Investment and International Cooperation stated:

The professional accounting associations in Egypt are established on the basis of legal mandate, which allow them to protect their power and legitimacy. The syndicate was established by a law in 1972, which gives it the authority to register accounting and auditing practitioners and give them the license. The syndicate has power in the field as it contains most professionals, around 30 to 40,000. ESAA was established by a Royal Decree in 1946, and is responsible for professional examination and training of professionals. ESAA has a high status, and has strong relationships and networks with the government and the big audit firms. And the FRA was established by a law in 2009 and has a very high status as it has the authority to regulate and oversee listed companies. All these bodies seek to maintain the power they have in the field and will always be highly resistant to any changes that threaten their power (I7).

The law proposed by the EU disrupted existing institutional arrangements and the status quo, and as a response, actors such as ESAA, SAE and FRA sought to resist it. In effect, the persistence of the legislation relating to the accounting and auditing practices in Egypt is a testament to the ability of powerful and less powerful actors to engage in resisting and preservation work in the face of external threats to prevent change and reinforce existing institutional arrangements and the status quo. Hence, the resisting and preservation work undertaken by actors within the professional accountancy field constrained the impact of the work undertaken by global bodies to strengthen the profession and instigate legal and regulatory change. In this respect, one interviewee stressed that Egyptian bodies will resist any change attempt that would threaten their power and status:

Our structures are very old, our legal and regulatory frameworks are outdated, and the profession has always based its development on seniority, and has always been dominated by the same elite members. Any capacity building initiative that aims to change the old structures and threaten the power and status of those members will fail (I15).

4.6 Discussion

The case analysis reveals the impact of the capacity building efforts instigated by prominent global actors on the development of the accountancy profession in Egypt and on instigating institutional change. Despite the increasing volume of literature on the development of accountancy professions in developing countries (see for example, Caramanis, 1999, 2002; Gallhofer et al., 2011; Rahman, 1997, 2005; Annisette, 2004; Kamla, 2007), and the growing level of the global accountancy profession's engagement with international development agencies to support its expansionary aims through capacity building and the strengthening of accountancy professions in developing countries, this topic remains neglected. The paper illustrates both the effortful actions that actors engage in as they seek institutional change, and the actions of actors to respond to the change attempts. In doing so, the theoretical concept of institutional work is mobilised as it helped in examining the actions and reactions of various actors within and outside the accountancy professional field in Egypt around the processes of institutional change. Our case study has led to important findings that enabled us to identify forms of institutional work done to enable or resist the

change, and document the interplay of disruption and maintenance work in affecting institutional change (See Fig. 4.2).

Previous work highlights that policing work frequently occurs in professionalised fields, and is undertaken by actors to ensure compliance through enforcement, auditing, and monitoring (Lawrence & Suddaby, 2006; Currie et al., 2012). Our analysis reveals the prevalence of coercive forms of work such as policing work, exercised by powerful global actors through their efforts to expand international accounting standards and enforce the adoption of and compliance with IAS, such as the World Bank reform programs, and the IFAC Member Body Compliance Program (See Fig. 4.2). This has posed significant pressures on the Egyptian accountancy profession to instigate legal and regulatory changes as well as changes in accounting standards to align with international standards and best practices. By using this form of work, global actors sought to reinforce their legitimacy and reproduce advantageous institutional arrangements that favour them (Micelotta & Washington, 2013). In turn, these actors have become a significance force in shaping the development of the Egyptian accountancy profession in line with international standards and practices. Our findings direct attention to the supportive interactive work (Canning & O'Dwyer, 2016), such as legal and regulatory defining work instigated by the government as well as institutional actors in Egypt to support the policing work and enable institutional change (See Fig 4.2). For instance, we show how, under increasing pressures to comply with international standards and issue an updated legislative framework, ESAA engaged in regulatory defining work to update EAS in line with international standards, as well as the government of Egypt engaged in legal defining work to update the accounting practice law of 1951. Moreover, the enabling work to create FRA and the new oversight board (AOB) was crucial to support the World Bank efforts through its financial reforms program to strengthen the regulatory and supervisory frameworks. Despite the supportive efforts of the Egyptian government and accountancy profession to enable change, we reveal a case of resistance to change whereby the Egyptian accountancy profession has not fully embraced capacity building.

While actions undertaken by actors to respond to institutional processes and pressures had been recognised in research on institutional theory (Oliver, 1991) and in recent research on

institutional work (Currie et al., 2012; Micelotta & Washington, 2013; Hayne & Free, 2014; Canning & O'Dwyer, 2016), our analysis reveals how institutional actors respond to international pressures which prompt institutional disruption. Our analysis is consistent with Blavoukos et al.'s (2013) contention that the political and institutional contexts at the domestic level continue to represent important intervening variables that shape the national response to global institutional pressures. It is also consistent with previous studies, which suggest that the institutional work that actors engage in is enabled by their social position, status, and formal authority in a field (Canning & O'Dwyer, 2016; Micelotta & Washington, 2013; Currie et al., 2012). We suggest that the cultural context as well as actors' social position and status in the field frame the [maintenance] work that these actors engage in and enable them to fiercely resist change, which they consider as inappropriate. Prior work suggest that actors, often incumbents, privileged by existing institutional arrangements are unlikely to pursue institutional change that threaten them, and engage in forms of maintenance work to oppose the disruption, and retain their role and status in the field (Micelotta & Washington, 2013; Furnari, 2016; Currie et al., 2012; Hardy & Maguire, 2008; Weiss & Huault, 2016). Instead, the forms of work we illustrate in particular 'resisting work' and 'preservation work', represent the efforts undertaken by powerful and less powerful actors within the field in Egypt to maintain and reinforce existing institutional arrangements in seeking to defend the status quo and prevent institutional change to occur. In particular, maintenance work was instigated by these actors in the face of institutional disruption prompted by the World Bank and the EU to change the existing legal and regulatory frameworks. The aim was to issue a new accounting and auditing legislation, which embodies international standards, and establishes clear institutional arrangements for regulation and enforcement of such standards. This has disrupted existing institutional arrangements and the status quo as it threatened the position of the various institutional actors including ESAA, FRA and SAE, which resisted proposed changes under the new law in order to preserve their legitimate authority, privilege, and status in the field. Our findings show how forms of maintenance work were initiated by ESAA to maintain control over examination, certification, professional education and training, as well as FRA to maintain its regulatory and oversight authority, and SAE to maintain its register and the interests of its members.

By revealing the forms of maintenance work such as resisting and preservation work undertaken by institutional actors in response to the disruption and the change attempts, our empirical focus allows us to document the interplay of disruption and maintenance work. Prior work describes how the interplay of institutional work done by actors can lead to institutional change that combines conflicting and competing interests in newly negotiated institutional orders (Hempel et al., 2017; Maguire & Hardy, 2009; Smets et al., 2012; Zietsma & Lawrence, 2010). Instead, our focus is on the interplay of the work done to instigate institutional change, and the work done to hinder the change (See fig. 4.1). This enhances our understanding of the dynamic process through which actors engage in institutional work. Our findings illustrate the maintenance work undertaken in response to the institutional disruption prompted by the change attempts. An important implication of these findings is that institutional work provokes a reaction, and thus one form of work (maintenance work) emerges as a response to, or is stimulated by the other (disruption work). This reinforces previous work, which reveals that the forms of institutional work do not occur in isolation, but rather occur simultaneously, may build on one another and reinforce each other (Canning & O'Dwyer, 2016; Currie et al., 2012; Empson et al., 2013; Gawer & Phillips, 2013; Hayne & Free, 2014; Micelotta & Wasington, 2013). In addition, this provides us with important insights into the actions of global actors, and the reactions of institutional actors when confronted with pressures for change to reinforce and protect existing institutional arrangements that further their interests.

The institutional work perspective illustrates how actors engage in activities that have particular intended outcomes aimed at affecting the institutional arrangements within which actors are situated (Hempel et al., 2017; Lawrence & Suddaby, 2006; Dacin et al., 2010). Scholars have explored the outcome of the actors' work such as achieving certain outcomes and objectives or failing at them (Hempel et al., 2017; Micelotta & Washington, 2013). Capacity building initiatives are fundamentally shaped by institutional contexts and factors, which may in turn affect the outcomes of such initiatives and facilitate or hinder the processes of institutional change. In our case, the maintenance work operated against the capacity building efforts of global bodies to develop the profession and instigate institutional change. Our empirical evidence allows us to suggest that the maintenance work undertaken by actors within the accountancy professional field in Egypt, has constrained global bodies'

efforts, and disrupted the outcomes of the work done to instigate change. We suggest that, in some contexts, capacity building is associated with destroying or disabling work as it threatens the power base and status of institutional actors. Our study helps to illuminate why global bodies' capacity building efforts are unlikely to succeed, and thereby fail to instigate institutional change, which they consider as key to strengthening local accountancy professions.

Previous work on accounting professionalization, as well as research done on the implementation of the Eighth Directive in Europe shows how the proposed changes as a result of such implementation had the potential to disturb existing arrangements and gave rise to intra-professional conflict between the different professional associations of auditors (Jeppesen & Loft, 2011). Whereas other work examines the role of international agents in the regulation of accounting and suggests that such agents strive to promote their interests by changing or maintaining institutional arrangements (Caramanis, 2002). This work shows that in economically and politically weaker nation-states, powerful international actors play a critical role in the intra-professional conflict at the local level (Caramanis, 2002). Particularly, in weaker nation states, such international actors may be able to overcome the resistance of local actors to international pressures. Our analysis indicates that powerful global actors have disrupted existing institutional arrangements and the state was economically and politically weak to resist the institutional pressures. Yet, our findings show how various actors occupying different positions within the field in Egypt were able to resist the pressures exerted by powerful global actors and retain their status and positions. Although actors may work collectively to resist the pressures and constrain change, prior work shows that disagreements as well as tensions in the relationship between actors may emerge regarding their roles (Micelotta & Washington, 2013; Currie et al., 2012; Canning & O'Dwyer, 2016). Our case analysis illustrates how the pressures to change existing legislation generated disagreements around the proposed changes, and stimulated significant tensions and conflict, which arose between various actors associated with the accountancy profession in Egypt regarding their responsibilities such as training, examination, oversight and supervision. Although the accountancy professional field in Egypt has been characterised by competing bodies with potentially conflicting interests, further tensions and conflicts arose and were stimulated by the government and the EU's desire to reform the

legal and regulatory framework and introduce a new legislation for practicing the accounting and auditing profession. This is consistent with Seo & Creed's (2002) contention that contradictions are likely to exist within institutional fields, and represent an essential driving force of institutional change, generating tensions and conflicts within and across institutions. In our case, confronted with the impossibility of overcoming disagreement and reconciling tensions among the different institutional actors in the field including ESAA, the FRA, SAE and the MoF, the EU failed to instigate change and implement a new legislation. Hence, the conflict had direct implications on the ability of global bodies' capacity building efforts to instigate institutional change within the accountancy professional field in Egypt. Institutional work studies have often explored the purposeful efforts of homogenous actors, such as professional associations, who are drawn from the same field of activity and share similar interests (Hampel et al., 2017). Rather than focusing on single key actors operating in the field (See for example Micelotta & Washington, 2013; Currie et al., 2012; Jarzabkowski et al., 2009; Zilber, 2009), our case study shows how disparate actors in the field in Egypt including professional associations, regulatory bodies, and the government, engaged in forms of work to affect institutional change. We find that these actors with conflicting interests engaged in institutional work independently, while collectively succeeding in maintaining existing institutional arrangements and hindering attempted institutional change. Such findings reveal the simultaneous occurrence of maintenance work and tensions in the field, stimulated by external pressures for change.

4.7 Conclusion

This paper has examined capacity building efforts in a particular local context, Egypt, to support of the development of the accountancy profession and enable institutional change including legal and regulatory change and change in accounting standards to align with international standards and practices. In doing so, the paper revealed the [disruption] work undertaken by global actors within efforts to instigate institutional change. At the same time, the paper focused attention on the [maintenance] work that institutional actors within the accountancy professional field in Egypt engaged in to respond to the disruption and the potentially threatening changes. This localised focus is important as it reveals how the effectiveness of capacity building, as broadly defined and as it relates to accounting, is

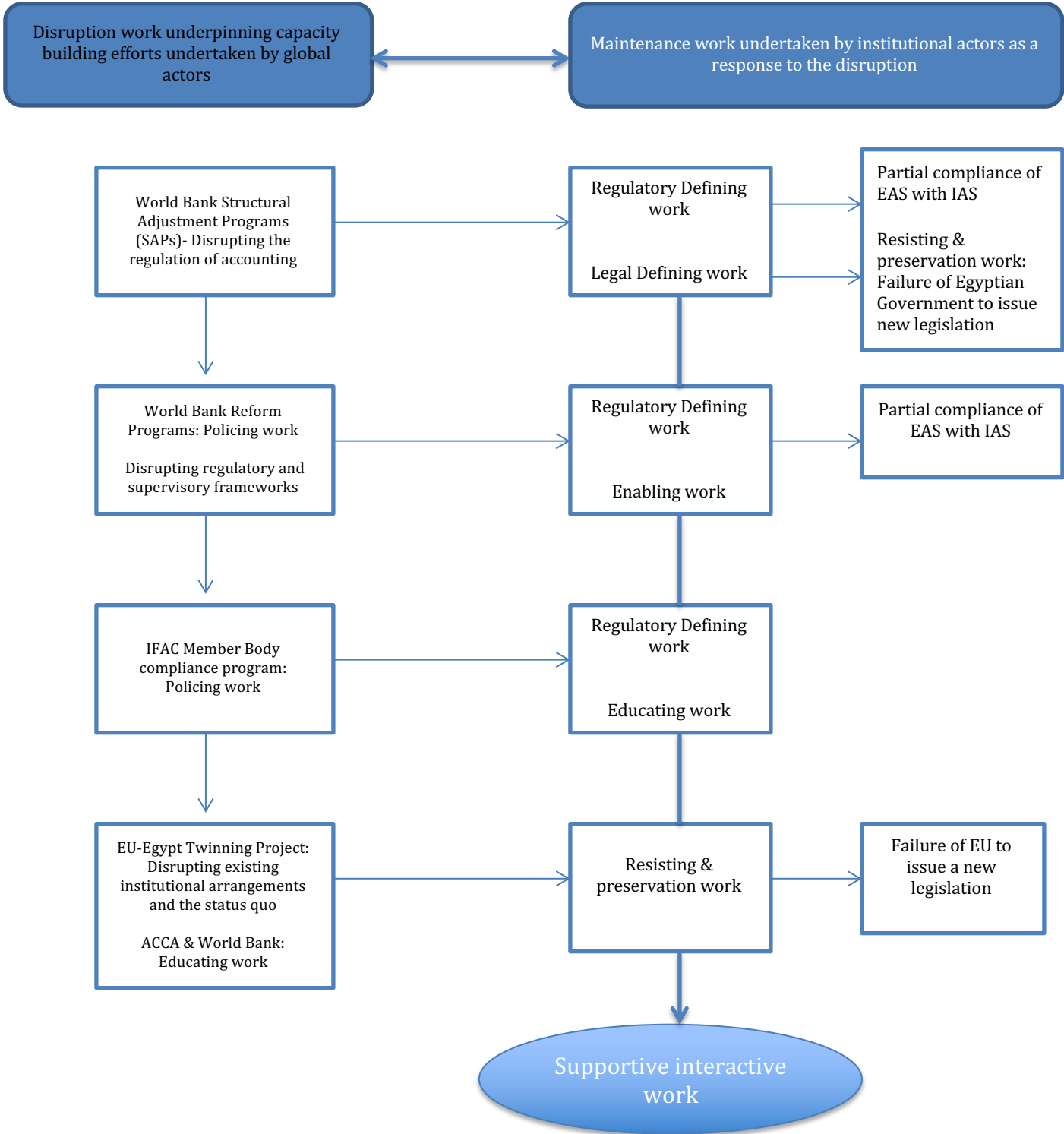
contingent on particular institutional contexts within which capacity building takes place. In addition, this allows us to provide insights beyond Egyptian particularities into other developing countries that could be useful in guiding the design and implementation of future capacity building initiatives to increase effectiveness. Given our focus on the actions and reactions of the various actors around the processes of institutional change underpinning capacity building efforts, the paper draws on the concept of institutional work (Lawrence & Suddaby, 2006), which attends to the effortful and purposeful actions by individuals and organisations to create, maintain, and disrupt institutions.

The study makes the following contributions. First, it advances prior work examining the impact of powerful international forces and pressures on local accounting practices and institutions, the interplay between local and international actors, and the underlying tensions and conflict that emerge within a field (Caramanis, 2002; 2007). By focusing on the capacity building efforts undertaken in Egypt by powerful global actors, we further our understanding of the interconnectedness of global forces and national actors, and the implications of such interconnections on the development of the accountancy profession in Egypt. While Caramanis (2002) highlights the inability of weaker nation states and local players to resist international pressures, our case illustrates the important role powerful and less powerful actors associated with the profession in Egypt played to resist the pressures for change brought about by capacity building. In particular, our analysis shows how capacity building efforts intended to instigate legal and regulatory change, have generated significant tensions and conflict among the different key institutional actors within the field. Studying the tensions and interactions between the local and the global on the ground provides interesting insights into how regulatory mandates operate with the presence of international pressures (Canning & O'Dwyer, 2016). In addition, this allows us to deepen our understanding of the consequences of capacity building efforts, which seems to have very little effect on the ground, which may in turn offer implications for public policy for the future design and implementation of capacity building initiatives. Second, the paper contributes to the existing literature examining the relationship between institutional work, professions, and institutional change (Suddaby & Viale, 2011; Hayne & Free, 2014; Canning & O'Dwyer, 2016; Currie et al., 2012; Micelotta & Washington, 2013). Such studies highlight the work undertaken by actors associated with the professions to affect the processes of institutional

change. Our focus on capacity building to expand international accounting standards and practices allows for a better understanding of how actors within and outside the accountancy professional field in Egypt engage in institutional work to support or hinder institutional change. In particular, we show how ‘legal’ and ‘regulatory’ defining work was undertaken by actors within the field to support institutional change. However, while previous studies on institutional work tend to focus on successful efforts to instigate institutional change (Canning & O’Dwyer, 2016; Hayne & Free, 2014), we show a case of whereby capacity building efforts prompted institutional disruption and thereby were unsuccessful and failed to instigate change. Third, the paper extends the literature on institutional work associated with maintaining institutions, which entails the work undertaken by actors in response to potential threats of change (Currie et al., 2012; Micelotta & Washington, 2013; Trank & Washington, 2009; Marti & Fernandez, 2013; Raviola & Norback, 2013). By showing a case where powerful and less-powerful actors carried out maintenance work to respond to the disruption and the change attempts, and by revealing two types of deterrence work associated with maintenance, we extend the limited theorisation of ‘preservation work’ and ‘resisting work’ (Micelotta & Washington, 2013; Hirsch & Bermiss, 2009; Currie et al., 2012). Our analysis reinforces existing research that suggests that political and institutional settings are of particular contextual importance and shape the responses of actors to global institutional pressures (Canning & O’Dwyer, 2016; Blavoukos et al., 2013). This allows us to further our understanding of how institutional actors implement maintenance strategies to respond to the disruption, thereby constraining the ability for global bodies’ capacity building efforts and pressures to succeed in instigating change in a particular local context such as Egypt. Whereas in some cases or jurisdictions, capacity building has invoked significant support from the local accountancy profession, our case provides evidence of local responses of national professional actors being more hostile and resistant to the capacity building strategies being pursued by the global accountancy profession, that support Samsonova-Taddei & Humphrey’s (2014) argument. Moreover, our case study illustrates the interplay of maintenance and disruption work, and captures both the efforts made to instigate institutional change, and the efforts made to hinder the change. The paper’s findings allow a reflection on the impact of capacity building in Egypt, and its impact more broadly, by emphasising the need to formulate more effective future capacity

building initiatives through implementation of country-led strategies that support changes tailored to the specific needs of local accountancy professions such as education. This would in turn contribute to the social and economic progress of developing countries, and Egypt specifically.

Figure 4.2 Interplay of disruption and maintenance work



CHAPTER FIVE: CAPACITY BUILDING TO ADDRESS THE PROBLEMS AND CHALLENGES FACING ACCOUNTING EDUCATION IN EGYPT

Abstract

Education, particularly higher education, has been widely recognised as a significant engine of economic growth, inequality and poverty alleviation. This paper shows how poor education is in a particular developing country, Egypt. It examines how higher education policies implemented failed to achieve their objectives and led to undesired outcomes. In doing so, the paper draws on the concept of means-ends decoupling (Bromley & Powell, 2012), which directs attention to the disconnect between policies implemented and core goals or outcomes and examines its consequences on accounting education. The paper reveals how the efforts conducted by the Ministry of Higher Education in Egypt and international development agencies to improve the higher education system through the reform of higher education policies led to deterioration in the quality of education. Giving voice to Egyptian accounting academics and students, the paper highlights the problems associated with, as well as the challenges facing accounting education and the changes required to reach desired socio-economic goals. In addition, the paper directs attention to the need for capacity building to focus on improving education to adequately address such problems and challenges in Egypt and to contribute to social and economic development. Our focus allows us to draw broader lessons and inform public policy on the need to design and implement capacity building initiatives tailored to the local needs of a specific setting, in our case improving (accounting) education system, in order to solve context-specific problems as well as to contribute to the realisation of national social and economic goals.

