ARTICLE IN PRESS

Critical Perspectives on Accounting xxx (xxxx) xxx

Contents lists available at ScienceDirect

Critical Perspectives on Accounting

journal homepage: www.elsevier.com/locate/cpa

Accounting as a technology of neoliberalism: The accountability role of IPSAS in Nigeria

Owolabi M. Bakre [a,*], Sean McCartney [b], Simeon Olufemi Fayemi [b]

[a] College of Business and Administration Prince Sultan University, Riyadh, Saudi Arabia
[b] School of Business and Management, Queen Mary, University of London, UK

ARTICLE INFO

Article history:
Received 6 October 2016
Revised 30 October 2020
Accepted 30 December 2020
Available online xxxx

Keywords:
Neoliberalism
International Financial Institutions (IFIs)
International Public Sector Accounting Standards (IPSAS)
Corruption
Transparency and Accountability

ABSTRACT

This paper critically examines the implications for Nigeria's indebtedness of neoliberalism as a neo-colonial dependency concept and International Public Sector Accounting Standards (IPSAS) as a technology of a new form of economic imperialism. As Nigeria's huge oil and gas revenues continue to be lost to corruption, the country relies on loans from Paris Club countries and International Financial Institutions (IFIs), notably the World Bank. In 1999, when the country changed from military to democratic governance, Nigeria's debt to the Paris Club and the World Bank was $30bn. With pressure from the Paris Club and the World Bank to repay its debts, the new democratic Nigerian government sought debt forgiveness and rescheduling. Although the World Bank, representing the creditors in debt negotiation, does not go into specific accounting standards to be adopted by debtor nations, the Bank does require Nigeria to embrace neoliberal economic reforms (including public sector reporting framework that produces consistently relevant and reliable financial information – which denotes IPSAS). Despite the partial debt forgiveness, repayment of the balance of the debt and adoption of IPSAS, Nigeria remains endemically corrupt, relies on loans from powerful nations and IFIs, and has again become debt-laden. Contrary to neoliberal assumptions therefore, we provide the evidence that better accounting may not necessarily be a panacea for economic development.

© 2021 Elsevier Ltd. All rights reserved.

1. Introduction

In the mainstream literature, Western accounting reforms such as International Public Sector Accounting Standards (IPSAS) are often portrayed as neutral and rational calculations that improve transparency and accountability in the management of resources (UNCTAD, 2005) and enable poor nations such as Nigeria to attract international capital (Omolehinwa & Naiyeju, 2015). In contrast, an emerging body of literature locates accounting standards in a wider socio-political context (Graham & Annisette, 2012; Murphy, 2008; Mir & Rahaman, 2005), as a technology of neoliberalism (Chiapello, 2017; Sikka, 2015; Zhang et al., 2012; McSweeney, 2009).

Under neoliberalism, nation states compete for inflows of capital (Sikka, 2001), with increasing pressure for accounting to be used to prioritise the protection of transnational over local capital (Arnold, 2005; Murphy, 2008). Such pressure

* Correspondence author.
E-mail address: o.bakre@psu.edu.sa (O.M. Bakre).

https://doi.org/10.1016/j.cpa.2020.102282
1045-2354/© 2021 Elsevier Ltd. All rights reserved.

Please cite this article as: O.M. Bakre, S. McCartney and Simeon Olufemi Fayemi, Accounting as a technology of neoliberalism: The accountability role of IPSAS in Nigeria, Critical Perspectives on Accounting, https://doi.org/10.1016/j.cpa.2020.102282

necessitates rationalisation of (developed and developing) nation states' accounting standards (Graham & Annisette, 2012; Perera, 2012).

As a result, poor and weak economies have been encouraged to subscribe to neoliberalism—including international accounting standards for both private (IFRS) and public (IPSAS) sectors—in order to partake in the promised financial "benefits" (UNCTAD, 2005). Embracing neoliberalism has become not only a pillar of the "Washington Consensus", but also a condition imposed by powerful nations and International Financial Institutions (IFIs), notably the World Bank and the International Monetary Fund (IMF), on indebted and other poor loan- and aid-seeking countries in return for granting loans and forgiving or rescheduling old debts. It is in the above context that this study examines the case of Nigeria.

Nigeria is a sub-Saharan African country with huge deposits of oil and gas, but ineffective institutions of governance (Iyoha & Oyerinde, 2010), a weak regulatory framework of accounting (Okaro, 2004), and a lack of accountability in the management of its oil and gas resources[1]. Consequently, much of its revenue from the sale of oil and gas is corruptly misappropriated[2], compelling Nigeria to continue to rely on loans from powerful nations and IFIs. Although there is no explicit linkage between neoliberalism and accounting, the World Bank/IMF encourage nation states, especially countries with weak regulatory framework of accounting, to adopt IPSAS and other neoliberal reforms in order, ostensibly, to strengthen their public financial management (PFM).

This was on the premise that IPSAS would facilitate necessary economic reform, improve transparency and accountability in the management of its oil and gas and attract much-needed international capital to the Nigerian economy (Omolehinwa & Naiyeju, 2012; Dankwabo, 2010). But considerable evidence points to the failure of IPSAS to deliver transparency and accountability (see Bakre et al., 2017; Bakre & Lauwo, 2016), arguably maintaining Nigeria's indebtedness.

Studies have examined the political economy of accounting and expertise of accountants in legitimising neoliberal economic policies in developed and developing countries. For example, Chiapello (2017: 56) argues that accounting practitioners are major actors in the development of neoliberalism: they create the techniques in which neoliberal ideas are embedded (e.g. global accounting standards, New Public Management) which in turn have real-world impacts on the 'distribution of wealth and power'. The dynamics of the production of accounting 'artefacts' are epistemic and techno-scientific, but also political and material. Graham and Annisette (2012: 59) provide evidence of what they describe as:

> *the parallel processes of high-level suasion and low-level insinuation by which transnational institutions frame accounting in the global south, shaping and influencing practices and regulations in order to fashion a tool fit for their purposes.*

Murphy (2008) examines the controversial role of IFIs in providing an accounting justification for neoliberal economic policies in poor countries. Neu and Gomez (2006) identify how social responsibility is envisioned, and how accounting technologies used to implant social responsibility relate directly to the neoliberal economic reforms and practices encouraged by the World Bank. Annisette (2004) argues that the World Bank uses accounting techniques and practices to privilege economic over social aspects in its promotion of economic reforms in poor developing countries.

IPSAS is part of the accounting apparatus wished on Nigeria and other poor countries by IFIs with the requirement to produce consolidated financial statements for all controlled entities, by consolidating government business entities with ministries and departments, similar to accounts expected of private sector entities under IFRS, in order to improve transparency and accountability. However, studies have rarely examined the role of IPSAS in supposedly improving transparency and accountability in government business entities, ministries and departments. The current study extends the literature by exploring the transparency and accountability that allegedly flow from IPSAS. Drawing on interviews with Nigerian officials and archival documents, it examines the claim that the adoption by Nigeria of Western accounting reforms such as IPSAS would increase the level of transparency and accountability in public sector management, and so help to combat corruption and further economic development.

The paper now proceeds as follows: Section 2 frames neoliberalism and accounting; Section 3 explores the political economy of IPSAS in rationalising the global South's accounting standards; Section 4 frames a research question and outlines the methods used to collect the data for this study; Section 5 analyses the empirical evidence, which is organised around four sub-sections as follows: 5(1) examines the genesis of Nigeria's indebtedness; 5(2) looks at IPSAS and the rationalisation of Nigerian accounting standards; 5(3) examines debt relief, forgiveness, rescheduling and IPSAS; 5(4) provides evidence of the post-IPSAS adoption accumulation of new debt without accountability in Nigeria. Section 6 provides a summary and suggests a way forward.

2. Neoliberalism and accounting

The link between neoliberalism and accounting, which is also considered as a result of neoliberal policies designed to make the financial markets more important, or to reinforce shareholder primacy (i.e. the primacy of the capitalist class) has been explored in recent years, after the 2008 global financial crisis (see for example Chiapello, 2017; Sikka, 2015; McSweeney, 2009). The public policies examined in this stream of research tend to relate to financial regulation and the

[1] Transparency International report 2020 found that corruption is everywhere: even the health and medical services, considered the least corrupt government institutions, are considered corrupt by 40 per cent of Nigerians.

[2] Global Witness (2017) estimated that $400bn in oil revenues had gone missing since the late 1960s, and that more than $150bn had left the country illicitly in the previous 10 years, while 80% of Nigerians were living on less than $2 a day…

influence assigned to financial actors such as accountants and auditors in the orientation of the rules governing economic life, including accounting standards (see Omolehinwa & Naiyeju, 2015; Graham and Anisette, 2012). In this context, reference to 'neoliberalism' has effectively become a required usage in the critical accounting literature (Chiapello, 2017). However, the term has been used so diversely that it is in danger of becoming vacuous (Venugopal, 2015). This 'conceptual proliferation' partly arises from the fact that neoliberalism is discussed and defined exclusively by its opponents (*ibid*.). There are only anti-theorists, so every scholar can have their own.

Chiapello (2017: 53) identifies three broad usages within the critical accounting literature. First, it can denote the 'new capitalism', a restructuring strategy adopted by the capitalist class to strengthen their position and augment their income (see also Harvey, 2005). Second, neoliberalism can indicate an ideology, a discourse and rhetoric that have become hegemonic (in the Gramscian sense) in Western Society, justifying the above-mentioned policies and 'manufacturing consent' (see also Murphy, 2008). Third, it can refer to changes in which Western governments manage the public sector, involving such practices as the development of internal markets and value-for money audit (see Newberry and Robb, 2008).

