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The Extent of Membership Representation and Non-Representation on the IASB

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Abstract

Status groups abound in financial markets and none more so than in the global accounting market. One such group is the powerful and closed International Accounting Standards Board (IASB). This study empirically examines the social control of IASB membership by considering the country affiliation of members, Internet access, and gender composition over a five-year period. The results of the study show that over the period 2001-2005 representation on all four IASB committees was dominated by male members from high Internet access regions of the United States of America.

Keywords: *IASB, closure and membership*

INTRODUCTION

The deep-seated occupational practice of closure[1] has occurred amongst occupational sets for some considerable time (Macdonald, 1985). Past studies show how elite domestic accounting associations are closed to all but a narrow range of individuals whose social backgrounds reflect the most powerful groups in society (Kirkham & Loft, 1993), at times legitimising claims for special privilege (Macdonald, 1985; 1984). Past studies also show how closure occurs at the International Accounting Standards Board (IASB) for the benefit of elite multinational funding organisations (Porter et al., 2006) and privileged first-world accounting practitioners (Chand and White, 2007) including Group of Four (G4) and US exertion of 'soft power' over the IASB (Street, 2006; De Lange & Howeison, 2006). Few studies, however, have *empirically* considered the supranational IASB's sustained non-equilibrium membership conditions (closure) over a long period of time. This study addresses this shortcoming by considering the composition of the membership of the four committees of the IASB over the period 2001-2005 by way of each member's national representation, Internet access, and gender.

[1] A philosophical definition of closure is presented in the following way: "a set is closed with respect of an operation if the result of applying that operation to a member of the set is itself a member of the set" (Blackburn, 2005; p. 64).

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This study is important because it presents a quantitative picture over time of the main players and non-players of the international standardising and harmonising accounting set. There is considerable literature which sees the IASB as advancing the public interest (Camfferman and Zeff, 2007) and its International Financial Reporting Standards as improving investor communication, enhancing comparability, increasing reporting transparency, lowering costs, facilitating cross-border listings and improving investment opportunities (KPMG, 2003). But all these benefits ring hollow if the IASB is effectively represented by a narrow range of powerful players to the restriction and exclusion 'economically weaker stakeholders' (Unerman & Bennett, 2004, p. 690).

What is vitally important here is to present a study which shows the *extent* of hegemonic power enjoyed by the 'closed set' and the magnitude of non-representation by most countries of the world, not only on the main boards of the IASB but also on its committees. By analysing the preponderance of country membership, this study alerts us to a broader lesson: that while the measurement of hegemonic membership is instructive to understanding the extent of power enjoyed by a few, the measurement of absence of country membership underlies the extent of powerlessness suffered by the many. This has considerable policy relevance, particularly in terms of developing accounting policies across the globe. It is difficult to second guess policy makers' needs around the world but if many potential policy makers are effectively excluded the problem of ascertaining their needs becomes more difficult.

The aim of this study, therefore, is to examine the magnitude and extent of closure on each of its four committees. This paper is organised as follows. The next section examines the IASB membership in terms of its US affiliation, Internet access and gender type. A separate section is devoted to explaining the research method, which is then followed by descriptive and inferential results. The study ends with a conclusion about the about the characteristics of the membership of the IASB, and a discussion of the assumptions and limitations of the study.

LITERATURE REVIEW

The accounting profession is awash with practices of exclusion, closure, and monopoly (Kim, 2004; Annisette, 2003; Chua & Poullaos, 1998; Walker, 1995; Chua & Poullaos, 1994; Kirkham & Loft, 1993; Kedslie, 1990; Wilmott, 1986; Macdonald, 1985; 1984). Self-selected occupational elites are able to use exclusionary practices to keep 'others' out of the profession. They deploy closure practices to close off opportunities to 'others'; to enjoy the profession's economic, political, and social fruits (Annisette, 2003). Such practices may be based on credentialism, ethnicity (Kim, 2004; Annisette, 2003), financial resources (Mitchell et al., 2001) and imperialism (Annisette & Neu, 2004), but ultimately they lead to an asymmetry of wealth and power (Graham & Neu, 2003).

US affiliation

The IASB describes its structure as 'independent' (IASB, 2007b). The IASB has two main bodies, The Trustees[1] and the International Accounting Standards Board. The IASB also has a Standards Advisory Committee (SAC) and an International Financial Reporting Interpretations Committee (IFRIC). Further, it explains that 'the international convergence of accounting is the irreversible trend and direction of development' (IASB, 2007b); and that:

> Emerging markets and transition economies are important participants in the global capital market and users of IFRSs, thus they will play an important role in IFRSs setting (IASB, 2007b).