5.1 Introduction

Relevant, equitable and affordable education has been widely recognised as a critical factor for alleviating poverty, reducing inequality, and enabling sustained economic growth in developing countries. Indeed, education has been recognised as a human right, fundamental to achieving sustainable development¹⁰⁹. Ultimately, international development agencies including bilateral and multilateral organisations, and private donors, engaged in different types of aid programmes targeting different educational levels and using different aid modalities to contribute to wider educational goals and build local capacities (Ridell & Zarazua, 2016, p. 24). Aid has however been channelled into a variety of interventions such as school feeding programmes, classroom construction, teacher education, scholarships, curriculum development, among others (Ridell & Zarazua, 2016).

In particular, since the mid-1990s, the focus of many development agencies such as the World Bank, UN, OECD and the EU, has been on higher education given its vital importance for social and economic development in the developing world. In its report published in 1994, *Higher education: The lessons of experience*, the World Bank suggested key directions for reform in developing countries to improve the equity, efficiency, and quality of their higher education systems (World Bank, 1994). The World Bank emphasised the need to support capacity building and institutional development for higher education at both the national level, by strengthening the capacity of the government for policymaking and coordinating reform implementation, and at the institutional level, by strengthening the managerial capacity of universities and other institutions and their ability to achieve gains through effective planning, sound financial management, and improved program delivery (World Bank, 1994, p. 87-8). Support for higher education was reinforced by the World Conference on Higher Education (WCHE) organised by the UNESCO in Paris in 1998 and by its “Declaration on Higher Education for the 21st Century”¹¹⁰, which put forward key

¹⁰⁹ UNESCO recognises education as a fundamental human right, which lies at the heart of its mission and is enshrined in the Universal Declaration of Human Rights (1948) and many other international human rights instruments. The right to education is one of the key principles underpinning the Education 2030 Agenda and Sustainable Development Goal 4 (SDG4) adopted by the international community. UNESCO, Right to education, <https://en.unesco.org/themes/right-to-education>

¹¹⁰ The declaration asserted that higher education is intended to “educate highly qualified graduates and responsible citizens able to meet the needs of all sectors of human activity, by offering relevant qualifications, including professional training, which combine high-level knowledge and skills, using courses and content

principles to guide higher education developments worldwide. Moreover, new strategies for capacity building in higher education have emerged and were prevalent in developing countries, such as cross-border education, as a means to cater for unmet demand both in terms of quantity and quality. Cross border education promotes student or teacher mobility through exchange programmes or academic partnerships, the mobility of educational programmes and courses across borders through academic partnerships or E-learning, and institution mobility through the establishment of foreign branch campuses offering local and foreign qualifications (OECD & World Bank, 2007). As cross-border higher education considerably increased, UNESCO and OECD jointly developed a set of Guidelines on “Quality Provision in Cross Border Higher Education” in 2005, to support international cooperation and encourage the development of quality cross-border higher education (UNESCO, 2005). Other development agencies have also provided support for higher education such as the EU, which established the Erasmus programme since 1987 that was replaced with the Erasmus plus in 2014, to support higher education in partner countries by improving the quality of higher education, developing new and innovative education programmes, modernizing higher education systems through reform policies as well as fostering cooperation across different regions of the world through joint initiatives. In addition, whilst the Millenium Development Goals (MDGs) focused attention on universal primary education, the Sustainable Development Goals (SDGs) adopted in 2015 to be achieved by 2030, introduced higher education to the global development agenda. The education 2030 Framework For Action (FFA) recognised that a well-established higher education system including universities, can improve access, equity, quality and relevance, and plays a vital role in social, cultural, ecological, and economic development (UNESCO, 2016).

Part of the capacity building expansion strategies pursued by the global accountancy profession with the support of international development agencies, has been to expand professional accountancy education in developing countries by providing various types of assistance. This included strengthening accountancy education systems, assisting in setting

continually tailored to the present and future needs of society. UNESCO, World declaration on higher education for the twenty-first century: Vision and action, October 1998, http://www.unesco.org/education/educprog/wche/declaration_eng.htm

accounting examinations, improving the quality of accounting education and training for professional accountants, and implementing systems of continuous professional education (World Bank, 1996). Particularly, as attention to the adoption of and compliance with international standards grew, development agencies and accountancy bodies operating at the global level supported developing countries in achieving compliance with IFAC's International Accounting Education Standards (IES). For instance, the World Bank launched a regional capacity building program, Strengthening Auditing and Reporting in the Eastern Partnership (STAREP)¹¹¹, to support the development of the accountancy profession and promote the development of accounting education in line with IFAC's IESs, and the educational requirements of the EU's Statutory Audit Directive (SAD) including number of IES compliant courses and continuing education (World Bank, 2014, 2016). The UNCTAD has also played a key role in strengthening accountancy education by developing a model accounting curriculum¹¹² in line with IFAC's IES which served as a guide to education and training of professional accountants globally. Professional accountancy bodies operating at the global level have also worked closely in partnership with national accountancy bodies and development partners such as the World Bank, IFAC, governments and regulators, as well as national educational institutions to improve accountancy education. Work of such bodies such as ACCA and ICAEW included expanding accountancy qualifications and continuing professional development requirements in line with international benchmarks (See ACCA, 2015; ICAEW, 2014). In addition, the work of IFAC's International Accounting Education Standards Board (IAESB) focused narrowly on enhancing education through developing high quality IESs which it claimed would increase the competence of the global accountancy profession and contribute to the public interest. More recently, in 2018, IFAC and IAESB advanced a new model to progress international accounting education and professional development and continue to promote the international education

¹¹¹ STAREP is a regional program of the World Bank's Centre for Financial Reporting Reform (CFRR). The STAREP program works with countries of the EU's Eastern Partnership including Armenia, Azerbaijan, Georgia, Moldova and Ukraine to build capacity in accounting and auditing and develop and implement an institutional framework for corporate financial reporting which is in accordance with international accounting, auditing and accounting education standards.

¹¹² The Model Curriculum (MC) is a revision of the curriculum developed in 1999 by UNCTAD together with experts from the Arab Society of Certified Accountants, the ACCA, the Certified General Accountants of Canada, the European Commission, FIDEF, the ICAS, the Polish Accounting Standards Board, the IFAC, and representatives from academia and international accounting firms. The purpose of the curriculum was to create a benchmark for the qualifications of professional accountants (UNCTAD, 2011).

standards (IESs) and support implementation through capacity building as part of its public interest commitments.

Hence, it is evident that in the area of accounting education, a major focus of global accountancy bodies and development agencies' capacity building efforts has been on enhancing professional education and achieving compliance with IES while largely ignoring higher accounting education in the so-called 'developing world'. The Memorandum Of Understanding to Strengthen Accountancy and Improve Collaboration Global Development Report (MOSAIC GDR) published in 2013 by IFAC and international development agencies emphasised that, in the area of higher accountancy education in developing countries, on-going weaknesses in accountancy education programs at universities such as the lack of updated curricula and the lack of incorporation of international standards, as well as the lack of legal requirements for certification prior to professional practice, remain key challenges for the accountancy profession¹¹³. The report further stressed the need for development assistance to target these weaknesses.

This paper shows the fundamental problems facing accounting education in a particular developing country, Egypt, and sheds light on the need for capacity building to focus on improving education to contribute to socio-economic development. It illustrates how higher education policies implemented by the government of Egypt with the support of international development agencies affected higher accounting education, leading to serious problems including those of quality, relevance, equity of access among others, thereby failing to realise their goals. In doing so, the paper draws on the concept of means-ends decoupling advanced by Bromley & Powell (2012), wherein policies are implemented but have a weak relationship with intended outcomes and core goals. We describe the process of introducing and adopting laws and regulations and pursuing new policies by the Egyptian government as a means to improve higher education system and achieve goals. The paper offers important policy recommendations for the need for the global accountancy profession, international development agencies, and other relevant stakeholders such as governments, education ministries and their relevant departments, to focus on [higher] education when

¹¹³ Professional Accountancy Organisation Global Development Report (PAO GDR) (2013), The Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration

considering capacity building projects. Despite significant efforts of international development agencies to support higher education in developing countries, the World Bank stresses that challenges remain, and the large numbers of students puts a strain on publicly-funded institutions of higher learning and many countries with limited resources are struggling to finance the growing needs of a larger student body, without compromising the quality of their educational offerings. The World Bank highlights that, with the continued growth in population and the increases in secondary school enrolment and graduation rates especially in regions like South Asia, Sub-Saharan Africa, Latin America and the Middle East and North Africa (MENA), the rising demand for higher education will accelerate, thereby making higher education a critical public policy issue¹¹⁴.

Our focus on Egypt is important for the following reasons. First, Egypt has a rapidly growing population of over 95 million with an annual population growth of 2%, which is the highest in the MENA region. Total population in tertiary education belonging to the age group 18-22 is nearly 8 million students¹¹⁵, with a population of 2.7 million students in higher education in 24 public universities and 26 private universities,¹¹⁶ making the higher education system one of the largest in the MENA region. Second, according to the 2010 OECD and World Bank study, despite the efforts made by the Ministry of Higher Education (MOHE)¹¹⁷ in Egypt towards educational reform, the higher education system was not serving the country's needs well (OECD & World Bank, 2010). Moreover, given the limited resources available to the Egyptian government, and that slightly over 3% of GDP is allocated on education, the current state of the education system is clearly struggling¹¹⁸. Third, the faculty of commerce and business administration, granting bachelor degrees with specialisation in accounting, is among the largest faculties in Egyptian universities in terms of absolute growth and graduation rates (OECD & World Bank, 2010). Yet, many graduates

¹¹⁴ World Bank, Higher education, <http://www.worldbank.org/en/topic/tertiaryeducation>

¹¹⁵ UNESCO, UNESCO Institute for statistics, Egypt, <http://uis.unesco.org/country/EG>

¹¹⁶ Ministry of Higher Education (MOHE), Higher education in numbers between 2014-2017, <http://portal.mohe.gov.eg/ar-eg/Pages/Higher-education-in-numbers.aspx>

¹¹⁷ The MOHE has jurisdiction over higher education through the supervision and coordination of all post-secondary education, planning, policy formulation, and quality control. Whereas, the Supreme Council of Universities (SCU), formulates the overall policy of university education and scientific research in universities and determines the numbers of students to be admitted to each faculty in each university.

¹¹⁸ AACSB, Country profiles, Egypt, Context of Higher education, <http://www.aacsb.edu/countryprofiles/egypt/context%20of%20higher%20education>

fail to obtain employment, due to the deficiencies in the education system, including higher accountancy education, especially in public universities. Lastly, the youth uprisings which triggered the Arab spring in Egypt in 2011 was largely due to the young growing, unemployed population with inequality of opportunity in education, and in Egyptian society as a whole. Hence, educational reform post-Arab spring remains a critical step in meeting the demands of the revolution and helping Egypt overcome its socio-economic and political challenges¹¹⁹. In addition, there is consensus among the government of Egypt and development agencies that focusing on education is a top priority for the progression of Egypt and the development of youth¹²⁰.

Existing studies in the accounting education literature examine the skills required by accounting graduates to pursue successful careers as professional accountants (Awayiga et al., 2008; Hancock et al., 2010). Prior work addresses issues concerning higher accounting education, and the interrelationship between the accountancy profession and academia especially in relation to the education and training of accountants (Gallhofer et al., 2009), with scholars focusing on the changes needed in accounting education, such as curricular change, to keep up with the pace of technology change and meet the job market and the accountancy profession's demands (Pincus et al., 2017; Palm & Bisman, 2010). Several previous studies have also examined the relationship between the accountancy profession and university education in different jurisdictions such as the UK, the USA, Australia, South Africa as well as other developing countries (Sikka et al., 2007; Venter & De Villiers, 2013; Birkett & Evans, 2005; Yapa, 2000). Authors within this stream argue that professional accountancy bodies maintain control over accounting education and shape the content of accounting degrees, since most universities seek accreditation of their degrees from these professional bodies (Verhoef & Samkin, 2017). Moreover, existing work suggest that improving the quality of accounting in developing countries requires proper education, yet, accounting education programmes in many developing countries have not been appropriate for meeting the accounting needs of their changing economies and the university system has failed to produce adequate accounting professionals to satisfy the local needs of the

¹¹⁹ The World Bank, Blog, Education in Egypt: inequality of opportunity across three generations <http://blogs.worldbank.org/arabvoices/education-egypt-inequality-opportunity-across-three-generations>

¹²⁰ World Bank Blogs, Amira Kazem, September 16, 2015, Education in Egypt needs permanent solutions not "band-aids", <https://blogs.worldbank.org/arabvoices/egypt-education-pain-killer>

developing economies (Yapa, 2000). Despite prior work on accounting education, the link between accounting education and capacity building hasn't been addressed in the existing literature, and there is a need to further our understanding of the role and contribution that education can make to capacity building.

The paper offers the following contributions. First, it contributes to the existing literature on decoupling which directs attention to the disconnection between organisational structures or formal policies, and organisational practices (Meyer & Rowan, 1977; Boxenbaum & Jonsson, 2008). While previous work tended to focus on the gap between policy and practice when policies are unimplemented or violated (Weick, 1976; March & Olsen, 1976; Meyer & Rowan, 1977; Rowan & Miskell, 1999; Coburn, 2004), recent work paid more explicit attention to the gap between means and ends where policies are implemented but are decoupled from the intended outcomes (Bromley & Powell, 2012; Wijen, 2014; Dick, 2015). Hence, this paper extends the research that moves beyond the study of policy-practice gaps, and that empirically examines the means-ends type of decoupling. Our case analysis illustrates how the implementation of policies to reform the higher education system in Egypt arising from the combination of external pressures and accumulated dysfunctions, failed to achieve their objectives and led to undesired outcomes. The case analysis reveals how this form of decoupling affected higher accounting education leading to serious problems, thereby responding to requests for further research examining field-level consequences of decoupling (Boxenbaum & Jonsson, 2017). In doing so, our case allows us to deepen our understanding of instances of failure of public or organisational policies to achieve desired outcomes (Bromley & Powell, 2012).

Second, the paper extends and develops the literature on recoupling, which suggests that policies and practices move from being disconnected to being closely linked (Espeland, 1998; Hallet, 2010). Existing studies describe decoupling or loose coupling as processes that can lead to recoupling (Bromley & Powell, 2012). This poses interesting questions about whether or not decoupling is sustainable over time and what its ultimate institutional consequences may be (Boxenbaum & Jonsson, 2017). Although previous work has drawn attention to the process of recoupling of policies and practices, more recently, scholars examined the process of recoupling or alignment of means and ends used by organisational

actors as they strive to give coherence to their on-the-ground efforts to deal with the everyday mundane problems with which they are confronted (Dick, 2015). The paper offers empirical evidence that allows us to suggest that capacity building can act as a recoupling mechanism through which policies, practices, and outcomes become closely aligned or more tightly connected (Bromley & Powell, 2012; Dick, 2015). We reveal that capacity building targeted at strengthening higher accounting education is one of the most powerful instruments for achieving development goals in developing countries, and Egypt specifically, including alleviating poverty, inequality, and achieving sustained economic growth. Our focus allows us to draw broader lessons and inform public policy on the need to design and implement capacity building initiatives tailored to the needs of a specific setting in order to solve context-specific problems and, in other words, to achieve the desired ends and intended social and economic goals (Wijen, 2014).

5.2 Theoretical framework:

5.2.1 Approaches to institutional change

The topic of institutional change has emerged as a central focus for organisational researchers, and existing studies on institutional change highlighted that change is a contested process (Dacin et al., 2002; Smets et al., 2012; Washington & Ventresca, 2004). Smets et al. (2012) highlight three different approaches to the analysis of institutional change. The first approach explains institutional change as the result of exogenous shocks that disturb settled institutional arrangements, such as political and legal events, technological changes, or other disruptive events (Fligstein 1991; Hoffman, 1999; Zietsma & Lawrence, 2010). Studies in this stream suggest that change arise from the periphery or outside of a field, by carrying new logics into the field (Thornton, 2004; Lounsbury, 2002). The second approach focuses on the role of endogenous field level contradictions that result from tensions between contradictory logics in a field (Seo & Creed, 2002). Organisations at the interstices of these tensions may develop different responses to institutional pressures to initiate change (Smets et al., 2012). The third approach attends to the role of intraorganisational dynamics to understand organisational responses to institutional pressures and change. In the field of higher education in Egypt, several change have occurred and the government has embarked on a range of reform initiatives to improve the

higher education system. Such changes arose from the combination of emerging pressures and accumulated dysfunctions. Meyer & Rowan (1977) proposed that organisations decouple their practices from their formal or espoused structure to respond to such pressures (Boxenbaum & Jonsson, 2017).

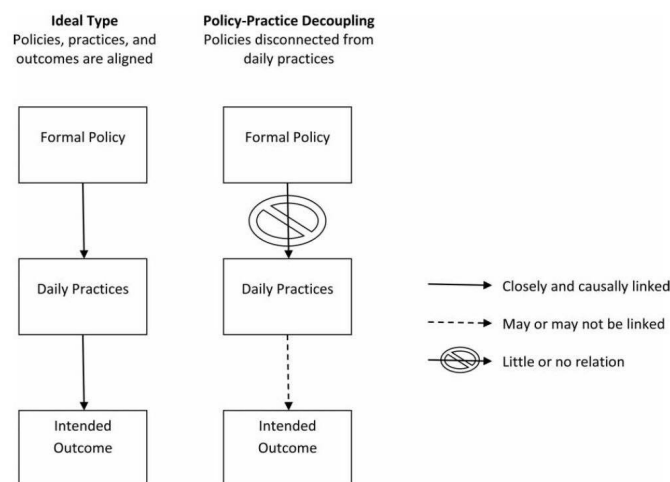
5.2.2 The concept of decoupling

The idea of organisations decoupling structure and action reflected the perspective of organisations as loosely coupled systems that became popular in the mid 1970s (Boxenbaum & Jonsson, 2017). Using educational organisations as an example, Weick (1976) elaborated the concept of loose coupling and proposed that organisational elements are loosely coupled to one another, rules are often violated, decisions are often unimplemented, or if implemented have uncertain consequences, technologies are of problematic efficiency, and evaluation and inspection systems are subverted or rendered so vague as to provide little coordination (Meyer & Rowan, 1977, p. 343). In other words, loose coupling refers to organisations in which the ties that exist are tenuous, and the various parts of the organisations are weakly connected with one another (Weick, 1982; Hall, 1981).

In departure from Weick's (1976) idea of organisations as loosely coupled systems, Meyer & Rowan (1977) introduced the concept of decoupling to explain the disconnect between organisational practice and organisational structure. Ideally, organisations built around efficiency attempt to maintain close alignments between structures and activities (Meyer & Rowan, 1977, p. 356-7). However, with the increasing external pressures in the institutional environment, organisations may adopt policies to conform to external expectations without disrupting their practices or significantly changing their behavior (Scott, 2008; Bromley & Powell, 2012). The result is a lack of alignment between formal policies and actual practices or implementation, and this gap between policy and practice became virtually synonymous with decoupling (Bromley & Powell, 2012) (Fig. 5.1 illustrates policy-practice decoupling relative to an ideal organisation). March & Olsen (1976) also discuss this misalignment between intention (or formal policies), and action (or daily practices), and suggest that external influences have a direct influence on each one of them. In its original statement, decoupling can occur as a response to problems at the organisation-level such as contradictions with internal organisational efficiency (Boxenbaum & Jonsson, 2008).

Moreover, studies suggest that organisations decouple if they experience strong coercive pressure to implement a new practice, and more so if they distrust the actor that asserts pressure on them (Boxenbaum & Jonsson, 2017). When engaged in decoupling, organisations enhance and gain legitimacy through their espoused structure but remain efficient through their acquired practices in a competitive quest for survival (Bromley & Powell, 2012; Boxenbaum & Jonsson, 2008, 2017). Hence, in heterogeneous organisational fields with multiple and contradictory pressures, decoupling becomes a safeguarding mechanism allowing organisations to survive. Drawing on this insight, scholars investigated the processes of recoupling in organisations such as schools, whereby formal policies and daily practices move from being disconnected to become tightly linked (Espeland, 1998; Hallett, 2010; Spillane et al., 2011).

Figure 5.1. Ideal Organisations versus Policy-Practice Decoupling



Adapted from Bromley & Powell, (2012), p. 491.

