academicJournals

Vol. 7(24), pp. 2394-2402, 28 June, 2013
DOI: 10.5897/AJBM2013.6879
ISSN 1993-8233 © 2013 Academic Journals
http://www.academicjournals.org/AJBM

African Journal of Business Management

Full Length Research Paper

Analysis of social and economic conditions in the countries of sub-Saharan Africa for a convergence to international accounting standards

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Accepted 17 June, 2013

In 2000, the countries of sub-Saharan Africa were united for the attainment of a single market, generating a system of unification of commercial language, called Accounting System (Sysco) of the Organisation pour l'Harmonisation en Afrique du Droit des Affaires (OHADA). The Sysco-OHADE, inspired by the French model, was born from a local need. Meanwhile, international accounting standards emerged from a global demand, influenced by financial markets. This paper aims to analyze if the accounting policy and the economic development of OHADA member countries favors a process of convergence with the international accounting standards. We analyzed the socioeconomic and political conditions in the member countries of OHADA, covering the period from 2000 to 2010 and compared with those existing in the United States, France, Japan, Brazil and South Africa. The conclusion was that Accounting in the OHADA member countries is inserted in a fragile economic, financial and educational environment, requiring structural investments and adequate attention to local situations before any accounting guidelines regulatory standardization process is undertaken.

Key words: African economy, International Accounting Standards, Organisation pour l'Harmonisation en Afrique du Droit des Affaires.

INTRODUCTION

The intensification of economic globalization has caused major changes in the corporate activities impacting in particular, the productive, economic and financial sectors, in this environment, economic blocs emerged aiming to maintain a financial balance between countries, creating, breaking and generating new business barriers. Since then, the world has undergone a process of continuous change through the fusion of cultures, business intense-fication and composition of markets. These changes have been so great and intense that altered particular aspects of global society. In this changing environment where financial markets became busier, Accounting Science, which accompanies economic deve-lopment, has become an important tool of communi-cation, because it is the primary means of divulging a corporation's wealth and financial management.

There was then the need to make accounting language uniform, which is justified by existing differences in com-munication between countries in face of the distortions and different interpretations of results (Nobes and Parker, 2012). Although the imposition of international rules could result in loss of autonomy of countries, accounting standards came as an alternative for understanding the dynamics of markets. This understanding has arisen

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mainly because the adoption or change of accounting standards should happen simultaneously with the introduction of a general policy that mobilizes all economic agents. In addition to bringing economic benefits, the adoption of IFRS (International Financial Reporting Standards), facilitates comparative analyses of financial results achieved by domestic or foreign companies (Daske, 2006). However, it is worth mentioning that the implementation of the standards resulted in systematic differences between those standards that were practiced by countries and those preconized in IFRS (Kvaal and Nobes, 2010).

African countries, that were concerned with the evolution of systems and businesses, while maintaining strong cultural ties with their former colonies, implemented changes in their administrative environment (Ntongho, 2012). This was the case, for example, of the countries that were colonized by France (Francophone Africa), which, after independence, adopted the French accounting model (Gouandain and Wade, 2002). In 1970, these former colonies created a standardized plan of accounts, through the African and Malagasy Common Organisation (Organisation Commune Africaine et Malagasy-OCAM), later adapted according to the reality of each member country (Issa-Sayegh et al., 2008; Issa-Sayegh, 1999). In 1993, former colonies constituted a single market, developing trade law through the Organization for the Harmonization of Business Law in Africa (Organisation pour l'Harmonisation en Afrique du Droit des Affaires-OHADA) (Partner et al., 2007). In 2000, the OHADA Accounting System model (Sysco-OHADA) imported from France became a reference to sixteen bloc countries (AUDC, 2000). In this context, African trade regulation also saw the participation of the World Bank and the International Monetary Fund (IMF) that designed corporate governance principles, that is, the Anglo-Saxon business model, for all the countries of sub-Saharan Africa.