However, much appears in the past literature to suggest that the IASB is *not* independent at all, with domination by the Financial Accounting Standards Board of the United States of America (De Lange & Howeison, 2006), G4 national accounting standard setting bodies (Street, 2006), and the presence of a general 'US/UK hegemony' Chand and White (2007, p. 610).

Indeed, the imposition of North-American-centric accounting on globalised markets is recognised by some commentators (Camfferman and Zeff, 2007; Zarb, 2006; Cooper, Neu and Lehman, 2003, p. 360). Some commentators suggest there is too much U.S. influence on IASB (EFRAG, 2006; Carnachan, 2003).

> This concern about potential US hegemony over the international accounting standard-setting process is not without foundation. There is already evidence of a growing US influence over IFRS, despite the 'due process' safeguards built into the IASB's standard-setting procedures. For instance, the restructuring of the IASC into the IASB in 2000 expressly reflects the thinking of the SEC and has resulted in an organizational form traditionally opposed by continental European countries.The FASB now also plays an active role in the IASB's activities,and five of the IASB's twelve full-time and two part-time board members are American. Two of those full-time IASB board members sat on the FASB board until recently. If this influence grows unchecked, it may bias the nature of the IFRS in favor of US markets and consequently reduce the global benefits of continued convergence (Carnachan, 2003, pp. 39-40).

US representation on the IASB is *empirically* tested by posing the following hypothesis:

Hypothesis 1: There is significant US representation on IASB

Internet access

Another form of closure practised by the IASB is to overlook members from countries with limited Internet access (Brown, 2007). The IASB devotes considerable resources to extensible business reporting language (XBRL) (IASB, 2007c) and business reporting on the Internet (IASC, 1999) which necessitates a reliance on the Internet but does little to extend these resources to countries with little Internet access.

The potential for the Internet to advance discourses depends on the existing institutionalised structures and dominant political philosophies (Sikka, 2006). In terms of institutional structures, Keniston (2004), Swaminathan (2001) and Warschauer (2002) found that a lack of access to the Internet[2] is an obvious impediment to Internet use. However, in terms of dominant political philosophies, this paper argues that these institutional barriers may confer legitimacy to the privileged IASB group, a high-level of Internet access acting as a prerequisite for IASB membership. The notion of promoting social differentiation by way` of Internet access helps advance digital kudos for the occupational elites but restricts those members with less sophisticated Internet structures from advancing. The idea of selecting members from countries with high levels of Internet access as against those members who come from countries with low levels of Internet access is presented in the following hypothesis:

Hypothesis 2: There is a positive relationship between national levels of Internet access and membership of IASB

Gender

Yet another way of closing off membership is to exclude people according to their gender. Even though gender diversity on committees can improve effectiveness of organisation's decisions by tapping broader talent pools (Adams & Ferreira, 2004) there is a considerable literature that points out that women continue to be excluded from accounting (Everett et al., 2007; Kirkham & Loft, 1993; Hopwood, 1987; Dwyer & Roberts 2004; McNicholas et al., 2004; Gallhofer, 1998) and business organisations. Certainly, in a developed country setting, Still (2006), found that despite considerable legislative, policy, and social change in the equity area, women did not attain leadership positions in any significant numbers in Australia. Higgs (2003) found that women in the UK did little better.

There are of course, compelling reasons to broaden gender diversity on the board, as it:

> …increases board independence because with a different gender, ethnicity, or cultural background might ask questions that would not come from directors with more traditional backgrounds (Carter, Simkins and Simpson, p.37).

Broader board diversity is also associated with stronger orientation toward corporate social responsiveness (Ibrahim & Angelidis, 1994), higher levels of social performance (Siciliano, 1996) and an increase in diversity of opinions and perspectives to board discussions. Of course, these benefits come at the expense of diluting male hegemony. Thus, for the purposes of this study the following hypothesis is posed:

Hypothesis 3: There is significant male representation on IASB

RESEARCH METHOD

The main methods of inquiry are secondary analysis of cross-sectional data from the most recent data from IASB annual reports on membership of the

[2] Together with the high costs of Internet subscription, shortages of internet service providers and hard-wired direct lines, lack of hardware (computers), high prices in administration, installation settings, maintenance and peripherals, and lack of electricity to drive available information technology.