5.2.3 Means-ends form of decoupling

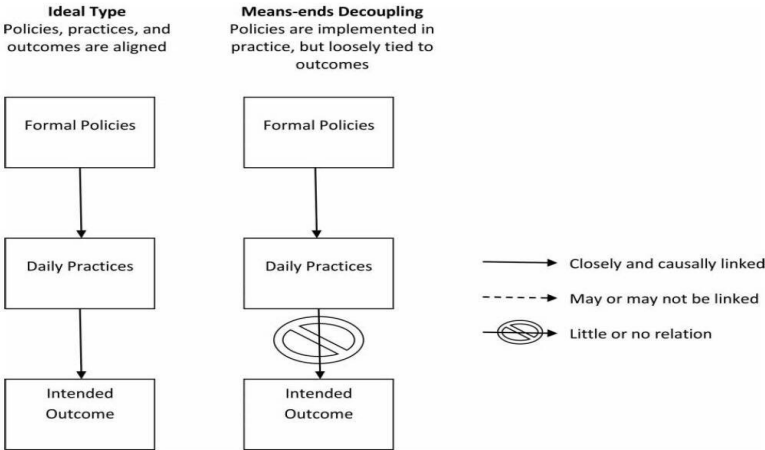
Scholarly attention focused on the gap between policy and practice has led to a narrow conception of the concept of decoupling and to the criticism that most institutional changes are mere window dressing (Bromley & Powell, 2012). However, the spread of rationalisation trends in the institutional environment which creates significant changes in the context in which organisations are embedded, required a reexamination of decoupling, as well as a deeper understanding of how, when, and why decoupling occurs, and its

consequences for organisations and society (Bromley & Powell, 2012). Going a step further, Bromley & Powell (2012) proposed that all levels of an organisation including policies, practices, and goals or outcomes are directly influenced by, or developed in response to environmental pressures. Hence, as organisations seek to respond to these pressures, they may pursue activities or adopt policies that have unknown effects and relationships to core goals, thereby decoupling implementation from outcomes (Bromley & Powell, 2012; Dick, 2015). Bromley & Powell (2012) expanded the conception of decoupling and argued that decoupling occurs at two levels, policy-practice and means-ends, because of their varied consequences for organisations. In effect, the means-ends form of decoupling means that decoupling does not only occur when rules are unimplemented or violated, but also when policies are implemented but the link between formal policies and the intended outcomes is uncertain and opaque (Figure 5.2 illustrates means-ends decoupling relative to an ideal organisation). Whereas policy–practice decoupling characterised institutional adoption as largely symbolic, means–ends decoupling is characterised as symbolic implementation. This latter form examines why policies are implemented in practice (in our case higher education policies), but have a tenuous link with organisational goals and outcomes (such as achieving quality, access, relevance), whereas the former examines why formal policies are not implemented. In this form of decoupling, the relationship between means and ends is affected by institutionalised conceptions of the appropriate way to achieve goals that emerge from the environment (Bromley & Powell, 2012; Dick, 2015). For instance, in educational settings, the means of achieving goals are often derived from institutionalised beliefs rather than observable effects, creating a gap between means and ends. The circumstance of this unclear relationship between means and ends and the existence of numerous, heterogeneous effects has been described by Orton & Weick (1990) as “causal indeterminacy”, which is common in organisations with social goals such as educational or religious organisations. Causal indeterminacy undermines the ability of field actors to be cognizant of all causes and consequences (Wijen, 2014). These organisations face the challenge of developing meaningful metrics of accomplishment and clearly establishing the causal efficacy of particular programs or activities (Bromley & Powell, 2012).

Extending the work of Bromley & Powell (2012), Wijen (2014) argues that means-ends decoupling prevails in highly opaque- as opposed to transparent- settings or fields when

actors have difficulty identifying the characteristics of prevailing practices, establishing causal relationships between policies and outcomes, and measuring the exact results of policy implementation. For instance, in the field of socio-environmental governance, different social actors such as companies, nongovernmental organisations, and governments, design and implement regulations in order to obtain favourable socio-economic outcomes. Voluntary sustainability standards become means to achieve a positive impact on social actors and/or the natural environment, and to assess the social and environmental behaviour of firms. However, this field is highly opaque because the relation between activities and socio-environmental outcomes is hard to understand and precisely measure (Wijen, 2014). These relations are likely to hold in highly opaque institutional fields such as healthcare, management consultancy, global geopolitics, climate change mitigation, financial stability, traffic security, public service, and academia, where goal achievement is hard to measure and to causally relate to means deployed and where context variety calls for divergent practices (Wijen, 2014, p. 316). In such fields, firms and their stakeholders may jointly produce irrelevant actions that merely appear to be solving the problem of concern, creating potential for greenwash (Lyon & Montgomery, 2015). Moreover, concrete and uniform rules, strong incentives and best practice dissemination may be widely used to ensure substantive compliance by field participants, even though the implementation of such behaviour-homogenizing institutions may not lead to the achievement of the intended goals (Wijen, 2014). As a consequence, in highly opaque fields, the rigid rules (means) block the flexibility of achieving the intended outcomes (ends) (Boxenbaum & Jonsson, 2017).

Figure 5.2. Ideal organisations versus Means-Ends Decoupling



Adapted from Bromley & Powell, (2012), p. 497.

The view that all organisation’s levels are subject to environmental pressures and that organisational and institutional change are uneven and irregular, contrasts with the view that change proceeds from the top-down. Bromley & Powell (2012) argue that the means-ends form of decoupling is most prevalent in the contemporary world and is likely to have major consequences for organisations that are often unintended, particularly in terms of internal complexity, endemic reform, and diversion of resources (See Table 5.1 for a summary of the consequences of policy-practice and means-ends decoupling). Boxenbaum & Jonsson (2017) called for the need for research examining the field-level consequences of decoupling, an area that received almost no scholarly attention.

Table 5.1. Overview of types of decoupling

Type	Description	Key insight	Key consequences
Policy-practice	<ul style="list-style-type: none"> • Formal rules systematically violated and unimplemented • Evaluation/inspection is not present or is intended as a symbolic act. It is so vague that it provides little relevant information 	<ul style="list-style-type: none"> • Explains why organisations routinely adopt policies and do not implement them 	<ul style="list-style-type: none"> • Legitimacy or resources or both; adoption may be ceremonial • Buffering of core activities; may promote efficiency or protect interests of internal constituents
Means-ends	<ul style="list-style-type: none"> • Rules and policies implemented, but with uncertain relationship to outcomes 	<ul style="list-style-type: none"> • Explains why organisations dedicate resources that have little known relationship to intended goals 	<ul style="list-style-type: none"> • Legitimacy • Implementation contributes to organisational heterogeneity and complexity • If evaluation and inspection are present, generates continual periods of reform when inconsistencies are revealed • Arational allocation of resources from purely instrumental perspective; can direct time and attention away from core goals

Adapted from Bromley & Powell (2012), p. 490.

5.2.4 Recoupling of means and ends

While in many cases, decoupling structure (or policies) from action may be a useful strategy for organisations, other possible outcomes from decoupling may be less positive for the decoupling organisation (Boxenbaum & Jonsson, 2017). However, it's not always possible for an organisation to sustain such ceremonial adoption. Consequently, scholars began to question the viability of decoupling strategies over time (Bromley & Powell, 2012; Wijen, 2014), finding that what may start out as decoupling may over time turn into recoupling (Lyon & Montgomery, 2015). Espeland (1998) was among the first to examine the recoupling processes, wherein policies and practices move from being weakly linked or disconnected to being closely linked and tightly connected (Bromley & Powell 2012; Hallett, 2010). Existing work shows that recoupling is a local response to institutional pressures and directs attention to its possible outcomes (Hallett, 2010; Binder, 2007). For instance, Hallett (2010) reveals recoupling processes through which institutional myths (such as accountability) and organisational practices (such as classroom practices) that were once loosely connected become tightly linked, leading to turmoil in schools as it disrupted teacher autonomy. Other scholars illustrate how external pressures on the decoupled firms can lead to recoupling as actors seek to adapt their practices to match their publicly stated policies (Lyon & Montgomery, 2015). Dick (2015) used the term 'institutional satisficing' to describe the process through which incompatible institutions are reconciled, and argue that the recoupling of means and ends occur as actors strive to resolve incompatibilities on the ground. Dick illustrates how a tighter connection or recoupling of means and ends can follow from managers using the official purpose of a policy as a rhetorical device to justify implementing that policy in ways that could be considered controversial (2015, p. 898).

The current paper draws on the concept of means-ends decoupling to illustrate the disconnect between higher education policies implemented by the Egyptian government with the support of development agencies and their intended outcomes. The paper shows how such policies arising from the combination of emerging pressures and accumulated dysfunctions failed to achieve their envisaged goals, leading to serious problems in accounting education. Moreover, the paper draws on the concept of recoupling and considers capacity building as a mechanism through which higher education policies

become closely aligned with their intended goals and outcomes. The paper offers policy recommendations for global bodies (such as IFAC) and international development agencies to focus on education when considering future capacity building projects.

5.3 Research methods

5.3.1 Data collection

Three qualitative research methods were deployed in the current study, and included focus groups and individual interviews conducted with accounting students and academics from both public and private higher education institutions in Egypt, as well as documentary data. Access to interviews was achieved through the contact the author had with an accounting professor at one of the private universities in Egypt, which was then able to arrange interviews with other accounting professors. In addition, a snowball technique was used during the fieldwork trip while seeking to arrange more interviews. During the interviews, the researcher enquired the possibility of conducting focus group discussions with accounting students. Hence, a list of students was provided which were then contacted them via e-mail to ask about their participation in the study. In addition, with the help of accounting professors, the researcher was able to arrange a convenient time and date for students to conduct the focus groups.

Collecting qualitative data through focus groups “involves engaging a small number of people in an informal group discussion (or discussions), focused around a particular topic or set of issues” (Wilkinson, 2004). Focus groups may range in size from 6 to 12 individuals, and rely on group dynamics to stimulate discussions (Guest et al., 2017). Although focus groups are informal, they are usually based on a series of questions to help the researcher direct the discussion by asking the questions, keeping the discussion flowing, and allowing everyone to participate fully. This method has been used by researchers from a broad range of disciplines including education, communication and media studies, feminist research, sociology and social psychology (Wilkinson, 2004). In this study, four focus group discussions were conducted with accounting students from private and public higher education institutions in Egypt. This included two focus groups with undergraduate accounting students from Cairo University (CU), which is a public university, and two focus

groups with students from the American University in Cairo (AUC), which is a private university. In addition, the size of the groups ranged from 5 to 10 students. The students interviewed were seniors, in their final year of undergraduate degree studies, or master's degree students. The main themes of the discussion included: the quality and effectiveness of accounting education systems, past work or training experience, employment opportunities, opportunities to attain professional qualifications, their career aspirations and abilities, as well as their perceptions of the accountancy profession.

In addition to the focus groups, face-to-face semi-structured interviews were conducted with seven accounting academics in both public and private higher education institutions. This included interviews with accounting professors from Cairo University (CU), as well as professors from two private universities mainly the American University in Cairo (AUC), and Nile University (NU) (See Appendix 5, p. 255). For some scholars, individual interviews generate more depth and detail than focus groups, and offer more insight into a participant's thoughts, feelings, and world view (Morgan, 1998). The interviews were helpful to understand the accounting academics' perspectives on the issues facing higher education, in particular higher accounting education, and the changes they believed are needed to solve those issues. These two methods of data collection have been used in previous studies on means-ends decoupling and were useful to generate multiple perspectives on the issue at hand (Wick, 2015). In addition to the interviews and focus groups, a wide array of documents were collected to inform and support our findings and to understand the developments made in higher education in Egypt over time. The documentary data included reports published by the Ministry of Higher Education in Egypt, the World Bank, the European Union, OECD, and UNESCO as well as information available online on their websites, which assessed the state of higher education system in Egypt, and reviewed the reform efforts implemented by the government to improve higher education operations (See Appendix 6, p. 256).

5.3.2 Data analysis

Focus groups as well as individual interviews were conducted during September 2016 in Cairo, Egypt. All the data was tape recorded, and was accompanied with field notes taken during and immediately after the discussions, which provided the researcher with a

provisional running record of analysis and interpretation (Miles & Huberman, 1994). As the discussions were in Arabic, all the data was translated and subsequently transcribed by the author. The data obtained from the focus groups and interviews enabled us to understand how the higher education reforms and policy change affected higher accounting education, and show how poor accounting education in a country like Egypt is, as well as to illustrate the aspects of accounting education that need to change to achieve desired outcomes and goals and to contribute to a strong accountancy profession, as perceived by accounting students and academics.

Data analysis was undertaken throughout the study. During the first stage of analysis, a number of themes were identified after in-depth reading of the transcripts. The field notes, interview and focus group transcripts, and documents collected were then re-visited and analysed further which led to the formulation of an initial thick description (Canning & O'Dwyer, 2003). During the second phase of analysis, the theory played an important role of in the coding process (Llewelyn, 2003; Ahrens & Chapman, 2006), and the researcher started analysing while having the theoretical concept of means-ends decoupling in mind to identify key themes and findings. Following this process, the researcher was able to develop a narrative, which is presented in the sections below.

5.4 Background to higher education in Egypt

This section traces the historical developments and reforms of higher education policies in Egypt undertaken by the Ministry of Higher Education (MOHE) and their intended outcomes. It illustrates how the policies adopted during the 1970s and 1980s fostered serious problems leading to fundamental reform of the Egyptian higher education system. In addition, it illustrates how the government of Egypt received substantial support from international development agencies to implement new policies in order to improve the higher education system and optimise outcomes in the areas of quality, access and efficiency to meet individual and national needs. Understanding such developments is particularly important as we seek to examine their consequences on higher accounting education.

5.4.1 Free public higher education policy

The expansion of higher education in Egypt accelerated following the 1952 revolution against the British occupation, and the Nasser regime instituted a number of higher education reforms making education free and accessible to a greater number of Egyptians (Arar et al., 2017). Higher education was offered free of charge and the government offered a government job to any university graduate (World Bank, 1992). Hence, in the period of the 1970s the higher education system expanded rapidly with the extremely rapid increase in university enrolments and the establishment of several public universities in the context of a new university law issued in 1972, as well as the expansion in a number of faculties. In addition, existing universities started opening branches across the country, and the most common colleges were those of Commerce and Business administration, Engineering, Medicine, Education, Law, and Arts (European Commission, 2012; UNESCO, 2004). These policies were adopted with the aim of ensuring equality of opportunity in access to higher education and to expand access to people from all social classes and backgrounds. However, the dramatic expansion of student enrolment and university graduates alongside the expansion of universities accelerated during the 1970s and 1980s, causing deterioration in the quality of education (World Bank, 1992). As a result, the education system suffered from fundamental problems such as overcrowded classrooms, poor educational facilities and limited resources, inadequate infrastructure, lack of modern education technology, and under-trained academics (MOHE, 2001). To respond to these problems, in the early 1980s, the government of Egypt suspended the job guarantee, limited the enrolment in universities, and increased resources for higher education spending. However, these resources have been absorbed by raising faculty salaries (World Bank, 1992). While the purpose of the free higher education policy was to ensure equal access and to expand access to people from all social classes and backgrounds, there is evidence that this policy has failed to achieve that objective (World Bank, 2012). In effect, this policy has done little to increase the equity of the system, and resulted in inequality in access to universities and in job opportunities.

5.4.2 Higher education policy for private sector growth

During the 1990s, the higher education reform agenda gained momentum, and the Egyptian government embarked on a range of educational reform to improve Egypt's higher

education system. Moreover, the privatisation reforms initiated in the 1990s have brought significant changes to the educational system in Egypt. Thus, in 1992, a new law (No 101) was issued to authorise and regulate the establishment of private universities. The goal of this policy was to enlarge enrolments in private institutions. The law opened the door for private universities, with the aim of creating a competition for rising the educational standard, relieving the burden from the governmental and university institutions, and giving increasing opportunities for university and higher education inside Egypt (NCERD, 2001, p. 53). Hence, since the mid 1990s, private institutions have expanded and the number of private universities has grown¹²¹. Such universities were regulated by the Supreme Council of Private Universities, a regulatory body within the Ministry of Higher Education (MOHE) (European Union, 2017). In addition, during the same period, public universities opened special fee-charging sections called “foreign language programmes” with the encouragement of the government, where teaching was in English or French. Consequently, several faculties in public universities, including the faculties of commerce, agriculture, engineering, and law, have opened special sections where students were taught in English or French (OECD & World Bank, 2010). The admission requirements to the foreign language programmes were similar to the regular courses, but students had to pay tuition fees, thereby enrolling a limited number of students in order to provide a better-quality teaching and learning environment.

5.4.3 Reform of higher education policies in response to institutional pressures

The educational reforms initiated in the 1990s received substantial financial support from international development agencies such as the World Bank, USAID, the EU, as well as others. The reform initiatives were derived from growing institutional pressures facing Egypt including the need to improve competitiveness in the global knowledge-based economy, provide appropriate education for larger and more diversified student population, and reduce social inequalities arising from differences in educational opportunities (OECD & World Bank, 2010). Hence, policy initiatives were formulated, fostering equal

¹²¹ In 1996, four new private universities emerged and were licensed including Egypt's International University, Egypt's Science and Technology University, October Six University, and The October University for the Arts and Contemporary Sciences (UNESCO, 2004). Until that time, the American University in Cairo (AUC), originally founded in 1919, was the only private university in Egypt.

opportunity, quality of teaching and learning, internationalisation of higher education, quality assurance, and other well-intentioned goals aimed at improving the higher education system.

5.4.3.1 Accreditation policy as a means to improve higher education

The Ministry of Higher Education (MOHE) developed a strategic plan for 2002-2007, endorsed by the National Conference on Higher Education Reform held in Cairo in February 2000, to support quality enhancement initiatives. The aim was to improve the quality of education, including accreditation of all higher educational institutions and strengthening faculties of education and technical colleges and institutes. The World Bank supported the government's implementation of reform initiatives under the Higher Education Enhancement Project (HEEP) (MOHE, 2001). The HEEP's main objective was to improve efficiency and quality, and its three components included improving efficiency through the reform of system governance and management, improving the quality and relevance of university education, and improving the quality and relevance of mid-level technical education (World Bank, 2002). Specifically, the first component included reforming legislation governing higher education, rationalizing funding allocation practices, and establishing a national quality assurance council guided by technical assistance in establishing the performance standards for an accredited system of higher education. The second component included the establishment of an information technology integrated computer, and network infrastructure, and in-service training to develop competencies in the application of computer technology, particularly in teaching methodologies. Lastly, the third component included consolidating middle technical institutes into technical colleges, designing relevant curriculum, and training instruction, and, strengthening academic administration and management. Within the scope of the HEEP, the need to establish a quality assurance and accreditation system has become a priority for the government of Egypt. As a result, the National Authority for Quality Assurance and Accreditation of Education (NAQAAE) was established under Law No 82 in 2006, as a governmental unit to enhance and oversee the quality of Egyptian higher education institutions¹²². Its main role was to verify institutional self-evaluations with regard to institutional capacity and

¹²² AACSB, <http://www.aacsb.edu/countryprofiles/egypt/higher-education-regulation>

educational effectiveness¹²³. During the second phase of the HEEP, in order to sustain HEEP outcomes and support new initiatives, the MOHE prepared a strategic plan for 2007-2012 and identified four pillars for the next phase of the reform which included improving governance at the university and sector levels, updating the legislation in order to cover all the subsectors and introduce more institutional autonomy and flexibility, developing strategic planning tools and mechanisms at the sector level, and continuing support to the accreditation and quality assurance process, and to technical colleges (World Bank, 2009). The MOHE has also engaged in a review exercise of the higher education system conducted jointly by the World Bank and OECD to help establish a baseline for assessing progress in the implementation of the MOHE Strategic Plan. This was to be used as an opportunity to assist the MOHE Strategic Planning Unit in developing the technical and professional expertise to conduct similar reviews in the future.