This paper uses the term in the first sense, but notes that market-oriented reforms such as the deregulation of capital markets and the lowering of trade barriers imply a global project, which necessitates the active participation of developed and developing economies, but on unequal terms. Harvey (2005) observed that market competition at the world level is open to all, yet the accumulated resources of enterprises in Western countries give them a striking advantage in the supply-and-demand contest for market opportunities and enable them to set the terms of exchange.

In search of economic prosperity and stability in a global economic system characterised by private capital accumulation, many developing countries, in the post-independence era, adopted interventionist policies that aimed at rapid industrialisation (Venugopal, 2015). These led to internal contradictions and contributed to the erosion of social and economic stability, necessitating a search for viable alternatives (Chandrasekhar & Ghosh, 2002). The development of international capital markets created problems for these nations, which had been used to certain critical assumptions relating to binding foreign exchange constraints (Venugopal, 2015).

The foregoing suggests that the economic interests of powerful nations and IFIs and the internal socio-economic and political dynamics in developing countries often play a role in the latter's implementation of neoliberal economic reforms (Murphy, 2008). The above interplay between the changing external context and the accentuation of domestic contradictions in the earlier regimes therefore gave rise to circumstances favouring an overt shift in favour of neoliberal economic reforms (deregulation of markets, structural adjustment and conditionality-based development aid) in developing countries (Birch and Mykhnenko, 2010). Yet, these economic reforms reflect and reproduce deeply unequal and coercive relationships between rich and poor countries (Rensch, 2018; Goldman, 2005). Critics of neoliberalism argue that it:

> *requires poor countries to implement self-destructive economic policies, including open-door trade and investment regimes that result in de-industrialisation and vulnerability to speculative financial flows. [It] pushes developing countries backwards in development to a colonial-era structure of primary commodity export, locking them into a vulnerable and dependent position of enduring weakness (*Venugopal, 2015: 176).

Given that economic reforms in poor and developing countries usually take place during economic crises, neoliberalism in such countries is closely associated with external imposition of such policies by powerful global actors pursuing self-serving agendas (Venugopal, 2015). The Washington Consensus conveys this idea of a neo-colonial agenda (Birch & Mykhnenko, 2010), and its technologies of operation such as accounting, promoted by powerful nations and IFIs, and often imposed on vulnerable poor and developing countries (Mir & Rahaman, 2005).

The concept of neoliberalism and accounting adopted in this study therefore bears a strong resemblance to neo-colonial dependency and the technology of a new form of economic imperialism. We use these concepts to identify the logic of unequal power relations, blocked development and the adverse consequences of incorporating vulnerable poor economies into the global economic system in order to continue to rule these economies at a distance (Bakre, 2014).

For neoliberalism to become the global economic system of our time therefore, it has been essential for its promoters to emphasise its socio-economic and political imperatives, especially to sceptical poor and developing economies (Fukuyama, 2004). From a socio-economic standpoint, neoliberalism stresses the use of trade relations to ease tensions and open dialogue between countries (UNCTAD, 2005). The political imperative relies on international institutions, which provide international regulatory bodies, such as the International Accounting Standards Board and the International Public Sector Accounting Standards Board, that regulate developed and developing economies in the interests of international capital (see Chiapello, 2017; Arnold, 2005).

This global socio-economic and political framework, with its regulatory practices of accounting, often sets the tone for establishing the conditions for Western-style economic activity and accounting practices in poor and developing countries (Graham & Annisette, 2012). With pressure on policymakers in developing countries to reap the "benefits" of neoliberal economic reform (Mir & Rahaman, 2005), IFIs intervene in these countries, not only to create financial markets but also to reshape legal systems and regulatory frameworks of accounting to meet the requirements of international capital (see Lassou et al., 2019; Graham & Annisette, 2012).

In dire need of investment, developing economies such as Nigeria have been encouraged to embrace economic reforms (including Western accounting reform) in order to avail themselves of loans and aid from more powerful nations and IFIs

(Dankwabo, 2010). Some argue that such measures constitute the technology of a new form of economic imperialism, creating neo-colonial dependency in developing economies (Perera, 2012). Lassou and Hopper (2015: 40) note that:

Accounting reforms can also manifest neo-colonialism, for example, international accounting standards that favour multinational companies, neglect transparent and fairer transfer pricing, protect tax havens, and reinforce free trade to the advantage of 'Northern' providers of financial services such as 'Big Four' accounting firms.

Thus, Sikka (2001: 201) notes that if the global market is to benefit developing economies, those in the development field should be establishing policies that help countries meet the public function of accounting. Yet, the major players in this field, namely the World Bank and IMF, are arguably shaping the character and purpose of accounting in the interests of international capital. In these circumstances, accounting may become even more constrained in its already limited ability to protect the public interest (Sikka, 2015), particularly in poor and developing economies such as Nigeria (Lassou et al., 2019; Bakre et al., 2017). Goldman (2005: 10-11) explains what appears to be an injustice in neoliberal economic policy:

When the World Bank lends large sums of capital for the lofty goal of environmentally sustainable development, it requires borrowing countries to do much more than repeat the mantra of sustainability in its official texts. To qualify for loans, borrowers are often required to restructure state agencies, to write national legislation that creates new commercial land and resource markets, and to adopt new scientific protocols that result in the shaping of knowledge and expertise on the causes and solutions of ecological destruction and halted development.

Where neoliberalism is considered more as a phase of capitalism, expecting accounting to improve accountability in resource management and "bail out" poor economies from internal and external debt may be rhetoric, because accounting governs the arrangement of economic flows and the distribution of roles and power (Sikka, 2001). Chiapello (2017: 58) observes that

The role of accounting is decisive as it shapes the central tests of the capitalist world, the "share of the cake" that business firms' stakeholders – whoever they are (shareholders, employees, lenders, states . . .) – receive (dividends, pay, interests, taxes . . .) being actually largely determined by accounting calculations.

In the above circumstances, the political economy of accounting has the capacity to create both visibility and invisibility through an elusive and constraining discourse (Newberry & Robb, 2008). The neoliberal discourse of transparency and accountability may marginalise wealth redistribution and poverty alleviation, which are necessary for the development of poor economies such as Nigeria. The disclosures in IPSAS therefore appear to be politically positioned, as they tend to promote a certain kind of value system (Adhikari et al., 2015). Sikka (2001) contends that the IFIs' promotion of IPSAS and IAS is designed to encourage transparency and accountability – but mainly in the interests of international capital, necessitating the rationalisation of nation states' accounting standards (Murphy, 1988), especially in the global South (Annisette, 2004).

3. IPSAS and the rationalisation of the global South's accounting standards

Early in the development of global accounting standards, Samuels and Oliga (1982: 81) argued that the IASC was:

a political body; its standards are those appropriate for industrial countries with a large private sector and a well-developed capital market. The main users of accounting reports in such countries are the shareholders, analysts, bankers and other businesses. Accounting reporting practices and standards are quite rightly designed to provide these users with the information they require.

Similarly, Adhikari et al. (2015: 86) note that IPSAS is primarily designed for advanced economies with well-developed capital markets and may therefore be inappropriate for developing economies with weak capital markets. Murphy (2008: 734) argues that the expansion of the world market has created a new 'order' – which he terms 'global managerialism' – in which IFIs play a key role. This role includes rationalising the regulatory frameworks of accounting in poor and developing economies, using financial seduction and coercion to impose Western accounting reforms on poor economies (Graham and Anisette, 2012) such as Nigeria (Bakre et al., 2017).

Murphy's (1988) sociology of rationalisation is a "lens" through which we can understand the imposition of accounting standards such as IPSAS as a new form of technology of economic imperialism used to control the public sector undertakings in developing nation states. Poor and indebted developing countries such as Nigeria have been encouraged to embrace neoliberal economic reform (including IPSAS as a purported technology of transparency and accountability). For example, at a recent (2017) conference hosted by the IMF[3] on the subject of public financial management (PFM) reforms around the world (entitled 'Transparency and Beyond: Harnessing the Power of Accrual in Managing Public Finances') World Bank representatives emphasised:

[3] At their headquarters in Washington, DC. It was attended also by representatives of the International Public Sector Accounting Standards Board and the International Federation of Accountants (IFAC).

The importance of implementing IPSAS, and the challenges that countries face in accounting and reporting specifically, and broader public sector reforms required to actually achieve better decision making (Aziz, 2017).

Whilst there is no explicit imposition of IPSAS on nation states, the power relations between poor countries and IFIs like the World Bank say otherwise (see Lassou et al., 2019). Some have therefore suggested that the implementation of IPSAS in vulnerable poor developing countries (Murphy, 2008) such as Nigeria (Bakre & Lauwo, 2016) appear to be through seduction. Formal rationalisation holds a seductive appeal, both for those in a formally rationalised society and those in poorer economies (Murphy, 1988). Such criteria for selection seem to be more legitimate and acceptable than criteria that challenge or are unrelated to economic development. However, they reinforce means of imposition, control and domination, and therefore any criticism of the imposition of IPSAS on vulnerable poor developing countries is effectively dismissed (see Hegarty, 2007). Indeed, critique of the prevailing orthodoxy or proposal for local variation in IPSAS is often met with a threat of sanctions in the form of withdrawal of international capital (see Groom, 2001). Graham & Annisette (2012: 71) argue that powerful nations and IFIs have used seduction and coercion to encourage and sometimes mandate developing countries to rationalise national accounting standards, noting that transnational institutions such as the World Bank, the International Accounting Standards Board (IASB) and the International Federation of Accountants (IFAC) are:

active players in accounting transformations taking place in the global south [although it] is important to note that they come on the heels of earlier actors such as international accounting firms, imperial professional bodies and multinational firms, which have laid the groundwork for the rapid accounting harmonization processes taking place today. It is for this reason that poor and weak capital market economies have long led the way in adopting IAS as national standards.

