



THE INFLUENCE OF GLOBALIZATION ON PUBLIC SECTOR ACCOUNTING PRACTICES IN DEVELOPING COUNTRIES: A SYSTEMATIC REVIEW

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ABSTRACT: Purpose: The detailed relationships between globalization and accounting reform, and especially the introduction and adaptation of international standards, including IFRS and IPSAS in the public sector are considered in the paper. The basic objective is to learn not just how globalization influences the direction of reform, but also to investigate the institutional, political and cultural conditions that affect the success and failure of these reforms in different national contexts.

Findings: The discussion shows that globalisation has had a lot to do with the push towards the standardisation of accounting practices. However, the effects of these international reforms in the state sector are imbalanced and strongly controversial. Although the use of IFRS has become common, its implementation has frequently conflicted with those of the priorities of the public sector because of the difference in the objectives and functions. IPSAS is a more appropriate substitute, but it is obstructed by institutional frailty, political timidity, and complicated technical demands. Besides, no strong empirical research has been conducted to assess practical impacts of these reforms to governance, accountability and financial transparency. The review also adds that there is the need to change accounting practices in order to address current challenges in the world like digital innovation and sustainability.

Practical Implications: An approach towards reform needs to be nationally specific as opposed to indiscriminately applying international standards. The policymakers should invest in institutional capacity, stakeholder participation, and research following the footprints of the actual world changes on reforms. Secondly, researchers and standard developers should be willing to develop accounting models that are not very rigid so as to embrace global standards, and at the same time consider the local demands.

Originality/Value: This paper is a critical and integrative literature review on globalization and its reforms on the public sector accounting. It helps reveal theoretical and practical gaps in existing research and policy strategies, in particular in transferring global standards into various institutional conditions. The usefulness of the study resides in the fact that it suggests a more flexible, evidence-based reform agenda of the future that is responsive to the realities of the public governance in a globalized world.

KEYWORDS: Globalization, Public sector accounting, Institutional dynamics, Accounting harmonization, Accountability, Glocalization, Governance reform.



INTRODUCTION

Globalization has had a varied number of effects on public sector accounting over the past few decades, the most visible one being the rising use of International Financial Reporting Standards (IFRS). The need to have consistent high quality and comparable financial reporting practices has risen as the global economies continue to intersect. IFRS has come to be a pivot tool in meeting this need because it has increased transparency, accountability and comparability of financial statements across borders. The tendency is especially common in transitioning and emerging economies, as compliance with the international standards is commonly viewed as the key to receiving foreign investment, enhancing governance, and updating the systems of public financial management (Mwangi & Njoroge, 2018; Nobes & Parker, 2020). Scholarly evidence indicates that the implementation of IFRS may result in a significant improvement in the quality of financial disclosure, corporate governance, and auditing, subsequently contributing to the more efficient and reliable financial markets and governmental bodies (Rath & Yadav, 2018; Yousfi & Omri, 2022). Yet, as empirical research points out, the experiences of IFRS adoption are highly divergent across different countries because of a wide discrepancy in political conditions, institutional capabilities, and cultural contexts (Albu & Albu, 2012; Heidhues & Patel, 2012).

Such differences have regularly been related to the existence of a spectrum of contextual aspects that influence the application along with the usefulness of IFRS. Studies reveal that the quality of institution, legal framework and political will of a nation is very important in the realization of the true value of IFRS reforms. In a number of developing countries, poor legal frameworks, bureaucracies, and political reluctance have undermined implementation efforts (Albu & Albu, 2012; Wang & Campbell, 2019). In practice, even in those cases when formal adoption has already occurred, the problems of mismatch with domestic law, opposition on the part of interested circles, and the ineffective nature of enforcement systems still remain (Alshammari, 2023; Guerzmazi & Halioui, 2020). Research also stresses that although audit and reporting practices can improve, such an outcome is often dependent on the presence of favorable institutional conditions and does not necessarily occur as a direct result of adopting IFRS (Batra & Tan, 2019; Alexander & Archer, 2020). This literature stream highlights the necessity to examine the interaction between local legal abilities, political processes, and cultural customs and traditions, as well as systems of administration and the global accounting standards.