Today, the world question why African countries have not yet introduced the international accounting standards since one of the justifications for IFRS adoption is the most positive development in the region. It is likely that these changes will bring benefits to the Africans, but commercial law reforms should be undertaken with caution. As Ntongho (2012) states, Africa is still undergoing an economic and sociopolitical transitional phase, trying to adjust to capitalism, beyond needing to generate a consistent democracy after more than forty years of assistentialism and dictatorial regimes. Moreover, Africa complained about foreign interventions such as the New Partnership for African Development, (NEPAD) which sought to develop an African approach to solving economic problems. Thus, the introduction of foreign rule depends on the level of education, the existence of political, economic and social barriers within each country as well as on the differences between the standards and between domestic and international accounting principles (Ashbaugh and Pincus, 2001). Since then, the OHADA member countries have introduced the French model, with inherent efforts and costs.

Meanwhile, in recent years, the world has turned to the internationalization of rules and standards issued by the Financial Accounting Standards Board (FASB) and by the International Accounting Standards Board (IASB), known as IFRS. These standards were adopted by several countries, with the aim of harmonizing the accounting language of entities, being the initiative internationally accepted by the financial community (Nobes and Parker, 2012).

The paper aims to analyze if the accounting policy and the economic development of OHADA member countries favors the convergence process to IASB standards, that is, to IFRS. The more developed a country is, the higher its level of accounting practices and the level of sophistication of the standards adopted must be. The level of economic development can then be a major factor in the adoption of accounting standards. It is clear, however, that OHADA member countries are still influenced by external agents, and this causes discontentment, even more so with the application of a law that is foreign to the continent. We sought to know to which model of accounting regulation the Sysco-OHADA is related, what are the social and economic conditions of the countries involved, which is the level of market opening and what is the accounting conceptual framework. The study is justified taking into account that the chasm between Francophone and Anglo-Saxons sectors in OHADA reflect an ideological position, and may have a negative effect on the process of harmonization (Ntongho, 2012). France is also strategic in relation to regulatory reforms in Africa, ensuring trade harmonization, within its model of civil law.

This paper is organized as follows. First, we present a literature review about the model of accounting of the OHADA member countries. Second, we present the methodology and data used to the study case. After, we present the socioeconomic aspects making an evaluation possible so as to the prior conditions and possible challenges to be encountered in the region for an IFRS adoption. Finally, we present the conclusions and recommendations.

LITERATURE REVIEW

Under a regulationist approach, capitalism is an unstable system that is subject to cyclical economic conditions, being able to be reproduced for a certain period through the creation of a regulatory apparatus. Accounting is influenced by international stock markets and by economic globalization, while suffering the turmoil it needs to constantly adjust rules for the generation and presentation of data. To fulfill its purpose, the accounting model should be accepted by economic agents (e.g., government, shareholders, managers and auditors), with a tendency to form a countercyclical activity (curative and preventive actions).

Several factors influence the development of a country's accounting systems, such as external (globalization), domestic, ecological, cultural, political, legal, tax, financial and educational (accounting) aspects. This occurs because accounting information, generated by major economic groups in the international market, is addressed to both domestic and global productive sectors, as well as stakeholders who are located in different countries.

In light of the political, cultural and economic conditions in capitalist countries in the twentieth century, two models of regulatory accounting emerged, namely, the Anglo-Saxon and the continental European model. The main features of the first model are focused on the common law (Common Law), which presents the ethics of individual merit, being the State minimally invasive, the capital market solid, the accounting profession recognized and active and financial statements targeted for investors. The model is represented by a capitalist macroeconomic environment in which levels of regulation and taxes are low and government offers relatively fewer services. Examples of countries adopting this model are the United States of America, Britain, Australia, New Zealand, Canada, South Africa, Malaysia, India and Singapore.

On the other hand, the main features of the European model are related to continental-formalist law (Code Law), with strong corporatist influence, strong fiscal state interference, weak recognition of the accounting profession, bank financing predominance over capital markets, financial statements directed to lenders and governments. Examples of countries adopting this model are Germany, Belgium, Spain, France, Italy, Japan and South American countries. In the existence of different forms of presenting financial statements and the accounting needs for standardization several regulators came into being.

