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Yuri Biondi and Stefano Zambon (editors)

Accounting and Business Economics: Insights from National Traditions, New York:

Routledge, 2013, xxii, 514 pp.: 9780415887021 (hbk)

Reviewed by: Sebastian Hoffmann, *HHL Leipzig Graduate School of Management, Germany*

Most of us are getting more and more used to living in a globalized world which, I think, sometimes feels a bit too homogenous. Business is dominated by the needs and ideals of multinationals which seem to shape a whole generation of managers. Their education is driven by a uniform, modularized system of Bachelor and Master programs and degrees, and accounting is globally dominated by International Financial Reporting Standards (IFRS). A volume composing a variety of national traditions on business economics, education, and accounting is thus very welcome. Edited by Yuri Biondi and Stefano Zambon the Routledge volume “Accounting and Business Economics” is aiming to “analyse the complex and diversified issue of conceptual, practical and educational nature which revolve around this ‘genetic’ connection between accounting and business economics” (p. xii, Presentation) and not only comprises original chapters, but also a number of contributions (inter alia, Chapters 2, 6, 7, and 9) that are based on articles published in *The European Accounting Review* between 1996 and 1998. According to the editors, “[t]he distinctive characteristic of this collection is that each piece concentrates on the main features of business economics theory, and their significance and impact for the development of accounting thought, education and practice within a specific country” (p. xiv, Presentation), such that the result is “a *comparative international history of accounting* which focusses (sic) on the relationship (...) between accounting and business economics” (p. xv, Presentation, emphasis in the original). The book at hand is ambitious in providing an analysis of eleven national contexts and may be useful to business student as well as academics, and anyone interested in the history of accounting in these countries.

The book consists of three parts, which contain 18 chapters written by 24 authors. The first part comprises only one essay by Richard Mattessich who introduces the development of accounting thought in the first half of the twentieth century focusing on the German, Italian, and English language-area, implying that the author considers them to be most influential for the developments in other countries. This introduction is heavily drawing from Mattessich (2008) and sets the scene for eleven country studies presented in part two of the volume. Apart from a number of European countries (Germany, Italy, The Netherlands, Finland, Sweden, Denmark, Spain, France, United Kingdom), the United States and Japan provide for a more global perspective which could have been even more pronounced. Not only will the reader miss any national context related to Eastern Europe, but also more information on Asia, Africa, and South America. Part three of the book aims to present comparative analyses between the countries and discusses further implications for the link between accounting and business economics. Nonetheless, out of the six chapters in this part, three essays simply continue the discussion on national and local cultural contexts. Not only is a careful comparative analysis missing in these chapters, but they are also redundant with some of the essays in part two. Therefore, these pieces could have been integrated with the respective chapters of part two or might have given way for some additional national insights. The remaining three essays manage to take a cross-border perspective, but their contribution can be narrowed down to discussing the entity and proprietary theories of accounting. Also, these chapters do not always manage to point to the linkages with business economics. A survey on how prominent accountants and academics disseminated their views on accounting and business economics by, e.g., reconstructing their international movements and networks could have provided for valuable insights beyond the national level. For instance, it is well documented that Henry Rand Hatfield spent some time studying in Germany where he got used to German accounting thought and tradition (Zeff, 2000). In summary, a lot of insightful and relevant information is included in the book. The careful elaboration on the roots of

Italy's *Economia Aziendale* as a unique approach to accounting and business economics (Chapters 3 and 16), the case of Finland where “[a]ccounting formed the oldest and most fundamental sector of business economics” (p. 177, Chapter 6), and the introduction to Spanish and Portuguese traditions of business economics which had mostly been imported from other countries (Chapters 9 and 17), are as useful readings as is chapter 10 on accounting as a central element to the economic and social system in France. Nonetheless, many potential facets of international comparisons at the interface between accounting and business economics are not included in the volume at hand. What I found most fascinating and surprising in this book were the rich national origins of accounting and business economics including references to education and how these origins shaped accounting thought. In the following, I will comment on those chapters that I found most valuable in this regard.

German accounting and business thought was influential for many continental European countries but also for Japan. It is therefore not surprising to find the chapter “Accounting and the Business Economics Tradition in Germany” written by Walther Busse von Colbe and Rolf Uwe Fülbier (who is misspelled as *Füelbier* throughout the book) opening the second part of the book. The authors outline how influential the German Handelshochschulen have been in supporting “German business economics to establish itself as a science” (p. 39, Chapter 2). The strong link between business economics and accounting in Germany is well explained by the fact that accounting scholars (e.g., Schmalenbach, Schmidt, Le Coutre, Nicklisch) were at the forefront of establishing relevant Chairs at the Handelshochschulen and gave business economics a strong flavor of accounting. Only in the second half of the twentieth century was the theoretical accounting foundation challenged by microeconomic but also juridical influences and the discipline’s influence on business economics declined.