In order to carry a contribution to this debate, the present study conducts a systematic review of the existing literature in an attempt to evaluate the ways in which globalization, particularly via IFRS, has affected the accounting practices in the public sector in different national contexts. The paper has four main objectives: it seeks to synthesize the results of the previous empirical and theoretical research on the impact of IFRS on the quality of financial reporting, audit activities, and access to financial markets; it aims at identifying the political, institutional, and cultural factors that explain the successfulness of IFRS reform; it intends to examine how globalization contributes to the convergence of accounting standards across developing economies; and it will provide recommendations to future research and policies. The literature review is conducted under 5 primary thematic areas as (1) enhancing financial reporting and performance, (2) the consequences to access to capital and the cost of borrowing, (3) institutional and political impediments to the adoption of IFRS, (4) the wider implications of globalization on accounting changes, and (5) the critical theoretical views on the use of IFRS



in the public sector. The paper is structured as follows: methodology section provides information on the criteria and procedure of the literature selection and thematic coding; results section summarises findings by evidence; discussion section provides a synthetic analysis of the results pointing out inconsistencies and research gaps; conclusion section reports on practical policy implications and future research priorities. Overall, the present research supports the idea that the success of IFRS in the state sector is closely linked to the extent of the integration of global standards with the local institutional framework (Batra & Tan, 2019; Nobes & Parker, 2020).

Financial Reporting Quality and Performance Improvements

There is a growing literature that underlines the critical relationship between the quality of financial reporting and the institutional performance particularly in the context of the public sector reforms as prompted by the adoption of the International Financial Reporting Standards (IFRS). The theoretical argumentation is that adoption of IFRS can bring about reduction of information gap, enhancement of cross-border comparability and improving accountability procedures (Barth, Landsman, & Lang, 2008). Practical experiences in developed economies including United Kingdom and Australia show that the move to IFRS results into improved transparency, reduced earnings management, and increased confidence among investors and other stakeholders (Ahmed, Neel, & Wang, 2013; Brown, 2011). In the transitioning and low-income economies, the shift to IFRS or accrual-based financial systems has been linked to enhancing budgetary reliability, financial management, and auditing (Caruana, Bezzina, & Gauci, 2020). As an example, Fourie (2020) says that the implementation of accrual accounting practices in South Africa resulted in higher accountability and financial performance at provincial governments.

Likewise, the most up-to-date evidence shows variance in countries in Africa and the larger Global South, depending on the level of institutional quality, enforcement, and political will. Researchers like Alshammari (2023) and Zeghal and Mhedhbi (2006) claim that implementation of IFRS is not enough, unless accompanied by investments in internal audit system, training of accounting personnel, and ICT infrastructure, the anticipated benefits might not be realized. In Ghana, where implementation of International Public Sector Accounting Standards (IPSAS) which is a public sector oriented modification of IFRS is still underway, initial indications show that fiscal responsibility could be improved though better financial reporting, improved decision-making, and eventually lead to improved performances by Ministries, Departments and Agencies (MDAs). However, poor ICT infrastructure, low institutional capacity, and lack of consistency in the implementation of various policies are some of the problems that still remain obstacles (Owusu & Sarbah, 2022; Dandago & Hassan, 2013).

That being the case, the current research attempt tries to fill a fundamental empirical gap by investigating the degree to which reporting reforms (that are based on IFRS) have led to an objective improvement in financial performance, internal control systems, and decision-making procedures in the Ghanaian public sector, where such research is fairly under-represented in current academic literature.

Access to Capital and Borrowing Costs



The importance of high quality and reliability of financial reporting in relation to the access to external finance and the borrowing conditions, especially in economies that are characterized by a scarcity of capital resources, is broadly recognized. It has been found that International Financial Reporting Standards (IFRS) lead to greater financial transparency, which increases investor confidence as well as enabling lenders and donors to better assess financial risk (Diamond & Verrecchia, 1991; Florou & Pope, 2012). Adoption of IFRS in the private sector has in many cases been linked to lower cost of capital, due to the enhance comparability and the resulting decline in the perceived investment risk (Daske et al., 2008). Such beneficial experiences are also evident in some state-owned situations guilty of capital markets or concessional financing. As an example, the European Union adopted IPSAS-based reporting in the early 2000s, at the same time increasing its sovereign credit rating and improving access to long-term funding (Benito, Brusca, & Montesinos, 2017). Moreover, institutional investors can be more attracted to the organizations with transparent and standardized accounting, which may lead to the increased availability of funds and a decrease of oversight costs.