IASB Trustees IASB, IFRIC and SAP, members' country affiliation and members' country Internet access. Statistical analyses used in the study include descriptive techniques, trend analysis, and multiple regression analysis.

The main data sources used in this study were the 2001-2005 annual reports of the IASB (IASB, 2005; 2004; 2003; 2002; 2001), online IASB documentation for 2006, and internet access data for the years 2001-2005 from International Telecommunications Union (ITU, 2007).

Sample selection

The IASCF Constitution (2007) states that The Trustees shall comprise 22 individuals (para. 4) who are normally appointed for a term of three years, renewable once (para. 8). IASB also comprises 14 members (para. 18) to be appointed for a term up to five years, renewable once. IFRIC comprises 12 members appointed for renewable terms of three years (para. 33), and SAC comprises 30 or more members appointed for renewable terms of three years (para. 48).

Actual membership over the period did not always accord with the numbers stated in the constitution. The initial population of aggregated membership of the *Trustees, IASB, IFRIC* and *SAC* over the period 2001 to 2005 was 423. Table 1, Panel A shows that *The Trustees'* had 18 members, except for 2003 when membership was 19. Total membership of *The Trustees* for the period 2001 to 2005 was 91. For each year *IASB and IFRIC* membership was 14 and 12, respectively. For the period 2001 to 2005 the *IASB and 60 IFRIC* had 70 member positions. SAC membership for each of the years between 2001 and 2004 ranged from 41 to 43, but in 2005 this fell to 33 members. There were 202 SAC membership positions for the period 2001 to 2005. Country affiliation data of membership positions of *Trustees, IFRIC* and *SAC* was gathered from the online the IASB annual report sites (IASB, 2007b). Country affiliation of *IASB* members was gleaned from curriculum vitaes posted on the *IASB* websites (IASB, 2007b). Information on Gender was checked by two academics.

Table 1, Panel B shows the number of countries used in the sample.. The World

Table 2: Breakdown of country membership

Panel A: Number of board's membership					
Year	**Trustees**	**IASB**	**IFRIC**	**SAC**	**Total**
2001	18	14	12	43	87
2002	18	14	12	42	86
2003	19	14	12	43	88
2004	18	14	12	41	85
2005	18	14	12	33	77
Total	91	70	60	202	423

Panel B: Number of countries	
Total number of countries	209
Less: Countries without internet access data	(5)
Total number of countries used in sample	204

Bank (2005; 2004; 2003; 2002; 2001) lists 209 countries in the world. Five countries were excluded from the sample because of insufficient Internet access data figures for the five-year period. These countries were American Samoa, Liberia, Myanmar, North Korea and Northern Mariana. Thus a total sample of 204 countries were used in the study.

Proxy for IASB membership divide

The main dependent variable, *accounting divide* (DV1), is the average yearly number of membership positions on all four committees (*Trustees, IASB, IFRIC* and *SAC*) by country affiliation for the period 2001 to 2005.

Each of the 423 memberships positions were classified by affiliation to one of the possible 204 countries (a membership position could not have more than one country affiliation – see the section *Assumptions and Limitations*). The number of membership positions for each of the 204 countries was tallied for each of the five years of the study and then divided by five to give an average yearly membership score for each country.

Proxy for Internet access

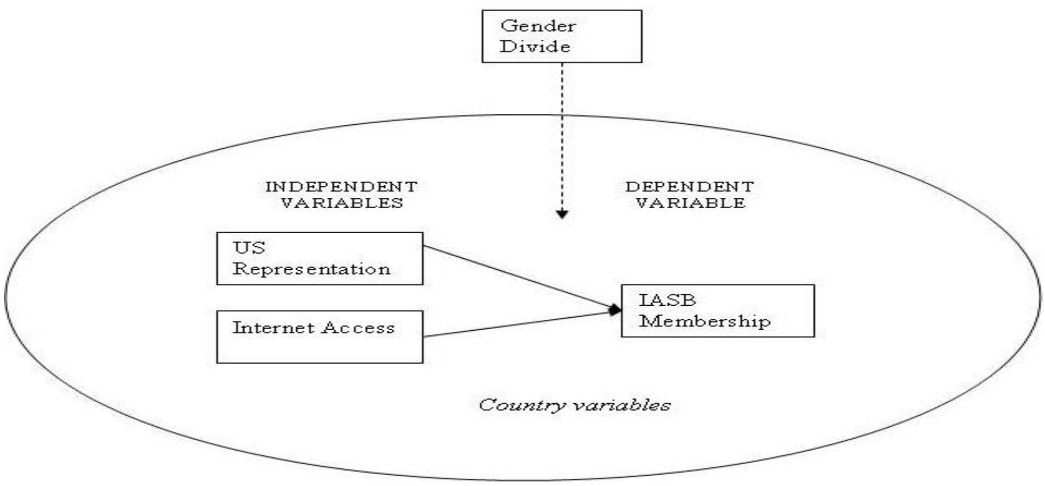
Internet access data provides information on the number of Internet users per 100 inhabitants of a country for a particular year. This information was gathered from ITU (2007).