Masatoshi Kuroda and Ellie Okada are taking up these developments in Germany within their chapter 4 “The Accounting and Business Economics Tradition in Japan” and explain how German business economics, and in particular accounting thought were influential for Japanese accounting theory and practice in the beginning of the twentieth century. It was the time when a lot of German accounting literature was translated into Japanese and – supposedly due to some cultural commonalities – became predominant not only in financial but also in management accounting. Only after World War II did Japan turn more towards accounting innovation in the United States by incorporating American educational thought and importing financial institutions, but still continued to follow closely German developments in management accounting and adopted concepts whenever useful. Despite this dogmatic shift, accounting was constantly perceived as an element of a broader business economics tradition. The authors do an excellent job in making the Japanese developments accessible to an oblivious reader by carefully guiding through the pre- and post-World War II developments in accounting and clearly linking them to business economics. This is why the chapter may also be helpful beyond the scope of this book, to better understand reporting behavior of Japanese firms.

Being traditionally “trapped” in between a rather continental-German and Anglo-American cultural influence, the Netherlands make an interesting case of a discontinuous development of accounting and business economics. In chapter 5 Kees Camfferman presents “Accounting and Business Economics in the Netherlands.” Referring to one of the most influential Dutch scholars, Théodore Limperg, accounting is described as traditionally being part of business economics since the late nineteenth century and was subject to influences from German business economics and its education until the mid of the twentieth century. World War II seems to be the distinctive marker in this story, since afterwards “German literature had little influence” (p. 146, Chapter 5) and the Netherlands turned towards

developments in the English language-area. The result was that, by the end of the last century, accounting and business economics had given up their symbiosis and henceforth developed largely independent of each other. It is enlightening to dive into this well written national case that manages well to blend the contexts and developments in business education, academe and the accounting profession.

Sten Jönsson's chapter 7 on "Accounting and Business Economics Traditions in Sweden" nicely adds to the Dutch case, as we find a country in which business economics was initiated mainly by two individuals. The German accounting professors Walb and Mahlberg left for Sweden in 1909 and 1923, respectively, and brought with them the ideal of business economics being dominated by accounting. This idea was quickly disseminated throughout Swedish education, research and practice. Their dogmatic hallmarks, which had been continued by Oskar Sillén (who was a disciple of Schmalenbach) and Albert ter Vehn (who was a disciple of Schmidt), lasted until the 1970s. Jönsson identifies the Carnegie-Mellon Graduate School of Industrial Administration (GSIA) symposium held in Gothenburg in 1968 as inducing change in Sweden. The symposium exposed the Swedish academic community to Anglo-American business research traditions and led to establishing academic contacts to the United Kingdom, the United States, Australia and New Zealand. As a consequence of these developments and the fact that many international contacts were established to management, organizational, behavioral and econometric researchers, accounting's significance in Swedish business economics declined. In an easily accessible fashion, this chapter concisely demonstrates that individuals as well as single events may have long lasting effects on business traditions.

Chapter 11, "Accounting and the Absence of a Business Economics Tradition in the United Kingdom" by Christopher Napier, impressively makes the case for a development of accounting thought distinct from business economics. In a very entertaining writing style,

Napier explains the isolation of both disciplines by their respective historical and cultural roots. While, in the United Kingdom, accounting is theoretically dependent on economics but strongly shaped by professional practice, business economics traditionally is a university subject having little outreach to corporate practice. Moreover, accounting firms prefer hiring non-business students and train them on the job, thus not requiring any business economics based accounting education from universities. Notably, this distinction is seemingly still prevalent. While accounting academics aim to connect to economics, “accountancy practice continues to follow a largely atheoretical road” (p. 298, Chapter 11), resisting any influences from business economics.

All these insights from national traditions, their historical, cultural and social contexts are fascinating and provide a rich source for exploring the respective origins of accounting, both in terms of education and practice, as well as accounting’s connections and interdependencies with (business) economics. Nonetheless, to me the composition of the volume seems somehow unbalanced. Given the title and objectives of this book as providing insights into accounting *and* business economics, in several chapters an explanation and thorough discussion of the links between the two disciplines runs short (see, e.g., Chapters 3, 10, 12, 16). Also, some of the chapters are extremely difficult to read because they are flooded with typos, imprecise references, misspellings, and unnecessarily complicated sentence structures that convey the impression of having the chapters directly translated into English. To the reader who is willing to explore the volume at whole I would recommend reading the final chapter 18 by Yuri Biondi first, as this piece successfully provides the big picture one would expect right at the beginning of an edition covering such a broad topic as “Accounting and Business Economics.”

Summarizing, I think this volume provides an insightful and relevant composition of thoughtful pieces elaborating on national traditions across eleven local contexts. The book’s

chapters are well-suited as a starting point for dealing with national contexts and the historical development of accounting thought in the context of the business economic discipline. To me, the main flaw is that no attempt is made to use these extremely rich national histories in order to attempt a truly international comparison. Such comparison could have focused on multiple cross-border developments and drawing a (global) big picture of the relation between accounting and business economics. Those readers, who are not as much interested in such international comparisons and syntheses, but want to learn about the proprietary and entity view on accounting, are likely to find some valuable sources in the book's final part three. Overall, this book deserves broad attention as it is setting a refreshing counterpoint to today's striving for global harmonization in all aspects of accounting and business by reminding us how diverse our disciplines' origins are and where they are coming from.

References

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