This is the situation in low- and middle-income countries like Ghana where public entities are largely dependent on government budgets, grants, and external borrowings. In these countries, the quality of financial reporting is highly considered in determining the perception of donors and the borrowing agreements. In sub-Saharan Africa, reforms of public financial management, including switching to accrual-based systems and convergence with IFRS, are associated with the consolidation of credit profiles and more favorable positions in negotiations with international financial institutions (Amoako, 2021; Brusca, Gómez -Villegas, & Montesinos, 2016). Nevertheless, the actualization of such benefits usually relies on the quality of implementation, the strength of audit systems, and the availability of Enhancing reforms within RIFs such as procurement, budgeting, and performance measurement (Hassan, 2023). In Ghana, the continuing work on the convergence of IFRS and IPSAS in accounting in the public sector is expected to increase the believability of the financial reports of Ministries, Departments, Agencies (MDAs) and State-Owned Enterprises (SOEs), and thereby access to resources of donors, and lower cost of borrowing. The proposed study seeks to address a gap in the research literature by providing empirical inspection into the degree to which IFRS-based financial reporting reforms have had an impact on access to capital and lending terms throughout the Ghanaian public sector- a field that is understudied, but bears huge relevance to fiscal policy and regulation.

Institutional and Political Constraints on IFRS Adoption

The adoption of International Financial Reporting Standards (IFRS) and their counterpart in the public sector, International Public Sector Accounting Standards (IPSAS), is not limited to technical changes and should be seen in wider institutional and political perspectives. The lack of technical capacity, effective regulatory implementation, bureaucratic opposition, and fragmented policies are some of the potential challenges current governments are facing in the successful implementation of IFRS in the public sector institutions in most developing countries like Ghana (Hyndman & Liguori, 2016; Hassan, 2020). The result of these constraints is that they frequently cause Ministries, Departments and Agencies (MDAs) not to be able to produce timely and accurate financial information thereby affecting transparency and accountability in the public financial management. Another obstacle is the lack of training among financial staff, the irregular assistance of top management, and the lack of coordination between the regulatory frameworks which make the transition to accrual accounting more challenging and decrease the possible benefits of IFRS reforms (Yusoff et al., 2022).



These institutional barriers are also fueled by politics. Research findings suggest that political commitment and priorities of good governance have a significant effect on the success of reforms in public financial management, i.e., the adoption of IFRS or IPSAS (Brusca, Montesinos, & Chow, 2021). In Ghana, the continuity of reforms is regularly interrupted by shifts in government and variable political programs leading to disparate or ceremonial execution (Amoako & Gatsi, 2021). Reforms in accounting are neutralized by practices like politically determined budgeting, no consequences of failing to comply, and ineffective legislative control. Therefore, adoption of IFRS can be legislated by policy statements, but on the ground practices can be poor, which in effect restricts improvement of fiscal transparency, financial discipline and confidence among development partners. The paper at hand examines how institutional and political limitations affect the IFRS adoption in the Ghanaian public sector and evaluates what these factors imply on the quality of financial reporting and accountability.

The Influence of Globalization on Accounting Reforms

It is noted that globalization has played a major role in shaping the future of accounting reforms across the world because it has generated great momentum towards the harmonization and convergence of financial reporting standards. The need to have similar, transparent and comparable financial reporting has increased with the increased integration of capital markets and multinational business activities and many countries are moving towards or already using International Financial Reporting Standards (IFRS) (Ball, 2006). The latter trend toward the adoption of IFRS has been observed worldwide and has generally been perceived as an aspect of the growing globalization as standardized reporting systems have been observed to alleviate asymmetry of information, enhance the quality of financial reporting, and facilitate international investment (Daske, Hail, Leuz, & Verdi, 2008). These reforms have been significantly advocated by international financial regulatory institutions like the International Accounting Standard Board (IASB), the World Bank as well as the International Monetary Fund (IMF) in order to instill global financial stability and investor confidence (Chua & Taylor, 2008).