Yet again, each of the 423 memberships positions were classified by affiliation to one of the possible 204 countries. The number of membership positions for each of the 204 countries was tallied and then multiplied by that country's Internet access of the respective year (2001-2005) that the member was in office. The aggregated Internet access score of each country was then divided by five (the number of years of the study) to give a mean annual Internet access scores. These Internet access scores satisfied tests for non-normality and non-skewness. The study uses the Internet access data from 2001 to 2005 from the data-sets of the International Telecommunications Union (ITU, 2007).

Gender

Gender was used as a control variable.

Figure 1 Conceptual Schema



Unlike the country related proxies used for the dependent variable and the independent variables (US affiliation and Internet access), gender was a demographic related characteristic of the individual members. Each of the 423 members was classified according to gender. As Figure 1 shows, gender falls outside the oval containing country classification but provides additional evidence of divides outside the country context.

RESULT

Descriptive Statistics

Panel A of Table 2 shows the breakdown of country membership on each of the four committees of the IASB for 2001-2005. Thirty-five countries had membership on at least one of the four IASB committees over the study period. In all, 169 countries did not have any membership at all.

Panel B of Table 2 shows descriptive statistics for 2001-2005 of IASB membership of the four committees (*Trustees, IASB, IFRIC* or *SAC*) with an overall annual mean membership of 0.42 members per country with a large standard deviation of 1.77 members per country. The US had a staggering annual average of 21.40 members on the four committees of the IASB, while the other 203 had an average of 0.37 members. Independent sample T-test (t-critical one-tail score of 1.65) shows a highly significant difference between US and non-US means for membership (p-value of .000). Panel B presents descriptive

Table 2: Breakdown of country membership

Panel A: Countries with board membership																										
No.	Country	2001				2002				2003				2004				2005				Average 2001-2005				
		T	M	I	S	T	M	I	S	T	M	I	S	T	M	I	S	T	M	I	S	T	M	I	S	Total
1	Argentina	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	2
2	Australia	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	1	1	1	0	1	1	1	1	1	3.6
3	Bahrain	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0.4
4	Belgium	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0.4
5	Brazil	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	2
6	Cameroon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0.2	0.2
7	Canada	1	1	0	1	1	1	0	1	1	1	0	1	1	1	0	1	1	1	0	0	1	1	0	0.8	2.8
8	China	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	1
9	Denmark	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	1	1	0	0	0	1	0	0	0.8	1.8
10	Estonia	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0.8	0.8
11	Finland	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0.8	0.8
12	France	1	1	1	3	1	1	1	2	2	1	1	2	1	1	2	2	1	1	2	2	1	1	1	2.2	5.8
13	Germany	1	1	0	1	1	1	0	1	1	1	0	1	1	1	0	1	1	1	0	2	1	1	0	1.2	3.2
14	Hong Kong, China	1	0	1	1	1	0	1	1	1	0	1	2	1	0	0	1	1	0	0	1	1	0	1	1.2	2.8
15	India	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	1
16	Israel	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	1
17	Italy	1	0	1	1	1	0	1	1	1	0	1	2	1	0	1	2	0	0	1	3	1	0	1	1.8	3.6
18	Japan	2	1	1	2	2	1	1	2	2	1	1	2	2	1	1	2	2	1	1	2	2	1	1	2	6
19	Kenya	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0.8	0.8
20	Korea (Rep.)	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0.8	0.8
21	Malaysia	0	0	0	1	0	0	0	1	0	0	0	2	0	0	0	2	0	0	0	1	0	0	0	1.4	1.4
22	Mexico	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	1
23	Netherlands	1	0	1	1	1	0	1	1	1	0	1	1	1	0	1	1	1	0	1	1	1	0	1	1	3
24	New Zealand	0	0	0	1	0	0	0	1	0	0	0	1	0	0	1	1	0	0	1	0	0	0	0	0.8	1.2
25	Norway	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0.2	0.2