Accounting firms in developing countries are typically affiliates of major Western accounting firms and professional bodies (Annisette, 2004) and have been key players in the construction of neoliberal economic reforms (Arnold, 2005). They advise the state on the privatisation of publicly owned enterprises and the expansion of market logics in infrastructure, education, healthcare, other essential services and governance (ibid.). At the same time, they play a central role in the construction and operation of regulatory arrangements, such as those relating to accounting and auditing (Perera, 2012). Amongst other conditions for economic "assistance", especially to poor countries, the relief, rescheduling and forgiveness of old debt and the granting of new loans have become contingent on neoliberal economic reforms, which include reform of the Public Financial Management (PFM) (see World Bank, 2004).

Thus, the above-mentioned IMF conference in March 2017 explicitly aimed to:

*assess the current state of public financial management (PFM) reforms around the world and support the use of accrual accounting in public finances through the implementation of the International Public Sector Accounting Standards (IPSAS) (*Aziz, 2017*).*

Similarly, the CEO of IFAC is quoted as saying:

Public sector leaders must embrace accrual-based IPSAS as the basis of transparent and accountable financial reporting, which is an essential component of strong PFM (ibid.).

The commitment of IFIs to PFM reforms and IPSAS implementation, which this illustrates, explains why, in order to consider debt relief for Nigeria, the Paris Club[4] required Nigeria to consider economic reforms and, as its Press Release on the agreement makes clear, only granted relief:

after the approval by the Executive Board of the International Monetary Fund of the Policy Support Instrument (PSI) on 17 October 2005... (Paris Club, 2005b).

The PSI stipulated that Nigeria must reform by embracing and entrenching macroeconomic stability, reducing the costs of doing business, providing an enabling environment for economic growth and strengthening public financial management (IMF, 2005).

Thus, Graham and Annisette (2012: 59) observe that:

Economic development does not happen naturally. It is a heavily politicised, highly structured, conflictual process. It pits institution against institution, government against government, and often race against race. It happens through coercion and seduction as much as through logic and analysis.

Paradoxically, proponents of IAS and IPSAS, notably the UK, US, the IFAC, IASB and IPSASB, have all acted to thwart efforts to design standards capable of tackling illicit financial outflows from poor and developing countries (Global Financial Integrity, 2017; Christensen, 2009), making their adoption controversial in such countries (Adhikari et al., 2015; Mir and Rahaman, 2005).

[4] The Paris Club is a forum for the (22) major creditor countries (mostly OECD members) whose function is to work out coordinated and sustainable solutions where (less developed) debtor countries experience payment difficulties.

4. Research question and methods

In order to examine the impact of IPSAS on neoliberal economic reform in Nigeria, this paper seeks to answer the following pertinent question: Does the adoption by Nigeria of Western accounting reforms such as IPSAS increase the level of transparency and accountability in public sector management, and so help to combat corruption and further economic development? Considering the corrupt Nigeria socio-political context (Global Financial Integrity, 2017; Global Witness, 2017), its ineffective institutions of governance and a weak regulatory framework (Iyoha & Oyerinde, 2010), this study examines the above question in the management of loans and grants to Nigeria from the Paris Club, IFIs (notably the World Bank), and other powerful nations.

To answer the above research question, we adopted a qualitative methodology, as we sought to articulate and locate largely unfamiliar issues within more familiar literature on neoliberalism and accounting. Our theoretical framing, mode of analysis and methods of investigation were therefore informed by the political economy of neoliberalism and accounting (Lassou et al, 2019; Chiapello, 2017; Sikka, 2015; Murphy, 2008; Arnold, 2005; Harvey, 2005). Data for this study were collected from interviews and archival documents.

At the outset of this study, we identified, and contacted, 20 past and present politicians, public officials and professionals who could provide evidence relevant to the research question, and in particular, insight into the relationship between the Nigerian government and the (IFIs).

Six of those contacted agreed to participate in the study, and initial and follow-up interviews were conducted in 2013/14 and 2018/2019 at the offices of the interviewees in Nigeria, lasting for about 50 min in each case. As the interviewees were assured of their anonymity, abbreviations and codes are used in any quotations in this paper. A broad interview guide was initially developed, which was subsequently transformed into a more focused, semi-structured interview guide, comprising questions addressing the core research themes of the study. Details of interviewees' positions and interview dates are summarised in Table 1.

Published and unpublished archival documents collected from internal[5] and external[6] sources were verified and utilised for this study. The Freedom of Information Act (2011) facilitated access to the publications/documents from government institutions, organisations and agencies. The interviews were tape-recorded, transcribed and, together with the verified documents and reports, thematically analysed. The initial analysis of the interviews and documents was revisited and re-drafted on several occasions, leading to a more refined analysis of the findings, which form the basis of the empirical evidence presented in Section 5 below.

5. Analysis of the empirical evidence

5.1. The genesis of Nigeria's indebtedness

The governance of Nigeria, since independence in 1960, has alternated between periods of democracy (1960–66, 1979–1983 and 1999 to date) and periods of military dictatorship (1967–1979, 1983–99). However, the Nigerian economy, which is integrated into the global capitalist economic system, has been characterised by corrupt socio-political system, ineffective institutions of governance and a weak regulatory framework, leading to a lack of accountability and corruption in the management of its oil and gas resources (see EFCC, 2020[7]; Hoffman and Patel 2017).

With the discovery of petroleum in 1958, Nigeria became a major exporter of oil, and since the 1970s oil has accounted for the majority of GDP and most government revenue. Early post-colonial democratic and military governments failed to establish strong and enforceable institutions to ensure transparency and accountability in oil and gas resource management (Iyoha & Oyerinde, 2010; Okaro, 2004), and endemic corruption has led to an acute shortage of the capital necessary to provide infrastructure and the basic amenities of life to the country's citizens (Global Financial Integrity, 2017[8]). So, Nigeria relied partially on loans and grants from Paris Club countries and IFIs, notably the World Bank and IMF (see Paris Club, 2005a, 2005b; Moss, 2005).

Nigeria raised its first sizeable external loans from the international capital market (ICM), amounting to $1.75bn, in 1977–8 following a temporary decline in oil receipts (see Debt Management Office, DMO, 2001). To make the nation live within its means, the then military government limited external borrowing to $8.3bn (through Decree 30 of 1978, see DMO, 2001). The

[5] Publications and reports by the Federal Ministry of Finance, the Debt Management Office, the National Assembly, other civil society organisations, professional bodies such as ICAN and ANAN, the "Big Four" accounting firms operating in Nigeria, and the academic community.

[6] 1. Literature on poverty alleviation in poor countries and the lending policies of the World Bank. 2. Global evidence of powerful nations and transnational institutions encouraging countries, especially poor ones, to avail themselves of concessionary transnational institutional loans. These included the US and UK governments, the World Bank and the IMF.3. Non-Nigerian and international accounting firms and professional bodies and institutions, including the Big Four audit firms; IASB; Association of Accountancy Bodies in West Africa (AABWA); and ICAEW.4. Publications and pronouncements from civil society organisations that frequently offered alternative accounts, often problematising the perhaps narrowly conceived official narratives of the Nigerian government and IFIs. These included Global Financial Integrity, Transparency International, and the African Forum and Network on Debt and Development (AFRODAD).

[7] At a workshop organised by African Centre for Media Information Literacy in Calabar, Cross River State, Nigeria, the Chairman of the Economic and Financial Crimes Commission (EFCC), Ibrahim Magu said, corruption has become cancerous in Nigeria.

[8] Global Financial Integrity (2017) estimated that more than $157billion has left the country illicitly in the past decade i.e. relatively recently, after the Paris Club deal.

Table 1
Interviewees and interview dates.

Organisations	Interview Category	Interview codes	Interview dates	No.
AFRODAD*	Member	AFRODADR	06/13	1
PwC+	Senior Audit Staff	PwCR	06/13 and 07/18	1
ICAN**	Past President	PPICAN	07/13 and 07/19	1
ANAN++	Past President	PPANAN	06/14 and 07/19	1
National Assembly	Senate and House of Representatives Committees	MSCLADM, MHRCLADM	07/14 and 07/18	2
Total				6

Notes
* African Forum and Network on Debt and Development.
+ PricewaterhouseCoopers.
** Institute of Chartered Accountants of Nigeria.
++ Association of National Accountants of Nigeria.

second democratic government, in power from October 1979, ignored this and borrowed a total of $9bn from the ICM, ostensibly to finance development projects, although much of this borrowing was corruptly misappropriated (see AFRODAD, 2007).