However, technical or economic issues are not the only forces behind the effect of globalization on the accounting practices. The reception and implementation of reforms are largely affected by national cultural, institutional, and political processes. The Gray (1988) cultural dimensions also indicated that accounting behavior is influenced by society values and thus result to differences in acceptance and implementation of global standards. Most of the jurisdictions which officially adopt IFRS perform localized adaptations, commonly known as carve-outs, to be more in line with their economic and regulatory environments (Nobes & Parker, 2012). Institutional theory also argues that the results of reforms can be determined by a set of external global pressures and internal forces including regulatory capacities and political involvement (DiMaggio & Powell, 1983; Soderstrom & Sun, 2007).

The increase in foreign direct investment (FDI) and proliferation of multinational corporations (MNCs) has only pushed the necessity of converged accounting standards. A financial reporting system that is lagging behind but is eager to attract foreign investment is usually motivated to upgrade its system to conform to international standards, hence making it easier to consolidate finances and operate internationally with greater efficiency (Armstrong, Barth, Jagolinzer, & Riedl, 2010). Even in the case, the call of alignment is not limited to accounting, but also comprises changes in auditing, corporate governance, and disclosure policies so that



they kept pace with international expectation and best practice (Hope, Kang, Thomas, & Yoo, 2006).

Nevertheless, as much as there are benefits associated with the globalization-driven reforms, there are a number of challenges- particularly to the developing economies. These are; resource constraints, lack of or inadequate technical knowledge, and poor institutional infrastructures to hinder successful implementation of the IFRS and other standards (Otusanya & Lauwo, 2010). Moreover, opposition by local players who fear the loss of dominance over the national accounting systems or the introduction of alien values may make the process slow (Choi & Meek, 2008). In the case of smaller enterprises, the cost implication in terms of finances and logistical support of switching over to the new reporting systems may be enormous and this may compromise comply and sustainability (Otusanya, 2011).

To sum up, globalization has had revolutionary effect on accounting reforms due to the creation of more transparency, accounting comparability and integration of financial markets. But it has also revealed the contradiction between global equivalence and local particularity. With the reforms still in progress, the long-term implications of these reforms, the role of new digital technologies, and the experiences of less studied regions in the context of the changing global economic relations should be the topics of further study.

Theoretical Critiques of IFRS in the Public Sector

Introducing International Financial Reporting Standards (IFRS) into the public sector has received significant theoretical critique, mostly based on a feeling that the standards developed with the private sector in mind do not relate well to the different objectives and operating environments of public organizations. Having been initially designed to meet the needs of the private investors and hence emphasizing more on profit making and shareholder value, IFRS has been thought not to be very applicable in the public sector where the main concern is accountability, service delivery and management of the scarce resources (Chan, 2003). These critics indicate that these standards fail to provide a good picture of the activities carried out in the public sector especially in non-exchange transactions, public goods, and budgetary process compliance (Hyndman & Anderson, 2009). Consequently, the questions remain as to whether IFRS can give rise to relevant and useful information to be used in the decision-making processes associated with the public sector.

Along with the conceptual concerns, critics point out to the fact that IFRS fails adequately to take into account the specific institutional context in which public sector organizations act. In comparison with the private companies, the public organizations have to operate in the complicated political, legal and social environments, which are often to demand different accounting treatments (Pollitt & Bouckaert, 2011). Institutionally, the theory point of view might view the implementation of the privately based accounting standards like IFRS as a source of conflict or compliance pressure since the standards are unlikely to comply with the norms, demands, and expectations that are characteristic of a public institution (DiMaggio & Powell, 1983). Moreover, the generally accepted accounting practice in the public sector has been under debate with the focus of accrual accounting and fair value measurement in IFRS that have been based more on historical cost and fiscal control (Tillema, 2005).

