

IMPORTANT STAGES IN THE DEVELOPMENT OF ROMANIAN ACCOUNTING PROFESSION (FROM 1800 UP TO NOW)

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RESUMEN

El conocimiento de la historia ayuda a entender el presente y a predecir el futuro. Al aplicar esta afirmación a la profesión contable, nuestro propósito es contribuir al conocimiento de la historia de la profesión contable en Rumania, a través de una investigación documental e historiográfica.

Existe muy poca documentación en Rumania en relación con los momentos clave de la historia de la profesión contable en Rumania tanto en el contexto socio-económico como político de nuestro país.

Este artículo presenta algunos hechos significativos en la historia de la profesión contable en Rumania. Se identifican cuatro períodos desde 1850: 1850-1900, período que se caracteriza por la adopción de las mejores prácticas contables europeas; 1900-1950, período en el que la profesión contable se involucró realmente en la vida económica, interesándose por el desarrollo de actividades académicas por parte de sus miembros; 1950-1990 es un período marcado por la “adopción” del modelo contable soviético, período en el cual el espíritu y la profesión contables quedaron destruidos; en el último período, desde 1990 hasta nuestros días, Rumania comenzó a mejorar la convergencia de su sistema contable, aplicando en una primera etapa el modelo francés, para continuar luego en nuestros días con su aproximación a los IFRS. El papel jugado por la profesión contable en las últimas décadas es crucial, debido a su motivación y los deseos de implantar “el mejor” sistema contable, así como su actividad diaria, desarrollada en provecho de sus miembros.

ABSTRACT

The knowledge of history helps to understand the present and to predict the future. Applying this statement to accounting profession, our intention is to contribute at the knowledge of the Romanian accounting profession history using documentary research and historiography research.

About the Romanian accounting profession history there is a lack of papers concerning the key moments of the accounting profession in the socio-economic and political context of our country.

This paper introduces some significant developments in the history of the Romanian accounting profession. Four developmental periods since 1850 are identified: 1850- 1900, a period that may be characterized by the adoption of the best European accounting practices, 1900-1950 when the accounting profession was really involved in economic life increasing value to the development of the economic academic life and to members, 1950-1990 the “adoption” of a soviet accounting model, accounting period that destroyed the accounting spirit and profession, 1990-nowdays, Romania began to improve its accounting system by implementing the French accounting model, in the first stage of development, continuing these days with the accounting system’s convergence with IFRS. The role played by the accounting profession in the last decades is crucial due to its motivation, the wishes to implement “the best” accounting system ever and not least in its day to day activity, developed in the interest of its members.

PALABRAS CLAVE:

Profesión contable, historia. Rumania

KEYWORDS:

Accounting profession, history, Romania.

Research methodology

Our paper is based on the research of the accounting profession history in Romania. From the methodological point of view we have mainly used most the historiography research. Goodman and Kruger (1988), quoted by G. Previts (1990(b): 136) define historiography in accounting as a research method, which “includes the assembly of techniques, theories and principles associated with historical research. It is a modality of identifying data and sources, of asking questions and building theories based on proofs”. Historiography assumes to present arguments about the existence of heredity and the hypotheses formulated in this approach of the accounting profession.

Introduction

Importance of accounting history study

To understand accounting today and predict tomorrow, one must know the history of accounting. The study of accounting history includes the evolution in accounting thought, practices, profession and institutions in response to changes in the environment and societal needs and also considers the effect that this evolution has worked on the environment.

The importance of the accounting history study is underline by its double role: intellectual and utilitarian (Carnegie & Napier, 1996). Intellectual for it illuminates the process by which accounting thought, practices, and institutions develop, identifying the factors in the environment that induce change and revealing how this change actually occurs. It also seeks to determine the effect on the environment of changes in accounting thought, profession practice and institutions. Finally, it contributes to a better understanding of economic and business history. Utilitarian, for history throws light on the origins of concepts, practices and institutions in use today, yielding insight for the solution of the modern accounting problems. Given an understanding of the past interaction of the environment and changes in accounting practices and institutions, it may become somewhat easier to predict the consequences of currently proposed solutions. (American Accounting Association's Committee on Accounting History, 1970).