5.4.3.2 Internationalisation of higher education policy as a means to improve higher education

International development agencies engaged in capacity building projects in Egypt to support the modernisation and internationalisation of higher education, as well as to help the country address the challenges facing its higher education systems and institutions. This involved increased cooperation between higher education institutions including Egyptian and foreign universities, the government, and international development agencies. For instance, Egypt has actively participated in the Tempus programme funded by the EU since 2002, with a total of 121 projects until present. The Tempus programme, based on partnerships of Egyptian universities with EU member states, has helped to improve the quality of higher education in Egypt through creation of joint or double degrees, the modernisation of curricula and the introduction of new degrees and programmes, as well as it helped improve teachers and students' capacity through mobility periods spent abroad (European Union, 2017; European Commission, 2012). Furthermore, the USAID had

¹²³ Criteria in respect of institutional capacity include: strategic planning; organisational structure; leadership and governance; credibility and ethics; administration; financial and physical resources; community service; and institutional evaluation and quality management. Criteria in respect of educational effectiveness include: students and graduates; academic standards; academic programmes/courses; teaching, learning and learning support; teaching staff; scientific research; post-graduate studies; and evaluation of the effectiveness of the educational process (OECD & World Bank, 2010).

supported capacity building in Egypt's education sector since the 1970s, and had been involved in efforts to improve the quality of higher education by providing scholarships, improving higher education infrastructure, and accreditation of higher educational institutions. In 2004, USAID partnered with the Egyptian Ministry of International Cooperation to award scholarships to public school undergraduate students to enable them to attend the American University in Cairo (AUC). Similar scholarships have been awarded in the following years to low-income students to study in various other private universities in Egypt. USAID also collaborated with the Egyptian government to improve the teaching of English by providing advanced training for faculty members. In addition, USAID supported higher education infrastructure improvements by contributing to the construction of the new campus of the AUC, which was inaugurated in 2009 (USAID, 2012). In 2014, the USAID formed a partnership with the government of Egypt and the private sector, which launched the Higher Education Initiative (HEI) in Egypt to provide scholarships for high school graduates in key fields to strengthen Egypt's economy¹²⁴. More recently, in 2017, the USAID formed a partnership with the AUC, by launching a project to build 20 Career Development Centers at universities throughout Egypt which would provide Egyptian students training in leadership, entrepreneurship, networking, and would better prepare students to enter the job market. Moreover, according to the British government website, since 2010, the British Council has helped Egyptian students learn English or gain internationally renowned UK qualifications, and provided funding for postgraduate scholarships¹²⁵. More recently, in 2016, the British council provided support to the higher education in Egypt, by signing partnerships between Egyptian universities and universities in the United Kingdom¹²⁶. These collaborations included dual degrees, research work, student and staff exchanges and curriculum development. These partnerships were aimed at boosting collaborative work and research and marked a strong commitment from both the UK and Egypt to sustaining a long-term strategic partnership in research, innovation, and

¹²⁴USAID, Egypt, Higher Education, Overview, <https://www.usaid.gov/egypt/higher-education>

¹²⁵UK Government, World news story, British, Egyptian Universities sign partnership agreements, 21 January 2016, <https://www.gov.uk/government/news/british-egyptian-universities-sign-partnership-agreements>

¹²⁶The partnerships will link Cairo University with King's College London, Sussex University and Aston University; Alexandria University with London South Bank University and University of Dundee; New Giza University with University College London; and the Arab Academy for Science, Transport, and Maritime Transport with Brunel University, Staffordshire University, Aston University and Cardiff Metropolitan University.

education¹²⁷. These links between British and Egyptian universities aimed to help grow Egypt's higher education system¹²⁸. Subsequently, in 2018, a Memorandum of Understanding was signed between Egypt and the UK Governments enabling UK universities to establish international branch campuses in Egypt. This development was intended to support multi or single-disciplinary autonomous campuses, to be embedded in Egypt's higher education sector and contribute to capacity building¹²⁹. In addition, this supported the priorities laid out in Egypt's 2030 economic strategy¹³⁰ by providing education to meet the country's labour market demands, increasing research and innovation collaboration and student and staff mobility, and supporting the country's internationalisation ambitions.

Despite the efforts of the Egyptian Government, mainly the Ministry of Higher Education (MOHE), and development agencies to support achievements in the education sector in Egypt, major problems persisted in the Egyptian higher education system that the USAID described it as a 'beehive without honey' (USAID, 2012). The next section analyses how such problems affected higher accounting education and led to undesired outcomes.

5.5 Case narrative

The case narrative starts by analysing how the development and reform of higher education policies in Egypt affected higher accounting education in both public and private higher education institutions. The next section in the narrative illustrates how such policies created problems of inefficiency and ineffectiveness in higher accounting education, producing unintended consequences such as deterioration of the quality of accounting education particularly in public higher education institutions, disparities between public and private institutions, unequal employment opportunities and opportunities to attain professional

¹²⁷UK Government, World news story, British, Egyptian Universities sign partnership agreements, 21 January 2016, <https://www.gov.uk/government/news/british-egyptian-universities-sign-partnership-agreements>

¹²⁸ The Mancunion Newspaper, Issue 12, 1st February 2016, UK universities partner with Egyptian institutions, by Paul Scott, Senior reporter

¹²⁹Engaging with Egypt: Future opportunities for UK higher education transnational higher education (TNE), <http://www.universitiesuk.ac.uk/International/events/Pages/engaging-with-egypt-future-opportunities-for-uk-higher-education-tne-partnerships.aspx>

¹³⁰ In 2015, the Egyptian government launched the 2030 sustainable development strategy during the International Economic Conference in Sharm El Sheikh to achieve three main goals namely, economic development, competitiveness of markets and human capital.

qualifications, among others. The final section uncovers the changes needed in higher accounting education, from the perspective of accounting academics, in order to achieve desired outcomes.

5.5.1 The development of higher accounting education

Accounting education has its roots in the 20th century when the first high school of Commerce was established in 1911 at Cairo University, which became known as the Faculty of Commerce, and which consisted of three main departments including department of accounting, business administration, and insurance. In the following years, several public universities were founded and established faculties of commerce which granted degrees in commerce in various specialisations including accounting, business management, economics, finance, as well as others. Completion of the Bachelor degree in Commerce with accounting specialisation required four years of study. Admission to public universities required the completion of three-year secondary education by obtaining a General Secondary Certificate (GSC) with no further entrance exams. In addition, access to higher education in public universities was determined by circumstances such as the total number of high school graduates, the places available at public universities, family background, wealth, and the geographic location (European Union, 2017; Assaad, 2010). The policy to provide free and equal access to education has proven to be ineffective and contributed to a rapid increase in student enrolments in public universities, and in commerce faculties in particular. The faculty of commerce became one of the most populous faculties in public universities, that some called it ‘the faculty of people’ (Interviewee A3, Professor at Cairo University). A professor from Cairo University mentioned the following:

The government’s policy to make higher education free, together with low entry requirements, caused dramatic expansion in numbers of students enrolled in public universities and overcrowding especially in faculties of commerce and law which admit thousands of students every year (A4).

The internationalisation of the Egyptian higher education and the expansion of private higher education since the 1990s have also affected the development of higher accounting education. During this period, foreign language programmes were introduced into the faculties of commerce in several public universities whereby programmes were taught in English and/or French and/or German. Such programmes were perceived to be of higher

quality but their fees were much higher than the tuition-free programmes taught in Arabic. This practice initially started at the Faculty of Commerce at Cairo University and was later spread to colleges of commerce in different universities. Moreover, Cairo University increased its international cooperation by forming academic partnerships with foreign universities to offer high quality programs taught in English¹³¹. Unfortunately, the growing segmentation within public institutions, between students who study free-of-charge and those who can afford the higher fees charged in foreign language programmes, resulted in serious social disparities in terms of access to higher education (OECD & World Bank, 2010). According to an accounting academic at Cairo University:

In the vast majority of primary schools in Egypt, learning a foreign language such as English or French or German, is not a compulsory part of the curriculum and the curricula in public schools are taught in Arabic, making it impossible for most poor and disadvantaged students to join foreign language programmes or to leave Egypt to study abroad... this explains why the faculties of commerce especially the Arabic streams are overcrowded whereas the number of students in foreign language sections is very limited to those coming from wealthier families (A1).

Another professor at Cairo University stated:

The special sections offering courses in English were opened to cut down the numbers of students in the Arabic sections. But this was not an optimal solution due to the language barriers and the limited English proficiency making it hard for Egyptians to join foreign programs (A3).

In addition, the privatisation reforms initiated in the 1990s opened the way for demands for a bigger role by private higher education to alleviate the pressure on public education in Egypt, increase private sector enrolment, and improve quality. In that respect, private universities played an important role in offering degrees in accounting and other subjects including finance, marketing, human resource management and others. For instance, the major in accounting was introduced at the American University in Cairo (AUC) in 1996, which became the Department of Accounting in 2009¹³². While admission to the faculties of commerce with a specialisation in accounting was easy in Egyptian public universities,

¹³¹ For instance, the USAID supported a partnership between the Faculty of Commerce at Cairo University, and J. Mark Robinson College of Business at Georgia State University in 2007 to offer an Undergraduate Program in Business taught in English and that offers three specialisations including Finance, marketing, or Accounting.

¹³² The American University in Cairo (AUC), School of Business, Department of Accounting, About the Department, <http://schools.aucegypt.edu/Business/acct/Pages/About.aspx>

admission to the accounting major at the American University in Cairo was competitive, highly selective, and highly demanding academically, and accepts the top students with academic merit and potential (Interviewee A6)¹³³.

Moreover, the MoHE has undertaken various reform projects to advance educational effectiveness as well as enhance the quality and outcomes in both public and private institutions, by strengthening quality assurance and accreditation procedures. In fact, the AUC was the first university in Egypt to undergo the accreditation process from NAQAAE, which was received in 2011, and its School of Business has been recognised as top private business school in Egypt being the first in the Arab region to receive triple-crown accreditation from the European Quality Improvement System (EQUIS), the Association of MBAs (AMBA) and the Association to Advance Collegiate Schools of Business (AACSB). Furthermore, the Department of Accounting at AUC has received accreditation from ACCA in 2017 for three years, as well as the Bachelor degree in Accounting has received endorsement from the Institute of Management Accountants (IMA) in 2016¹³⁴, which recognises business curricula that meet the quality educational standards required to enable students to prepare for the Certified Management Accountant (CMA). In particular, and in light of the accreditation processes carried out by the AUC, students were able to achieve outcomes that advance their international competitiveness and capabilities by undertaking international accounting qualifications. Nizar Becheikh, AUC School of Business interim dean, highlighted the importance of the ACCA and the IMA accreditations by commenting:

Having these two accreditations makes the Chartered Accountant (CA) and the Certified Management Accountant (CMA) certifications much more accessible to our accounting graduates, which opens the doors for them to become certified

¹³³ Students who wish to be admitted to the Bachelor of Accounting at the American University in Cairo are required to complete a minimum of 27 credit hours in accounting and business areas. After the successful completion of these courses, a limited number of eligible applicants that meet the minimum GPA requirements, would be selected based on the spaces available. (Bachelor of Accounting Brochure, The American University in Cairo (AUC)). <http://schools.aucegypt.edu/Business/about/Documents/Publications/pdf%2027%20oct/Accounting%20Brochure%202016-2017.pdf>

¹³⁴ The American University in Cairo (AUC), School of Business, Accreditations, <http://schools.aucegypt.edu/Business/about/Pages/Accreditation.aspx>

auditors worldwide. Hearty congratulations to the Department of Accounting and to the school for this well-deserved achievement¹³⁵.

A professor of accounting at AUC further stated:

The courses taught to AUC accounting students prepare them to undertake international qualifications such as the American CPA, CMA, CFA, and ACCA to help them to boost their careers in the future and enable them to find employment wherever they might seek it. In addition, students are exempted from eight out of the fourteen exams of ACCA (A6).

Accreditation policies for public and private higher education institutions were the same. However, all faculties of commerce granting accounting degrees in other public universities failed to receive accreditation from NAQAAE¹³⁶. A professor at Cairo University stated:

Several faculties at Cairo University are in the process of receiving accreditation from the NAQAAE especially those offering degrees in health sciences, however with the faculty of commerce the case is different and in its current state it will be very difficult to get the accreditation and meet the specified requirements, as it is the case in many other public universities like Ain Shams or Alexandria University or others. This will require hard work in relation to curriculum development, staff development, and others that improve the overall quality of education (A4).

5.5.2 The problems facing higher accounting education

Since the 1980s, the government of Egypt has driven major reforms to improve the higher education system by implementing policies as a means of achieving desired social and economic development. Efforts to reform higher education were instituted in the face of pressures to improve Egypt's competitiveness in the global economy including encouraging the growth of private universities and supporting the internationalisation of higher education, improving the efficiency, relevance and quality of higher education for a larger and more diversified population, and reducing social disparities and inequalities. However, serious problems arose in higher accounting education as a consequence of policy measures undertaken by the government such as those of inefficiency and ineffectiveness in higher accounting education, poor quality of teaching and learning, [social] disparities in terms of

¹³⁵ The American University in Cairo (AUC), Department of Accounting at AUC's School of Business Receives ACCA Accreditation, <http://schools.aucegypt.edu/business/newsroom/pages/story.aspx?eid=333>

¹³⁶ National Authority for Quality Assurance and Accreditation of Education, Accredited Higher Education Institutions, http://naqaac.eg/?page_id=972

access to higher education, graduate achievement, and labour market outcomes, and poor perceptions of the accounting profession.

5.5.2.1 Poor quality of teaching and learning

A major problem facing accounting education was the large number of students admitted yearly to the faculties of commerce as well as the large number of accounting graduates which had adverse effects on education quality and on labour market outcomes. For instance, according to the statistics of the Ministry of Higher Education in Egypt, the number of new entrants to the faculty of Commerce at Cairo University for the academic year 2014/2015 was 11,733 students, with a total of 46,408 students enrolled and 3,653 graduates. Alexandria University, which is also a public university, admitted 1,703 new students to the faculty of Commerce in 2014/2015, with a total of 7,975 students enrolled, and 1,002 graduates. Whereas the total number of new entrants to the School of Business at the American University in Cairo was 2 students for the academic year 2014/2015, with a total of 757 students enrolled and 374 graduates¹³⁷. The increases in student enrolment and in the numbers of students in the classrooms notably in public universities, had a negative impact on the quality of teaching and learning. A student in Cairo University mentioned the following:

The faculty of commerce is overcrowded and accepts anyone... this is having a very bad impact on the performance of teachers. When there are hundreds of students, sometimes a thousand, in one classroom, there is no teacher-student relationship, and teachers don't care whether students understand the material being taught or not. Students lose the sense of responsibility and could miss all the classes and only come for the exam without the teacher noticing anything (FG 1, CU).

Hazem Hassan, president of the Egyptian Society of Accountants & Auditors (ESAA)¹³⁸ stressed the need to manage the number of accounting students to ensure 'quality not quantity'. He further stressed:

Some universities have a very high number of students studying in their commerce faculty, in some cases as many as 52,000. How can you give a proper education to

¹³⁷ Ministry of Higher Education, Egypt, statistics, <http://portal.mohe.gov.eg/ar-eg/Pages/StatisticsDetails.aspx?folder=/ar-eg/DocLib/2014-2015/الجامعات الخاصة والاكاديميات والجامعة الامريكية> & <http://portal.mohe.gov.eg/ar-eg/Pages/StatisticsDetails.aspx?folder=/ar-eg/DocLib/2014-2015/الجامعات الحكومية>

¹³⁸ The Egyptian Society of Accountants & Auditors (ESAA) is a professional accountancy organisation established by a Royal Decree in 1946.

52,000 students? Universities should make fundamental changes to the curriculum, emphasise the practical aspect of accounting and offer a degree linked to a professional qualification¹³⁹.

According to the 2010 review of the Egyptian higher education system conducted by the OECD and the World Bank, the large number of students in crowded lecture halls, combined with insufficient financial and human resources, hinder teachers' attention to individual students and lead to inadequate learning conditions, resulting into a quantity-quality trade off. In addition academic staff receive inadequate salaries, which forces them to supplement income through private tutoring or other jobs, at the students' expense. In this respect, another student from Cairo University said:

Due to the large numbers of students per class, students don't receive personal assistance or support from teachers. Even masters students receive very little guidance and assistance from their supervisors to carry out their research... they sometimes have 15 to 18 lectures per week, and teach in other universities or work in the industry to earn additional income since they are getting paid very low salaries. They are too busy and spend no time to effectively support students (FG 2, CU).

Furthermore, although the share of higher education public expenditures in the total education budget has been relatively high, public spending on education has decreased since 2002 (OECD & World Bank, 2010). As a result, public universities were severely under-resourced in terms of faculty, infrastructure, teaching and learning materials including updated textbooks or digital materials, appropriate learning facilities including libraries, IT facilities, and equipment of the classrooms, which provide support toward realizing the goal of better quality teaching and learning. In a review conducted in 2001, the Ministry of Higher Education (MOHE) identified key issues facing higher education in Egypt including the lack of resources to use modern technologies in the classroom and integrate them into the curriculum, and the poor quality of curricula and learning materials (MOHE, 2001). In fact, the combination of rapidly increasing enrolment and lack of resources has led to further deterioration of quality of accounting education in most public higher education institutions. In addition, the OECD & World Bank review (2010) highlighted that in the majority of public universities, teachers prepare lecture notes by summarizing the content of the courses,

¹³⁹ ACCA Accounting and Business (AB) magazine, 01 April 2017, Interview with Hazem Hassan, chairman of KPMG in Egypt, <http://www.accaglobal.com/uk/en/member/member/accounting-business/2017/04/interviews/hazem-hassan.html>

without being subject to peer review, whereas in private universities and foreign language programmes, international textbooks are used. In addition, teaching facilities in public institutions as compared to those in private ones are very poor, and a large proportion of students face difficulties finding a place in laboratories, lecture halls, or libraries (OECD & World Bank, 2010). In this respect, a professor at the American University in Cairo mentioned the following:

We are facing lots of problems in accounting education systems, especially in public universities. These universities are still using old Arabic textbooks and outdated curricula, and do not have sufficient resources such as computers and internet access. Whereas at the American University in Cairo, we use international textbooks, and constantly update our curricula and our accounting degree is internationally accredited. In addition, our business school is very well equipped with modern facilities and computer laboratories (A5).

In addition, a professor at Nile University asserted that the overcrowded faculties of commerce and the lack of resources create serious challenges for Egypt to achieving its quality improvement goals:

Quality education remains Egypt's biggest challenge, especially in faculties of commerce. Accounting education is facing fundamental problems and we cannot move forward until we solve them... these include the lack of IT tools, lack of financial resources and funding, lack of up-to-date accounting curricula, low entry requirements for accounting degrees and the large numbers of accounting students admitted to faculties of commerce in public universities (A2).

Students at Cairo University asserted that technology is not integrated into accounting curricula and that they lack the necessary technological and computer skills:

Teachers do not use any IT tools in the classrooms and the knowledge and skills related to IT are not part of the accounting curriculum. Teachers still rely on old and outdated curricula that are based on memorizing, and when students graduate, they do not know basic computer skills such as excel, and power point (FG 1, CU).

5.5.2.2 Disparities in terms of access to higher education, graduate achievement, and labour market outcomes between public and private universities

The poor outcomes of the higher education system were particularly reflected in the high unemployment rates among accounting graduates. According to the OECD & World Bank review in 2010, many university graduates from public universities (50% in one institution),

including graduates from the faculties of commerce, fail to obtain employment in the fields in which they have studied as they lack the adequate skills needed for the jobs, which presents a serious wastage of public resources. A professor at Nile University claimed:

While enrolment in commerce faculties increased, accounting graduates experienced very high rates of unemployment. Those who find a job are fortunate and very lucky, even though they might be working in fields that are not relevant to their studies... you may find accounting graduates working in a café, or as taxi drivers, or doing any kind of job and being paid very low salaries (A2).

Accounting professor at Cairo University addressed the problem of under-employment of accounting graduates:

Commerce graduates from Cairo University face difficulties to find jobs that relate to their degrees such as accounting, and so accept any low-skilled job offer, in case they were able to get one (A4).

In this respect, accounting students from Cairo University said:

High unemployment rates make us accept any jobs even with very low salaries. The problem is that we don't have the adequate technical and soft skills needed for competent jobs (FG 2, CU).

For some, a major cause of the unemployment and the poor outcomes can be attributed to the poor quality of the accounting education system. The most telling criticism of the system was that accounting curricula are not sufficiently responsive to labour market needs, are outdated and overly theoretical, and do not provide students with the practical knowledge needed:

There is a huge gap between what we learn and the way accounting is practiced. Our accounting curriculum is very old and totally irrelevant to practice. Our courses are highly theoretical and based on memorization. We still study the curriculum based on the US GAAP standards whereas the standards implemented in Egypt are based on IFRS. When we graduate, if we work in accountancy firms or offices we have to learn everything from zero, and we have no idea about the application of international accounting standards (FG 2, CU).

An accounting academic at Cairo University further stated that graduates from public universities are perceived as incompetent, and lacking the knowledge and skills needed for the job:

We try to encourage our students to do summer internships to experience the real-life work environment, but the problem is that good firms such as the big four or other second-tier firms do not accept our students as they think they are not competent enough. They would rather give these opportunities to students in private institutions (A1).

The policy to increase student enrolment in private higher education institutions providing better quality of education resulted in significant disparities and inequality in terms of educational opportunities and labour market outcomes including skills and employment, and attainment of professional qualifications. In fact, the majority of income-poor population had to rely on the resource-poor public system, while wealthier families could educate their children in private universities, which became a prerequisite for obtaining a well-paying job (OECD, 2015). In this respect, a professor from Cairo University stated:

Wealthy students that can afford paying the fees to attend private universities have much higher chances of getting a good job with a decent salary once they graduate. Whereas students graduating from the faculties of commerce from Cairo University or other public institutions face lots of difficulties to get a job. The disparities in educational opportunities are becoming larger and larger... the poor are getting poorer and the rich are getting richer (A4).

Interviewees highlighted that accounting graduates from private universities especially the American University in Cairo, have various career opportunities and are usually hired at leading multinational companies, financial institutions, “big four” audit firms, banks and consulting firms. A student at the American University in Cairo affirmed:

Most accounting graduates at AUC get a job in one of the big four firms, and my plan is also to work in one of these firms, and earn a professional qualification to be able to grow in the firm. Such firms provide massive career development and progression opportunities for their employees and continuously provide them with training. You feel you have a value when you work in such a firm (FG2, AUC).