The International Accounting Standards (International Accounting Standards - IAS), currently known as IFRS (International Financial Reporting Standards), are a set of accounting pronouncements issued and revised by the IASB (International Accounting Standards Board). This type of accounting aims to meet the needs of external users, since it generates information for financial purposes, enabling greater clarity of information. In this environment, the African continent has the lowest number of countries planning to converge to IFRS.

According to Gouadain and Wade (2002), in the 60's of Francophone Africa's countries reproduced in their environments the French General Chart of Accounts published in 1957. The former French colonies had an accounting tool fit for a developing economy under the control of governments, without representation of professional organisms.

The General Plan of Accounts of the Member States of the African and Malagasy Common Organisation-OCAM (PC-OCAM) was adopted in January 1970, in Yaoundé and came into force between 1973 and 1981. The adoption of this PC-OCAM allowed for significant changes such as the editing of accounting rules that did not exist before the adoption of a chart of accounts, inspired by the chart of accounts in use in France in 1957, and also the proposal of a financial report model. In search of trustwothy information, it was required to prepare a spreadsheet showing financial results in place of the old operational account and profit and loss account (Goudain and Wade, 2002).

In 80's and 90's, the former French colonies proved fragile in the face of a globalized economy, as most of them kept the socioeconomic structures acquired in colonial times, e.g., the French Commercial Code. In addition, the devaluation of the franc, the local currency, and the high level of corruption in the judicial practice ultimately damaged region trade (Lohoues-Oble, 2004; Paillusseau, 2004).

It was in this context that on October 17, 1993, 16 countries in sub-Saharan Africa (Benin, Burkina Faso, Cameroon, Congo-Brazzaville, Côte d'Ivoire, Gabon, Guinea, Guinea-Bissau, Equatorial Guinea, Mali, Niger, Central African Republic, Senegal, Chad, Togo, Comoros) signed the constituent treaty of the Organization for the Harmonization of Business Law in Africa (OHADA), in Port Louis (Mauritius), which came into effect on September 18, 1995 (OHADA, 1997). The OHADA Regulation System consists of four institutions, namely: (i) the Council of Ministers of Justice and Finance, the supreme body formed by the ministers of finance and justice of member countries; (ii) the Common Court of Justice and Arbitration the Permanent Secretariat; (iii) the Permanent Secretariat; and (iv) the Regional Training School of the Judiciary.

According to Paillusseau (2004), this new economic space was created to establish and restore investors' security and confidence. Arbitration has become the means of resolving contractual disputes, building up economic integration and unification of the region. All this happened so that the continent could become increasingly attractive to the world market.

The World Bank and the International Monetary Fund (IMF), the Anglo-Saxon model, also influenced trade regulation in Africa, recommending political, economic, social and institutional governance (World Bank, 1994).

The creation of OHADA allowed the modernization of the old France-inspired Commercial Code, a continental-European model, bringing changes in business and Accounting. In March 2000, the *Uniform Act Organizing and Harmonizing Undertakings' Accounting Systems in The Signatory States to The Treaty on the Harmonization of Business Law In Africa* was inserted in the region, called OHADA Accounting System, which came into force on January 1, 2001 to the individual companies and on

January 1, 2002 for the consolidated companies. The Sysco-OHADA was created to unify the accounting referential, because there was about five different accounting charts, causing problems of comparability of information. The Sysco-OHADA is an interconnected set of accounting rules which is mandatory in the OHADA zone. Composed of 113 articles and following the French model it defines the rules forrecording accounting events, the preparation and presentation of financial statements. It came into existence mainly because the old rules were obsolete and unreliable. A heterogeneous accounting system constituted an obstacle to the process of economic integration. The Sysco-OHADA expanded the field of action integrating the informal sector, comprising small and medium enterprises (SMEs), previously not considered in the system (Ndjanyou, 2008).

The mode of regulation, which is the adoption of a set of laws, values and habits that mediate the relationship with the accumulation regime and maintain social cohesion, is an attempt by the international accounting and a feature of the Regulation Theory. The OHADA trade regulation model was based on French legal rules, reflecting aspects of the philosophy of that country, and almost nothing of the African legal system. The bloc's civil law system does not present the continent's multicultural issues and there are discrepancies in the interpretation and application of certain dispositions of the Uniform Acts, as a result of the fact that it is foreign to Africa. Ntongho (2012) cites, for example, the publication of a social statement characteristic of the French environment and uncommon to accountants and lawyers in those countries.