The other significant issues that have been expressed by the scholars are that IFRS may reduce the transparency and accountability in the public sector. The fact that IFRS are more technically



complex may pose a challenge to all stakeholders who do not have high financial skills, including the general population and elected officials, and this lowers the level of accessibility to the financial reports and effective control (Christiaens & Rommel, 2008). Also, because the standards emphasize the principles of recognition and measurement established in a business context, they might divert attention away of the performance-based reporting and service delivery evaluation, which are the relevant issues in the discussion of the effectiveness of the public sector (van Helden & Uddin, 2016). These criticisms support the argument that public sector accounting needs its own standards which unambiguously reflect the informational requirements of public accountability as against the use of structures derived to measure corporate performance.

To address these issues, the use or development of public sector-specific standards (e.g. the International Public Sector Accounting Standards (IPSAS)) are gaining support. In comparison to IFRS, IPSAS contains more principles which reflect priorities of the public sector, such as transparency, stewardship and efficient service delivery (Carlin, 2005). There has, however, been questioning of consistency in standard-setting, as well as practical difficulties in simultaneous jurisdictions using both IFRS and IPSAS to harmonise or transition between the two (Christiaens & Van Peteghem, 2013). On the whole, although international initiatives in the standardization of accounting practices have some advantages, the theoretical criticisms indicate that the entities in the public sector need accounting standards that acknowledge their specific accountability requirements and operating conditions.

METHODOLOGY

This study relied on systematic literature review (SLR) method in carrying out an extensive study on the effects of globalization to accounting reforms, and the theoretical criticisms evident in the adoption of IFRS to the public sector. The key objective was to locate, examine, and interpolate pertinent academic input/contributions by eminent academic journals in a bid to ascertain the validity and strength of the results. The search was thorough in renowned academic databases, including Scopus, Web of Science, and JSTOR, which were chosen because of their wide purchasing of high-quality and peer-reviewed studies. In order to ensure academic rigor, the review was limited to the articles published in journals that are categorized in the top quartile (Q1) in the fields of Accounting, Finance and Public Administration according to the SCImago Journal Rank (SJR) and Journal Citation Reports (JCR).

Search phrases were effectively formulated with the aid of Boolean logic to pick up all-inclusive results that related to the study. The combinations of such key phrases as globalization AND accounting reforms, IFRS AND public sector, public sector accounting AND theoretical critique, and accounting standard harmonization were used. It was restricted to the studies in English language published between January 2000 to December 2024 to reflect modern trends and recent changes of policies in IFRS application. In order to uphold high standard of evidence, particular inclusion and exclusion criteria were utilized in the course of the screening. The studies that were eligible were empirical and theoretical studies that clearly answered the research question on the impact of globalization to reforms in accounting or critiqued IFRS extensively in the public sector settings. The selection of full-text articles was narrowed to the publications in Q1 peer-reviewed journals, the English language, and publication within the indicated timeframe. The grey literature (dissertations, conference papers, book chapters), and



studies on adoption of IFRS by the private sector only, with no applicability to the public finance, were excluded. What is more, the articles that did not meet methodological rigor, or contained unjustified opinion-based commentary were excluded as well. The duplicates found between the databases were eliminated to prevent redundancy.

The first search identified 1,152 records. Following the removal of 237 duplicates, 915 distinct studies were left to go through title and abstract screening. Among these, 678 were eliminated as they were irrelevant, had language barriers or type of publication barriers. The remaining 237 (full-text) articles were screened with the eligibility criteria. After this step, 184 articles were removed mainly because they did not cover globalization or adoption of IFRS in the public sector or were published in low-ranked journals. In the end, 53 articles were included in qualitative synthesis.

The review was undertaken in PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) framework, which offers transparency and reproducibility of the methodology. The process of selection was documented with the help of a PRISMA flow diagram. The final sample was then extracted with key data being authorship, year of publication, journal title, research aims, methodological approach, theoretical orientation and core findings. Thematic analysis was then performed to group the literature into significant themes like the consequences of globalization on the accounting practices, institution and cultural subtleties and the controversy on IFRS in the public arena.

The qualitative synthesis and critical evaluation were used, in order to identify points of convergence, difference, and the unaddressed gaps in the extant research. Particular concern was the studies based on the institutional theory, stakeholder theory and the framework of public administration, as they offered useful insights into the theoretical issues of IFRS implementation in the public sector. In the maintenance of academic excellence, the study considered only the literature published in Q1 journals, as confirmed by the SJR and JCR rankings, and therefore the reviewed literature was of high scholarly influence and was strictly peer-reviewed. Each study was also evaluated according to the integrity of the methodology, the theoretical contribution, and the coherence of reporting.