In essence, students in private universities encounter a learning experience characterised by strong technical skills and knowledge supported by extensive exposure to the practical aspects of the accounting profession. This is achieved through cases, guest speakers, competitions, field visits and projects focusing on corporations, auditing firms and other

business entities¹⁴⁰. An accounting professor at the American University in Cairo, and professional accountant, mentioned the following:

In my accounting courses, I try to use case studies, and compare financial statements or audit reports of different companies, which I prepare in my own audit firm, to provide students with both theoretical and practical knowledge, and keep them interested in the subject. So when students graduate, they have an idea of what the real world, or accounting practice is (A7).

Moreover, accounting students at the American University in Cairo stressed that the accounting education provides them with both the theoretical knowledge and the practical skills needed to become competent professionals in the future:

Teachers at the American University in Cairo are paying more attention to the practical knowledge and skills of accounting students, along with the theoretical. Sometimes, they bring practitioners through guest lectures and other events to speak with us about their professional experience in the accounting sector, and provide us with advice on career opportunities, and on accounting skills, qualifications, and competencies needed for a successful career as professional accountants (FG 1, AUC).

Other accounting students further stressed:

We have to perform summer internships during our second or third year of study, which is part of the accounting curriculum and which helps us gain valuable work experience to make our future career decisions. Most students tend to do these internships in multinational firms or in the big four firms, making it easier to guarantee a job once we graduate (FG 2, AUC).

In addition, the accounting courses taught at private universities incorporate the international accounting standards and provide an excellent foundation for students that intend to gain professional accountancy qualifications that are recognised globally which help them to secure a job in accountancy. Accounting students at the American University in Cairo mentioned the following:

The international accounting standards implemented in Egypt are integrated within our accounting curriculum. In addition, accounting courses prepare us to undertake international qualifications, and teachers include certain questions and exercises from the CPA, or ACCA exams in our tests (FG 1, AUC).

¹⁴⁰ The American University in Cairo (AUC), School of Business, Bachelor of Arts in Accounting, <http://schools.aucegypt.edu/Business/acct/Pages/Undergraduate.aspx>

A professor of accounting at the American University in Cairo further stated:

Accounting curriculum at the American University in Cairo help students embark on successful career journey. It focuses on preparing them for CPA, CMA or ACCA exams, and equips them with the skills needed which help them to find jobs easily in the job market or get a prestigious accounting position in the big four firms (A6).

Unlike accounting students in private universities who have the opportunity to attain internationally recognised qualifications and gain employment, those in public universities are constrained by capacity limitations such as the lack of adequate facilities, low quality of accounting curricula, and the inability to pay high tuition fees in private universities. Hence, significant disparities remain in terms of access to higher education, attainment of professional qualifications, and labour market outcomes, and class difference continues to persist and may have potentially affected the way the accountancy profession has developed in Egypt.

5.5.2.3 Poor perceptions of the accountancy profession

Despite the reform of Egypt's higher education system, the quality of accounting education remained poor in terms of inputs (students, teachers, facilities), processes (curriculum, teaching and learning methods), and outcomes (graduate capabilities and employability). This has in turn affected the perceptions of students and the Egyptian society to accounting education and the way the accountancy profession has developed. In fact, accounting education as well as the accountancy profession lacked social prestige in Egypt. A professor at the American University in Cairo mentioned the following:

Students admitted to public universities with low grades are easily accepted in the faculties of commerce, which affected how students and society perceive accounting, finance, economics, and business degrees in general. Students that study engineering or medicine are highly respected in society and such programs are considered the most prestigious in Egypt. Due to this culture problem that we have, accounting students lose interest in the subject even before they are admitted to the universities (A6).

Another professor at the American University in Cairo further stated that accounting students and graduates are not sufficiently qualified or competent:

There are lots of problems in educational systems at universities and such universities do not reflect what is needed in the market. Typically, students with the

highest grades choose medical and engineering degrees, whereas those with the lowest grades choose a business administration or accounting degree, which makes the quality of incoming university students and the quality of accounting graduates very bad. These graduates joining the profession are already incompetent and unqualified for the jobs, and those who seek professional qualification are very few, leading to incompetent accounting professionals (A5).

In addition, for some, the accountancy profession has lost its value in society (Interviewee A2). Accounting students at the American University in Cairo confirmed:

The accounting profession in Egypt is not respected as it is in the USA or the UK for example, and has a very low social value compared to other professions. The society assumes that those who study accountancy are the ones who were not successful and not capable of doing a science-based degree or other degrees that need higher entry requirements (FG 1, AUC).

While the future progress of the accountancy profession depends on the need for highly skilled and competent graduates, many accounting students seek to gain an international qualification and work overseas. An accounting student at the American University in Cairo expressed disappointment saying:

I do not see a future for the accountancy profession in Egypt. My plan is to graduate and get an international professional certificate which could help me find a job overseas (FG1, AUC).

For some interviewees, improving the quality of accounting education and overcoming disparities between public and private institutions is crucial for the future development of the accountancy profession and requires considerable efforts. In this respect, a professor at the American University in Cairo stated:

Graduates are the future of the profession, and the quality of education they receive largely impact their future career and their ability to become highly competent and qualified accountant. Universities have a crucial role here, and each one of us should feel responsible towards producing good quality professionals for the future. A lot of work still needs to be done in this area (A5).

5.5.3 Changes in higher accounting education to reach desired goals

The OECD and World Bank review of the higher education system in 2010 emphasised the need to give greater attention for structural reforms, for changing the institutional culture, and increasing the capacity of the higher education system to deliver relevant education to a broader range of students and contribute to the realisation of national goals (OECD & World

Bank, 2010). The challenges facing higher education in general in Egypt, and higher accounting education more specifically including those of quality, relevance, and equity of access, require a closer alignment between policies and outcomes to respond to societal needs. To do so, considerable changes are needed to ensure the effective implementation of higher education policies for achieving the desired outcomes and goals (such as education quality).

Interviewees highlighted the need to strengthen the links between theory and practice, and increase engagement of academics and practitioners. Interviewees believed this would play a key role in improving knowledge and skills of accounting students needed for the labour market. In this respect, students from Cairo University mentioned the following:

There needs to be more cooperation and coordination between accounting academics and professionals, and academics must ensure that what they are teaching us is relevant to practice. Our courses should reflect the practical reality, rather than only rely on theory and memorization. At the end we are becoming robot... we don't understand what we are learning, and we know almost nothing about practice (FG 1, CU).

An academic at Cairo University stated:

Although many academics at Cairo University and other public universities are qualified members in ESAA, the courses they teach are irrelevant to practice. Members from professional organisations like ESAA and accounting practitioners should be engaged more with academics, to ensure accounting students are provided with the knowledge and skills needed to perform the job. For instance academics should work in collaboration with ESAA to develop a qualification for accounting graduates in basic accounting skills to prepare them for the job market. In addition, the university must collaborate with accountancy and audit firms to offer internships for students as part of the curriculum (A1).

In addition, interviewees highlighted the need to improve the linkage between higher education and labour market needs to reduce unemployment. A professor at the American University in Cairo mentioned the following:

Public higher institutions must have career counselling and guidance programs to help students in their career choices based on the labour market needs, and make them aware of the skills needed for certain jobs. This will help to reduce the high rates of unemployment especially in the faculties of commerce (A6).

Another accounting professor said:

Egypt's economy is unable to absorb the growing numbers of higher education graduates from commerce faculties. Thousands of students graduate every year and don't find jobs. Urgent steps should be taken here! (A3).

Further, providing training and continuous professional development for accounting academics was emphasised. A professor at Cairo University mentioned that this is a crucial factor for improving the quality of teaching:

The ministry of higher education and universities must allocate significant resources for training and professional development... university teachers should continuously undertake training and be subject to evaluation, to ensure that they are capable and qualified enough. This way, teachers will feel much more motivated to provide better quality of teaching, not just work for the sake of money (A1).

A professor at the American University in Cairo further stated:

We need to build human capacity!! People who work in the profession must have better skills and capabilities and this goes back to a having a better education (A5).

Other interviewees highlighted the need to focus on curriculum development and implementation of modern curricula to make them more relevant to the needs of the labour market and to help improve the employability of accounting graduates especially from public universities.

Accounting degrees must attract well motivated students! To do so, we need to change the criteria for admission to business and commerce degrees in Egyptian public universities and update the course offerings and curricula, and go away from teaching basic bookkeeping and from concentrating on memorization. A long term plan for instance for 10 years, need to be drafted and implemented to improve higher accounting education. The reform should start from the beginning if we are to improve the accounting profession (A6).

Further, students from Cairo University stated:

Measures should be taken to improve the educational system and to update the curriculum to match with the professional skills needed in the job market and to increase our competencies and knowledge. Teachers must also introduce IT tools in the classrooms, and develop our abilities to work on IT softwares (FG 1, CU).

A professor at Nile University claimed:

Our higher education system needs an overhaul! We need injection of funding in the higher education sectors to support accounting education in public universities and create a platform for a decent future profession by creating work-ready graduates that are well equipped to enter the profession and succeed (A2).

A professor of accounting at Cairo University emphasised the need to revise and update accounting curricula. He stressed that successful reform also requires ongoing improvements in the quality and effectiveness of secondary schooling and the introduction of accounting courses in the school curriculum:

Accounting curricula at public universities need to be updated, especially in the Arabic sections. However, such universities lack the capacity and the funding to revise these curricula and need urgent support to do that. Academic textbooks must be changed and students should be obliged to buy them, as well as students must be obliged to do internships before they graduate as part of the curriculum. In addition, business and accounting courses must be introduced in public secondary schools, not only the international ones, to prepare students for accounting subjects before they go to universities (A3).

Hence, the Egyptian government and policy makers have a crucial role to reform higher education by reinforcing changes that would help overcome the challenges facing accounting education and reduce the differences between public and private higher accounting education. This would in turn help realising Egypt's national development goals.

5.6 Discussion

The case analysis shows the fundamental problems facing accounting education in Egypt. It illustrates how higher education policies implemented by the government of Egypt with the support of development agencies, were ineffective and weakly linked to their intended outcomes and goals. In doing so, the paper examines the means-ends decoupling occurring in the field of higher education in Egypt, a field associated with social goals, and examines its consequences on higher accounting education. The paper responds to calls to further examine the means-ends type of decoupling, and deepens our understanding of how, and why decoupling occurs, as well as its consequences for organisations and society (Bromley & Powell, 2012). Specifically, our study offers important policy recommendations as for the need for global bodies like IFAC and development agencies to focus on education when designing future capacity building projects to contribute to the realisation of national social and economic goals in a developing country like Egypt.

Early scholars argue that decoupling allows educational organisations to respond to pressures from the institutional environment by adopting policies symbolically, thereby

creating a decoupling of formal policies from daily practices (Meyer & Rowan, 1977; Rowan & Miskell, 1999; Coburn, 2004). However, as external influences and pressures on organisations intensified, organisations were pushed to align their policies and practices more closely (Bromley & Powell, 2012). This trend has been referred to as rationalisation of the institutional environment, and necessitated a re-examination of the classic argument of policy-practice decoupling (Bromley & Powell, 2012). Bromley & Powell (2012) proposed the idea that instances of decoupling occur between means and ends, whereby organisations pursue many activities despite the lack of clear connection to outcomes and despite a clear integration with core goals. This form of decoupling is more likely as organisations create policies to address issues such as equal opportunity, diversity, justice as well as achieve other social goals. In our case, we focus on the field of higher education, a field associated with broader social goals given its contribution to inequality and poverty reduction, and economic growth. In particular, our case highlights how despite the activities pursued by various actors such as governments, development agencies, and higher education institutions to achieve desired outcomes, decoupling of means and ends occurred in the field of higher education in Egypt.

Our case illustrates how the Egyptian government, primarily the Ministry of Higher Education (MOHE), and higher education institutions, faced with growing institutional pressures to achieve intended outcomes and social goals, triggered waves of reforms in higher education policies. The government's emphasis on measurement of outcomes through quality assurance and the accreditation of higher education institutions, as well as the internationalisation of higher education, became taken-for-granted means of achieving ends (such as raising the quality of higher education). Such reforms at the field level of higher education were driven by a combination of emerging pressures and dysfunctions of the higher education system. According to the OECD and World Bank review (2010), these pressures arose from the need for Egypt to improve its competitiveness in the global knowledge-based economy, provide appropriate education for a larger and more diversified student population, and reduce social inequalities arising from differences in education opportunities. Whereas the dysfunctions included narrow access and limited opportunities for students, poor quality of educational inputs and processes, deficiencies and imbalances in graduate output relative to labour market requirements, and under-developed university

research capability and linkages to the national innovation system. Hence, the reforms of higher education and the policies designed and adopted were intended to achieve desired outcomes such as quality education to meet the needs of the labour market, and increase access to higher education, that would in turn satisfy students' and society's needs and achieve outcomes that advance the social and economic development of Egypt.

Our analysis highlights that implementation of higher education policies and associated practices (means) were weakly tied to the core goals of higher education (ends), leading to decoupling between policies and outcomes. Although policies were implemented as well as international development agencies made efforts to improve the higher education system, such policies and efforts did not succeed in achieving their intended outcomes. In fact, major problems persisted and the university system faced challenges such as underfunding, and misalignment with the needs of potential employers. In addition, public universities were massively overcrowded, resulting in diminished teacher effectiveness and poor returns on education, and disadvantaged students lacked opportunities to study at the best public and private universities¹⁴¹. Specifically, this had major implications on accounting education, and the accounting education system suffered significantly from fundamental problems such as deterioration in quality and relevance of accounting education, and lack of connection with the needs of the labour market, leading to a shortage of appropriately skilled and qualified young accounting professionals.

By examining the poor outcomes of the higher education system and the consequences of means ends decoupling in higher education in general, on higher accounting education, we respond to recent requests for studies examining field-level consequences of decoupling (Boxenbaum & Jonsson, 2017). In developing the idea of decoupling, early scholars such as Weick (1976) emphasised that regardless of intentions, organisational consequences are unforeseeable in many circumstances. Such view provides us with an understanding of instances of failure of public or organisational policies to achieve intended and desired outcomes (Bromley & Powell, 2012). We show how the implementation of higher education policies intended to improve higher education system through the growth of private higher education, quality assurance, and internationalisation practices have significantly affected

¹⁴¹USAID, Higher Education, Egypt, Overview <https://www.usaid.gov/egypt/higher-education>

accounting education. Although the policies put in place helped in the development of higher accounting education, these policies failed to meet their intended objectives, and higher accounting education suffered from fundamental problems. In particular, this was reflected in the high unemployment rates among accounting graduates from the faculties of commerce attributed in large part to the poor quality of higher accounting education and the use of outdated and narrow curricula particularly in public higher education institutions that were not responsive to labour market needs. Moreover, the poor quality of higher accounting education resulted in serious disparities in educational opportunities, achievement, and outcomes between public and private universities, and in poor perceptions of the accountancy profession in the Egyptian society. This is consistent with Bromley & Powell's (2012) contention that organisations such as higher education institutions or universities, have shifted their attention and resources away from core goals- a feature of means-ends decoupling- such as improving teaching and learning, to focus on internationalisation and improving their rankings.

Prior research suggests that over time, understandings of how to achieve social goals may improve, reducing the gaps between means and ends (Bromley & Powell, 2012). Our analysis allows us to suggest that, in order to address the challenges facing higher accounting education in Egypt, the government and higher education institutions should work together to better align their policies (means) and outcomes or goals (ends) more closely to respond to societal needs and promote socio-economic progress in the country. A tighter connection between, or recoupling of means and ends would be the consequence of such efforts (Dick, 2015; Hallet, 2010). Our case analysis illustrates the changes needed in higher accounting education to achieve desired outcomes, as perceived by accounting academics and students. Building on our findings, the paper sheds light on the need for global bodies to focus on education when considering future capacity building projects to address the challenges and overcome the problems associated with higher accounting education (such as quality, relevance, equity of access) as well as to promote economic development and social progress. Our analysis reveals that although development agencies, particularly the USAID, the EU and the World Bank, engaged in efforts to improve the higher education system in Egypt by supporting modernisation and internationalisation of higher education systems and accreditation of higher educational institutions, fundamental

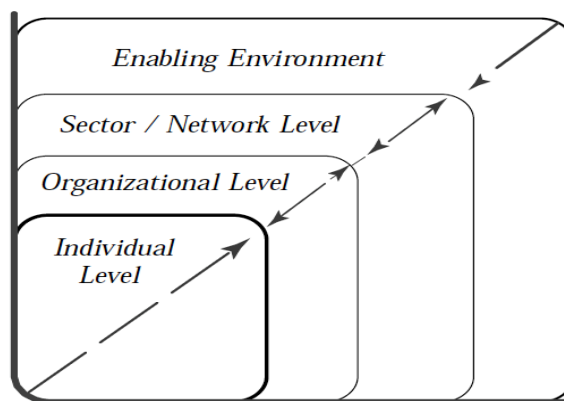
problems persisted. In addition, although efforts were undertaken by the global accountancy profession and development agencies to expand professional accounting education and promote IFAC's international education standards (IES) through capacity building, such efforts largely ignored higher accounting education. Such analysis reveals that, despite its importance, higher accounting education is neglected in developing countries, and Egypt specifically. Global accountancy bodies and international development agencies do not even consider the poor state of accounting education system and institutions, which are prerequisites for sustainable development as well as the development of the local accountancy profession. In addition, our analysis allows a reflection on the need to shift the focus of capacity building from adoption of and compliance with international standards (illustrated in papers one and two-chapters three and four), which might not be what developing countries such as Egypt needs, toward strengthening and enhancing higher accounting education that would contribute to the achievement of broader social goals such as poverty reduction and economic growth in particular national contexts. In effect, developing capable and competent young accounting professionals that form the future of the accountancy profession is heavily dependent on providing them with relevant, and appropriate accounting education at the university level.

Building on the findings of the CIDA study in 2000¹⁴², our study directs attention to the need to consider capacity building at different levels including the individual, organisational, sector/network, and the enabling environment/society level (Fig. 5.3). At the individual level, capacity building should be targeted at improving the level of competencies, skills and knowledge of accounting students by developing new and innovative accountancy education programmes and adopting modern curriculum especially in commerce faculties in public universities in order to accommodate the high demand for accounting education without undermining quality as well as to help improve the employability of accounting graduates. In addition, this includes delivering professional development and training courses for accounting academics to improve the quality and effectiveness of their educational delivery. At the organisational level, capacity building should focus on improving infrastructure and institution building, such as the improvement of universities through additional resources. At

¹⁴² Bolger, J. (2000), Capacity development: Why, what and how, Canadian International Development Agency, Policy Branch, Capacity Development Occasional Series, Vol. 1 No 1.

the sector/network level, capacity building should seek to design better and more favourable higher education policies, for instance, through reforming admission policies and setting higher entry criteria to limit the number of students admitted to commerce faculties and attract and enrol the most qualified students in accounting programmes. In addition, capacity building at this level should seek to improve coordination between accounting education institutions and the accountancy profession (e.g. between universities and professional accountancy organisations) to increase the relevance of accounting education for labour market and society and help improve the employability of accounting graduates. At the enabling environment/society level, corruption, inequality, inability to raise taxes, political instability, etc. are factors that constrain development. To contribute to change at this level, capacity building should seek to revamp accounting education by educating youth about the social significance of accounting, and about the public interest role and obligations of the accountancy profession. Undertaking capacity building at all four levels would involve the concerted efforts and commitments of development agencies agencies, the Egyptian government and relevant ministries such as the MOHE, higher education institutions, as well as the accountancy profession to bring about change in accounting education.

Figure 5.3. Capacity building conceptual framework



Adapted from Bolger, J. (2000), p. 8.

5.7 Conclusion

This paper has shown the fundamental problems facing accounting education in Egypt. It focused specifically on how the higher education policies implemented and the practices

associated with such policies aimed at improving the higher education system led to serious problems and undesired outcomes, thereby affecting higher accounting education. Given our focus on the disconnect between the government policies implemented at the upper level, and the outcomes of these policies on the ground, the paper draws on the concept of means-ends decoupling (Bromley & Powell, 2012).