Therefore, understanding OHADA's social, legal, economic and political implications is important for the future development of the harmonization and integration process in Africa, especially at this early stage of the regulatory process. Harmonisation of Business Law in Africa must be made to facilitate commerce, attracting foreign investment and facilitating trade between member states. To make this possible, harmonization of accounting standards should reflect the legal culture of Africa through the development of a common system that fit the institutions of the continent. If the law does not reflect the legal culture of society, it will be costly and obsolete, instead of facilitating the economic growth of the continent (Ntongho, 2012).

The works of Gouadain and Wade (2002) and Fortin and Dicko (2009) are the references that support the topics presented in this section. The OHADA accounting system aims at the unification of accounting standards, the chart of accounts, recording rules and presentation of financial statements, so that identical transactions have equal impacts on the language of African companies, regardless of where countries are based.

According to Fortin and Dicko (2009), the main objective of Sysco-OHADA is the development of accurate and appropriate information that can meet the needs of external users. The Sysco-OHADA demands companies to prepare and present their financial statements on a comparative basis to the previous year. This is a great innovation in the process of economic information to users, since the old PC-OCAM did not encompass this possibility.

To achieve this goal, the Sysco-OHADA adopted eight basic principles, which are: prudence, consistence of accounting methods, correspondence of the closing balance sheet of financial year -1 with the opening balance sheet of the susequential financial year (n), specialization of periods, historical cost, continuity of operations, transparency and materiality (Gouadain and Wade, 2002). A new accounting principle (essentially on the prevalence of the form) was developed by Sysco-OHADA without being officially adopted (AUDC, 2000). This also brought an important change, because in the PC-OCAM, a former accounting model, the administrative facts were considered only as a legal reality (balance sheets). By developing this principle, the Sysco-OHADA began requiring companies to register accounting facts in conformity with their economic and financial reality. The balance sheet shifted the economic balance, allowing among other things, the registration of capital lease on the balance sheet of the lessee. Thus, the Sysco-OHADA model approached the IASB's model which disposes that the financial statements should present the financial effects of the entity's transactions to be considered according to their economic characteristics.

The Sysco-OHADA established three types of financial statements for the three groups of companies, namely: a general system for large enterprises, a simplified system for medium enterprises and a minimum cash system for small and medium businesses. This change was seen as a major innovation conducted by the Council of Ministers of OHADA's member states, because today the debate on adoption of international standards has been growing both in relation to publicly traded companies as to small and medium enterprises.

It is worth mentioning that the Sysco-OHADA requires the issuing of standardized financial statements for all companies. While the Statement of Sources and Uses of Funds is required by the system. On the other hand, the Cash Flow Statement of and Statement of Changes in Shareholders' Equity are not madatory, as it should be to meet the recommendations of the IASB. Although there are limitations, Sysco-OHDA tries to reach all sectors of economic activity in Africa.

The PC-OCAM model for the financial statements consists only of the Balance Sheet and income Statement of the year. The balance sheet of the Sysco-OHADA is more detailed, thus increasing users' decision-making capacity. Users will analyze in more depth the operational capacity and the economic and financial situation of the entity. The new balance sheet shows a distinction between equity and financial obligations, but does not state any criteria for the recognition of the financial statement elements. The Sysco-OHADA adopts a functional approach as to the classification of balance sheet items based on four cycles of activities, namely: the cash cycle, the operational cycle, the investment cycle and the funding cycle. The OCAM plan adopted a legal approach based on liquidity analysis (assets and rights) and obligations (liabilities) of the entity. One can also see that the financial year's results of the in Sysco-OHADA is evidenced in equity, while the OCAM's was presented after the obligations (short-term liabilities) (Fortin and Dicko, 2009). In the Income Statement (DRE), the Sysco-OHADA has more objective information about sales, taxes, expenses and results which were not as well-evidenced in the old system. The Statement of Sources and Uses of Funds presents the origins and uses of funds and the result of the change in net working capital (the difference between assets and liabilities). Not required in the OCAM model, the explanatory notes were added so as to clarify the accounting techniques adopted by the entity improving the understanding of statements.