The crash in oil prices in the early 1980s led to the near-collapse of the fragile Nigerian economy (Moss, 2005), and serious debt accumulation by the government, whose borrowing (both internal and external) dramatically increased from $10bn in 1980 to $17.8bn in 1983 and $25.6bn in 1986 (DMO, 2001). The Military government that came to power in 1985 voluntarily implemented a deeply unpopular Structural Adjustment Programme of the IMF, and devalued the currency in the hope that this would boost the economy and encourage foreign investment (see Onitri, 1992). Further borrowing from the Paris Club countries and IFIs, increased Nigeria's external debt to $28.8bn in 1998 (see DMO, 2001).

Although the World Bank acknowledged that this move was not supported by most Nigerians, it continued to grant more loans to Nigeria in apparent violation of the World Bank's (2007: 5) economic reform policy, which recommended that:

> *the adoption of these reforms should be preceded by wide consultations involving strategic groups within the country. This includes among others, the legislature, the leading political parties, trade unions, private sector and professional groups, as well as some input from academia and the media.*

A representative of AFRODAD we interviewed argues that contradictory lending policies by powerful nations and IFIs, inefficient loan utilisation, corruption and accumulation of financial arrears and penalties by regimes in Nigeria had led to its indebtedness, concluding that:

> *Developed World loan providers and multilateral institutions such as the World Bank are implicated in Nigeria's indebtedness because they consciously gave loans to incompetent and corrupt regimes in Nigeria even when their own economic indicators and indexes also show that substantial part of such loans will go into corruption (**AFRODADR**).*

Although the World Bank was originally conceived as an institution that would provide long-term project and programme loans for economic reconstruction and development, it has consistently fashioned its loan policies in line with the Structural Adjustment Programmes of the IMF (see World Bank, 1981). With the political turmoil that has accompanied the implementation of IMF conditionality in many developing countries (Rensch, 2018), the World Bank has come to assume many of the IMF's responsibilities through its Adjustment Loans, enumerated in the Berg Report (see World Bank, 1981). The imposition of IAS/IPSAS on poor developing economies has become part of the Structural Adjustment Programmes of the IMF and the World Bank (Hegarty, 2007). Thus, argues a 'coalition of economists, academics and civil society groups'[9] in an open letter to the IMF in July 2018, the latter has exploited its power to impose widespread neoliberal economic reforms (e.g. implementation of austerity measures, privatisation and damaging labour reforms), on poor nation states (Conditionality Review Campaign, 2018).

With much of its revenues from the sale of oil and gas being corruptly diverted (Moss, 2005), Nigeria's debt to Paris Club countries increased progressively from $10bn in 1984 to $21.7bn in 1995, $28.8bn in 1998, and $30bn in 2005 (see DMO, 2008). However, AFRODAD (2007: 5) noted that there were no noticeable corresponding socio-economic or infrastructural developments in Nigeria to justify these debts (Sahara Reporters, 2019; Punch Newspaper, 2018).

Meanwhile, with its electoral promise to make Nigeria a debt-free nation, the democratic government in power from 1999 asked the Paris Club and other creditors to consider writing off its external debt (see Government of Nigeria, 2005).

[9] The signatories included Action Aid International; AFRODAD; Asia Transnational Corporations (ATNC) Monitoring Network; Centre Europe; Bretton Woods Project; British Black Anti-Poverty Network; Centre for Economic and Policy Research; Child Poverty Action Group; Debt Justice Norway; Development Research and Training (DRT); Equality in Tourism; Eurodad; Focus Association for Sustainable Development; Gender and Development Network; Global Alliance for Tax Justice; Global Justice Now; International Trade Union Confederation; Labour Resource and Research Institute; Latindadd; Movement for decent work and welfare society; New Economics Foundation; Oxfam International; Phoenix Centre for Stamp Out Poverty; Tax Justice Network; The Rethinking Bretton Woods Project at Centre of Concern (USA); UK Women's Budget Group.

The World Bank (representing the Paris Club) responded by stating that debt relief would be considered only if the Nigerian government would:

> *accept a set of target-specific macro-economic policies that will prune the state sector, remove the subsidies and trade restrictions, privatise the parastatals and devalue the Nigerian currency and wage rates so that the market mechanism will be given an unfettered sway in the allocation of resources. Nigeria must also strengthen its public financial management (PFM) to enable transparency and accountability in the implementation of the macroeconomic policies and the management of its resources (*Government of Nigeria, 2005*).*

To strengthen PFM, the World Bank (2004) requires the rationalisation of the Nigerian accounting standards through the adoption of IPSAS.

5.2. Rationalisation of Nigerian accounting standards through the adoption of IPSAS

The post-independence era witnessed the Nigerian economy being integrated into the global economic system, and enjoying some level of support, in the form of loans and grants, from the Paris Club and IFIs, which in return have influenced Nigerian economic policies and professional practices such as accounting (see DMO, 2018, 2001; Hegarty, 2007; Impey, 2007; Randle, 2004).

In negotiating the debt relief with its creditors, the new democratic Nigerian government argued that much of its Paris Club and World Bank debt should be considered illegitimate, bordering on odious, and should be written off. It asked the Centre for Global Development (CGD) and the British and US governments for assistance. In 2004, the CGD and the British and US[10] governments set out to provide analytical support to Nigeria's effort to persuade creditors to agree to a debt relief package (see Government of Nigeria, 2005; Moss et al., 2004). They proposed that, if Nigeria were to embark on serious economic reform, it would obtain a regular Paris Club rescheduling, and then, if economic reform were implemented, a substantial debt reduction.

The conditions put to the Nigerian government by the World Bank for consideration of debt rescheduling were that Nigeria must embark on market-oriented reforms (including deregulation of markets, lowering trade barriers, structural adjustment, privatisation and strengthening Nigeria's public financial management (PFM) with the adoption of IAS and IPSAS). These conditions were set out in an IMF Policy Support Instrument (PSI), compliance with which was to be periodically tested by the IMF (see Paris Club, 2005a, 2005b).

To strengthen Nigeria's PFM, the World Bank's investment arm, the International Finance Corporation, collaborated with PricewaterhouseCoopers Nigeria to educate Nigerian practitioners on the need to align Nigeria Accounting Standards with IAS and IPSAS (Impey, 2007). This was to enable Nigeria to meet its commitment to "improve" transparency and accountability in the management of its resources and to attract much-needed international capital (Hegarty, 2007).

We interviewed a representative of PricewaterhouseCoopers Nigeria who explained their reasons for encouraging Nigeria to adopt IAS and IPSAS:

> *We … have been long proponents of a single set of high quality, global accounting standards – for one simple reason – our markets are global and it is important for those markets to operate under a single, principle-based language. International Accounting Standards and International Public Sector Accounting Standards are complex and can be difficult in application. Even where the local standards apply a similar principle as International Standards, there can be differences in the detailed application… (**PwCR**).*

In order to get debt relief from its creditors therefore, the Nigerian government made a commitment to fully embrace the World Bank's standard requirements of economic reforms (including the adoption of a public sector reporting framework that purportedly would produce consistently relevant and reliable financial information).

After the Paris Club deal, the Nigerian government directed publicly quoted companies, government institutions, public services, banking institutions and professional bodies to implement some of the provisions of IAS and IPSAS from 2006. The Institute of Chartered Accountants of Nigeria (ICAN) adopted some provisions of IAS and IPSAS deemed relevant to the Nigerian private and public sectors, although it did not fully align Nigerian Accounting Standards with IAS and IPSAS (Impey, 2007). The government then made IAS adoption mandatory in 2012, followed by IPSAS, first on a cash basis in 2014, then on an accruals basis in 2016 (see Vanguard News Nigeria, 2014). At a 'retreat' for senior government financial officers in 2014, the Nigerian Minister of Finance, Ngozi Okonjo-Iweala, said that the implementation of PFM and the adoption of IPSAS were meant to ensure efficient public expenditure management, curb corruption, improve government revenue, and enhance transparency and accountability. However, she admitted that endemic corruption, high cost of governance, inadequate legislation, non-compliance with due process mechanisms and inadequate ownership of the reforms by public servants were the real obstacles to the implementation of these reforms (*ibid.*). This seems to suggest that the economic interests of powerful nations and MNCs appear to be the driving force behind Nigeria's adoption of IAS and IPSAS rather than the claim of economic necessity (see Dankwabo, 2010).

[10] Even though the US held only 3% of the debt, it agreed to act on behalf of Nigeria, at the request of the Nigerian government (see Rieffel, 2005).

In a follow-up interview in 2019, we asked a past president of ICAN whether the rationalised Nigerian accounting standards had met their intended aims of improving accountability in the management of resources and the IFIs' loans to Nigeria. His response was:

*While the evidence of the high rate of corruption in Nigeria would make it difficult for the Nigerian government, the World Bank or any accountant to claim that IPSAS has achieved its accountability objective, the Nigerian government and some accountants are still of the view that IPSAS would help Nigeria to attract international capital. What I do know is that it was pressure from the Nigerian government that made the accountancy profession adopt IPSAS, and not a conviction that IPSAS will improve accountability and fight corruption, which we all know that IPSAS has failed to achieve in Nigeria (**PPICAN**).*

The World Bank (2016: 1, 4) guidelines on preventing and combating corruption in projects financed by International Bank for Reconstruction and Development (IBRD) loans and International Development Association (IDA) credits and grants stipulate:

All persons and entities who are beneficiaries of the IBRD and IDA financing must observe the highest standard of ethics. Specifically, all such persons and entities must take all appropriate measures to prevent and combat Fraud and Corruption, and refrain from engaging in, Fraud and Corruption in connection with the use of the proceeds of the IBRD and IDA financing ... If the Bank determines that any [such] person or entity ... has engaged in [such] Fraud and Corruption ... the World Bank [may take action, including requiring the borrower] to terminate early or suspend the agreement between the borrower and the recipient and/or seeking institution.