The study makes the following contributions. First, it advances the literature examining means-ends decoupling, which remains limited until present (Bromley & Powell, 2012; Wijen, 2014; Dick, 2015). Our findings show that the higher education policies adopted in the 1970s led to undesired outcomes such as deterioration in the quality of education, and the potential for reform and change in policies was a consequence of this means-ends decoupling (Bromley & Powell, 2012). Our evidence shows that the implementation of new policies and the alteration of organisational practices and activities in the face of institutional pressures had a tenuous link to organisational effectiveness and outcomes. Hence, although the changes in higher education policy were linked to improvements in the higher education system in Egypt, such policies did not lead to the desired outcomes of achieving high quality, relevance, and equal access to higher education, thereby decoupling implementation from outcomes. In doing so, we reveal a case whereby the policies and practices implemented failed to meet their intended objectives (Bromley & Powell, 2012). Moreover, our case allows us to reveal the consequences of decoupling on higher accounting education, an area which received virtually no scholarly attention (Boxenbaum & Jonsson, 2017). Second, the study contributes to the literature on recoupling, which highlights that policies and practices move from being disconnected to being closely linked (Espeland, 1998; Hallet, 2010). Recent work has examined how organisational actors recouple means and ends as they strive to give coherence to their on-the-ground efforts to resolve potential problems that may arise (Wick, 2015). Our findings illustrate the need for global bodies to pay greater attention to accounting education when considering capacity building projects. This would in turn help to closely align means and ends to achieve of desired outcomes and contribute to national development and social goals (Bromley & Powell, 2012; Dick, 2015). Although capacity building initiatives were undertaken by donors such as USAID, the EU, and the World Bank, and helped the government reform its higher education policies and practices and provided support to higher education institutions, with the aim of improving higher

education in Egypt, many challenges persisted within the Egyptian higher education system. Further, higher accounting education, which has been largely ignored by development agencies, faced enormous challenges relating to quality, access, relevance, equality that in turn affected the quality of accounting professionals. Hence, our findings allow us to suggest that focusing efforts on improving accounting education through capacity building might be a solution to the problems associated with accounting education, and would thereby produce highly competent professionals suitable for the country's economic needs. Our empirical focus allows us to draw broader lessons and inform public policy on the need to design and implement capacity building initiatives tailored to the needs of a specific setting in order to achieve the desired ends and intended goals (Wijen, 2014). Adopting a context-contingent approach tailored to the needs of the particular Egyptian context may thus lead to creating a flexible and tailored solution to achieve the envisaged goals (Wijen, 2014). We suggest that capacity building is a means to address the problems facing higher accounting education and to achieve the goals of economic growth and poverty alleviation in the specific Egyptian context. Our case has important policy implications in terms of how higher accounting education as well as how capacity building initiatives need to change in Egypt, and internationally to contribute to societal and development goals. Given the deficiencies of accountancy education in developing countries, we reveal that capacity building aimed at improving higher accounting education should be considered a top priority for development agencies and accountancy bodies when designing and implementing capacity building initiatives in such countries.

CHAPTER SIX: DISCUSSION AND CONCLUSION

6.1 Overview of the study

The period from the late 1940s onwards, following the end of the Second World War, saw the establishment of a wide range of development agencies which started to develop aid and assistance programs in developing countries intended to promote social and economic development. This included the creation of a network of bilateral and multilateral agencies, civil society organisations, international non-governmental organisations, as well as other organisations devoted to international development. Aid, however, has not been effective and has failed to produce persuasive results due to the lack of capacity to implement the agencies' programs and use aid flow effectively (Bigsten & Tengstam, 2015; Tierney et al., 2011). In response to the perceived failures in development assistance and the widespread dissatisfaction with aid effectiveness, international development agencies began to mobilise around the concept of 'capacity building' (Venner, 2015). This concept has gradually become the centre of attention in the development discourse over the past few years, and constituted an important strategy for development within sectors such as the education, health, agriculture, etc., each sector contributing to a country's growth and to its development goals in a different manner. Capacity building, has however been defined differently by various development agencies often with distinct organisational aims, making it a broad and vague concept.

This thesis examines how capacity building came to be defined in ways that had a strong focus on accounting professional development. Efforts to strengthen local accountancy professions through capacity building have been prominent since the late 1990s, and became more widespread over the last two decades, bringing together the global accountancy profession and the international development community. Such capacity building efforts have to a large extent, been linked to the series of global financial crisis (e.g. the Asian financial crisis, and Enron and WorldCom scandals) and the widespread concerns expressed internationally about the need to maintain and boost financial stability. At a time when the centre of attention has been on the development and adoption of high quality international standards including international accounting and auditing standards, capacity building efforts has come to be seen as essential to ensure compliance and enforcement of standards.

In fact, the efforts to expand global accounting practices and standards and strengthen accountancy professions became key to improving the effectiveness of aid and achieving sustainable development results -such as economic growth, financial stability, and poverty reduction- that international development agencies aspired to.

This thesis has explored efforts to strengthen local accountancy professions through capacity building, through a case study of IFAC as well as a field level study of Egypt. As the significance of global standards has grown following the series of global financial crises, IFAC gained a greater role and prominence within both the global regulatory, and international development community. This has been attributed in part to the developments that led to IFAC being embedded more centrally in the networks of the global financial architecture (the inclusion of IFRS/IAS & ISAs in the FSF and the World Bank ROSC, and the endorsement of such standards by major international organisations), but also to IFAC's engagement with international development agencies to expand its outreach through the strengthening of accountancy professions (such as the IFAD and MOSAIC initiatives). Prior studies on IFAC have examined IFAC's role in strengthening the new international financial architecture, its rising significance as a global standard setter, and its related commitments to serving the public interest (Loft et al., 2006; Humphrey et al., 2006, 2009). However, despite IFAC's growing international significance, there has to date been almost no research examining IFAC's expansion strategies and efforts through capacity building. In addition, we are limited in our understanding of how such strategies and efforts impact the development of accountancy professions at the local level and how national accountancy bodies respond to such capacity building efforts. The case of Egypt provides a helpful reference from which we develop understanding of how particular institutional contexts shape the nature of national accountancy professions' responses to global agendas (through capacity building) and allow national bodies to mobilise strategies of resistance.

By utilising rich data obtained from different sources including documents, semi-structured interviews, and focus group discussions, the thesis has examined the engagement of the global accountancy profession with capacity building, and the impact of such engagement on the development of local profession and the local responses to capacity building. This deepened our understanding of how capacity building efforts are undertaken at the global

level to strengthen the worldwide accountancy profession, how they are enacted on the ground, and what has been excluded from capacity building. The first research paper in the thesis (Chapter three) is helpful in setting the institutional context at the global level regarding the accountancy profession capacity building efforts and advances our understanding of the process through which various actors come together and interact around the capacity building 'issue'. The second research paper provides a field level study of Egypt examining how institutional actors 'work' in practice to enable or hinder the changes underpinning these capacity building efforts in the second research paper (Chapter four). Subsequently, the third research paper (Chapter five) has important policy implications for global bodies such as IFAC and international development agencies including the need to focus on accounting educational reform when considering capacity building projects- an area that has been largely neglected by such bodies- in order to achieve desired social objectives. In doing so, the thesis relies on theoretical concepts drawn from the neo-institutional theory such as the concepts of issue-based fields, institutional work, and decoupling.

This final chapter reflects on the overall significance of the study and its implications for subsequent research in this area. In particular, the present chapter interprets the key findings that emerged in the three research papers, in chapters three to five, discusses the implications to the literature and the contributions of the study, and concludes by offering policy recommendations and directions for future research.

6.2 Summary of findings

The current study seeks to answer the following research questions:

- (1) How and why IFAC sought to infiltrate the capacity building issue-based field and become an influential actor in this field?
- (2) How did the accountancy profession in Egypt respond to the disruption and the institutional changes underpinning capacity building efforts?

(3) What are the problems and challenges facing accounting education in Egypt resulting from means-ends decoupling? What is the role of capacity building in addressing these challenges?

6.2.1 Research question 1

The first research question is examined in chapter three, specifically: *How and why IFAC sought to infiltrate the capacity building issue-based field and become an influential actor in this field?* The paper in this chapter seeks to explore how and why IFAC, a prominent global organisation representing the accountancy profession and a global standard setter, sought to engage in capacity building efforts to support the development and growth of accountancy professions in the so-called developing world. The paper mobilises the concept of an issue-based field (Hoffman, 1999) to theorise IFAC's efforts and strategies to infiltrate an emerging field focused on the capacity building issue- what we term 'the capacity building issue-based field'- and gain a prominent position therein.

The paper illustrates the extensive efforts undertaken by IFAC to engage with a range of international development agencies and infiltrate the capacity building issue-based field. We contend that IFAC is a peripheral issue-related actor outside the field of international development where the issue of capacity building arose, but occupying a key position within the existing accountancy professional field. The paper's findings highlight how IFAC initially engaged with the capacity building issue following the Asian financial crisis by establishing the international forum on accountancy development (IFAD) in 1999 in seeking to strengthen the international financial architecture. The new forum brought together the accountancy profession and various international development agencies including the World Bank, to support the development of accountancy professions in developing countries through capacity building, as well as to promote international harmonisation of accounting standards. The expansion and diffusion of international standards served as a way for IFAC to gain support from major international regulators and development agencies as well as grow its status and significance both within the global regulatory community and the international development community. In addition, this was crucial for IFAC to accumulate social capital by developing a close relationship with a network of international development agencies, particularly the World Bank. Although IFAD was subsequently

disbanded following Enron and WorldCom scandals in the US, it had stimulated future collaborative work between IFAC and international development agencies as they had shared a common interest in the capacity building issue. We show how, with the rise of the new international financial architecture and global standards, capacity building came to be framed around the adoption and subsequently compliance and enforcement of international standards. The findings show how IFAC's strategies developed following the subsequent global financial crisis that erupted throughout the 2000s (through its Member Body Compliance Program and the Developing Nations Committee), as it sought to maintain and deepen its relationship with development agencies and catalyse funding for issue-based practices (such as PAO strategic expansion) focused on strengthening and expanding the role of professional accountancy organisations (PAOs) and assisting them in the adoption of and compliance with international standards. We unveil how the extensive social capital that IFAC had built led to the establishment of a new collaborative global capacity building initiative during the Busan meeting, the Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration (MOSAIC). Specifically, this collaboration was a significant step towards facilitating mobilisation of resources (economic and cultural capital) and collective action around capacity building practices (PAO strategic expansion). Hence, in 2014, IFAC received funding from the UK DFID to launch a capacity building program to support the development and growth of accountancy professions in developing countries by mobilising well established professional accountancy organisations such as ACCA, ICAEW, ICAS, etc., and drawing on their knowledge and expertise in partnering with national PAOs. Under this program, IFAC had the authority to select and provide funding to the most suitable delivery partners to work in partnership with PAOs in developing countries to support the development of accountancy professions. The findings show how this strengthened IFAC's position amongst other actors in the capacity building issue-based field. Furthermore, we show how IFAC sought to shape capacity building interpretation and practices in a manner that suits its interests and expansion ambitions. We illustrate how, through IFAC's efforts, the issue of capacity building came to be shaped in a way to include a commitment to strengthening accountancy professions in developing countries and promoting adherence to international standards, which became key to achieving key development goals and contributing to the aid effectiveness agenda. The paper's findings

show how IFAC made its expansion central to the interpretation and enactment of the capacity building issue. Our empirical focus on IFAC's capacity building expansionary efforts provides unique insights into the global expansion strategies being pursued by the accountancy profession, particularly IFAC, to extend its global reach and jurisdiction and exert global professional influence.

6.2.2 Research question 2

The second research question is addressed in chapter four, specifically: *How did the accountancy profession in Egypt respond to the disruption and the institutional changes underpinning capacity building efforts?* The paper in this chapter seeks to examine the work underpinning capacity building efforts undertaken by global actors, to strengthen and develop the accountancy profession in Egypt and realise institutional change. The paper mobilises the concept of institutional work (Lawrence & Suddaby, 2006) to theorise the efforts undertaken by various actors within and outside the accountancy professional field in Egypt in order to enable or hinder institutional changes brought about by capacity building. The institutional work framing enables us to examine the work undertaken by global actors, which disrupted existing institutional arrangements and structures, and the work that institutional actors engaged in as a response to the disruption and the change attempts.

The paper illustrates the capacity building efforts undertaken by global actors such as the World Bank, IFAC, and the EU with the aim of strengthening the accountancy profession in Egypt. The findings of the paper show that such efforts posed significant pressures on the profession in Egypt to instigate change in Egyptian accounting standards and achieve compliance with IAS, as well as instigate legal and regulatory change in line with international standards and practices. The paper reveals the forms of work that key institutional actors engaged in to support the changes brought about by bodies like IFAC and the World Bank by illustrating the efforts they undertook to harmonise Egyptian accounting standards with international standards, and issue a new legislation for the accounting and auditing profession. Specifically, the paper shows that previous efforts to issue a new legislation were unsuccessful, which motivated the EU and the Egyptian government to launch a new Twinning project aimed at reforming the existing legislation by instigating legal and regulatory change. However, the findings reveal that the proposed changes by the

EU were rejected by various actors in the field, viewing them as a potential threat to existing institutional arrangements and the status quo. The EU proposed further amendments to the draft of the law in seeking to reach consensus and agreement among the different actors on its key components. We show how, confronted with the impossibility of overcoming disagreements, the EU failed to issue a new legislation. In addition, the paper's findings illustrate how the attempt to issue a new legislation stimulated significant tensions and conflicts which arose between the various actors in the field regarding their responsibilities such as training, examination, professional education, oversight and supervision.

The paper illustrates the interplay of two forms of institutional work, disruption and maintenance work, and reveals how one form of work (maintenance work) emerges as a response to, or is stimulated by the other (disruption work). The paper reveals how various actors within the field mobilised maintenance strategies in the face of disruption and pressures for change, because doing so serves their interests. These maintenance strategies operated against the global bodies' capacity building efforts to develop the profession and instigate institutional change. We show how the different actors with conflicting and divergent interests were able to engage in institutional work independently, while collectively succeeding in maintaining existing institutional arrangements and hindering institutional change to occur.

6.2.3 Research question 3

The third research question is addressed in chapter five, specifically: *What are the problems and challenges facing accounting education in Egypt? What is the role of capacity building in addressing these challenges?* The paper in this chapter illustrates the problems and challenges facing accounting education in Egypt. It explores how education policies implemented by the government of Egypt, failed to achieve their objectives, leading to undesired outcomes and to fundamental problems in accounting education. The paper mobilises the concept of means-ends decoupling (Bromley & Powell, 2012) to examine the disconnect between formal policies and their outcomes on the ground, as well as its consequences on accounting education. We particularly illustrate the problems and challenges facing accounting education in a country like Egypt, and shed light on the need

for global bodies to focus on improving education when considering future capacity building projects.

The paper illustrates the higher education policies implemented by the Egyptian government in an effort to improve the higher education system in Egypt since the 1990s onwards, which were associated with practices such as the expansion of private higher education sector, quality assurance as well as internationalisation practices. We show how international development agencies such as the USAID, EU, UNESCO as well as the World Bank, have helped the government reform its higher education policies and practices and provided support to higher education institutions. However, our findings direct attention to the disconnection between the policies implemented and their outcomes as such policies failed to achieve their intended outcomes and led to undesired outcomes such as the deterioration in the quality of education. At the same time, the paper illustrates how the decoupling of means and ends has affected accounting education leading to fundamental problems such as high unemployment rates of accounting graduates, poor quality and relevance of accounting education, disparities in educational opportunities, achievement, and outcomes between public and private universities, and poor perceptions of the accountancy profession. The paper addresses the challenges facing [higher] accounting education and the changes needed from the perspective of Egyptian accounting students and academics. In addition, the paper's findings direct attention to the need for global bodies to shift their focus and resources away from compliance with and enforcement of standards toward other important issues that are of particular interest to developing countries such as education. The paper offers policy recommendations as for the need for capacity building to focus on improving education in order to improve quality, access, and relevance of accounting education and thereby contribute to the realisation of national social and economic goals.

6.3 Implications of findings

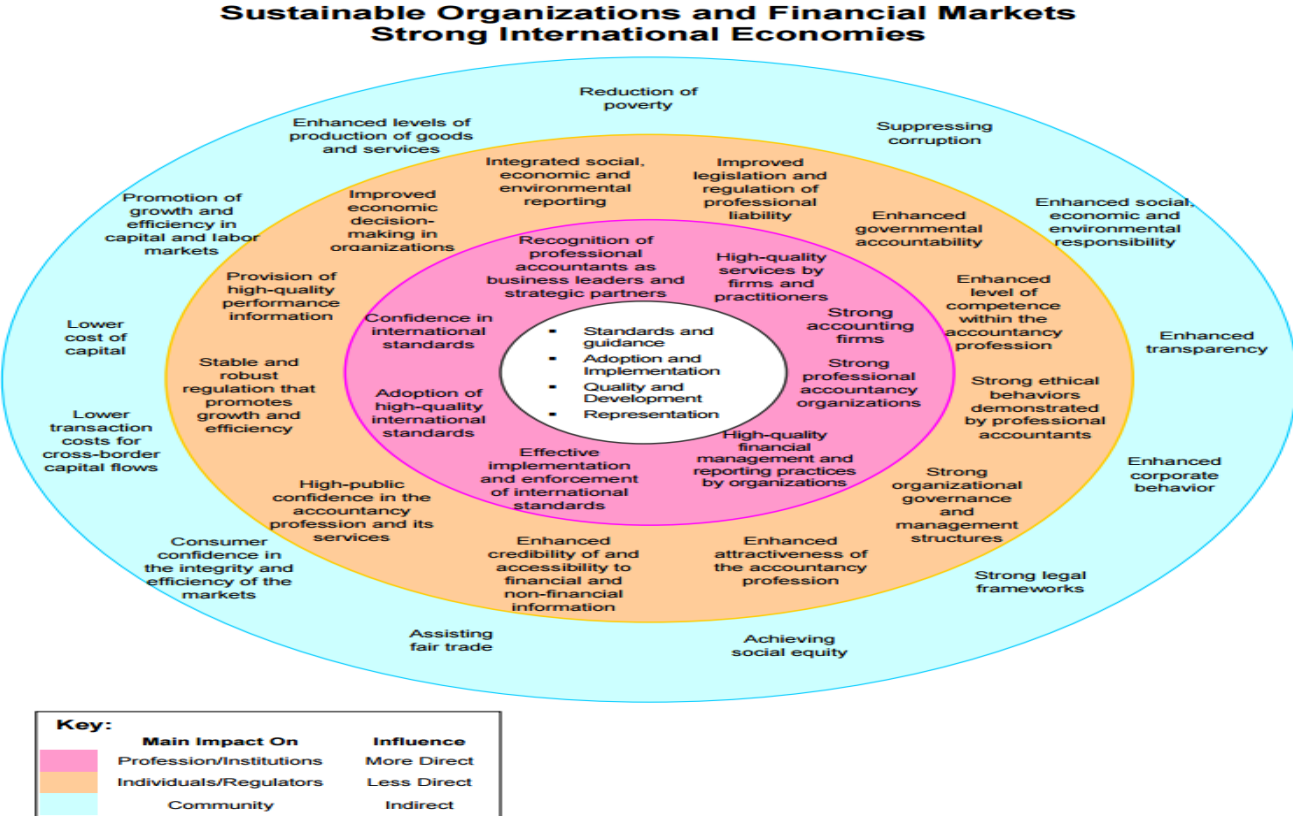
This thesis enhances our understanding of capacity building efforts undertaken by the global accountancy profession with the support of international development agencies to strengthen local accountancy professions. The thesis provides an illustration of what capacity building came to represent and the role that the global accountancy profession, played to strengthen local accountancy professions particularly in developing countries and expand global

accounting practices and standards. The thesis also illustrates what these efforts have achieved in a national context such as Egypt, and what is being excluded. This in turn has various research implications, which are presented below.

The thesis deepens our understanding of the ways in which the accountancy profession demonstrate its commitments to serve the public interest. While accounting scholars made great efforts to examine and understand the meaning of public interest by examining the rhetorical claims made by accountancy bodies (See for example Parker, 1994; Dellaportas & Davenport, 2008; Boyce, 2014; Williams, 2014; Baker, 2005, 2014; Canning & O'Dwyer, 2006; Paisey & Paisey, 2018, etc.), the extent to which the profession's public interest commitments have had explicit material impact has not been a major focal point. By focusing on IFAC's engagement with capacity building, this thesis shows that capacity building is a mechanism by which the accountancy profession demonstrate its commitments to the public interest, and that the profession has defined and limited the public interest in relation to capacity building. Specifically, paper one (Chapter three) reveals that IFAC's capacity building expansionary efforts became central to its commitment to serving the public interest and to fulfilling its mission of the worldwide development of the accountancy profession. However, at the heart of such commitment has been promoting adherence to high quality international standards, which would in turn attract foreign investments and contribute to the development of sound capital markets. The public interest becomes defined in a way to include and prioritise the interests of investors and others with interests in the capital markets, while the social dimension seems largely absent (Boyce, 2014; Baker, 2005; Paisey & Paisey, 2018). This prioritisation is also evident in the strategic plans developed by IFAC for 2009-2012 and 2013-2016, which illustrate in a diagram how its work serves the public interest by undertaking a set of core activities presented in the centre circle. IFAC places its mission in the centre circle, and seeks to achieve it in an effort to influence various social outcomes, which it places in the last circle (See Figure 6.1 p. 214). The diagram emphasises that IFAC will have a direct impact on the accountancy profession (the second circle reflects those outcomes), a less direct impact on the regulatory community (the third circle reflects those outcomes), and an indirect impact on the wider community (the fourth circle reflects those outcomes). Evidently, IFAC continues to place a primary emphasis on standard setting and promotion of and compliance with international standards in the pursuit

of public interest, while placing the social outcomes on the periphery. Hence, the public interest obligations of the accountancy profession become explicitly connected and restricted by a standard-setting element, and consequently, the public interest becomes narrowly defined. Our analysis is consistent with Paisey & Paisey’s (2018) contention that the accountancy profession has defined and limited the public interest. Therefore, the public interest that the profession serves is merely “the particular public interest the profession is willing to serve” (Williams, 2014, p. 168). Williams (2014) criticises IFAC’s public interest framework and considers it as a strategy to legitimise what the profession does rather than a genuine effort at self-examination and transformation of the profession into a practice that serves the general welfare. According to Williams (2014), the view of economics underlying IFAC’s public interest perspective is inadequate and thus the profession is clearly self-oriented. Therefore, we suggest that if the accountancy profession truly wants to serve the public interest, then the socially desirable outcomes need to be placed in the centre circle.