METHODOLOGY

This study adopted a qualitative interpretative research methodology. Also, we adopted a case-study research design. The economic informations of the countries were collected from 2000 until 2010. Statistical data were collected from the World Factbook which is an annual publication of the Central Intelligence Agency (CIA) of the United States on the countries of the world. The CIA provides information, in American-style for their necessities, which is considered public domain, on governments and industries of all countries. We analyzed the socioeconomic, political and regulatory environments within OHADA zone, comparing it with the environment of the countries that are in early or advanced process of convergence with the IFRS.

The analysis of socioeconomic conditions was performed each OHADA member country, namely: Benin, Burkina Faso, Cameroon, Congo-Brazzaville, Côte d'Ivoire, Gabon, Guinea, Guinea-Bissau, Equatorial Guinea, Mali, Niger Republic, Democratic Republic of Congo, Central African Republic, Senegal, Chad, Togo, Comoros.

We performed a comparative analysis of the accounting regulatory conditions of OHADA countries with countries that have an accounting tradition, that is U.S., France, Japan, Brazil and South Africa. The study is justified because the comparison is a fundamental tool of analysis, which helps the description, playing a central role wit a suggestive focus on similarities and contrasts between the different cases. We compared influencing factors and drivers of convergence to IFRS (legal system, degree of commercial openness, human development indexes and the stock markets). The choice of countries was carried out by observing the following characteristics: (i) the United States, because they have a tradition in accounting practice, having the largest stock market in the world, influencing international accounting, (ii) France, because it is the former colonizer of most OHADA's member countries. Furthermore, it influenced the local culture, (iii) Japan, because it is an important stock market in Asia. The Japan Accounting Standards Board (ASBJ) was established in July 2001 as a private organization. Accounting standards developed by the ASBJ are authorized by the Financial Services Agency as part of generally accepted accounting principles.The development of a common set of high quality accounting standards for domestic companies has been a major initiative of the ASBJ and the FASB (vi) Brazil because it has structured its accounting environment for the convergence to IFRS standards. The Federal Accounting Council (CFC), through the Resolution CFC 1,055, of October 07, 2005, created the Accounting Pronouncements Committee (CPC) and the Brazilian Convergence Committee in that is formed by the Securities Commission (CVM), the Brazilian Central Bank, Ibracon and members of CFC. The role of the CPC is to study, develop and issue pronouncements on international accounting procedures, allowing the emission standards by the regulatory authority, (v) South Africa because it is a country with major economic power in Africa and experiencing an advanced convergence process to IFRS standards.

The specific accounting tradition of a nation may be derived from economic conditions (Nobes and Parker, 2012). They attest to the level of economic development of a country, and consequently the type of accounting practice. There is a dependency relationship between the level of economic globalization, the level of openness to international commerce and level of a country's development. The coefficient of trade openness of a country is an international comparison indicator, which aims to assess levels of external commercial transactions from different countries. It is calculated the ratio of exports and imports to Gross Domestic Product (GDP) of a country in a particular period.

Finallly, we used the Human Development Index (HDI), calculated by the United Nations, to examine the level of development of a country. It is composed of a set of social and economic factors such as access to public health (birth rate and mortality and life expectancy), education (literacy rate of adults and schooling) and income (GDP per capita).

RESULTS AND DISCUSSION

Tables 1, 2 and 3 are the volumes of exports and imports expressed in billion dollars and the GDP of OHADA bloc countries, U.S., Japan, France, Brazil and South Africa. It is worth noting that the data from the Equatorial Guinea and Congo were excluded for calculating the average for the region, because their exports have shown values which were greater than GDP, which could interfere with the interpretation of the OHADA's data.