While the above guidelines and the proposed sanctions suggest that the World Bank takes transparency and accountability in its loans to countries seriously, a past president of the Association of National Accountants of Nigeria (ANAN) we interviewed thinks otherwise:

*Where is the evidence either from the World Bank or from the Nigerian government that the World Bank has ever terminated a project in Nigeria because of corruption or lack of accountability? Look at the East-West and Lagos-Benin roads and the electricity project that have consumed World Bank loans several times without any progress or accountability from the Nigerian government. Yet, the World Bank continues to grant more loans to Nigeria for the same corruption-ridden projects. I think the World Bank has not been honest to Nigerian taxpayers who ended up paying its loans (**PPANAN**).*

This echoes the argument of Saravanamuthu (2004), that there is conflict between the social and financial faces of the World Bank. Despite the Bank's development mission, it depends almost exclusively on financial measures of success, such as the quantity of loans disbursed, rather than on its social and environmental impact.

The above-mentioned Open Letter to the IMF similarly argues that:

Restrictive fiscal and monetary policies prescribed in IMF loan conditionality squeeze the fiscal space for public investment and too often result in devastating consequences, particularly for vulnerable, poor and marginalised groups – at high political costs. (Conditionality Review Campaign, 2018).

Such seeming contradictions in the economic policy of the IFIs, in particular the World Bank suggest that the claim that IPSAS adoption-linked conditional debt relief, rescheduling and forgiveness would increase the level of accountability in public sector management, and so help to combat corruption and further Nigerian economic development may be a mirage.

5.3. IPSAS adoption and debt relief, rescheduling and forgiveness

AFRODAD (2007: 2) notes that the small export earnings of some poor African countries, and corruption in others with large export earnings, such as Nigeria, have often led to the accumulation of loans from powerful nations and IFIs. Furthermore, corruption has often become an obstacle to repayment, while the IFIs' conditions for such loans have pushed some of the recipient countries into further debt and poverty: thus, the Inequality Policy Manager of Oxfam argues that the:

IMF is clear about the damaging impacts of excessive inequality and is starting to recommend policies to help countries tackle it yet is still too often imposing loan conditions such as cuts to social spending and public services that do the opposite, because they hit the poorest hardest (Rensch, 2018).

As part of its recommended policies to tackle the damaging impacts of its loans, the World Bank sees its financial management work as having two closely intertwined objectives: to support borrowing countries in improving their financial management performance, while encouraging public disclosure and transparency; and to provide reasonable assurance on the use of loan proceeds (World Bank, 2007). It therefore proposes the adoption by borrowers of a public sector reporting framework that would produce consistently relevant and reliable financial information, in particular IPSAS (World Bank, 2004), and ensure accountability and efficiency in the management of public resources; this is argued to be an essential underpinning to improve governance and fight corruption (World Bank, 2016).

The IFIs and powerful nations use the above support and conditions to monitor their loans. When a heavily indebted poor country (HIPC) cannot pay its debts, it may be given conditional "debt relief" (forgiveness or rescheduling), which often involves embracing neoliberal economic reforms (including adoption of a public sector reporting framework such as

IPSAS) (World Bank, 2004). This is on the assumption that IPSAS will improve "transparency" and "accountability" in resource management, so that the wayward borrower will not get into trouble again (World Bank, 2003). Eligibility for, and the amount of debt reduction, are determined by the creditors.

> *To reach decision point, countries should have a track record of macroeconomic stability, have prepared an Interim Poverty Reduction Strategy through a participatory process, and cleared any outstanding arrears. The amount of debt relief necessary to bring countries' debt indicators to HIPC thresholds is calculated, and countries begin receiving debt relief on a provisional basis* (World Bank, 2003: 1).

In order to finally be eligible for debt relief, the World Bank requires that the IMF Policy Support Instrument (PSI) (which includes strengthening PFM) prescribed for a country must be approved by the IMF. The World Bank (2004) stipulates that if a borrowing government has no public sector reporting framework that produces consistently relevant and reliable financial information or strengthened PFM, it should be encouraged to adopt IPSAS.

As Nigeria was under pressure from the Paris Club and the World Bank to sign an agreement incorporating the above neoliberal conditionality and to clear its arrears of debt, it was also facing domestic political pressure to negotiate debt forgiveness. Facing external and internal pressure, the Nigerian government moved in the direction of the latter by soliciting the assistance of its international lenders to consider debt forgiveness (see Government of Nigeria, 2005).

Fearing that failure to sign an agreement with the World Bank could jeopardise the inflow of much needed international capital, the Nigerian government promised the World Bank that it would implement economic reforms contained in the IMF Policy Support Instrument (see Okonjo-Iweala & Osafo-Kwaako, 2007). After IMF approval of Nigeria's progress in implementing the PSI, Paris Club creditors agreed in principle a comprehensive Debt Treatment as follows: Nigeria would first make a down payment of $6bn to clear its arrears, then the Paris Club would cancel $18bn of debt, leaving just $8bn due, which Nigeria would 'buy back' at a market-based 25% discount. Overall Nigeria would pay $12bn to clear $30bn of debt (Rieffel, 2005: 21).

On October 20, 2005, the Paris Club finally signed a debt relief agreement incorporating the above conditionality with Nigeria (Paris Club, 2005a, 2005b). King et al. (2001) note that during Romania's immediate post-reform era, given the country's political instability, decisions affecting the economy (such as the appropriate accounting model) were seen by the Romanian state to be of little importance. Considering the conditionality of the World Bank, the IMF and the European Union, the state quickly endorsed the adoption of IFRS for fear that failure to adopt this model would jeopardise Romania's accession to the European Union and restrict the flow of international capital needed in the country.

The above evidence suggests that the need of vulnerable and poor countries to attract international capital is exploited to impose neoliberal economic reform, including Western accounting reform.

After signing the agreement, Nigeria paid $5.6bn in March 2006 and the balance of $6.4bn the following month. However, Nigeria had not established a record of accomplishment of macroeconomic stability nor prepared an Interim Poverty Reduction Strategy Paper (Boyo, 2014). The public sector, especially management of its oil and gas resources, continues to be characterised by corruption (see EFCC, 2020; Hoffman and Patel, 2017; Global Financial Integrity, 2017).

While the Nigerian government officially adopted IAS in 2012 and IPSAS in 2014, evidence continues to show that Nigeria has not improved accountability in the management of its oil and gas resources and IFI-funded projects (EFCC, 2020; Transparency International, 2020). Yet, the World Bank continues to grant new loans to Nigeria (see Debt Management Office, 2020).

We contend that, in order for the World Bank to validate its declared social responsibility to Nigerians[11], the Bank should have considered shortcomings such as the lack of a record of macroeconomic stability, the absence of an Interim Poverty Reduction Strategy, and Transparency and Global Witness corruption indexes before considering Nigeria for further loans.

Similarly, powerful nations and IFIs have championed the course of global neoliberalism, while seeking to behave in a socially responsible manner to Nigerians. Thus, they make economic reform, which includes the ostensible strengthening of PFM through the adoption of IPSAS, a condition for forgiving and rescheduling debts to Nigeria, but they also use it to push new debt without accountability onto the post-IPSAS adoption sovereign balance sheet of Nigeria, increasing indebtedness and poverty in Nigeria.

5.4. Post-IPSAS adoption accumulation of new debt without accountability

After settling its Paris Club debts, the Nigeria government established control measures to avoid accumulating unnecessary future loans. In addition to the 2006 directives on partial adoption of IAS and IPSAS, Section 42(1) of the Fiscal Responsibility Act 2007 was amended to set overall limits on the amounts of consolidated debt for the three tiers of government.

[11] The Bank heavily implies a social mission to help the world's poorest citizens. Its Articles of Agreement are rather circumspect, stating the purposes of the Bank include 'the encouragement of the development of productive facilities and resources in less developed countries' (World Bank, 2012: 3) but in less formal documents it is far more expansive e.g. a 2013 Press Release celebrated that in the previous year it had 'committed $52.6 billion . . . to help promote economic growth, increase shared prosperity, and fight extreme poverty in developing countries [and] supported . . . 1,956 operations to promote opportunity and get needed services to the poor – for example, by investing in nutrition, promoting the private sector, building infrastructure, and strengthening governance and institutions' (World Bank, 2013).

Table 2
Nigerian external debt, in $bn, December 2018 to June 2020.

Category of Loan	Dec 2018	Dec 2019	June 2020
World Bank/IMF	8.7	10.1	13.8
Other Multilateral Lenders*	2.3	2.6	2.6
Bilateral+	3.1	3.8	3.9
Commercial**	11.2	11.2	11.2
Grand Total	**$25.3bn**	**$27.7bn**	**$31.5bn**

Source: Debt Management Office (2020).
Notes:
* Mainly the African Development Bank.
+ China's Exim Bank is the biggest lender ($3.2bn at June 2020).
** Mostly Eurobonds ($10.9bn at June 2020).