The link between accounting history and civilization evolution

Accounting history parallels the rise and development of civilization. The history of accounting [G. Giroux (2004: 7)] is as old as civilization, key to important phases of history, among the most important professions in economics and business, and fascinating. Accountants participated in the development of cities, trade, and the concepts of wealth and numbers. Accountants invented writing, participated in the development of money and banking, invented

double entry bookkeeping that fuelled the Italian Renaissance, saved many Industrial Revolution inventors and entrepreneurs for survival, helped develop the capital markets necessary for big business so essential for capitalism, turned into a profession that brought credibility for complex business practices that sparked the economic boom of the 20th century, and are central to the information revolution that is now transforming the global economy.

So, accounting at any point in time and place can represent the level of civilization then and there. Accounting profession is in generally connected with economic environment. Accounting institutions, concepts, processes and techniques are what the past, contemporaneously reinterpreted and transformed, has made them. Context is crucial to our understanding of the social mores and attitudes of the period under study, assisting our understanding of how people of the period perceived their world (Fleischman et al, 1996a) and hence illuminating our understanding of why they made the decisions and behaved in the ways that they did.

For this reason, in our research we consider important to analyze the coordinates of the accounting profession in Romania linked with the economic environment, the historical context existing at the international level and not least the past at the national level. In this respect we'll try to look at the main defining moments of the accounting profession marked by the evolution of capitalism and implicitly the development of accounting.

By a profession we understand an occupation that requires extensive training and the study and mastery of specialized knowledge, and usually has a professional association, ethical code and process of certification or licensing.

According to Walker (2000), when investigating professionals it is important to recognise that they operate in dynamic contexts, and that they are not purely responsive or submissive to external stimuli.

A series of publications of the time: *The General Trade and Accounting Revue* and the *Bulletin of Accountants* identify in their writings the important moments of the evolution of the accounting profession in Romania. Besides these, authors of valuable scientific research, such as C. G. Demetrescu (1930), M. Muresan (1995), I. Ionascu (1997), D. Calu (2002) refer to the accounting profession through the modifications generated by the development process of accounting in our country.

1. Reference marks of the accounting profession 1800-1850

The social, historical and economic context

Certainly there is a link between the development of capitalism and the development of the accounting profession. One of the most significant examples is Romania's case. Because of historical conditions, in Romania capitalism imposed rather late in comparison with West European countries, which generated a slower development of accounting in our country.

If in the western countries the industrial revolution started at the beginning of the 17th century, Romania had been until the beginning of the 19th century a country still in late Middle

Ages. Romania's economy was still based on a feudal agriculture, the industry almost didn't exist, the manufacturers, in classical view, appearing only in the middle of 18th century. The trade, which was the main economic factor contributing to the development of capitalism had a lot to suffer in the Romanian historical provinces, being strongly influenced in the second half of the 16th century by the instauration of Turkish monopoly (Muresan, 1995). Consequently, due to the change in international context (in our influence sphere the Turkish Empire starts losing ground in favour of the Russian empire), until the beginning of the 19th century when the economic life starts developing, accounting hadn't been a necessity in the Romanian economic life (Dobroteanu, 2004). The main factors which influenced directly the economy of Romanian provinces in the 19th century are: the degree of industrial development, the trade development, the degree of economic autonomy, capital availability, national independence, etc. (Ionascu, 1997).

First legal document about accounting

Prior to the late 1800s, the terms *bookkeeping* and *accounting* were often used interchangeably because the recording/posting process was central to both activities. There was little need for financial statements (e.g., income statements) because most owners had direct knowledge of their businesses and, therefore, could rely on elementary bookkeeping procedures for information. Although corporations (e.g., banks, canal companies) were present in the Europe and United States prior to the early 1800s, their numbers were few. Beginning in the late 1820s, however, the numbers of corporations rapidly increased and to operate successfully, were needed cost reports, production reports, financial statements, and operating ratios that were more complex than simple recording procedures could provide.

A significant moment in Romanian accounting is represented by the appearance of *Organic Regulations* and the *Accounting Report* adopted after the Adrianopol Peace (1829). From the point of view of accounting legislation we can consider that these Organic Regulations represent the first official document in Romania's modern history, which regulates the obligation of keeping accounting records, including at national level. This allowed forward development of accounting, both at the level of accounting writings and from the point of view of accounting learning.

2. Reference marks of the accounting profession 1850-1900

The social, historical and economic context

In Europe with the increase in the number of corporations, there also arose a demand for additional financial information. With no direct knowledge of a business, investors had to rely on financial statements for information, and to create those statements; more complex accounting methods were required. The accountant's responsibility, therefore, expanded beyond simply recording entries to include the preparation, classification, and analysis of financial statements. As John L. Carey (1969) wrote in *The Rise of the Accounting Profession*, "the nineteenth century

saw bookkeeping expanded into accounting'’ Additionally, as the development of the corporation created a greater need for the services of accountants, the study of commerce and accounting became more important. Although there had been trade business schools and published texts on accounting/bookkeeping, traditional colleges had largely ignored the study of business and accounting. Many major universities created schools of commerce; accounting secured a significant place in the curriculum.