Figure 6.1- IFAC Diagram



Furthermore, the thesis deepens our understanding of how professional actors engage with capacity building to advance their expansion interests and agendas, extend their reach, and grow their global significance. For example, Samsonova-Taddei & Humphrey (2014) unveil the work carried out by national professional accountancy bodies that are globally active such as ACCA, ICAS, and ICAEW, in order to facilitate their expansion ambitions and gain a greater global presence. As part of their global expansion strategies, such bodies have engaged with capacity building by offering and expanding their qualifications, training, and continuing professional development programs to various developing countries, with the intent of raising their international profile outside their national jurisdictions. Paper one (chapter three) however, illustrates the activities and developments that served to bolster the role and significance of IFAC within both the global regulatory community and the international development community. This has been attributed in part to IFAC's capacity building expansionary efforts and the emphasis on compliance and enforcement of international standards, but also to the pressures placed on IFAC in light of concerns with the adequacy of global financial regulation and standards following the Asian crisis and the developments that led to IFAC being embedded more centrally in the networks of the global financial architecture. Particularly, the inclusion of international accounting and auditing standards (IFRS/IAS & ISAs) in the FSF recommended list of standards, and the recognition of IFAC as a global standard setter served as a way for IFAC to garner the support of major international organisations (Humphrey et al., 2009; Loft et al., 2006). Moreover, this assisted IFAC to embed itself within the international development community and draw support from major international development agencies including the World Bank to advance its interests in promoting adherence to international standards, extend its reach and jurisdiction into developing countries, and grow its role and significance.

In addition, the thesis develops our understanding of how national professional bodies respond to global agendas and resist such dominating global influences (Samsonova-Taddei & Humphrey, 2014). The second research paper (Chapter four) enhances our understanding of how particular institutional settings shape the nature of national accountancy profession's response to global pressures and agendas (Blavoukos et al., 2013; Canning & O'Dwyer, 2016). Specifically, the paper's findings illustrate the resistance strategies undertaken by Egyptian accountancy bodies in response to the pressures exerted by global actors thereby

failing to instigate institutional change underpinning capacity building efforts. This finding provides an illustration of how capacity building efforts struggle to achieve their outcomes, and the challenges and obstacles that global accountancy bodies and development agencies face in particular local contexts. Hence, through our case analysis, we illuminate how local institutional contexts and factors constrain the impact and effectiveness of such efforts and limit the processes of change. An important implication here is that successful capacity building, and in turn a strong local accountancy profession, requires an understanding of the broader social, cultural, political and economic environment to preempt unintended impacts and address issues that are more relevant to developing countries. The third research paper (Chapter five) identifies the need to first focus efforts on improvements in areas such as education given its contribution to social and economic progress in developing countries. This would in turn contribute to the development of a strong national accountancy profession, and to socio-economic development and poverty reduction, which is what developing countries, and Egypt specifically, need.

Lastly, the thesis enhances our understanding of the role of the accountancy profession in processes of institutional change. Prior work tend to focus on the role of professionals and professional service firms, such as the Big Four accounting firms, in processes of institutional change by extending their range of services and engaging in new services (Hinings, Cooper & Greenwood, 1999; Suddaby et al., 2007; Muzio et al., 2013; Greenwood et al., 2002; Greenwood & Suddaby, 2006). Other studies examine the changes in regulatory arrangements through the formation of independent oversight bodies (Canning & O'Dwyer, 2016; Caramanis et al., 2015). Actions of professional accounting bodies have also attracted some attention in the literature with scholars examining how such bodies play a role in changing the boundaries of professional practices (Fogarty et al., 2006), and in legitimating change (Greenwood et al., 2002). Yet, this thesis reveals the role that global accountancy bodies such as IFAC, as well as international development agencies play in seeking to implement institutional change at the local level by engaging in capacity building efforts to strengthen local professions by supporting changes in accounting standards, and in legal and regulatory frameworks in line with international standards and practices. These bodies become seen as agents of institutional change with a significant capacity to shape and influence the development of local accountancy professions. The thesis adds insight into

how globalisation and international organisations like the World Bank, and global accountancy bodies are significant in promoting and imposing Western accounting standards and practices in non-Western contexts.

6.4 Theoretical contributions

6.4.1 Issue-based fields

The first paper of the thesis (chapter three) advances the mobilisation of Hoffman's (1999) theoretical concept of an issue-based field to better comprehend how the issue of capacity building initially arose in the field of international development, and how the field focused on capacity building- the capacity building issue-based field- emerged and evolved bringing together disparate actors from various exchange fields to which the issue relates. Previous work exploring the emergence and evolution of issue-based fields uncovers how powerful central actors mobilise resources and collective action surrounding the issue, and influence how the issue is interpreted and acted upon in the field (see Hoffman, 1999; O'Sullivan & O'Dwyer, 2015). In contrast to this work, our paper illustrates the important role of a peripheral issue related actor whose position became more significant (IFAC), in shaping the issue-based field. Specifically, the paper shows how IFAC sought to infiltrate the capacity building issue-based field and gain the necessary resources (such as social, economic and cultural capital) to mobilise actors (professional accountancy bodies) around issue-based practices (such as professional accountancy organisation (PAO) strategic expansion). In addition, the paper reveals how IFAC sought to shape the interpretation of, and associated capacity building practices in a manner aligned with its preferred interests and expansion ambitions.

Furthermore, the paper develops our understanding of how multiple fields interact, in other words how field members interact with members of other fields. Our theoretical focus allows us to examine the interaction of issue-based fields (capacity building issue-based field) and exchange fields (professional exchange field of accounting and international development exchange field). In doing so, we respond to recent requests for more research examining field to field interactions that would help in addressing societal issues, an area which remains under-explored empirically (Zietsma et al., 2017). Particularly, it is important

in studying the capacity building issue to examine interfiled relationships as it is an issue of societal concern associated with broader development goals such as economic growth and poverty reduction and that concerns multiple fields and actors. Our findings reveal the collaborative nature of interactions between actors from multiple exchange fields such as IFAC and international development agencies around the capacity building issue. This contrasts with previous work on issue base fields, which reveal that interactions between issue related actors are often contested and confrontational (Hoffman, 1999; Wooten & Hoffman, 2008; O’Sullivan & O’Dwyer, 2015).

In addition, the paper reveals how the blending of institutional logics occurs in issue-based fields (Zietsma et al., 2017). Extant studies on issue-based fields tend to emphasise that such fields feature multiple, often competing logics as they contain a constellation of actors with competing interests and logics (Hoffman, 1999; Wooten & Hoffman, 2008; O’Sullivan & O’Dwyer, 2015; Hinings et al., 2017). Our theoretical focus highlights how IFAC aligned various issue related actors around common meaning systems and practices to achieve common objectives, by borrowing and blending distinct exchange field logics such as the effectiveness, market and professional logics. Specifically, the paper reveals how IFAC made the capacity building issue and its associated capacity building practices, an issue that international development agencies supported as being important to advancing the international development effectiveness agenda and contributing to sustainable development goals that the international development agencies aspired to.

6.4.2 Institutional work

The second paper of the thesis (chapter four) advances our understanding of the concept of institutional work. Professions are considered as key agents of institutional change that intentionally engage in institutional work as an inherent part of the process of professionalisation (Suddaby & Viale, 2011). A growing number of studies has explored the institutional work undertaken by professionals and other actors associated with the professions to influence the processes of institutional change (see for example Hayne & Free, 2014; Canning & O’Dwyer, 2016; Currie et al., 2012; Micelotta & Washington, 2013). This paper examines the forms of work underpinning capacity building carried out by the various actors associated with the Egyptian accountancy profession, occupying positions

within and outside the profession, to strengthen the profession and influence the processes of institutional change. The findings reveal that global bodies' capacity building efforts aimed to instigate legal and regulatory changes, prompted institutional disruption.

By investigating the actions undertaken in a professional setting in Egypt to respond to international pressures for change through capacity building, the study extends the literature on institutional maintenance (Currie et al., 2012; Micelotta & Washington, 2013; Trank & Washington, 2009; Marti & Fernandez, 2013; Raviola & Norback, 2013). The findings reveal the forms of maintenance work undertaken by key institutional actors in the field to maintain existing institutional arrangements and the status quo, which were disrupted. Specifically, the paper extends the limited theorisation of maintenance work by identifying two forms of work, resisting and preservation work, that the actors engaged in to oppose institutional changes which threatened their status and authority in the field. In doing so, the paper responds to calls for further research focusing on the work undertaken by institutional actors to maintain the status quo in the face of change (Canning & O'Dwyer, 2016). Hence, the paper highlights the maintenance strategies pursued by powerful and less-powerful actors to respond to institutional pressures for change, whereas existing studies typically illustrate the maintenance work that powerful incumbent actors engage in to maintain existing institutions in the face of field-level pressures for change (Micelotta & Washington, 2013; Furnari, 2016; Weiss & Huault, 2016; Currie et al., 2012; Moisander et al., 2016). Moreover, the paper develops our understanding of the importance of the political and institutional contexts at the domestic level in shaping national response to global institutional pressures (Blavoukos et al., 2013). Particularly, the paper suggests that the specific institutional context in Egypt as well as actors' social position and authority in the field frame the maintenance work that institutional actors engage in and enable them to resist change. The case of Egypt provides a good example of resistance to capacity building and change given its particular institutional settings whereby national powerful groups control the profession, deepening our understanding of how strategies of institutional work are employed that drive resistance among field actors (Moisander et al., 2016). In addition, our findings show that actors privileged by existing institutional arrangements are unlikely to pursue institutional change, which they consider as inappropriate. Although our findings direct attention to the supportive interactive work (Canning & O'Dwyer, 2016), such as

legal and regulatory defining work instigated by the government as well as institutional actors in Egypt to enable institutional change, our study offers a case of failure of institutional work associated with unsuccessful instances of legal and regulatory change. In doing so, the paper addresses a limitation of institutional work studies which tend to illustrate successful implementation of institutional work associated with successful instances of institutional change (Canning & O'Dwyer, 2016; Gawer & Phillips, 2013; Empson et al., 2013). As such, our study shows that the maintenance work operated against global bodies' capacity building efforts, making disruption efforts more likely to fail, and institutional change less likely to occur.

6.4.3 Decoupling

The third paper of the thesis (chapter five) advances our understanding of the concept of decoupling, in particular means-ends decoupling. The concept of decoupling introduced by Meyer & Rowan (1977) has been a central idea in institutional theory, and refers to “a conscious disconnect between organisational practice and organisational structure” (Boxenbaum & Jonsson, 2017, p. 80). Existing studies suggest that organisations frequently decouple when subjected to institutional pressures in order to survive (Boxenbaum & Jonsson, 2017). This paper examines how decoupling occurred in the Egyptian higher education field in the face of increasing institutional pressures which arose from the need for Egypt to improve the quality, access, and relevance of the higher education system. While prior work focused primarily on the decoupling of policy and practice when policies are unimplemented, little attention has been paid to the decoupling of means and ends when policies are implemented but fail to achieve the envisaged goals that the policies are meant to serve. In addition, there remains a limited understanding of how and why organisations implement policies that are decoupled from the intended outcomes (Bromley & Powell, 2012; Wijen, 2014; Dick, 2015). Decoupling of means and ends include instances where policies are implemented but scant evidence exists to show that these activities are linked to organisational effectiveness or outcomes (Bromley & Powell, 2012, p. 496). Specifically, this paper examines the means-ends type of decoupling in the higher education field in Egypt wherein policies implemented were decoupled from their intended outcomes, as well as its consequences on higher accounting education. In doing so, it responds to calls for

further research examining field-level consequences of decoupling as well as to calls to further examine the means-ends type of decoupling (Boxenbaum & Jonsson, 2017; Bromley & Powell, 2012).

In addition, the paper advances our understanding of the process through which means and ends move from being decoupled to being coupled or tightly connected. Previous work shows that, over time, the decoupled structure (policy) and action (practice) can become coupled, and thus the ceremonial adoption and decoupling may lead to full implementation (Boxenbaum & Jonsson, 2017, p. 89). This process has been referred to as recoupling by Espeland (1998) whereby formal policies and daily practices move from being disconnected to being closely linked thereby reducing the gap between policies and practices. Bromley & Powell (2012) further highlight that over time, the gap between means and ends may also be reduced. Extending the work of Bromley & Powell (2012), Dick (2015) argues that the recoupling of means and ends occurs as actors strive to resolve incompatibilities on the ground. Paper three offers empirical evidence that allows us to suggest that capacity building targeted at improving accounting education in Egypt is a means of achieving the social goals associated with education, and can act as a recoupling mechanism to closely align or reduce the gap between means and ends that may lead to the achievement of desired outcomes and contribute to national development and social goals. Further, our findings direct attention to the need for global bodies to support accounting education to address the problems associated with accounting education and the local socio-economic challenges facing Egypt.

6.5 Practical insights and policy recommendations

The findings of the three papers within this thesis provide practical insights that can inform public policy. The first paper (chapter three) provides an illustration of the engagement of the global accountancy profession with capacity building efforts aimed at strengthening local accountancy professions through a case study of IFAC. The paper reveals how such efforts became explicitly connected to notions of financial stability, and to the adoption of and compliance with international accounting standards. The second paper (chapter three) examines capacity building efforts undertaken in a local context, specifically in Egypt. Particularly, the second research paper illustrates how these efforts undertaken by global

actors that aim to enhance and strengthen national accountancy professions may fail in a particular local context such as Egypt. The study of Egypt illuminates how particular national contexts may affect the outcomes of capacity building and represents an interesting case of resistance to capacity building. In addition, this study illustrates a clear need for global actors to redesign future capacity building projects to increase effectiveness in particular local contexts. Building on the findings of the second paper, the third research paper (chapter four) provides important insights on the need for global bodies like IFAC and international development agencies to focus on areas such as accounting education when considering future capacity building projects, which is of particular importance for the development of local accountancy professions in developing countries, and in Egypt specifically.

This thesis offers the following policy recommendations. First, this study provides insights for key players involved with the accountancy profession in Egypt and internationally, as well as development agencies on the need to formulate targeted capacity building projects that tackle the specific needs and priorities of developing countries to achieve the ultimate objective of advancing economic growth and poverty reduction in a particular national context. Consistent with prior work, we propose that capacity building is not a thing or a commodity that can be reduced to a set of ingredients for a universal recipe prescribing ‘how to do it’, but rather should help in understanding diverse needs and forming long-term strategies to tackle those needs (Eade, 1997, 2007). In addition, global accountancy bodies as well as development agencies must not assume that their priorities and interests coincide with those of the accountancy profession at the local level. Further, as every context presents its own specific challenges, what works in a dynamic and turbulent context such as Egypt, may not work in another country. We therefore suggest that future capacity building must be tailored to each country context and environment and aligned with national priorities and interests, rather than having a pre-defined agenda. In addition, global accountancy bodies and development agencies must focus on the priorities set by developing countries, and pursue their implementation through country-led capacity building strategies. Such strategies should differ from country to another, depending on the country context and the local political and cultural environment within which people, organisations and governments are embedded in order to produce more concrete results on the ground and ensure the

effective delivery of aid. In addition, this would necessitate better coordination between key stakeholders including the international development community, the global and local accountancy profession, governments, regulators, educational institutions and relevant ministries as well as others.

Second, the thesis reveals that, in order to ensure effective implementation of capacity building projects and contribute to lasting and sustainable change, the accountancy profession and international development agencies should shift their focus and resources away from enforcement of and compliance with international accounting standards, toward other important [social] issues that are that are of particular interest to developing countries. Given the key role that education in general and higher education in particular play in social and economic development, improving higher accounting education must be considered a top priority by global bodies when considering capacity building projects. Specifically, in a rapidly growing higher education system, with a population growth from 2.3 million in 2014 to 2.7 million students in 2017¹⁴³, making the higher education system one of the largest in the Middle East and North Africa (MENA) region, improving and ensuring effective education systems in Egypt remains key to building a sustainable economy (OECD, 2015). In recognition of the critical role of education reform in Egypt's social transformation and in promoting sustainable and inclusive economic growth in the country, the World Bank announced in 2018 a new US \$500 million investment to develop and modernise the pre-university education system for public schools in Egypt¹⁴⁴. However, urgent attention needs to be given to improving the higher education system in Egypt to overcome serious and chronic problems such as the deterioration in the quality of public education, inequality of educational and economic opportunities, and the high rates of youth unemployment which represents a serious wastage of public resources (OECD, 2015; EU, 2018). In particular, we propose that developing a high quality accounting education system should be a top priority for global bodies' capacity building efforts. Supporting capacity building in accounting education would have a marked impact on the development of a strong accountancy

¹⁴³ Ministry of Higher Education (MOHE), Higher education in numbers between 2014-2017, <http://portal.mohe.gov.eg/ar-eg/Pages/Higher-education-in-numbers.aspx>

¹⁴⁴ The World Bank, News, April 23, 2018, World Bank provides US \$500 million to Egypt for improving teaching and learning conditions in public schools, <https://www.worldbank.org/en/news/press-release/2018/04/13/world-bank-provides-us500-million-to-egypt-for-improving-teaching-and-learning-conditions-in-public-schools>

profession and would thereby contribute to economic growth and social progress in Egypt, which is what Egypt needs. Another key recommendation for accountancy organisations is to work closely with ministries of education and local educational institutions, such as universities, to strengthen accounting education systems and ensure that accountancy curricula produce capable, competent and work-ready accounting graduates, which form the next generation of the accountancy profession.

Currently, the global accountancy profession is working toward improving global accountancy education and professional development to respond to the challenges of a rapidly changing environment. Particularly, in 2018, IFAC and the IAESB announced the transition from the current standard setting board to a new model to progress international accounting education. This was followed by the establishment of a new advisory group (the International Accountancy Education Transition Advisory Group) to advise on the model's development and transition plans. IFAC and IAESB asserted that the new model will continue to focus on maintaining and promoting international education standards (IES), supporting implementation through guidance and capacity building, and monitoring compliance, which would have a better impact on the quality of accountancy education and hence on the profession. However, in order to address socio-economic challenges and issues affecting developing nations, focusing efforts on improving higher education is more crucial than adoption of the standards IFAC supports (IES and others). If we want to embrace change, then we should start with changing the way people are educated and trained, rather than promoting international standards and educating people about them. Current or future professionals need to be educated differently about the social functioning of accounting, the role and contribution of the accountancy profession to society and the public, and what the profession can do to maximise its impact on societal issues such as poverty and inequality, and contribute to economic growth. In an environment with high levels of fraud and corruption, efforts to achieve sustainable development can be futile. Hence, the profession has a significant role here in delivering responsible, ethical, and capable young professionals that can better serve society and combat corruption, and this goes back to education.

6.6 Directions for future research

Further research should document and analyse empirically how capacity building efforts aimed at strengthening local accountancy professions are undertaken and implemented in other jurisdictions, and the outcomes of such efforts. Although the global accountancy profession deepened its engagement with the global development community to expand and strengthen the role of accountancy professions in developing countries as well as expand global accounting practices and standards, research on this subject remains in its infancy. More empirical studies are needed for monitoring and evaluating these capacity building efforts and for future policymaking.

In addition, national professional bodies operating at the global level have engaged with a range of partners globally including international development agencies, national accountancy professional bodies, governments, regulators, and standard setters to support compliance with international standards and practices and strengthen accountancy education and professional development in developing countries through capacity building. For instance, ACCA and ICAEW published on their websites information on the capacity building projects they undertook, as well as they produced reports relating to their capacity building expansion activities. Although IFAC depends substantially on funding from these national professional bodies and its member bodies, the funding that IFAC received from the UK DFID to support its capacity building program launched in 2014 assisted in growing its status and significance amongst other professional bodies. Surprisingly, ICAEW has recently published information on its online magazine (*Economia*) relating to its capacity building projects in countries in Asia and Africa, with no mention of IFAC¹⁴⁵. In particular there is a need to further explore whether there are any tensions in the network of accountancy bodies engaged with the global development community to support the development of local professions through capacity building.

Furthermore, from the mid-1990s onwards, especially since the Enron crisis, IFAC has undertaken a range of activities to support the development of local accountancy professions through capacity building, and improve compliance with international standards. This

¹⁴⁵ ICAEW, 04 April 2019, A global reach, <https://economia.icaew.com/features/april-2019/a-global-reach>

included the establishment of the Member Compliance Program and the Compliance Advisory Panel (CAP) to support compliance with IFAC SMOs. However, this thesis (particularly Paper two) shows that the role that IFAC played in strengthening the profession in a particular national context (such as Egypt) hasn't been significant. This highlights opportunities and venues for future research to examine the IFAC's relationship with national accountancy organisations, and its influence on the development of local professions as it seeks to demonstrate its commitment to pursuing the public interest.

