The Globalization of Accounting: The Mutual Impact between the Globalization and Accounting

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The paper aims to explore the concept of globalization in accounting through seeing the accounting vision as well as identifying the concept of its origin and the factors that lead to it as well. The paper also aims to identify the factors that stimulate accountability in the direction of globalization, as well as not knowing the challenges of globalization and the role of accounting in facing them. The current study relies on a descriptive analytical approach to the achievement of the study objectives. The results show that the main objective of performing the accounting functions is to prepare and provide the financial and economic information available for economic decision-making purposes. Globalization as a phenomenon includes accounting advantages and disadvantages that encourage and stimulate competition between countries, particularly in the economic field. The results also show that it is possible to deal with and adapt to globalization in order to focus on positive aspects and their development and to try to reduce or limit negative aspects. The task of developing a method of accounting education that corresponds to the age of globalization, is essential. There is a very close relationship between the role of accounting and the role of globalization. The failure of the accounting profession to play the required role in the era of globalization, leads to catastrophic economic results that reduce the opportunities for economic development.

Key words: Globalization of Accounting, accounting system, globalization, global economy.
Introduction

New expressions have started to appear on the scene in various fields of economic and social life. For example, the word globalization (Khaghaany, Kbelah, & Almagtome, 2019). We are now living in the age of globalization and the era of political, economic and cultural interactions between states, leading to intense global convergence. It makes the vast world a small global village that integrates economically, slowly, slowly and surely. Perhaps the most important thing that helps spread the phenomenon of globalization is the growing number and size of multinational corporations. Moreover, the increasing activity of these companies in recent years has been the most important development of international business at global level (Al-Wattar, Almagtome, & AL-Shafeay, 2019). Accounting may be affected by its evolution over ages and ages. However, globalization can be considered to be one of the most important phenomena that have been affected by and affected by accounting. Indeed, this trend has forced accounting to adjust and adapt considerably, both in theory and in reality. In this context, it can be considered that the phenomenon of globalization is one of the most important phenomena affecting accounting, particularly in the field of setting accounting standards (Almagtome, Shaker, Al-Fatlawi, & Bekheet, 2019). The phenomenon of globalization has led specialized agencies in the field of accounting to issue standards that enhance this phenomenon. Accounting as a business language relies on an integrated theoretical structure of the principles and goals which are connected together. As a result of the development experienced in the everyday world by the information and technology revolution in the age of globalization, it has become important to recognize these reciprocal effects between globalization as an economic trend and between accounting as a science and a profession. The study issue can therefore be expressed in the following questions:

1 – What is the effect of globalization on accounting?
2 – What is the impact of accounting on globalization?

The aim of the paper is to define and define the concept of globalization from an accounting point of view or view, as well as to define the concept and its origin and the factors that led or led to it. It also aims, at the same time, to identify the forces that have driven accounting towards globalization, as well as to identify the challenges of globalization and the role of accounting in addressing them. Accounting as a social science is influenced by its phenomena, whether economic, social or other. At the other hand, globalization as a trend has been influenced by and influenced by transparency. Some dimensions of globalization in accounting and the interrelationship between globalization and transparency can be discussed in this paper.

Methodology

The current study depends on the analytical descriptive method, using a deductive approach based on a literature review related to accounting, globalization and inter-relationship. In order to achieve the study objective, the research topic was discussed in three main sections. The first
section deals with the phenomenon of globalization in terms of the concept, origin, importance, objectives and factors that led to its emergence. Then the second section examines the impact of globalization on accounting. The third section examines the impact of accounting on globalization, followed by a review of the most important findings of the research.

Globalization Emergence and Implications

The term globalization can be found in many political and economic writings. This term gained important strategic and cultural connotations through numerous realistic developments in the world since the early 1990s. In order to define the concept of globalization, we need to distinguish between "globalization" and the concept of "universal." By globalization, we mean opening up the world to other cultures, while the concept of globalization means negating the other and replacing the ideological conflict with cultural penetration (Ogundipe, 2018). There are many views on the definition of globalization, as the concept of globalization from a linguistic point of view is a derivative source of the action of "globalizing" worlds (Chiu, Hsu, Tian, & Yi, 2018). It is taken from globalization, universality and the world, and means an assessment of something and an expansion of its circle and its impact circle (Mnif Sellami & Gafsi, 2019). The word "globalization" in the English language, which means global, international or spherical, is referred to as the constellation, global or global flag (Suljović & Meta, 2017). As far as the convention is concerned, the concept of globalization means freedom of movement of goods, services, labor and capital. Information across national and regional borders is a phenomenon with many aspects including rapid growth in international trade, capital flows, increasing importance of services in both trade and foreign direct investment (FDI), global integration of production factors and institutional alignment between countries (Degos, Levant, & Touron, 2019). In this context, globalization can be defined as a broad and profound link between national economies and a single global market for goods, services and capital (Baskerville & Grossi, 2019). It also broadens, deepens and accelerates the state of mutual interdependence around the world and in all aspects of cultural, financial and political life (Myšková, Kopecká, Kubeţka, & Sejkora, 2018). It is also known as the dominant Western economic, social, cultural and political concept over the Arab concept. The concept of globalization is based on the advancement of technology and information, as well as on increasing links at all levels on the contemporary international scene. We can identify the forms and manifestations of globalization to the following:

1. The revolution in science, technology and information and its application in all aspects of life.
2. The development of monopolies and the emergence of multinational and transcontinental companies.
3. The phenomenon of strengthening the location of financial capital
4. Shifts affecting non-economic aspects at national and international level.
It is concluded that the emergence of contemporary globalization emerged as a historical phenomenon at the end of the twentieth century and the beginning of the twenty-first century, although its roots go back many years. Globalization has been represented by a new global system, with its management and means, which is the result of man’s rapid achievement over the years as a result of developments that have covered all aspects of life, whether economic, social or political.

The Impact of Globalization on Accounting

When a company operates globally in more than one country, it must draw up financial lists in every country that operates in accordance with accounting standards and financial reporting requirements in that country (Almagtome & Abbas, 2020). For the purpose of preparing consolidated financial statements at the level of the group as a whole, it shall draw up its lists in accordance with the accounting standards in the country of the parent company. In addition, it must deal with export and import transactions in different currencies and prepare reports on them in the currency of the parent company (Dhaliwal, He, Li, & Pereira, 2019). To this end, it can be said that there are a number of factors that have pushed accounting towards globalization and have affected it.

Figure 1. Reasons of Globalization of Accounting
Some of these factors have led to globalization or the globalization of accounting as shown in figure 1. These factors may be identified as follows: -

1) International economic organizations.
2) Economic sanctions.
3) International companies.
4) Internationalization of capital markets.
5) International economic federations.
6) Media and the Internet
7) International accounting bodies.

There are a lot of countries with their own accounting standards. Some countries, such as the United States and Britain, have many accounting standards over time (Ahmed, Ariffin, Karbhari, & Shafii, 2019). These are standards issued by national accounting authorities, and numerous companies adhere to them. These countries, and in particular the United States, have led many countries to adopt these standards by influencing the establishment of international accounting standards (Ali, Hameedi, & Almagtome, 2019). Moreover, most of the International Accounting Standards are fully compliant with the American Accounting Standards (Scott Asay, Brown, Nelson, & Jeffrey Wilks, 2017). In the light of this, it is clear to us that there are a number of factors that have pushed globalization forward, including the following:

1- The Technical Factors. Technical development, in particular the Internet, contributes to the development of this phenomenon and technology plays an important role in the process of globalization.

2- The Economic Factors. This factor indicates the increasing integration of national markets into the global market and the free movement of goods, services and capital.

3 – The Political Factors. From this perspective, globalization means that the state is not the only player on the global political stage, and this leads to an attempt to reformulate the concepts of international relations.

4- The Cultural Factors. According to this cultural factor, globalization tends to destroy the 'values' and traditional identities of national cultures and to promote individual consumer values and Western concepts in general. Only those values and concepts are accepted as the basis for international cooperation.
Business globalization is therefore the practice of transactions involving more than one country, whether private or public (Radebaugh, Gray, & Black, 2006). Business globalization means doing business involving more than one country, whether private or public (McPhail, Ferguson, & Macdonald, 2016). The main reasons for setting up an international business are as follows:

A – Increase sales by opening up markets outside the country
B – Access to sources of raw materials or other elements of production (labor and capital).
C-Access to technical knowledge on competition in global markets.

There are, however, many structural and non-structural constraints related to the nature of transactions that lead to market failure or incompleteness. Business enterprises therefore turn from exporting companies to investment or multinational companies (Dunning, 1988). The idea of the impact of globalization on accountability has come in two ways, namely.

The first aspect is the effect on the definition of accounting standards and it can be noted that the acceptance of accounting standards among users is one of the characteristics envisaged in the accounting standards. This acceptance is of relative importance, meaning that the limits on the acceptance of the criteria will narrow or widen the narrowness or breadth of the user base (Ward & Lowe, 2017). It is known that, in many respects, there are several effects of globalization on accounting. However, these effects can be seen directly on international standards, which can be considered as a tool that globalization has to influence accounting, because accounting is required in all countries as a professional service, and in this sense. Many countries are either subject to terms and agreements with international organizations or are seeking to develop an accounting profession. This has led to widespread and globalization of...
accounting through the IASA International Accounting Standards Boards (Trabelsi, 2016). The reason for this spread is the following: -

A – Absence of national accounting standards
B – Claims that the International Accounting Standards (IAS) are type approvals
C – Absolute support for International Accounting Standards (IAS) by some international organizations.