With a separation of management and ownership in corporations, there also arose a need for an independent party to review the financial statements. Someone was needed to represent the owners' interest and to verify that the statements accurately presented the financial conditions of the company. Moreover, there was often an expectation that an independent review would discover whether managers were violating their fiduciary duties to the owners. Additionally, because the late nineteenth century was a period of major industrial mergers, someone was needed to verify the reported values of the companies. The independent public accountant, a person whose obligation was not to the managers of a company but to its shareholders and potential investors, provided the knowledge and skills to meet these needs.

In 1859, the union of the two Romanian Principalities, Moldavia and Valachia markets a qualitative advancement of the social-economic life. Thus, in the second half of the 19th century the economic situation starts improving and creating the premises for the development of a powerful industry. We can assert that the last two decades of the 19th century constituted the basis for a modern Romanian economy, representing the combined result of the development of local industry, the apparition and development of the credit system and the reinforcement of trade.

Even though Romanian society developed a lot during the 19th century this is more an appearance than a reality. The development of western nations was more significant for the same period, because a strong obstacle in the development of the capitalist society was in the Romanian countries the suzerainty, even formal, towards the Turkish Empire. Only after the War of Independence from 1877-1878 could be established the basis of a modern economy in the real sense of the word, because of the political and legal freedom that was obtained. This moment marks the beginning of the Romanian accounting thinking.

Firsts Romanian books about accounting

Due to the economic growth, accountancy also has a significant rise: there appeared a series of works about accountancy, such as those belonging to Honoriu Warta ("Tinerea registrelor în partida simpla și în partida dubla" – *Single and double entry bookkeeping* in 1873), Ion Ionescu de la Brad ("Mic tratat de contabilitate" *Accounting small book* in 1870), Dimitrie Iarcu ("Contabilitatea casnica" *House Accounting* in 1863 and "Contabilitatea agricola" *Agricultural accounting* in 1870), Theodor Stefanescu ("Contabilitate în partida dubla" *Double entry accounting* in 1873), etc.

As we have already mentioned, only after the end of the Independence war can we speak about the beginning of Romanian accounting thinking. The writings of the time prove that until 1888 there hadn't been an official organization of a guild of accountants in Romania. The March 11, 1888 represents the moment when "a small number of graduates of the commercial school met and put the basis of *The society of commercial and financial schools graduates*" [General Accounting and Commerce Revue (RGCC) (1916: 35)]. Until that moment there had been only the distinction between an accountant and a bookkeeper. In this sense, Stefanescu (1874: 93) believes that an accountant needs economics, finance, math knowledge, the difference between the two professional categories being like the one between an architect and a mason.

3. Reference marks of the accounting profession 1900 - 1950

The social, historical and economic context

At the beginning of XX century the Europe was generally viewed as the "centre of the world" in power-political, economic, and cultural terms.

Early in the twentieth century, rapid economic and technological change, increasing competition among powerful states, and resistance to European domination worked together to destabilize the world system. These underlying tensions and weaknesses led to a series of crises that altered the human condition in several important ways.

In the 1940s, after two destroying wars *extra*-European superpowers, the United States and the Soviet Union, divided the European continent up among them and embarked upon a policy of global competition. It was a competition that - just as that among the European nations in the first half of the 20th century - was not merely power-political and military but also commercial, technological, and cultural.

In Romanian agriculture was the main sector of the economy (especially cereals that represented a significant part of the country's exports). Often aided by foreign capital, industry just started to grow, at first by transforming the agricultural products and by exploiting the natural resources of the country (mainly oil, coal, gas and wood). During this same period, several banks were founded and important infrastructure constructions begun (roads, bridges, railroads, channels etc). Several economic and social measures were adopted by the lawmakers: improvement of the condition of the peasants (1908), anti-union law, prohibiting trade unions and strikes, (1909), Sunday rest law (1910), laws for the organization of the professions (1912), law of professional insurance (1912), various measures encouraging national industry etc. The metric system was introduced in 1906.

In spite of considerable progress in all areas (economy, politics, society etc), Romania remained poor, badly organized and marked by much unfairness. It was still politically and socially unstable (the frequent government changes, as well as the violent riots of 1907 are the immediate proof).