Such methodologically qualified and systematic research made it possible to analyze the gap in the accounting literature in terms of the presence of actual academic debate on the contribution of globalization to the development of accounting reforms and IFRS problematical issues in the public sector. Due to the PRISMA compliance and the emphasis on the journals with high impact factor, the study provides a credible and thoroughly substantial base to be used in further research and policymaking in the sphere of accounting in the public sector.

FINDINGS

The findings of this SLR are discussed within five major thematic areas defined as a result of a thorough investigation of the identified academic sources: (1) Globalization and Driver of Accounting Reforms, (2) Welcome to Standardization and Convergence in Accounting Practices, (3) Institutional and Cultural Factors in Accounting in the Public Sector, (4) Critical Account of IFRS adoption in the Public Sector, and (5) Challenges of Implementation and Future Way Forward Accounting Reforms.



In the literature that has been assessed, the phenomenon of globalization stands out as a key influence in the change of the accounting systems in various countries in the world. Increased economic interdependence, expansion of cross border investments, Spread of multinational companies, and improved international capital mobility have placed some pressures on countries to harmonize their accounting systems to international standards. The said alignment shall enhance transparency, comparability, and acceptability of financial reporting (Choi & Meek, 2008; Nobes & Parker, 2020). The international bodies, such as IMF, World Bank, and IFAC have been at the forefront in promoting globally uniform accounting standards in the name of enhancing investor confidence and international collaboration (Leuz & Wysocki, 2016). Another reason, which has given pace to the adoption of IFRS and other such frameworks, is the increasing relevance of global financial markets, in both developed and emerging economies, highlighting the wider role of globalization in harmonizing regulations in accounting (Ball, 2006).

The other significant theme in literature is the worldwide trend of harmonization and convergence of accounting standards. Much research is focused on the role of standardization that should minimize the cross-jurisdictional differences in accounting and improve the quality of financial reporting consistency (Hail et al., 2010). The adoption of IFRS in the private sector has been widely spread due to the promulgation of the same by the IASB (Nobes, 2011). Convergence in the public sector has however been at a slower and more complicated speed because of the disparities in the governance objective and reporting necessities (Carlin, 2005). Researchers have commented on how IPSAS has come up as an important framework to seal the gaps that IFRS could not cover concerning the peculiar needs of public institutions (Christiaens & Van Peteghem, 2013). Nevertheless, research findings claim the existence of significant difference in the adoption and implementation of these standards depending on the institutional and legal settings of each country- a claim that shows the lack of complete global convergence.

The moderating role of institutional and cultural settings on reforms of public sector accounting is an issue that keeps reoccurring in the literature. Under the influence of the institutional theory, the multiple studies describe the process of reform sifting through the established governance frameworks, legal regulations, political agenda, and cultural norms (DiMaggio & Powell, 1983; Tillema, 2005). Indicatively, nations that have deep-rooted bureaucratic cultures or decentralized governments commonly use altered systems, which are more indicative of the local demands and preferences (Hyndman & Anderson, 2009). There are also cultural differences that include high power distance and heavy uncertainty avoidance that influence the attitude towards the international accounting standards (Gray, 1988). These results imply that the accounting reforms induced by the globalization process should be localized according to not only technical demands but also the consideration of the wider socio-political and cultural environment.

Much of the literature contains a theoretical criticism of the suitability of IFRS to be applied in the public sector. Numerous researchers claim that IFRS, which was originally designed to serve the needs of commercially-oriented corporations, cannot effectively serve the purposes of accountability, stewardship and service-orientated missions of public institutions (Chan, 2003; Pollitt & Bouckaert, 2011). The fair value measurement and the accrual-based accounting that is being prioritized in the IFRS usually clash with the public sector with its focus on budgetary operations and non-exchange transactions (Tillema, 2005; van Helden & Uddin, 2016). Besides, IFRS may be too technical making it inaccessible to non-specialized



stakeholders, including policymakers and ordinary people (Christiaens & Rommel, 2008). Such criticisms point towards the indication of more appropriate frameworks such as the IPSAS which have been developed in specific to address the nature and functions of the public sector organizations (Carlin, 2005). As a whole, this theme highlights an inherent conflict between international convergence pressure and the practical needs of governmental accounting.