26	Russia	0	0	0	1	0	0	0	1	0	0	0	2	0	0	0	1	0	0	0	1	0	0	0	1.2	1.2
27	Singapore	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0.6	0.6
28	South Africa	1	1	0	1	1	1	0	1	1	1	0	1	1	1	0	1	1	1	0	1	1	1	0	1	3
29	Spain	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	1	0	0	1	0	0	0	1	1.2
30	Sri Lanka	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0.6	0.6
31	Swaziland	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.2	0	0	0.2
32	Sweden	0	0	0	1	0	0	0	1	0	0	0	1	0	1	0	1	0	1	0	0	0	0.4	0	0.8	1.2
33	Switzerland	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	0	1	0	0.4	0	0.2	0.8
34	United Kingdom	1	2	1	2	1	2	2	2	1	2	2	2	1	2	2	2	1	2	2	2	1	2	2	2	6.8
35	United States	5	5	4	10	5	5	3	10	5	5	3	9	5	5	3	9	4	5	3	4	5	5	3	8.4	21.4
	Total	18	14	12	43	18	14	12	42	19	14	12	43	18	14	12	41	18	14	12	33	18	14	12	40.4	84.6

169 countries did not have membership on any of the committees.

Panel B: Descriptive Statistic of Independent and dependent variables

Variable	Number	Mean	Std Dev
(IV 1) US Membership	1	21.40	
Non-US Membership	203	0.37	0.99
(DV 1)Total Membership	204	0.42	1.77
(IV 2) Internet Access	204	11.34%	13.42%

statistics for the independent variable of Internet access which has a mean of 11.34% of a country's population, and a standard deviation of 13.42.

Correlations

Table 3 shows no multicollinearity problems for the independent variables used in the study. In other words, there is no high correlation between US membership and Internet access independent variables with a correlation of 0.175. The lack of multicollinearity partly satisfies the condition for running multiple regressions.

Multivariate main results

Table 3: Pearson correlation matrix

	DV-1 Total IASB	*IV-1 US v Non-US*	*IV-2 Internet Access*
DV-1 Total IASB	-	.832*	.372*
IV-1 US v Non-US	.832*	-	.175
IV-2 Internet Access	.372*	.175	-

*Correlation is significant at the 1% level (two-tailed)

For sensitivity analysis, regression was conducted on the dependent variables of membership on each of the four committees of the IASB: Trustees (DV-2); Main IASB (DV-3); IFRIC (DV-4) and SAC (DV-5) over the same time period.

Table 5 shows that US membership and Internet access are highly significant predictors of each of the four committees of the IASB with adjusted R-squares ranging between .555 (IFRIC) and .735 (IASB Main).

Additional analysis was conducted on gender of members of all four committees of the IASB over the period 2001-2005 (see Table 6). Over the period

Table 4: Multiple regression model results IASB membership (2001-2005)

	Beta	t-statistic	Significance
(Constant)		-0.360	.000***
IV-1 US Representation	.792	21.901	.000***
IV-2 Internet Access	.233	6.443	.000***
Model Summary			
R-Squared			.863
Adj. R-Squared			.745
F-Statistic			294.380
Sample Size			204
***** Highly Significant**			

Table 5 Multiple Regression Results for Trustees, Main IASB, IFRIC and SAC

	Panel A Trustees		Panel B Main IASB		Panel C IFRIC		Panel D SAC	
	Beta	t-statistic	Beta	t-statistic	Beta	t-statistic	Beta	t-statistic
[Constant]		-.776		-.637		-.676		.400
US Respresentation	.728	17.179***	.813	22.144***	.680	14.294***	.774	20.654***
Internet Access	.243	5.747***	.168	4.586***	.215	4.517***	.245	6.529***
Model Summary								
R-Squared	.651		.737		.559		.726	
Adj. R-Squared	.647		.735		.555		.723	
F-Statistic	187.138		282.168		127.601		266.441	
Sample Size	204		204		204		204	
*** Significant at the 1% level								

2001-2005, all committees had less than 20% female representation. The low representation of women on each of the committees provides support for H3.