First Romanian accounting schools

After 1900, accountancy had a qualitative advancement, the main points in its evolution between 1900 and 1950 being:

- setting up the first higher education economic institution. The development of domestic capital and the increase of the role of big industrialists in the economic and political life of the country stimulated the establishment of several economic schools all over the country because they felt the need of an educational institution. Thus, in Bucharest in 1913 was set up The Academy of High Commercial and Industrial Studies which becomes university in 1930.
- The growth of the Romanian Accountancy School in 1933-1939, a period of maximum economic development in interwar Romania. Thus, from the point of view of the Romanian accountancy school, in the interwar period appeared the real «titans», the promoters of the Romanian accountancy school, and the followers of T. Stefanescu, C. Petrescu or I. C. Pantu. In this respect we can enumerate as the most representatives: Spiridon Iacobescu, C.G. Demetrescu and Ion Evian. In this period the Romanian accountancy starts its own way, characterized by great development of scientific controversies. The scientific dispute is launched through the paper *General commercial accounting course* belonging to professors Spiridon Iacobescu and Alexandru Sorescu, followed by the work of professor Ion Evian *Theories of accounts* (Cluj, 1940). This dispute, which also touched other accounting problems, had a beneficial effect on Romanian accounting research, creating a framework of stimulation for the academic Romanian environment.
- The affirmation of the Romanian accountancy school. After the First World War we can speak about a capitalist society in the proper sense of the word and about a strong accountancy school. The new economic circumstances affected the development rhythm of the Romanian accountancy school, the accounting courses diversifying as accounting was more important in several economic spheres.

First professional accounting organizations

In 1907 there were two organizations The Association of the High Schools of Commerce Graduates from country and abroad and The Union of the Commerce School Graduates. Later these organizations merge and create **The Body of the High Commerce Schools Graduates**. In this organization took place the first works about the regulation of the accountant profession [RGCC (1916: 176)].

The lack of a professional organization to certify its members the quality of professional accountant was profoundly felt, generating the apparition in the pages of the General Accounting and Commerce Revue of ads about the supply and demand for accounting consultancy, the magazine having a professional and moral role. In this respect, in the magazine was published information of the type “several state institutions asked us to recommend specialized accountants

for 20 positions in the province with a salary of 200 lei per month plus travel expenses, accommodation, light and heat” [RGCC (1916: 43)].

First journal of accounting and the born of Romanian Body of Experts and Chartered Accountants

Five years later, part of the members of the Body of High Commerce Schools Graduates becomes founding members of the Romanian Body of Experts and Chartered Accountants which was set up on July 13, 1921.

An important role in the apparition of the Body of Experts and Chartered Accountants was played starting with 1908 by the first journal with accounting and commercial specificity: The General Revue of Commerce and Accounting, in the pages of which they militated for setting up the first professional organization from Romania: The Body of Experts and Chartered Accountants.

The research of the collections of the General Revue of Commerce and Accounting and the Bulletin of Accountants (BC) between 1907-1945 shows both interesting scientific dialogues as well as a certain spiritual effervescence, re-born from the sunset of „la belle époque” in Bucharest and spotted sometimes by separations in the editorial office or darkened by the war spectrum (Calu: 2002). This state was made concrete in common actions performed by the members of the Body of Experts and Chartered Accountants, contents which aimed at defining certain accounting notions (asset, liability) or prizes for elaborating a paper on a given theme.

Publications of the Body of Chartered accountants and experts from Romania start appearing in the Bulletin of Accountants (1937-1955), publication edited by the Ilfov branch of the Body of Experts and Chartered Accountants. About the role of this magazine the publications of the time would say: “they [the accountants] have the difficult task of contributing in such a way as, through the way he magazine should treat and expose various issues, would become the first newspaper to prepare a future Commerce Academy, taking also into account the practical issues regarding our commerce and finance” [RGCC (1908: 1)]. The apparition of the Bulletin of Accountants, official publication of the Body of Experts and Chartered Accountants, represented in the first years just a communication tool of this professional organization with its members. Starting with the middle of 1939 articles are published approaching various themes: practical problems, theoretical debates, legal aspects, proposals and opinions, "intellectual challenges", international echoes, professional dialogues, job market, jurisprudence, premises of national accounting apparition.

The problem of the lack of regulations in accounting will have an echo in some articles published in the specialized magazines of the time, which raises the problem of “a unitary balance sheet scheme”. The first concrete moment in this field took place in 1928 when the association of expert accountants from Romania at the request of The Central Institute of Statistics made up a unitary financial statement scheme for commercial and industrial enterprises, a scheme for the profit and losses account, an exploitation account model and a fabrication account.