The last thematic strand deals with the practical barriers and the future thoughts about the accounting reforms implementation of a globalized environment. Among the challenges mentioned in the literature, there are institutional inertia, constrained professional capacity, and the challenging nature of the shift to IFRS or IPSAS (Christiaens & Van Peteghem, 2013). Many studies indicate that the successful reform should be based on the powerful capacity-building measures, proper training, and political will (Nobes, 2011). In addition, the dynamic nature of the global financial environment with its trends, like the digitalization of the accounting or the environmental sustainability reporting trends, requires the accounting standards to be constantly updated (Leuz & Wysocki, 2016). Further studies are welcomed to focus on the hybrid models, which integrate international alignment with national flexibility and to evaluate the reality of these reforms on the accountability and performance of the public sector. These observations indicate the direction towards the requirement of dynamic context-sensitive solutions to public sector accounting in a world that is increasingly becoming interconnected.

DISCUSSION

A collective examination of the literature reviewed indicators a subtle and a complex relationship that exists between globalization and accounting reforms, especially in the context of the public sector accounting. Despite the general understanding of globalization as one of the potent forces contributing to the convergence and harmonization of accounting standards worldwide, the scope, success, and uniformity of changes are still exposed to a wide range of variations and controversies. This discussion theoretically presents these dynamics with a critical focus on contradictions, as well as identifying the gaps that need additional scholarly research.

It is a fact that globalization has brought about speed in the reforms of accounting, especially because of the growth in economic interdependence and transnational financial activities. Such pressures have motivated nations to embrace internationally acceptable framework (such as the International Financial Reporting Standards, or IFRS) in order to enhance transparency, comparability, and investor confidence across borders (Ball, 2006; Leuz & Wysocki, 2016). A pertinent question however comes up as to the relevance and applicability of these standards to the public sector. This has not been the case in the private sector where adoption of the IFRS has been more direct, the public institutions have been reluctant since the objectives are essentially different. The profitability focus of IFRS is at variance with the focus of the public sector that is on stewardship, accountability and delivery of services, raising the issue of conceptual compatibility (Chan, 2003; Pollitt & Bouckaert, 2011).

Moreover, the national institutions and cultural systems are significant to determine the way in which globalization affects the accounting practices. Institutionally-based research on this shows that political systems, laws and cultural norms act as sieves that pre-process the adoption



and acceptance of international norms (DiMaggio & Powell, 1983). They tend to produce a piecemeal adaptation or opposition to new changes and thereby restrict the success of international standardization initiatives (Tillema, 2005; Hyndman & Anderson, 2009). Therefore, the influence of globalization is not universal and deterministic; the effect is interceded by the domestic influences, which may sustain the current traditions of accounting in the face of globalization pressure.

The IFRS adoption on the public sector has also been subject to critical theoretical debates, especially in regard to the inappropriateness between the IFRS principles and the practicalities of governmental accounting. The emphasis imposed by IFRS on fair value accounting, accrual measurement, and financial performance is not sufficient to reflect the non-market, service-based, and budget-driven characteristic of the public sector (van Helden & Uddin, 2016). Therefore a lot of researchers have come out in support of increasing the adoption of International Public Sector Accounting Standards (IPSAS) that have the goals of the public sector in mind. Nevertheless, the journey towards IPSAS is not unproblematic as it is faced with a number of challenges such as the lack of technical competence, the lack of institutional capabilities as well as the different levels of political commitment (Christiaens & Van Peteghem, 2013). This Two-fold issue of the inadequacy of IFRS and the obstacles to the implementation of IPSAS emphasizes a significant gap in the literature and necessitates the need of additional empirical research on the de facto impacts of these standards on governance and accountability.