Despite these measures, instead of the expected improvement of accountability in the management of resources and reduced reliance on foreign loans, Nigeria's external debt, which had all been settled in 2006, has again risen to $25.3bn in 2018 and nearly $31.5bn as at 30 June 2020 (see Table 2). Most of the new loans made after the adoption of IAS and IPSAS have come from multilateral institutions, in particular the World Bank and IMF, whose lending has increased from nil in May 2006 to $9bn in 2018; $10bn in 2019; and $14bn as at 30 June 2020 (see Table 2). Omolehinwa and Naiyeju (2015: 41) had argued that the adoption of IPSAS would:

> *improve transparency and accountability in the management of resources in Nigeria, enhance public–private partnership, build confidence of donor agencies and aid better access to financing through either bond releases or international financing from organisations such as the World Bank and IMF.*

Yet, despite the adoption of IAS and IPSAS, corruption and lack of accountability continue to characterise resource management and the utilisation of new loans from IFIs, leading to the accumulation of avoidable new debt and increased poverty (see DMO, 2020; Global Witness, 2017). Thus, Nigeria's ranking in the Corruption Index published by Transparency International (2020) shows no improvement – from 139 in 2012 it has fallen to 144 in 2018 and 146 in 2019. Global Witness (2017) notes that after 'a 50-year oil boom … 80% of its citizens live on less than $2 a day'. Chatzivgeri et al. (2020) indicate a progressive and problematic dimension of accounting in accountability for the global good. The foregoing evidence thus questions the capacity of IPSAS to improve transparency and accountability in the management of resources in the Nigerian cultural and socio-political context (see Bakre et al., 2017; Bakre and Lauwo, 2016).

We interviewed a member of the Nigeria House of Representatives Committee on Loans, Aid and Debt Management and asked his opinion on the impact of the IFIs' loans particularly the World Bank loans on the Nigerian economy. He said:

> *I personally do not think the World Bank is sincere in its relationship with Nigeria. This is because, after encouraging Nigeria to pay its debt to the Paris Club, the World Bank has pushed Nigeria back into the debt trap, with little benefit to show for it. By March 31, 2011, Nigeria had gone from being foreign debt-free in 2006 to owing US$5.23bn to the World Bank alone. How could the World Bank morally justify its huge loan to Nigeria, when the Bank knew that the bulk of the loan would go into corruption? (**MHRCLADM**)*

The above response appears to be the majority opinion of Nigerians on the World Bank loans to Nigeria (see Otufodurin, 2017; Onigbinde, 2017; Sahara Reporters, 2017; AFRODAD, 2007).

We also asked a member of the Senate Committee on Loans, Aid and Debt Management, to respond to claims that Nigeria was being encouraged to take on debt without accountability and without resulting socio-economic development. He said:

> *We need to become organized and stop blaming the World Bank. Saudi Arabia, United Arab Emirates, Kuwait and other oil-rich Arab countries have used their oil wealth to develop their respective countries, build infrastructure and made huge investments abroad. It is a pity that we are using our own oil wealth to develop Western countries, while our infrastructures remain dilapidated and our people are wallowing in abject poverty. Corruption is our main problem and not the World Bank (**MSCLADM**).*

In a workshop on the roadmap of adoption of IPSAS in Nigeria, the Accountant-General of the Federation, Dankwabo (2010: 2) justified the government adoption of IPSAS thus:

> *IPSAS was a revolution of the Financial Control Management Act. The Federal Government of Nigeria approved IPSAS for the Public Sector. This was sequel to the dire need for transparency and accountability in Nigeria's finances and harmonizing the accounting standard with the International Accounting Regulation.*

As Nigeria's President admits, much of its oil and gas revenue continues to be corruptly misappropriated (Ojekunle, 2019), powerful nations and IFIs, in particular the World Bank Group and IMF continue to grant more loans without accountability to Nigeria. Yet, the new loans are without corresponding socio-economic development in Nigeria (Global Witness, 2017).

In Abuja in October 2017, at the launch of Africa's Pulse, the World Bank's biannual analysis of African economies, its Senior Economist for Nigeria noted that in 2015, the country's debt to revenue ratio stood at 35% but had risen to 60% in 2016, reflecting a reduction in government revenues and rising debt, thereby raising a question about the sustainability of the debt (see Adeosun, 2017). This statement generated controversy in Nigeria: in an e-mail to Nigeria's Minister of Finance on 18 October 2017, the Senior Communications Officer of the World Bank denied that the World Bank's Senior Economist for Nigeria had suggested that:

> *the World Bank and the Federal Government of Nigeria disagree on the need to rebalance the country's debt portfolio. Indeed, where expenditures exceed revenue, governments will need to borrow. In doing so, the Federal Government is trying to rebalance its portfolio towards more external borrowing with lower interest rates and longer maturities (*Otufodurin, 2017*).*

The above denial corroborates the evidence in this paper of a conflict between the social and financial faces of the World Bank's IPSAS-linked economic reform in Nigeria.

Again, at the maiden edition of the Nigeria Portfolio Performance Award in Abuja on 8 August 2019, the World Bank Regional Director in Nigeria disclosed that:

> *The World Bank has so far spent around $11bn over the years on projects across Nigeria* [its] *financial commitment in Nigeria* [is] *among the largest in the entire African continent with over 30 operational projects* [which] *are spread across health, education, agriculture, social protection, energy, infrastructure, governance, among others . . . (*Ripples Nigeria, 2019*).*

Yet, available evidence points to the dilapidated state of health (Punch, 2018), education (Sahara Reporters, 2019), other infrastructure, poor social protection and governance (see Ojekunle, 2019). These apparent contradictions therefore question the claim by Nigeria Accountant-General of the accountability role of IPSAS in a "revolution of the Financial Control Management Act".

In another "sensitization workshop" on the adoption of IPSAS in Nigeria, a former Accountant-General of the Federation also claimed that:

> *The Nigerian government had adopted IPSAS to improve transparency and accountability and reduce corruption in the national finances (*Otunla, 2010).

Yet, Yasmin and Ghafran (2019) highlight how specific accountability regimes are influenced by the prevailing political, social and economic context. The evidence in this paper shows that the Nigeria cultural socio-economic and political context, with ineffective institutions of governance, a weak regulatory framework and corruption have nullified any attempt to use Western accounting reforms such as IPSAS to improve transparency and accountability in the management of its oil and gas resources (see EFCC, 2020; Transparency International, 2020; Global Witness, 2017).

6. Discussion, ways forward and summary

In examining the role of accountants and accounting practices in neoliberalism, Chiapello (2017: 55) challenged critical accountants to use their:

> *expertise to construct counter-accounts. They may not be the only people developing a criticism of neoliberalism, but their contribution to the building of counter-expertise can be decisive. They understand better than other actors that accounting hides as much as it shows, and that making things visible also creates invisibility. They can usefully support demands for accountability from stakeholders other than shareholders. "Creating visibilities and breaking silence are powerful legacies of critical accounting research and education"*[12].

This paper responds to that challenge by examining the polemical and analytical core of neoliberalism and accounting in Nigeria as a neo-colonial dependency concept and a technology of a new form of economic imperialism. We have demonstrated how the powerful nations, through the agency of the IFIs, notably the World Bank and IMF, have imposed, on poor countries such as Nigeria, neoliberal economic policies, such as trade liberalisation, deregulation and "good governance", policies that they themselves did not adopt when they were at the same stage of development. However, critics have questioned the appropriateness of neoliberalism and the role of IFIs in the cultural and socio-political environment of developing countries. Lassou et al., (2019) found that despite the pervasive presence of IFIs in Benin and Ghana in Africa, good governance aims to increase civil service capacity, financial transparency and accountability remain problematic. The Nigerian evidence thus suggests that lurking behind the guise of technocratic policy advice lies self-interest, venality, and a broader agenda of using neoliberalism and accounting such as IPSAS to preserve the privileged position of elites from powerful nations and their local neo-colonial counterparts.

Neo-colonial dependency with ineffective institutions of governance and a weak accountability framework encourages the violation of Section 42(1) of the 2007 Fiscal Responsibility Act, resulting in diversion of a large proportion of Nigerian oil and gas revenues into private bank accounts with rare sanctions. Despite the claim of adopting IPSAS to improve accountability in the management of its oil and gas, to avoid unnecessary loans, much of Nigeria's oil and gas revenue

[12] The final sentence is quoted from Lehman (2013).

continues to be corruptly misappropriated. This demonstrates that the claim by the World Bank and the Nigerian government that IAS/IPSAS would improve accountability and reduce corruption in the management of resources in Nigeria may be mere rhetoric.

As corruption continues to drain Nigeria of its economic surplus, the country remains reliant on loans from powerful nations and IFIs, while the utilisation of the loans still faces corruption, thus creating avoidable poverty for over 80% of the Nigerian population.

Since 2008, structural adjustment conditions have been an increasingly important component of IMF policies. The concern of poor developing countries such as Nigeria is that the IMF policies continue to erode democratic governance and sovereignty of borrowers. If such countries are to improve the welfare of their citizens, provide much-needed infrastructure and alleviate poverty, they cannot afford to continue to accumulate avoidable loans when the conditions for granting such loans push poor and indebted countries into further debt and poverty.