Body of Experts and Chartered Accountants supported the idea of completing the professional preparation. Thus, there were preoccupations concerning the acknowledgement of graduates preparation abroad [RGCC (1908: 301)], doubled by the promotion of the idea that the graduates of high commerce school should attend the Law school in order to have double degree.

Besides the professional communication opportunities with the exterior, in this period the professionals from the economic field benefited of an intercommunication favourable environment ensured by the 'professional groups' where participated important names such as: Sp. Iacobescu, Gr. Trancu-Iasi, V. M. Ioachim, N. Penescu, Al. Sorescu, etc. Besides these groups, the professional activity of the Body was supported by the Congresses of Commerce Schools Graduates: the first one took place in 1906 and the second after two decades in 1925, after it they were organized regularly. Also, the connection with professional accountants abroad was achieved through various collaborations here we can mention the proposal of the Spaniard Paul Martin, founding member of *Revue des Sciences Commerciales* in Marseilles, for drawing up a Yearbook of accountants - RGCC (1910: 110-111).

The need for legal regulations for exercising the accountant profession generated the proposal for creating *The College of Accountants* [RGCC (1908: 261)], after the Italian model. The idea of setting this professional body was put into practice only in 1940, when "the council of Ilfov branch of the Body of Experts and Chartered Accountants, in the special meeting from 7 May, debated the ante-project for setting up the College of Accountants" [BC (1940: 10)].

4. Reference marks of the accounting profession 1950 - 1990

New reforms in European countries accounting

The end of the Second World War meant also the end of the accounting period which started in the 20th century. With a difference of a few years, in the main European countries starts a new era in accounting: "in Italy Mussolini had generated a new reform in accountancy, whereas in Austria, were taken over all the ramifications of the German Trade" [P. Walton (1995: 8)]. In France, after proposing a monist accounting system which was never put into practice followed a period of reform ended with a National Accounting Plan which instrumented a dualist accounting system. In Germany, in the period of war economy (1937-1944), was applied an accounting monist system, based on the Schmalenbach plan. Later on, in Western Germany they kept for a few decades (until 1971) a monist accounting system. In the other part of Germany, as well as in the other Central and Eastern European countries which were under the influence of the Soviet Union, once communism installed, started a period of hermetic accounting which lasted until 1989.

The communist influence in accounting papers

As a consequence of nationalization from June 11, 1948 the writings from the economic field and implicitly the accounting one take visibly the communist print being dominated by the ideology of the moment. The first attitude in this respect was visible in 1946 when professor Ion

Marculescu exposes his conviction about the “superiority of the socialist doctrine and accounting” in opposition with the situation of capitalist countries, where “accounting becomes a weapon in the hands of the dominant class and a helpful means for exploiting the workers, giving to the whole economy a character of super-class with super-historical importance” [BC (1945: 36-44)]. Similar points of view became constant at the end of 1948 and the beginning of 1949. Then a new chapter starts in Romanian accounting: the socialist-influenced accounting.

It is interesting to note the case of the magazine *Bulletin of Accountants*. An analysis of the issues from 1948 shows that in the issues from January to March the articles have normal themes until that moment, debating specific problems of Romanian accounting: accounting norms, allocations for depreciation, budgeting indirect costs. In the issues from April-June (published after 11 June 1948) starts the apology of socialism, and the theme is totally different, presenting the soviet experience in the field, with some specific political events anniversaries like The Great Socialist revolution from October (1921) doubled by the standardization of accounting which becomes “main issue”. Decision no. 1958/ 1- XII-1948 referring to the accounting situation was followed by a radical change in the presentation style and in the themes of the magazine starting with 1949. Thus the term accounting is replaced by accounting record after the soviet model, new concepts appear: plan and planning and consequently articles are published on these themes, and at the practical level they introduced “the new plan of accounts compulsory in socialist enterprises” a plan which is not at first “the mirror image” of a product elaborated by the soviet accounting school, for which it was modified after that systematically.