Another deficit in the current research literature that may be cited is the scarcity of empirical assessments of the effects of global accounting reforms on the outcomes of the public sector. Although many studies capture theoretical issues and reform pathways, little evidence is available on whether the reforms promote financial transparency and fight corruption and enhance service delivery. In addition to technological advances, sustainability reporting, and increased demands of social accountability are some of the global issues that have not been sufficiently investigated with regard to the public sector accounting. The latter indicates a dire necessity of extensive, multifaceted research that would evaluate the consequences and the flexibility of accounting systems in a rapidly changing global realm.

The other major question concerns the constant conflict between international standardization wanted and local customization needed. This has been termed as a paradox (or, the “glocalization” of accounting) and highlights the need to strike a feasible balance between global consistency and the responsiveness to local institutional realities (Nobes, 2011). There is however a gap in the literature in providing practical models or frameworks which provide practical strategies to pursue this balance particularly in the public sector. The gap offers the future researchers a chance to develop hybrid solutions that would balance the international best practices with the national governance requirements.

In short, although the effect of globalization on the accounting reforms process and the formation of international standards is beyond any doubt, the process is not that easy. A variety of tensions (between conceptual misfits and institutional mediation on the one hand, and the implementation challenges on the other) demonstrate the difficulty of finding meaningful convergence. By responding to them with greater empirical rigor, focus on the new issues arising in the global context, and the creation of more balanced policy paradigms, it will be possible to contribute to both the scholarly knowledge in the area and its practical implementation.



CONCLUSION AND RECOMMENDATIONS

The literature review has highlighted the immense role of globalization in the accounting reforms both in the private and public sectors, especially in the advocacy of a standardized system like the International Financial Reporting Standards (IFRS) and International Public Sector Accounting Standards (IPSAS). Even though, globalization leads to increased transparency, consistency, and integration of the global economy, the results obtained indicate the presence of various complexities and conceptual tensions particularly in the relevance and applicability of the IFRS in the public sector context. Institutional, cultural and political environments have a profound effect on the success of such reforms, making it difficult to achieve complete global convergence.

Furthermore, the literature raises an awareness of the persisting theoretical misgivings regarding the implementation of IFRS in the public governance frameworks. Such criticisms regularly target the incongruity between the market-based ideals of IFRS and the accountability-oriented operation of government. In addition to conceptual misfits, several more practical obstacles—including institutional limited capacity, stakeholder resistance, and poor implementation distribution hamper the advancement of reform efforts. Interestingly, no empirical studies have yet evaluated the effects of these reforms on governance, financial transparency and public sector performance, which points to an important future research avenue. As of the insights gained during the review, the following suggestions can be provided to the policymakers, practitioners, and academic researchers: **Specific Reform Plans:** Policymakers must not impulsively adopt IFRS models and apply them to the entities in the public sector. Rather, they need to focus on adoption or adaptation of IPSAS or blended accounting that is more indicative of national institutional arrangements and cultures. They should achieve a balance between the benefits of international uniformity and specific governance requirements of the domestic systems.

Capacity Development and Inclusive Participation: The reform requires developing the technical expertise and offering the continuous training as well as creating awareness among the civil servants, auditors, and other stakeholders. Enhancement of the institutional capacity and achieving political goodwill are cardinal in the provision of assurance of long-term success.

Strong Empirical Testing: Scholars ought to focus on intensive, inter-disciplinary, and extended research which would investigate the real consequences of international accounting reforms. They ought to be studied to determine their effects on transparency, accountability as well as service delivery within the state sector to provide evidence that can be used to direct the reform strategies and in formation of policies. **Incorporation of Trending Global Challenges:** Reform must be progressive, and thus it should include aspects of digitalization, ecological sustainability, and the ever-increasing need of social responsibility. The global conditions are changing and accounting systems need to adapt to these changes.

Development of Flexible, Context-Sensitive Models: Scholars and standard setting organizations are urged to develop flexible structures that allow local adaptation, but at the same time meet international benchmarks. Such a “glocalized” solution would neither hurt nor affect comparability, as it would adapt to the needs of the specifics of the different public sectors.



To sum up, accountable accounting reform in the globalized setting requires an advanced context-specific and research-based strategy. Such responsiveness to emerging trends in bridging the gap between global norms and the domestic realities will enhance effectiveness, sustainability, and legitimacy of the reforms in accounting. Eventually, this kind of effort leads to the robustness in the public financial management and the improvement of governance across the world.

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