LIMITATIONS, DISCUSSION AND CONCLUDING REMARKS

The support of all hypotheses makes concrete the idea that an overwhelming IASB membership divide exists both in terms of US affiliation, levels of Internet access and gender orientation. US influence of global accounting is, of course, generally well- known in the accounting literature. However, this study's *empirical* evidence of US representation on the IASB and each of its four committees indicates the broad *extent* of US dominance. The finding of closure to the 'digitally weaker stakeholder' is an im-

Table 6: Additional analysis - Breakdown by female ratio

Year	Trustee Female Ratio *(Total Trustee Members)*	IASB Female Ratio *(Total IASB Members)*	IFRIC Female Ratio *(Total IFRIC Members)*	SAC Female Ratio *(Total SAC Members)*	Total Female Ratio *(Total Boards' Members)*
2001	0 *(18)*	0.143 *(14)*	0.167 *(12)*	0.163 *(43)*	0.125 *(88)*
2002	0 *(18)*	0.143 *(14)*	0.167 *(12)*	0.167 *(42)*	0.126 *(87)*
2003	0 *(19)*	0.143 *(14)*	0.083 *(12)*	0.186 *(43)*	0.122 *(90)*
2004	0 *(18)*	0.143 *(14)*	0.250 *(12)*	0.195 *(41)*	0.149 *(87)*
2005	0 *(18)*	0.143 *(14)*	0.250 *(12)*	0.152 *(33)*	0.128 *(78)*
2001-2005	0 *(91)*	0.143 *(70)*	0.183 *(60)*	0.173 *(202)*	0.132 *(56)*

portant one, as it demonstrates how the relatively new globalised social fruit—the Internet and its access—is used to differentiate between the haves and have-nots and confer legitimacy on IASB membership. Few readers will be surprised by the closure to women on the four boards of the IASB; it has proved a fraught exercise trying to break up practices of female closure, exclusion, and monopoly by many institutions.

The study has a number of limitations. First, it focuses on constitutive, rather than rhetorical (or the nexus of constitutive and rhetorical) aspects of the IASB, and thereby ignores *how* this powerful global accounting authority uses rhetoric to implement and shape control of membership. When artfully used to persuade, rhetorical techniques, in the hands of the powerful, make for interesting investigation. Indeed, the IASB has a set of written criteria on IASB's appointments; further research using rhetorical analysis may shed additional light on their selection process. Nevertheless, this study is purposefully constitutive to draw out empirically the trends and extent of board membership closure.
Second, the study ignores many social factors such as religion, racism, and ethnicity as possible explanatory factors of the closure. Some prior accounting studies looked at these factors for national standard setting bodies and certainly future research might separately consider their impact on the membership of this global accounting organisation.

Third, the concept of country affiliation is problematic, particularly given the multiple work locations of many of the IASB members. While this study recognises the shifting geographical work patterns of these affluent IASB members, and the possibility that members may possess more than one citizenship, their *predominant* country affiliation is considered important not only because the IASB *publishes* this information itself on its web pages and in its annual reports but also because it gives an expression of the general terrain and source of privileged country IASB membership.

Fourth, there is a growing body of literature that is cautious about the IASB and the universal adoption of its *International Financial Reporting Standards* (IFRS) (Hopper & Hoque, 2004; Graham & Neu, 2003). Some commentators have recognised that these standards convert complex realities into recognisable information (Saravanamuthu, 2004) but efface cultural (Baskerville, 2003), political (Graham & Neu, 2003) and communication differences between nations. IFRS may also fail to recognize impacts on local communities (Lehman, 2005) and the natural environment (Porter et al., 2006). A limitation of the study, therefore, is that if the output of the IASB is inappropriate to regions outside the IASB power-base, then the issue of IASB exclusion, closure, and monopoly becomes less relevant. Nevertheless, as noted earlier, the study is important because there is a body of expertise that suggests the IASB advances public interest (Camfferman and Zeff, 2007) and serves the international community (KPMG, 2003). Indeed, Zeghal and Mhedhbi (2006) found that developing countries with high literacy rates, capital markets, and Anglo-Saxon cultures were likely to adopt international accounting standards. Thus, the thrust of the research aim of this paper is important.

Despite these limitations, the results of this study demonstrate that IASB's ongoing maintenance of control on its membership is a source of concern, not only to the international accounting community the IASB supposedly serves, but also to the women and low Internet access citizens it snubs.

Notes

[1] The Trustees appoints IASB, IFRIC and SAC members, oversee operations and raise funds while the IASB sets accounting standards and IFRIC interprets them.

[2] It also claims that emerging economies are represented on the IASCF Trustees and Standards Advisory Council (SAC) and play an important role in IFRSs setting (IASB, 2007b)

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