The largest volumes of exports occurred in developed countries, like the United States, Japan and France, from 2000 to 2010. Although the average exports in the OHADA bloc countries are small, there was an increase from 0.92 billion in 2000 to 3.22 billion in 2010, therefore representing an increase of 350% (Table 1). In the last decade, there has been growth in imports in all countries, showing that the commercial exchange between countries is increasing. Although OHADA's values are small when compared to other countries, the data indicate an expansion of trade relations between African countries, which increased from 0.70 billion dollars in 2000 to 2.61 billion in 2010, showing a positive change of 373% (Table 2).

As for the Gross Domestic Product (GDP), which shows the economic growth of countries, the average of the OHADA bloc was the lowest of the group examined, similarly to what has been observed in previous analyzes. The countries' GDP has been increasing from 2000 to 2010. In the case of OHADA bloc, GDP grew from 9.88 billion dollars, in 2000, to 16.91 billion, in 2010, a variation of 171% in the analyzed period (Table 3).

Table 1. Exports of countries in billions of dollars.

Year	USA	Japan	France	Brazil	South Africa	OHADA (Average)
2000	663.00	413.00	304.70	46.90	28.00	0.92
2001	776.00	450.00	325.00	55.10	30.80	1.05
2002	723.00	383.80	307.80	57.80	32.30	1.03
2003	687.00	383.80	307.80	59.40	31.80	1.13
2004	714.50	447.10	346.50	73.28	36.77	1.21
2005	795.00	538.80	419.00	95.00	41.97	1.37
2006	927.50	550.50	443.40	115.10	50.91	2.03
2007	1024.00	590.30	490.00	137.50	59.15	2.69
2008	1140.00	665.70	558.90	159.20	71.52	3.47
2009	1069.00	545.30	473.90	153.00	66.54	2.93
2010	1270.00	765.20	508.70	199.70	76.86	3.22

Source: CIA World Factbook.

Table 2. Importations of countries in billions of dollars.

Year	USA	Japan	France	Brazil	South Africa	OHADA (Average)
2000	912.00	306.00	280.80	48.70	26.00	0.70
2001	1223.00	355.00	320.00	55.80	27.60	0.70
2002	1148.00	292.10	303.70	57.70	28.10	0.69
2003	1165.00	292.10	303.70	46.20	26.60	0.75
2004	1260.00	346.60	339.90	48.25	33.89	0.91
2005	1476.00	401.80	419.70	61.00	39.42	1.00
2006	1727.00	451.10	473.30	78.02	52.97	1.33
2007	1869.00	524.10	529.10	91.40	61.53	1.59
2008	1987.00	571.10	601.40	115.60	76.59	1.79
2009	1575.00	501.60	535.80	153.00	66.01	2.40
2010	1903.00	636.80	577.70	187.70	77.04	2.61

Source: CIA World Factbook.

As noted, the OHADA bloc has the lowest value of imports, exports and GDP over the period from 2000 to 2010, also presenting a very big difference between the other countries studied. However, there was an improvement in the trade of the African countries. It is worth mentioning that the evolution of exports and imports absolutely does not reflect the reality of the integration of countries in the international market, so it is advisable to calculate both the export coefficient and the import coefficient.

The results shown in Tables 4 and 5 supplement information provided in previous figures. The OHADA countries showed an increase in both import and export coefficients, demonstrating that there is an intensification of market opening in the region, affecting the economic and social culture. This reveals that in the future, international accounting rules should be a major point of discussion, since there is a tendency for the intensification of new enterprises and foreign direct investments in Africa. It is noteworthy that exports of OHADA countries are represented by extractive and agricultural goods. There are not financial and technological investments for the optimization of production. Furthermore, the production can not fully supply the domestic market. The incipient industrialization of the continent, in turn, is restricted to certain parts of the territory. The African industries take great disadvantage in relation to productive sectors of the United States, France and Japan, or even in relation to developing countries such as Brazil and South Africa. Having the highest GDP and being the largest exporters and importers, it is evident that the United States stand as the most open country to international trade in the selected group.

