

**PRACTICAL DIFFICULTIES IN HARMONIZING
INTERNATIONAL ACCOUNTING STANDARDS
FOR LESS DEVELOPED COUNTRIES:
THE CASE OF THE MIDDLE EAST**

By

**Wagdy M. Abdallah, Ph.D.
Department of Accounting & Taxation
W. Paul Stillman School of Business
Seton Hall University**

ABSTRACT

The purpose of this paper is to explore the influence of economic, legal, and political factors in developing countries, in particular of Middle East countries, on accounting systems and practice. Prior research has shown that there are difficulties in harmonizing international accounting standards because of the significant effect of economic, religious, legal, and political variables on the internationalization of accounting standards. This study attempts to develop relevant and appropriate accounting systems and practices to fit Middle East countries' environment. Three different choices of accounting systems are suggested, they are: (a) the use of accounting systems of the developed countries, (b) the use of International Accounting Standards, or (c) the development of their own environmental accounting systems. There are many problems facing Middle East countries when using any one of the first two alternatives. The most appropriate system is the suggested "Environmental Accounting". Under the new system, standards can be developed either for every single country or for a group of countries of similar environmental conditions. In establishing and implementing the new system, three important issues will be proposed: (1) its objectives, (2) its relevant accounting control subsystems, and (3) the reform of the accounting professional organizations to enforce using it.

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**Wagdy M. Abdallah, CMA, Ph.D.
Department of Accounting & Taxation
W. Paul Stillman School of Business
Seton Hall University
South Orange, New Jersey 07079
Tel (973) 761-9246, Fax (973) 701-1152
E-mail: Abdallwa@Shu.Edu**

International Accounting Section

**Address: 5 Regina Ct, Chatham, NJ 07928
E-mail address: Abdallwa@SHU.Edu**