The evidence in this paper shows that corruption is the major obstacle to Nigeria profiting from its enormous oil and gas resources to enable it to avoid taking out unnecessary loans and have the resources for infrastructural development and poverty alleviation. The real problem is that the political elite are not accountable to the people who supposedly elect them and the IFIs, by touting technical answers (e.g. accounting standards) are in effect helping to enable corrupt elite behaviour. The idea that Western accounting reforms improve transparency and accountability and reduce corruption has proved, after the 2008 global financial crisis, to be largely rhetoric in the well-developed world for which they were designed in particular, the US and UK. Nigeria must therefore strengthen its institutions of governance and the regulatory framework and put in place an accountability system that rewards good performance and strictly sanctions violations.

In the above context, this paper contributes to the literature by challenging the neoliberal assumption that in a corrupt socio-political context with ineffective institutions of governance and a weak regulatory framework, such as Nigeria, Western accounting standards such as IPSAS, is a means of improving transparency and accountability and addressing corruption in public sector management and hence further economic development. If IPSAS could not prevent the 2008 financial crisis in the developed world, why should it be expected to improve transparency and accountability in a corrupt socio-political system such as Nigeria?

In common with other critical commentators on neoliberalism and accounting (e.g. Chiapello, 2017; Sikka, 2015; Smyth, 2012), therefore, this paper proposes a re-examination of the neo-colonial public accountability system imposed on Nigeria by powerful nations and IFIs and often used to justify economic reforms, with a re-theorisation of public accountability system as a relationship where civil society seeks to control the state. In this context, Smyth (2012: 231-2) proposes a more exacting definition of accountability, arguing that:

> *in addition to the elements of transparency, answerability and report giving, the essential core of an accountability relationship is that unless there is a form of control based on "reward or sanction" then the relationship is not one of accountability.*

The above accountability system is what this paper advocates to be more appropriate for the Nigerian cultural, socio-economic, and political context.

References

Adeosun, K. (2017). 'Cost of sustaining Nigeria's debt is not sustainable' – World Bank disagrees with Adeosun on borrowing. Nigerian Monitor, 17 October 2017. Retrieved (1 October 2018) from http://www.nigerianmonitor.com/world-bank-disagrees-with-adeosun-that-nigeria-has-no-choice-but-to-borrow/.

Adhikari, P., Kuruppu, C., Wynne, A., & Ambalangodage, D. (2015). Diffusion of the Cash Basis International Public Sector Accounting Standards (IPSASs) in less developed countries (LDCs): The case of the Nepali central government. In K. Jayasinghe, N. D. Nath, & R. Othman (Eds.), *The public sector accounting* (pp. 85–108). UK: Accountability and Auditing in Emerging Economies, Emerald Group Publishing, Bingley.

African Forum and Network on Debt and Development (AFRODAD) (2007). *Nigeria: Foreign debts, stolen wealth, IFIs and the West – A case study*. Harare, Zimbabwe: AFRODAD.

Annisette, M. (2004). The true nature of the World Bank. *Critical Perspectives on Accounting, 15*(3), 303–323.

Arnold, P. J. (2005). Disciplining domestic regulation: The World Trade Organisation and the market for professional services. *Accounting, Organizations and Society, 30*(4), 299–330.

Aziz, R. (2017). World Bank, IMF and IFAC committed to influence for PFM reforms and IPSAS implementation. The Accountant, 9 March 2017. Accessed 22 August 2019 from http://www.theaccountant-online.com/News/world-bank-imf-and-ifac-committed-to-influence-for-pfm-reforms-and-ipsas-implementation-5759244.

Bakre, O. M. (2014). Imperialism and the integration of accountancy in the Commonwealth Caribbean. *Critical Perspectives on Accounting, 25*(7), 558–575.

Bakre, O. M., & Lauwo, S. (2016). Privatisation and accountability in a "crony capitalist" Nigerian state. *Critical Perspectives on Accounting, 39*, 45–58.

Bakre, O., Lauwo, S. G., & McCartney, S. (2017). Western accounting reforms and accountability in wealth redistribution in patronage-based Nigerian society. *Accounting, Auditing and Accountability Journal, 30*(6), 1288–1308.

Birch, K., & Mykhnenko, V. (Eds.). (2010). *The rise and fall of neoliberalism: the collapse of an economic order?* London & New York: Zed Books.

Boyo, H. (2014). Economic contradictions and mute victims. Vanguard News Nigeria, 16 October. Retrieved, (13 October 2020) from https://www.vanguardngr.com/2014/08/economic-contradictions-mute-victims/.

Chandrasekhar, C. P., & Ghosh, J. (2002). *The market that failed: A decade of neoliberal economic reform in India*. New Delhi: Left Word.

Chatzivgeri, E., Chew, L., Crawford, L., Gordon, M., & Haslam, J. (2020). Transparency and accountability for the global good? The UK's implementation of EU law requiring country-by-country reporting of payments to governments by extractives. *Critical Perspectives on Accounting, 67-68*, 102074.

Chiapello, E. (2017). Critical accounting research and neoliberalism. *Critical Perspectives on Accounting, 43*, 47–64.

Christensen, J. (2009). Africa's bane: Tax havens, capital flight and the corruption interface; Working Paper. Real Instituto Elcano Working Paper 1/2009. Retrieved (1 October 2018) from www.realinstitutoelcano.org/wps/portal/rielcano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/DT1-2009.

Conditionality Review Campaign (2018). Open letter to the IMF, July Retrieved (12 March 2019) from https://www.globaltaxjustice.org/sites/default/files/IMF-Conditionality-Letter-.pdf.