The way the company borrows influences the complexity of preparation and presentation of financial statements. As there is a direct link between accounting and economics, financial markets also suffer this influence. Investors concerned about the risks inherent to stock markets require greater clarity and standardization in accounting procedures. The more rigid are the rules for

Table 3. GDP of countries in billions of dollars.

Year	USA	Japan	France	Brazil	South Africa	OHADA (Average)
2000	9.255.00	2.950.00	1.373.00	1.057.00	296.10	9.88
2001	9.963.00	3.150.00	1.448.00	1.130.00	369.00	9.42
2002	10.082.00	3.550.00	1.540.00	1.340.00	412.00	9.58
2003	10.400.00	3.550.00	1.540.00	1.340.00	432.00	9.88
2004	10.990.00	3.582.00	1.661.00	1.375.00	456.70	10.35
2005	11.750.00	3.745.00	1.737.00	1.492.00	491.40	11.20
2006	12.310.00	4.025.00	1.794.00	1.536.00	540.80	14.12
2007	13.130.00	4.218.00	1.891.00	1.655.00	587.50	15.05
2008	13.860.00	4.417.00	2.067.00	1.838.00	467.60	15.10
2009	14.120.00	4.310.00	2.145.00	2.010.00	504.60	16.21
2010	14.660.00	4.310.00	2.145.00	2.172.00	524.00	16.91

Source: CIA World Factbook.

Table 4. Coefficient of import.

Year	USA	Japan	France	Brazil	South Africa	OHADA (Average)
2000	0.099	0.104	0.205	0.046	0.088	0.071
2001	0.123	0.113	0.221	0.049	0.075	0.074
2002	0.114	0.082	0.197	0.043	0.068	0.072
2003	0.112	0.082	0.197	0.034	0.062	0.076
2004	0.115	0.097	0.205	0.035	0.074	0.088
2005	0.126	0.107	0.242	0.041	0.080	0.089
2006	0.140	0.112	0.264	0.051	0.098	0.095
2007	0.142	0.124	0.280	0.055	0.105	0.105
2008	0.143	0.129	0.291	0.063	0.164	0.119
2009	0.112	0.116	0.250	0.076	0.131	0.148
2010	0.130	0.148	0.269	0.086	0.147	0.154

Table 5. Coefficient of exports.

Year	USA	Japan	France	Brazil	South Africa	OHADA (Average)
2000	0.072	0.140	0.222	0.044	0.095	0.093
2001	0.078	0.143	0.224	0.049	0.083	0.111
2002	0.072	0.108	0.200	0.043	0.078	0.107
2003	0.066	0.108	0.200	0.044	0.074	0.114
2004	0.065	0.125	0.209	0.053	0.081	0.117
2005	0.068	0.144	0.241	0.064	0.085	0.123
2006	0.075	0.137	0.247	0.075	0.094	0.144
2007	0.078	0.140	0.259	0.083	0.101	0.179
2008	0.082	0.151	0.270	0.087	0.153	0.230
2009	0.076	0.127	0.221	0.076	0.132	0.181
2010	0.087	0.178	0.237	0.092	0.147	0.190

accepting companies in the stock market, the more credits will have the values of the companies. No wonder that indicators of reliability of stock exchanges are present in decision-making of international investors. International accounting standards were also created to reduce fraud and misrepresentation practiced by major companies participating in the international market. Understanding the amount of resources involved in the financial system, may explain the reasons for the adoption of a more refined accounting. Brazil and South Africa, which are developing countries, although also have an active stock market, have a lower number of listed companies. So it is natural that these markets create sophisticated accounting standards and influence the international market. The OHADA countries have the lowest number of companies listed on the *Bourse des Valeurs Regional Mobilières - UEMOA*. Due to the small number of listed companies in the OHADA bloc, for public companies, the process of convergence to IFRS may occur in a slow pace. There were only 38 companies in the country market, demonstrating that the movement of stock trading is very small (Yartey and Adjasi, 2007). The capital market in the region suffers from low liquidity. In the Annual Report and Statistics of the World Federation of Exchanges (WFE) of 2011, the Johannesburg Stock Exchange was the only of the African continent to be present among those 54 members.