The disestablishment of the Body of Expert and Chartered Accountants

The final blow was given by the communist regime in 1951, when it decreed the disestablishment of the Body of Expert and Chartered Accountants, which was replaced, by the then more ‘fashionable’ Scientific Association of Technicians (AST), later renamed the Scientific Association of Engineers and Technicians (ASIT) [BC (1951/2: 16)]. The entire patrimony of the Body of Expert and Chartered Accountants was taken over, on March 13, 1951 by the Scientific Association of Technicians (AST) in the People’s Republic of Romania, within which a department of Accounting, Financial Planning and Statistics was set up, having as objectives ‘translations and research, sections on studies, school books, and monographs, the study group, employee improvement, etc.’ [BC (1952/1: 32)]. The official reason for the disestablishment was an ‘internal’ one: „our Body ... put on second place issues of professional qualification which were the very reason for its establishment back in 1921 and reoriented towards science and accounting techniques, setting as main target the increase of the ideological and professional level of its members.” [BC (1950/2: 41)]. Besides the annihilation of the role held by expert accountants, in the spirit of the levelling of values one can notice that the authors of the articles published in this period of time were no longer mainly ‘doctors’ but ‘referents’.

Normative accounting

The attempts to normalize accounting through the proposals put forward by Romanian doctrinarians continued under another guise: normative accounting. It started with the setting up of a *Permanent Council of Normative Accounting* in 1947. The Council functioned as a consulting unit to the General Direction of International Trade. The members of the Council drew up, for each of the representative sectors of activity, a general framework (a matrix that laid the foundation of the systematization and symbolic representation of the plan of accounts), based on the Dewey decimal system. Thus, five general frameworks were drawn up (The Framework for Industry Accounts, the Framework for Trade Accounts, the Framework for Insurance Accounts, the Framework for Banking Accounts, and the Framework for Industrial Offices Accounts). On the basis of these general frameworks, a plan of accounts was put together for each sector of activity. The declared objectives of the Council were: ‘the unification of the accounting terminology – *by indicating the content of each account and the systematization of accounting using the natural operations of the economic process (production, circulation, distribution)*’ [Contabilitatea normata (1948: 5) and P. Leonte (1948: 7)].

5. Landmarks of the accounting profession from 1990 to present

The new accounting system

The period 1990-1993 was an intermediary one between the practice of a Soviet accounting type and the application of a French-inspired accounting system called in accounting literature *the new accounting system*. This period is one in which it was tried to recap with traditions in matters of accounting organization and aligning the accounting and regulations and practices at international reality.

The fall of the communist regime opened new directions in the accounting area. The mutations in economy, generated by the disappearance of the socialist economy and the setting up of a transition economy placed the decision makers in the area of accounting regulation (normative and university ones) in front of a dilemma: the reform of the existing accounting system or its change? Although, until the new accounting system became effective on January 1, 1994 there had been pros and cons concerning the change, however in the university books was presented: “its functioning [accounting] corresponding to the actual or predictable legislation” [C. M. Dragan (1991)], respectively an adaptation after the French accounting experience [N. Feleaga (1991)]. The way chosen was the change, which will continue in fact the attempt to «westernize» accounting.

The new accounting system was applied in Romania without too many modifications until 2000. The premises of a change were sketched since the spring of 1997 when started *the development program of the accounting system in Romania*. This was initiated by the Ministry of Finance together with The Institute of Chartered Accountants of Scotland and *Know How Fund* for Romania. The role of this programme was to harmonize the Romanian accounting with the European directions and the international accounting standards.

The creation of an accounting doctrine in Romania

After 1990, due to the freedom of expression and the opportunities to take professional training abroad, the diversity and the quantity of published work grew extensively. Both professional accountants and academics contributed to the creation of an accounting doctrine in Romania. A lot of papers were published, mostly university study books, which had as purpose the spread of knowledge on accounting, as well as numerous articles that deal with particular cases of accounting from the point of view of accounting techniques.

The establishment of accounting organizations

The year 1992 represented the time of the bi-dimensional materialization of the efforts carried out for the establishment of accounting organizations: the reestablishment of the *Body of Expert and Chartered Accountants (C.E.C.C.A.R.)* and the constitution of the *Accounting Consulting College*. A year later (January 1, 1993), the reform which was to be implemented starting January 1, 1994, started its testing period: “the new accounting system – of French inspiration, organized in a double circuit - was tested on a sample of over 70 enterprises of different sizes, with various types of capital use, and diverse fields of activity” [M. Ristea, in EC (1993/2: 7)]. The premises for a new stage in Romanian accounting were thus created.