The preparation of these standards takes into account the fulfillment of the actual needs of the companies involved in the application and their compliance with the accounting principles and principles, their applicability, ease of presentation and clarity. It is also concerned with its flexibility and its fulfillment of the requirements of practical application, and therefore the accounting science has become compatible with and conforms to the standards of globalization (Tudor, 2019). The second aspect is the impact of globalization on accounting education. Accounting has become a commodity that is imported from developed countries. This commodity is one of the importing countries, which is a phenomenon that cannot be coordinated or compatible with the cultures of these countries, given that accounting is influenced by the environment in which it originated in terms of culture, economy and government policies (Brusca & Martínez, 2016). The International Accounting Standards Committee was set up in 1983 by leading professional organizations from the United States of America, the United Kingdom, Australia, Canada, Germany, Ireland, Japan, the Netherlands and Mexico. Its membership includes 197 professional organizations from 185 countries as of January 1996 (Howieson, 2017). The specific objective of the work of the Committee is as follows:

A-Develop and publish standards for accountants that are taken into account when presenting and working to accept financial statements and to take account of them globally.
B – Working generally to develop and harmonize accounting rules, accounting standards and reporting procedures

In practical terms, the main criterion for international standards is to provide a high level of "comparative" financial reporting to help investors make their decisions and reduce the cost of financial reporting for global companies. In addition, the International Accounting Standards developed by the Commission provide a useful model for developing countries that wish to develop accounting standards for them for the first time (Pontoppidan & Brusca, 2016). In practice, IASC's International Accounting Standards tend to be more flexible to accommodate differences between countries in practice (Radebaugh et al., 2006).
The Impact of Accounting on Globalization

The importance of the role played by the accounting profession in the process of economic development. Professional institutions in the industrialized countries have realized the need to find common accounting principles governing this profession worldwide (Ali, Almagtome, & Hameedi, 2019). In addition, companies have realized the importance of not being satisfied with the customary rules governing the profession in each country, including each (Aghimien, 2016). Despite the many factors that have affected globalization in accounting, there are many factors that have pushed the globalization of accounting forward and can be presented as follows:

A - The Need for Accounting Information

The mandatory disclosure method has pushed globalization forward when governments require companies or institutions-especially global ones-to disclose financial statements in accordance with the accounting standards that they adopt. This led to the globalization of the accounting disclosure process (Bewley, Graham, & Peng, 2018).

B – Accounting as A Cross-Border Professional Service

Accounting is a global profession and, as is known, it is a global profession that is required of all countries. As the aim of globalization is to cross the borders of countries and make it a small village, accounting has become one of its main tools in this respect (Cremonini & de Oliveira, 2019). Accounting is a very important profession in advanced societies in terms of role, status and importance (El Khatib, 2018).

C – The Wide Spread of National Accounting Standards

Accounting is present in all countries of the world. Consequently, many countries have attempted to classify the "classification" of the accounting treatments for their companies or establishments. This was achieved by issuing accounting standards that mean unifying applied procedures in companies (Durocher, Gendron, & Picard, 2016).

Summary and Conclusions

The results show that the primary objective of carrying out accounting functions is to prepare and provide the appropriate financial and economic information necessary for economic decision-making purposes. Moreover, accounting plays an important role in measuring efficiency in performance and providing effective oversight. Consequently, there is a need for coordination between the elements of the performance of the functions of measurement and accounting communication, namely education, the profession and accounting research.
Globalization, as a phenomenon, encompasses both positive and negative aspects, as it encourages and stimulates competition between countries in the economic field. It is possible to deal with and adapt to globalization in such a way that the focus is on positive aspects and their development and to try to reduce or limit negative aspects. As far as accounting is concerned, the results show that accounting is inherently global as a profession and is also local or national. It is universal in the sense that it exists in all cultures and environments. It is also local or national in that it has characteristics and characteristics that differ from country to country and from community to community. This difference arises from the nature of the societies in which it operates, whether they are developed societies or regions. The task of developing a method of accounting education in a manner appropriate to the age of globalization, therefore, is essential. There is a very close relationship between the role of accounting and the role of globalization. Moreover, the failure of the accounting profession to fulfill the required role in the era of globalization, while at the same time reducing economic development, leads to dire economic results.
REFERENCES


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