The American and South African corporations raise funds primarily through the stock market. While the Japanese, Brazilian, French and OHADA bloc systems are based more on financial institutions. It is known that the stock market regulates the capital market through the issuance of rules applicable to publicly traded companies. The way the company borrows influences the type of Financial Statements to be prepared by professionals. In other words, the manner of fundraising indicates the type of financial statements user, for investors and creditors need different types of information. Therefore, it is possible to know the type of economic information demanded in countries with strong equity markets, the Financial Statements are directed to meet the needs of investors. As the accounting in the OHADA countries is influenced by government informational needs, the preparation of financial Statements mainly caters for the demands of financial institutions (Heem, 2004).

In the UNDP (United Nations Development Program) report as of 2010 and 2011, countries were grouped into different levels of HDI, namely: very high (value between 0.9 and 0.89) and high (value between 0.89 and 0.75), medium (value between 0.65 and 0.75), low (value between 0.0 and 0.65). Developed countries are the best performers, being classified as high human development.

Of the five countries selected to perform the comparison with OHADA, South Africa had the lowest HDI (less than 0.65). Of the OHADA bloc countries, Gabon showed the best results, being among those with medium HDI in the years 2010 to 2011. The United States and Japan showed the best results of all being among those with very high HDI, followed by France (high HDI) and Brazil (medium HDI).

The level of health, education and income per capita of OHADA bloc is far inferior to the other countries studied. Consequently, there is the need for fundamental investments for their growth. This means high investment in technical and specialized knowledge, not only in accounting, but primarily in basic education.

DISCUSSION

The Conceptual Framework of OHADA is essentially characterized by the requirement of financial statements in three levels according to the size of the activity performed by the company. As for economic and accounting regulation, member states through the Council of Ministers (the supreme body) intervene in order to avoid a monopoly, encouraging competition and the arrival of new investments. Although imports and exports have increased, the market is still closed and the economic and educational conditions do not favor the international accounting standards (IFRS) to be implemented in the short term.

The OHADA bloc still has a small economy and therefore, can not be influenced by the internationalization of markets regarding more elaborate administrative, legal and accounting processes. Therefore, the OHADA bloc countries currently still have a trade closed when compared with that of the U.S., Japan, France, Brazil and South Africa.

Of the total of sixteen countries in the bloc, only one had an average HDI and fifteen had shown a low HDI, in 2010 and 2011. Furthermore, the number of companies listed on the BRVM (Bourse Regional des Valeurs Mobilières – UEMOA) is irrelevant. Also, The OHADA zone has the lowest level of economic development and education, compared with the other countries studied. Currently, the adoption of IAS/IFRS by OHADA countries will not be an easy task, since, even considering the Sysco-OHADA, there are difficulties for its proper application. Moreover, OHADA's capital market is underdeveloped to elicit a change in accounting regulatory policy.

Conclusion

This study examined the conditions of accounting regulation in OHADA member countries in face of convergence to international accounting standards issued by the IASB. Its differential, relative to similar studies in the area was to address the issue in the sphere of Africa, where a small amount of research was conducted. Thus, we identified a potential field of study to be carried out on the countries of the bloc in search of discovering mechanisms for an international economic regulation.

The literature review presented the factors that influence the convergence of international standards, such as the stock market, a country's economy, its education and culture. From the results, it was observed that there was a great effort from the OHADA countries towards achieving a regulatory status in their economic, legal and business environment with the Influence of the Anglo-Saxon corporate model of the World Bank and France's continental-European accounting model.

Given the speed of information and business, it is suggested that further studies should be conducted together with African countries in order to ascertain what are the difficulties encountered by companies in implementing the standards of Sysco-OHADA. The OHADA countries must intensify efforts and investments in the economic and educational spheres before undertaking new accounting guidelines.

Finally, it is concluded that the creation of Sysco-OHADA is a proof that African countries are aware of the changes that the international economic environment is undergoing and requires a strengthening of the capacity for reflection and participation of those involved in international debates about the economics and accounting internationally.

ACKNOWLEDGEMENT

The authors thank the National Council for Scientific and Technological Development (CNPq), Brazil, for financial support.

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