The Accounting Expertise Journal

As noted before, the journal *Accounting Bulletin* was published between 1937 and 1955, subsequently becoming the voice of the Ministry of Finance. This journal continued to be published, under various names, until 1990, when it gets the name *Finance, Credit, Accounting*. Taking into account all the above, we consider that the journal edited by C.E.C.C.A.R. was founded in 1908 and resumed its activity after a period of 45 years, and the journal currently edited by the Ministry of Finance is, by a ‘twist’ of history, following the tradition of *The Accounting Bulletin*, which was founded in 1937 by the Ilfov branch of the Body of Expert and Chartered Accountants and ‘taken over’ by the Ministry of Finance after its disestablishment.

After a brief period of time, in 1993 *Accounting Expertise (EXC)* is founded by the Body of Expert and Chartered Accountants, thus restarting the tradition cut off in 1947, when *the General Journal of Commerce and Accounting* founded in 1908 was no longer published.

Accounting Expertise is where information about the *accounting profession* in Romania and at international level begins to be published. In this respect, we mention: *the situation of the profession of expert accountant in some western countries* [N. Tabara in EXC (1993/5: 16-28)]; *civil aspects of the profession of expert accountant and chartered accountant* [M. Chivulescu in EXC (1993/5: 19)]; *the presentation of the organization of associations in the field of accounting in several West European countries* [EXC (1993/8: 7-27)]; *principles and rules regarding the deontology of expert economists and accountants in Germany* [L. Possler in EXC (1995/1-2: 40-43)]; *the accounting profession – where to? Regulations that „stimulate” the proliferation of amateurism and generate the regression of the accounting profession* [N. Belli in CEAA (2002/8:

51-54)]; *becoming an expert accountant in Germany* [in CEAA (2001/9: 66-69)]; *1+1=3 in the Romanian accounting profession* [N. Feleaga in CEAA (2001/5: 4-5)], etc.

The CECCAR

The reestablishment of C.E.C.C.A.R. in 1992 was necessary within the framework of the substantial development of the national economy, upheld by the major changes in the accounting system in Romania. Being a representative body of the accounting profession in Romania, autonomous, non-governmental, and non-profit and of public interest, it is represented in all 42 counties of the country through regional branches. C.E.C.C.A.R. gathers a membership of over 55.000 professional accountants. About 10.000 of these professionals work in the public area, while the others work in industry, commerce, education, etc. C.E.C.C.A.R. is responsible for the fate of the accounting profession and seeks to watch closely and act so that the professional accountants meet the demands of the market through the quality services offered to third parties.

The mission of C.E.C.C.A.R. is to serve the public interest, to strengthen the accounting profession in the entire country and to contribute to the substantial development of national economy by enforcing and promoting adhesion to high quality professional standards, which meet international principles, and by bringing forth general interest issues where professional expertise is an important matter.

C.E.C.C.A.R. carries out an extremely fruitful activity, consisting of:

- a) The organization of the enrolment exam, the carrying out of the training program and the aptitude exam for access to the profession of expert accountant and chartered accountant.
- b) The organization of the track record of expert accountants, of chartered accountants and of the commercial enterprises in the field, by registering them in the Book of the Body.
- c) The provision of the adequate conditions for the carrying out of the activity of expert accountants and chartered accountants.
- d) The drawing up and the publishing of the norms regarding the professional activity and the ethical behaviour of expert accountants and of chartered accountants, professional guides in the financial-accounting field.
- e) The drawing up, in partnership with governmental and nongovernmental institutions, of standards regarding the evaluation of commercial enterprises, as well as the evaluation of some of their assets or goods.
- f) the support of the training and professional enhancement of expert accountants by annual program of continuing education, organized in various forms, so that they grant access to all active members.

- g) The defence of the prestige and the professional independence of its members in their dealings with public authorities, with specialized bodies, as well as with other institutions or persons in the country or abroad.
- h) The cooperation with professional associations in the field in the country and abroad;
- i) The editing of specialized journals.
- j) Other responsibilities delineated in the establishment act, in the law or in the regulation of functioning.

A continuous development of professional competency and lifelong learning are essential if the professional accountant wishes to meet the professional requirements. C.E.C.C.A.R. in its capacity as IFAC member must make sure that professional accountants continue to develop and uphold the professional competencies required by the users of their services. C.E.C.C.A.R. has at the same time the task to make known to professional accountants, to stakeholders, and to the general public the advantages of continuing professional development, emphasizing the importance of the continuing improvement of competency and of the commitment to lifelong learning.