Dankwabo, I. H. (2010). *Transition to International Public Sector Accounting Standard (IPSAS) and Their Impact on Transparency: A Case Study of Nigeria*. Abuja: Accountant-General's Office.
Debt Management Office (DMO). (2001). Nigeria debt profile. Abuja, Nigeria: DMO.
Debt Management Office (DMO). (2008). National Debt Management (1990-2008). Abuja, Nigeria: DMO.
Debt Management Office. (2018). Nigeria debt hits N21.725 trillion. Abuja, Nigeria: DMO.
Debt Management Office (2020). *Nigeria's external debt stock as at 30 June 2020*. Abuja, Nigeria: DMO.
Economic and Financial Crimes Commission (EFCC). (2020), Corruption has become cancerous in Nigeria; EFCC Chairman at a Workshop organised by African Centre for Media Information Literacy, Calabar. Guardian Newspaper Nigeria, 02 February.
Fukuyama, F. (2004). *State building, governance and world order in the twenty-first century*. Ithaca, NY: Cornell University Press.
Global Financial Integrity (2017). *Illicit financial flows to and from developing countries: 2005–2014*. Washington, DC: Global Financial Integrity.
Global Witness (2017). Despite a 50-year oil boom which has transformed Nigeria's economy into the largest in Africa, 80% of its citizens live on less than $2 a day. *Global Witness, 26*. January. Retrieved (1 October 2018) from: https://www.globalwitness.org/en/countries/nigeria/#more.
Goldman, M. (2005). *Imperial nature: The World Bank and struggles for social justice in the age of globalization*. New Haven, CT: Yale University Press.
Government of Nigeria (2005). *A report on Nigeria's external debt: Structure, evolution and developmental challenges*. Mimeograph, Abuja, Nigeria: National Assembly.
Groom, M. (2001). Countries should consider adopting IFRSs. Address to Brazilian accountants and Business People, Rio de Janeiro, Accountant, June, p. 4.
Graham, C., & Annisette, M. (2012). The role of transnational institutions in framing accounting in the global south. In T. Hopper, M. Tsamenyi, S. Uddin, & D. Wickramasinghe (Eds.), *Handbook of accounting and development* (pp. 59–73). Cheltenham, UK: Edward Elgar.
Harvey, D. (2005). *A brief history of neoliberalism*. Oxford: Oxford University Press.
Hegarty, T. (2007). Poverty alleviation, governance and financial management: Issues and challenges. Paper presented at the Financial Reporting Council and the Adoption of IFRS Workshop of the Institute of Chartered Accountants of Nigeria, Lagos, Nigeria, May.
Hoffmann, L., & Patel, R. (2017). *Collective action on corruption in Nigeria*. London: Chatham House.
IMF. (2005). *Two Year Policy Support Instrument for Nigeria. IMF Country Report No. 05/432*. Washington DC: IMF.
Impey, A. (2007). Interview with the Nigerian Business Day News on the Adoption of IFRS. Retrieved (30 September 2020) from https://www.pwc.com/ng/en/publications/understanding-ifrs.html.
Iyoha, F. O., & Oyerinde, D. (2010). Accounting infrastructure and accountability in the management of public expenditure in developing countries: A focus on Nigeria. *Critical Perspectives on Accounting, 21*(5), 361–373.
King, N., Beattie, A., Cristescu, A.-M., & Weetman, P. (2001). Developing accounting and audit in a transition economy: The Romanian experience. *European Accounting Review, 10*(1), 149–171.
Lassou, P. J. C., & Hopper, T. (2015). Government accounting reform in an ex-French African colony: The political economy of neo-colonialism. *Critical Perspectives on Accounting, 36*, 39–57.
Lassou, P. J. C., Hopper, T., Tsamenyi, M., & Murinde, V. (2019). Varieties of neo-colonialism: Government accounting reforms in Anglophone and Francophone Africa – Benin and Ghana compared. *Critical Perspectives on Accounting, 65* 102071.
McSweeney, B. (2009). The roles of financial assets, market failure denial and the economic crisis: Reflections on accounting and financial theories and practices. *Accounting, Organizations and Society, 34*(6–7), 835–848.
Mir, M. Z., & Rahaman, A. S. (2005). The adoption of international accounting standards in Bangladesh: An exploration of rationale and process. *Accounting, Auditing & Accountability Journal, 18*(6), 816–841.
Moss, T. (2005). Resolving Nigeria's debt through a discounted buyback. CGD Note, Centre for Global Development, April 1, 2005: Retrieved (1 October 2018) from http://www.cgdev.org/content/publications/detail/3223/.
Moss, T., Standley, S. & Birdsall, N. (2004). Double Standards, Debt Treatment, and World Bank Classification: The Case of Nigeria. Centre for Global Development Working Paper 45. Retrieved (1 October 2018) from http://www.cgdev.org/content/ publications/detail/2741/.
Murphy, R. (1988). *Social closure: The theory of monopolization and exclusion*. Oxford: Clarendon Press.
Murphy, J. (2008). International financial institutions and the new global managerial order. *Critical Perspectives on Accounting, 19*(5), 714–740.
Neu, D., & Gomez, E. O. (2006). The ethics of World Bank lending. *Accounting Forum, 30*(1), 1–19.
Newberry, S., & Robb, A. (2008). Financialisation: Constructing shareholder value ... for some. *Critical Perspectives on Accounting, 19*(5), 741–763.
Ojekunle, A. (2019). Nigeria lost $157.5 billion to illicit financial flows in 9 years. Pulse (Nigeria) 26 September 2019. Retrieved (13 October 2020) from https://www.pulse.ng/bi/finance/nigeria-lost-dollar1575-billion-to-illicit-financial-flows-in-9-years-an-amount/xlzzj8f.
Okaro, S. (2004). Bank failure in Nigeria: An early warning model for corporate distress. *The Nigerian Accountant, 37*(4), 23–33.
Okonjo-Iweala, N., & Osafo-Kwaako, P. (2007). Nigeria's economic reforms: Progress and challenges. Brookings Global Economy and Development Working Paper No. 6. Washington DC: The Brookings Institution. Retrieved (12 March 2019) from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1080251.
Omolehinwa, E. O., & Naiyeju, J. K. (2012). An overview of accounting in the Nigerian public sector. *International Journal on Governmental Financial Management, 12*(1), 11–22.
Omolehinwa, E. O., & Naiyeju, J. K. (2015). *Government accounting in Nigeria: An IPSAS approach*. Lagos: Pumark Publications.
Onigbinde, O. (2017). Re: Kemi Adeosun's "Deconstructing the debt story". Sahara Reporters, 10 October. Retrieved (20 October 2017) from: http://saharareporters.com/2017/10/10/re-kemi-adeosun%E2%80%99s-%E2%80%98deconstructing-debt-story%E2%80%99-oluseun-onigbinde.
Onitri, H. M. A. (1992). *Devaluation and structural adjustment: The Nigerian experience*. Addis-Ababa: UN Economic Commission for Africa.
Otufodurin, L. (2017). World Bank denies disagreeing with Adeosun on foreign borrowings. The Nation (Nigeria), 18 October 2017. Retrieved (1 October 2018) from http://thenationonlineng.net/world-bank-denies-disagreeing-with-adeosun-n-foreign-borrowings/.
Otunla, J. (2010). *Sensitization workshop of the roadmap of adoption of IPSAS in Nigeria*. Abuja, Nigeria: Accountant-General's Office.
Paris Club. (2005a). Paris club creditors agree in principle on a comprehensive debt treatment for Nigeria. Press Release, Paris, June 29. Retrieved (15 October 2018) from http://www.clubdeparis.org/en/communications/press-release/nigeria-29-06-2005.
Paris Club. (2005b). Debt relief agreement with Nigeria. Press Release, Paris, October 20. Retrieved (15 October 2018) from http://www.clubdeparis.org/en/communications/press-release/treatment-of-nigeria-s-debt-20-10-2005.
Perera, H. (2012). Adoption of international financial reporting standards in developing countries. In T. Hopper, M. Tsamenyi, S. Uddin, & D. Wickremesinghe (Eds.), *Handbook of accounting and development* (pp. 95–107). Cheltenham, UK: Edward Elgar.
Punch Newspaper (2018). Inside some Nigeria's appalling public health centres, August 26 Retrieved (15 December 2019) from https://punchng.com/inside-some-nigerias-appalling-public-health-centres/.
Randle, J. K. (2004). Representation to the Honourable National Assembly of Nigeria by the Council of ICAN on the Draft Bill for an Act to establish ICPAN. (25 May).
Rensch, S. (2018). IMF urged to reform loan conditions to address inequality and sustainability. Public Finance International, 6 July. Retrieved (12 March 2019) from https://www.publicfinanceinternational.org/news/2018/07/imf-urged-reform-loan-conditions-address-inequality-and-sustainability.
Rieffel, L. (2005). Resolving Nigeria's Paris Club debt problem: A case of non-performing creditors. Working Paper, The Brookings Institution, 1 August.
Ripples Nigeria. (2019). We have spent $11 billion in Nigeria – World Bank. Ripples Nigeria, August 8. Retrieved (15 December 2019) from https://www.ripplesnigeria.com/we-have-spent-11-billioon-in-nigeria-world-bank/.
Sahara Reporters (2017). Court orders temporary forfeiture of N1.4bn Paris Club funds laundered by Senate President Bukola Saraki and his aides. Sahara Reporters, 13 October. Retrieved (15 November 2017) from: http://saharareporters.com/2017/10/13/court-orders-temporary-forfeiture-n14bn-paris-club-funds-laundered-senate-president.
Sahara Reporters (2019). Dilapidated nation and its decrepit education system, March 22 Retrieved (13 October 2020) from http://saharareporters.com/2019/03/22/dilapidated-nation-and-its-decrepit-education-system-erasmus-ikhide.

Samuels, J. M., & Oliga, J. C. (1982). Accounting standards in developing countries. *International Journal of Accounting, Education and Research, 18*(1), 69–88.
Saravanamuthu, K. (2004). What is measured counts: Harmonised corporate reporting and sustainable economic development. *Critical Perspectives on Accounting, 15*(3), 295–302.
Smyth, S. (2012). Contesting public accountability: A dialogical exploration of accountability and social housing. *Critical Perspectives on Accounting, 23*(3), 230–243.
Sikka, P. (2001). Regulation of accountancy and the power of capital: Some observations. *Critical Perspectives on Accounting, 12*(2), 199–211.
Sikka, P. (2015). The corrosive effects of neoliberalism on the UK financial crises and auditing practices: A dead end for reforms. *Accounting Forum, 39*(1), 1–18.
Transparency International (2020). Corruption Perceptions Index. Transparency International, Berlin. Retrieved (20 October 2020) from https://www.transparency.org/en/cpi.
United Nations Conference on Trade and Development (UNCTAD) (2005). Review of practical implementation issues of International Financial Reporting Standards Retrieved (12 March 2019) from: https://unctad.org/en/docs/c2isard28_en.pdf.
Vanguard News Nigeria (2014). Okonjo-Iweala challenges accountants, 21 February Retrieved (13 October 2020) from https://www.vanguardngr.com/2014/02/okonjo-iweala-challenges-accountants-wastages-leakages-govt-revenue/.
Venugopal, R. (2015). Neoliberalism as concept. *Economy and Society, 44*(2), 165–187.
World Bank (1981). *Berg report on accelerated development in Sub-Saharan Africa: A plan for Action – Elliot Berg, 1981*. Washington, DC: World Bank.
World Bank. (2003). Heavily Indebted Poor Countries Initiative. Fact Sheet. Annual Meetings 2004. Washington, DC: World Bank. Retrieved (31 July 2018) from http://siteresources.worldbank.org/INTDEBTDEPT/DataAndStatistics/20263218/HIPC-Fact-Sheet-web.pdf.
World Bank. (2004). Operationalizing IPSAS (FM Notes No. 3). Washington, DC: World Bank. Retrieved (1 October 2018) from: http://web.worldbank.org/archive/website01531/WEB/IMAGES/FM_NOT-9.PDF?resourceurlname=FM-Note-2004-02-Operationalizing-IPSAS.pdf.
World Bank (2007). *Loan handbook for World Bank Borrowers*. Washington, DC: World Bank.
World Bank. (2012). IBRD articles of agreement. Washington, DC: World Bank. Retrieved (12 March 2019) from http://pubdocs.worldbank.org/en/722361541184234501/IBRDArticlesOfAgreement-English.pdf.
World Bank. (2013). In Fight to Improve Lives of the World's Poor, World Bank Group delivers nearly $53 Billion in Support to Developing Countries in FY13. Press Release, 23 July. Washington, DC: World Bank. Retrieved (8 March 2019) from http://www.worldbank.org/en/news/press-release/2013/07/23/improve-lives-world-poor-world-bank-group-delivers-nearly-53-billion-support-developing-countries-fy13.
World Bank (2016). *Guidelines on preventing and combating corruption in projects financed by IBRD loans and IDA credit and grants (revised as of July 1, 2016)*. Washington, DC: World Bank.
Yasmin, S., & Ghafran, C. (2019). The problematics of accountability: Internal responses to external pressures in exposed organisations. *Critical Perspectives on Accounting, 64* 102070.
Zhang, Y., Andrew, J., & Rudkin, K. (2012). Accounting as an instrument of neoliberalism? Exploring the adoption of fair value accounting in China. *Accounting, Auditing and Accountability Journal, 25*(8), 1266–1289.