Moreover, within the 2030 Agenda for Sustainable Development, capacity building, broadly defined, has been recognised by the international community as a core vehicle for achieving the UN Sustainable Development Goals (SDGs). In particular, SDG target 17.9 aims to enhance international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all the SDGs. Particularly, the accountancy profession has reconsidered its role in helping to realise and achieve the UN goals. In this respect, British and international leaders of the accountancy profession began to express commitments towards the SDGs, as well as they embraced the SDGs as a new framework for their existing commitment to pursuing the public interest. For instance, the AICPA published a guide on the role that management accountants can play to achieve the goals. Moreover, IFAC published a policy document in 2016 highlighting how the accountancy profession could contribute to at least eight of the seventeen goals such as quality education; gender equality; decent work and economic growth; industry, innovation, and infrastructure; responsible consumption and production; peace and justice and strong institutions; climate action; and partnerships for the goals. However, although leaders of the profession expressed publicly their commitments to the SDGs, they had failed to demonstrate how in practice they are achieving these goals, using them as a coherent narrative for things they are already doing. IFAC's concentric circles diagram (Figure 6.1 p. 214) shows that the accountancy profession only embraces these social goals in a very limited way, while giving preference to the achievement of pre-defined results and putting the adoption of compliance with international standards at the centre of its public interest commitments. This provides an opportunity and need for future work to provide an in-depth examination of the ways in which the accountancy profession, can maximise its societal impacts and help in realizing development goals, driving development efforts forward, and

overcoming development challenges and constraints to sustainable growth in developing countries, such as Egypt. Furthermore, the profession's commitment to improve education quality (SDG #4) has involved developing and expanding professional education and skills as well as providing continuing professional education, to help foster the development of the profession in developing countries and contribute to economic prosperity. However, none of these can be achieved without improving the quality of higher education systems and institutions. This leaves unanswered questions: How to achieve quality education, if higher [accounting] education is not supported in countries that require assistance and support? What is the role of the global accountancy profession capacity building efforts in rebuilding and strengthening education systems and institutions, which are prerequisites for sustainable development? Further research is needed.

Lastly, major international organisations and development agencies such as the World Bank, USAID, OECD as well as others took up the fight against corruption as an integral part of reducing poverty and fostering sustainable economic, political, and social development in developing countries. The World Bank recognises that corruption is a global problem that requires global solutions. In fact, fraud and corruption represent major obstacles to achieving the SDGs. Particularly, following the 2014 World Congress of Accountants in Rome, the global accountancy profession has been challenged by Pope Francis to do more in the global fight against fraud and corruption¹⁴⁶. In response to these challenges, IFAC stressed that it had intensified its efforts in several ways to help combat fraud and corruption, and highlighted that its first and key priority was the development of accountancy professions in developing countries through capacity building¹⁴⁷. The findings of a recent study by IFAC on the role of accountants in detecting corruption highlight that good governance, accountability, good financial management, transparency, and global adoption of high quality international standards on financial reporting, auditing and ethics-at the core of a strong accountancy profession- are key pillars for achieving meaningful

¹⁴⁶ IFAC Press Releases/News Alerts, November 17, 2016, Accountancy profession critical in fight against fraud and corruption, <https://www.ifac.org/news-events/2016-11/accountancy-profession-critical-fight-against-fraud-and-corruption>

¹⁴⁷ IFAC Comment Letters, November 17, 2016, The accountancy profession: Fighting fraud and corruption, <https://www.ifac.org/publications-resources/accountancy-profession-fighting-fraud-and-corruption>

success¹⁴⁸. For IFAC, these standards underpin the profession's role in detection of fraud, corruption, and bribery, and strengthen organisations to assist in prevention¹⁴⁹. This thesis reinforces recent calls for future research to monitor the role played by IFAC in tackling corruption (Jeppesen, K.K., 2018). Further, prior studies in the accounting literature examining the relationship between accounting practice and corruption show that the adoption of high quality accounting practices (with reference to International Public Sector Accounting Standards (IPSAS)) facilitates the production of credible accounting information, which can enhance transparency and accountability and thereby help in reducing corruption (See for example Groot & Budding, 2008; Mack & Ryan, 2006). More recent studies considered the combined roles of accounting practice and decentralisation on corruption (Changwony & Paterson, 2019). However, to date, the relationship between capacity building- which supports the adoption of and compliance with high quality international standards- and corruption hasn't been addressed. Further research is needed to examine such relationship and the progress achieved towards combatting fraud and corruption through capacity building. Such analysis can help to understand whether the accountancy profession's capacity building efforts are delivering results in key areas such as the fight against corruption and achieving sustainable development. In addition, this enhances understandings of whether the profession at the global level (such as IFAC) is proactively addressing matters of critical importance to the public interest, such as corruption.

¹⁴⁸ IFAC (2017), The Accounting profession- Playing a positive role in tackling corruption

¹⁴⁹ IFAC Press Releases/News Alerts, May 16, 2016, Strong international standards, governance & ethics help fight bribery, <https://www.ifac.org/news-events/2016-03/strong-international-standards-governance-ethics-help-fight-bribery>

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APPENDICES

Appendix 1. Paper one: Details of documentary sources & archival data

Published speeches by key actors:

- James Wolfensohn speech, during the World Bank and IMF 1999 annual meeting, ‘Coalitions for change’
- James Wolfensohn speech at the World Congress of Accountants in Paris in 1997, ‘Accountants and Society: Serving the Public Interest’
- Warren Allen speech, during the Signing ceremony for MOSAIC: Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration, Fourth High Level Forum on Aid Effectiveness, Busan, South Korea

IFAC press releases:

- IFAC press releases between 2011 and 2016 where reference to capacity building was made
 - IFAC Press Releases/News Alerts, November 30, 2011, New York and Busan, South Korea, IFAC Signs MOU with International Donor Community
 - IFAC Press Releases/News Alerts, October 2013, International Donor Initiative Releases Report Assessing Accountancy’s Global Landscape
 - IFAC, Press Releases/News Alert, April 10, 2014, DFID Approves £4.935M Funding for IFAC PAO Development Activities
 - IFAC Press Releases/News Alerts, November 2014, IFAC and International Donor Initiative MOSAIC Launch New Website to Support Global Accountancy Profession Development
 - IFAC, Press Releases/News Alert, 15 September, 2015, Taking Ghana’s accountancy qualification to a new level
 - IFAC, Press Releases/News Alert, January 05, 2016, IFAC selects ACCA to strategically strengthen accountancy profession in Rwanda
 - IFAC, Press Releases/News Alert, May 09, 2016, IFAC Announces New Partnership in Zimbabwe to Strengthen Accountancy Capacity in the Public Sector
 - IFAC, Press Releases/News Alert, October 06, 2016, New North-South Joint Venture Between ACCA and ICPAK to Support Accountancy Development
 - IFAC, Press Releases/News Alert, October 12, 2016, A passion to support local economies and public interest is critical to capacity building success
 - IFAC, Press Releases/News Alert, October 15, 2018, Beginning a Journey to a Stronger Accountancy Profession in Kyrgyzstan, <https://www.ifac.org/tags/capacity-building-0>
- ICAEW and ICAS news in 2015 where reference to their capacity building work in emerging and developing countries was made
 - ICAS News, 19 October, 2015, ICAS and CIPFA in Uganda partnership
 - ICAEW News, 16 September, 2015, ICAEW to develop Ghana’s accounting profession
- Press releases from the British government website in 2014 making reference to IFAC’s Professional Accountancy Organisation Capacity Building Program (PAO CB) funded by the UK DFID
 - GOV.UK, Press Release, 13 January 2014, DFID drafts in UK accountancy skills to boost international development
 - GOV.UK, Press Release, 10 April 2014, British accountants to develop accountancy expertise in Africa and Asia

Online magazines:

- The Accountant, 2 October 2014, IFAC gathers momentum for PAO Capacity Building

- The Accountant, 12 May 2017, A strong profession in Africa means a strong global profession, IFAC President Rachel Grimes says.
- Accounting Today Magazine, 06 July 2016, IFAC pushes to build accounting profession in developing world, By Michael Cohn.

Archival material on IFAD:

- IFAC 1999, 'International Forum on Accountancy Development – A proposal to strengthen accounting capacity in developing and transitional economies'.
- IFAC Quarterly, January 1998, IFAC Council and Assembly Positions Profession to Meet Future Challenges, Vol. 21 No 3.
- IFAC Quarterly, April 1999, IFAC Takes the Lead in Advancing Accountancy Development, Vol. 22 No 4.
- The CPA JOURNAL, August 1999, International Forum on Accountancy Development launched
- IFAC, 2000, Background information, International Forum on Accountancy Development
- IFAC Quarterly, January 2000, 'Council members focus on IFAC structure and future development of the profession, Vol. 23 No 3.

Websites of key actors:

- Information obtained from websites of key actors such as the World Bank, IFAC, and ICAEW on capacity building:
 - The World Bank, aid effectiveness, <http://data.worldbank.org/topic/aid-effectiveness>
 - ICAEW, International Capacity Building, <http://www.icaew.com/en/about-icaew/act-in-the-public-interest/international-capacity-building>
 - IFAC, PAO Development Committee, <http://www.ifac.org/about-ifac/developing-global-profession/pao-development-committee>
 - IFAC, PAO Capacity Building Program, <https://www.ifac.org/about-ifac/developing-global-profession/pao-capacity-building-program>
 - IFAC, Developing the global profession – Current arrangements, <https://www.ifac.org/about-ifac/developing-global-profession/current-agreements>
 - IFAC, PAO Capacity Building Series, <https://www.ifac.org/about-ifac/developing-global-profession/pao-capacity-building-series>
 - IFAC, Framework for PAO Capacity Building, <https://www.ifac.org/about-ifac/developing-global-profession/framework-pao-capacity-buildi>

Published reports:

- IFAC annual reports (2005, 2006 & 2009)
- IFAC Newsletter in July 2005 emphasizing the role of its Developing Nations Permanent Task Force (DNPTS) in building the capacity of accountancy professions in developing countries, 'IFAC collects information on developing nations and speaks out on their behalf'
- IFAC submission to the G20 providing a number of recommendations to bring about the required changes in the international financial system (IFAC, 2009a)
- IFAC Strategy and work plan 2011-2014 (IFAC, 2013)
- IFAC report on the Developing Nations Committee (IFAC, 2009b)
- The Memorandum Of Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration (MOSAIC), report in 2013: the Professional Accountancy Organisations Global Development Report (PAO GDR)
- ICAEW report, Building capacity for a sustainable future (ICAEW, 2014)
- ACCA Capacity Building brochure, Developing the profession (ACCA, 2015)
- G20 summit letter in April 2009 on how best to respond to the global financial crisis
- World Bank reports making reference to capacity building of the accountancy profession (1994, 2000, 2001, 2005)

Appendix 2. Paper two: List of interviewees

Code	Interviewee background	Interview duration (Round 1)	Interview location	Interview duration (Round 2)	Interview location
I1	Member of FRA, responsible for the Audit oversight unit	77 minutes	Egypt	45 minutes	Phone interview
I2	ESAA board member and chairman of ESAA's standards committee	108 minutes	Egypt		
I3	FRA board member	55 minutes	Egypt		
I4	Advisor to the Ministry of Finance & World Bank specialist	98 minutes	Egypt		
I5	ESAA board member	54 minutes	Egypt		
I6	President of EIAA and managing partner of a large accounting firm	123 minutes	Egypt		
I7	Member of the Ministry of Investment and International Cooperation			40 minutes	Skype interview
I8	Director of the EU-Egypt Twinning project	100 minutes	Egypt	72 minutes	Skype interview
I9	ESAA member, and partner at one of the Big 4 firms	87 minutes	Egypt		
I10	ESAA member, and partner at a large accounting firm	79 minutes	Egypt		
I11	Partner at a large accounting firm	52 minutes	Egypt		
I12	Member of the Syndicate of Accountants	90 minutes	Egypt		

I13	Professional accountant at one of the Big 4 firms	80 minutes	Egypt		
I14	Professional accountant at one of the Big 4 firms	50 minutes	Egypt		
I15	ESAA member and audit manager at one of the Big 4 firms	50 minutes	Egypt		
I16	ESAA member and professional accountant at one of the Big 4 firms	50 minutes	Egypt		

Appendix 3. Paper two: Details of documentary sources

Published reports:

- World Bank (2002), Accounting & Auditing Report on the Observance of Standards and Codes (ROSC), Arab Republic of Egypt
- World Bank (1997), Country Economic Memorandum Egypt: Issues in sustaining economic growth, Summary report, Arab Republic of Egypt
- EU-Egypt, Twinning Project Fiche (2015), Enhancing the accounting and auditing profession, Egypt
- EU-Egypt, Twinning Project, Proposed amendments to the draft law (2017)
- UNCTAD (2008), Review of practical implementation issues relating to IFRS, Case study of Egypt
- USAID (1990), Audit of local expenditures by Syndicate of Commerce professions under USAID/Egypt's Technical Cooperation and Feasibility Studies Project.
- Action plans developed by ESAA (2008, 2014, 2016) under the IFAC Member Body Compliance Program.

Websites of key actors including:

- IFAC: Member organisations and country profiles, Egypt
- The Financial Regulatory Authority (FRA) in Egypt
- The Egyptian Society of Accountants & Auditors (ESAA)

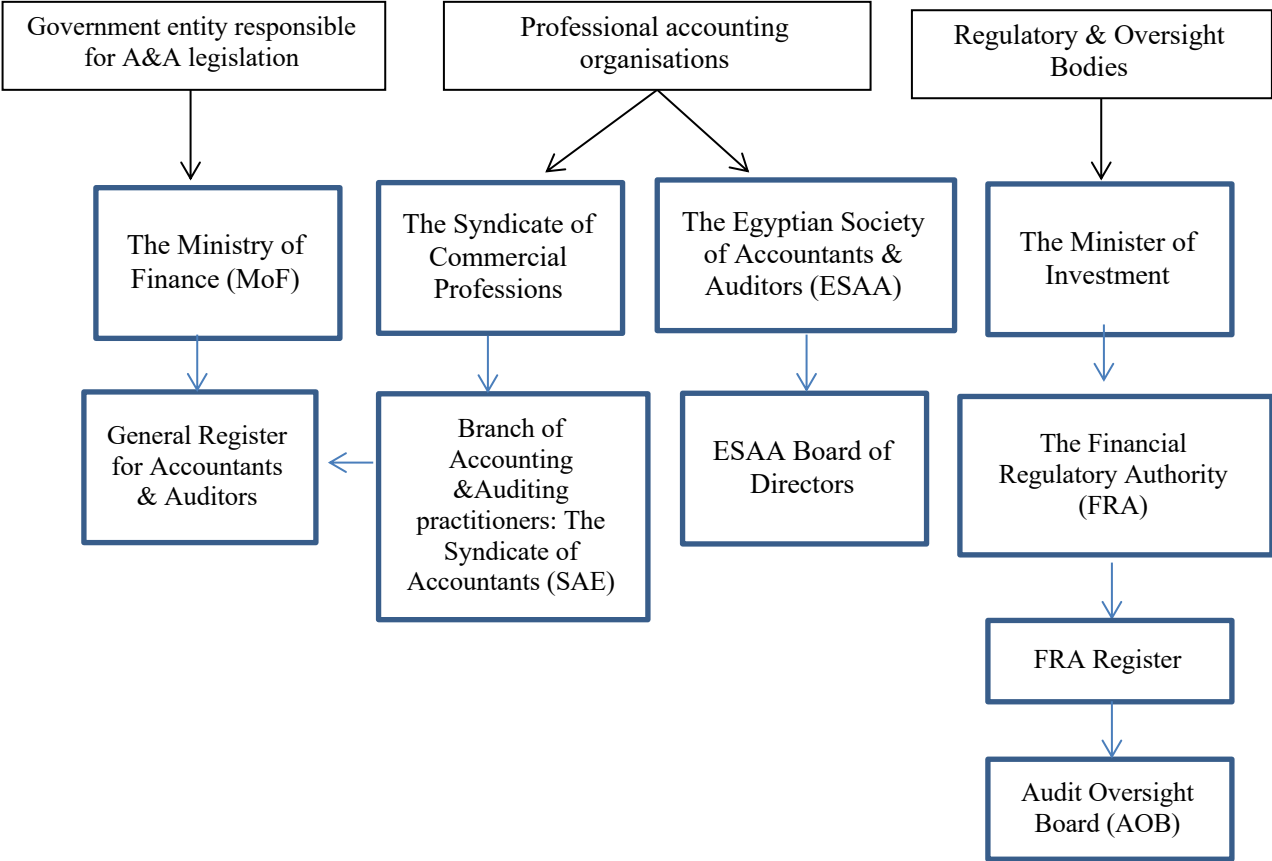
Online magazines and news:

- ACCA Accounting and Business (AB) magazine, 01 April 2017, Interview with Hazem Hassan, chairman of KPMG in Egypt, <http://www.accaglobal.com/uk/en/member/member/accounting-business/2017/04/interviews/hazem-hassan.html>
- ACCA Accounting and Business (AB) magazine, July 2015, Post-revolutionary Egypt turns for growth to standards, <http://www.accaglobal.com/uk/en/member/member/accounting-business/practice/egypt-standards.html>
- ACCA Accounting and Business (AB) magazine, 7 September 2016, ACCA and Egyptian Society of Accountants and Auditors (ESAA) sign a partnership to develop the accountancy and finance profession in Egypt, <http://www.accaglobal.com/uk/en/news/2016/september/acca-esaa-partnership.html>
- Al-Ahram newspaper, April 2004, The Accounting & Auditing profession in Egypt, Dr Abdel Aziz Hegazy, <http://www.ahram.org.eg/Archive/2004/4/6/Opin7.htm>
- Al-Ahram newspaper, December 2006, Two years after the Accounting Practice Law was frozen in the People's assembly, Who is responsible? <http://www.ahram.org.eg/Archive/2006/12/24/Econ3.htm>
- Masress News, September 2016, The draft Law for practicing the accounting and auditing profession creates tension between the Syndicate of Accountants and the Ministry of Finance, <https://www.masress.com/hawadeth/282736>
- European Union in Egypt, Facebook page, Successful closing of EU-Egypt Twinning on the professionalisation of the Accounting & Auditing Profession <https://www.facebook.com/media/set/?set=a.1653751281320980.1073741995.517902401572546&type=3>
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Published speeches:

- Connecting Voices (CV) Middle East and North Africa (MENA), September 2014, Interview with Hazem Hassan, Chairman of the Egyptian Society of Accountants & Auditors (ESAA), conducted by Mohamed Yehia, Senior Financial Management Specialist, World Bank, <http://documents.worldbank.org/curated/en/404531509083180797/pdf/120699-WP-PUBLIC-connecting-voices-3.pdf>

Appendix 4. Institutional structure of the accountancy profession in Egypt



Appendix 5. Paper three: List of interviewees and focus groups

Code of Interviews with Academics	Public (PubU)/Private (PrU) university	Duration	Code of Focus Groups	Number of participants	Duration	Year & level of study
A1	Cairo University (CU), PubU	52 minutes	FG 1, CU	8	70 minutes	masters degree
A2	Nile University (NU), PrU	123 minutes	FG 2, CU	6	52 minutes	final year of undergraduate degree
A3	Cairo University (CU), PubU	61 minutes	FG 1, AUC	10	50 minutes	final year of undergraduate degree
A4	Cairo University (CU), PubU	87 minutes	FG 2, AUC	5	45 minutes	final year of undergraduate degree
A5	American University in Cairo (AUC), PrU	50 minutes				
A6	American University in Cairo (AUC), PrU	55 minutes				
A7	American University in Cairo (AUC), PrU	54 minutes				

Appendix 6. Paper three: Details of documentary sources

Published reports:

- World Bank (1992), Higher education in Egypt
- World Bank (2002), Arab Republic of Egypt, Higher Education Enhancement Project
- World Bank (2009), Implementation completion and results report, Egypt, Arab Republic of Higher Education Enhancement Project, June 5, 2009
- World Bank, (2012), Arab Republic of Egypt, Inequality of opportunity in educational achievement
- European Commission (EC), (2012), Higher education in Egypt, Tempus
- European Union (2017), Erasmus+, Overview of the higher education system, Egypt.
- USAID, (2012), Egypt education legacy, 35 years of a partnership in education
- Ministry of Higher Education (MOHE), (2001), Projects Implementation Unit (PIU), Higher Education in Egypt.
- OECD & World Bank, (2010), Reviews for national policies for education, higher Education in Egypt.
- National Center for Educational Research and Development (NCERD), (2001), Education Development, National report of Arab Republic of Egypt from 1990 to 2000.
- UNESCO, (2004), Higher education in the Arab States, UNESCO Regional Bureau for Education in the Arab States

Websites of key actors including:

- The Ministry of Higher Education in Egypt (MOHE)
- The American University in Cairo (AUC)
- Websites of other key actors who support the Egyptian higher education system including the World Bank, UNESCO and USAID