The accounting profession operates in an environment, which is constantly changing, circumstance which requires the periodical amendment of policies of continuing professional development. C.E.C.C.A.R., in accordance with IES 7, takes into account the fact that continuing professional development is only one method to carry out its responsibilities for the public interest; other methods, such as quality assurance of services delivered by professional accountants (quality control), the investigations and the disciplinary measures for inadequate behaviour, as stipulated in the Declarations regarding the Obligations of the Members nr. 1 - 6 issued by IFAC constitute equally important methods to act in the public interest.

Accounting ethics was a new issue in the Romanian accounting environment, which was explicitly approached by C.E.C.C.A.R. with the drawing up and the publication in 2002 of the *National Ethical Code of professional accountants in Romania*, which was revised, reclassified and renamed in accordance with the *International ethical code of professional accountants -2005* edition– following the statutory obligations C.E.C.C.A.R. has in its capacity as member of IFAC.

C.E.C.C.A.R. drew up *the regulation regarding the quality audit in the field of accounting services* based on the International standards issued by IFAC: International Standard of Quality Control (ISQC) no. 1, International Professional Practice Statement (IPPS) no. 1 entitled "Quality Assurance of Professional Services" and the Statement for Securing member Obligations (SMO) nr. 1 endorsed by the IFAC Council in November 2004.

C.E.C.C.A.R. played a decisive role in *convergence process of Romanian accounting with IFRS standards*. Within this framework, one of its most noteworthy accomplishments was the translation into Romanian and the publication of the International Financial Reporting Standards (IFRS) 2005, of the International Public Sector Accounting Standards (IPSAS) 2005 as well as of the International Financial Reporting Standards (IFRS) 2006.

C.E.C.C.A.R. acts along the lines of international institutions in the field: IFAC, FEE (La Fédération des Experts Comptables Européens), FIDEF (Federation International des Experts Comptable Francophones) in the field of the homogenization of educational processes of expert accountants and of auditors, of regional certification and accreditation of auditors, of cooperation with a view to implementing the International Financial Reporting Standards and of the International Auditing and Certification Standards in South-Eastern Europe, of harmonizing regional members behaviour according to the Standards of Ethics issued by IFAC, to developing the market for accounting services in the region, etc. The involvement of C.E.C.C.A.R. in the accomplishment of the mission it assumed is proven once more by the active role it had in the establishment of SEEPAD (The South Eastern European Partnership on Accounting Development), a representative body of the accounting profession in South-East Europe, whose president is also the president of the C.E.C.C.A.R. carries in Romania.

4. Conclusions

Certainly, in Romania, the development of accounting depended to a large extent on economic development, on the concrete conditions in which both the social and the economic field evolved.

In the period 1850-1900, [D. Zelinski (2005)] in Romania (and in the entire world), the accounting profession was in its early stages; it had to organize itself and gain its place within society. Unfortunately for them, this mission came up against the indifference of the authorities and the interests of the industrialists. The accountants' movement had a difficult task: they had to exert pressures on their tutelary institutions without however harming the interests of certain actors. The practice of accounting was at stake in a fight for power; this is why several social groups opposed to the accountants' attempts to organize themselves and to a regulation of the accounting profession. The industrialists feared a takeover of the accountants on the companies, while the accountants without any specific training or education wanted to continue practicing this profession. Finally, the accountants, using diplomacy and persuasion, surpassed all these difficulties and organized themselves.

As the capitalist society matured and evolved in Romania, we also witnessed an "explosion" of accounting research, which reached its peak in 1930-1940, time of great economic boom. The period 1950- 1990 interrupted a tradition which was beginning to form, displaying a certain tendency of "internationalization" of the accounting school of thought in the Romanian accounting, due also to trainings abroad by professional accountants and academics. In this period of time, the Romanian school of accounting was re-channelled in a one way direction, set by Moscow, the lack of flexibility and of options preventing a Romanian accounting school of thought from materializing until the mid '70s. Nevertheless, in the '70s and the '80s efforts were made to keep alive the interest for Romanian accounting research even 'behind the iron curtain'. These efforts materialized in the publishing of accounting scientific papers (mainly doctoral theses) which tried to develop the allowed accounting methods and treatments.

The evolution visible in accounting starting with the year 2000 reveals another stage, of adoption of accounting theory and practice of Anglo-Saxon origin, which makes it open to universality. Also, one can notice a resurgence of scientific research, and a tendency to reopen scientific controversies on various accounting practices and theories, after about 50 years of stagnation.

Even if 'they who do not know history are condemned to repeat it', we hope that the tackling once again the old scientific controversies would allow various lines of accounting thought to be restored, which would characterize our socio-economic environment and from which all members of the accounting profession as well as others would profit.

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