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Ideological hegemony and consent to IFRS: insights from practitioners in Greece

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Abstract

This paper critically examines the rationale that drives the acceptance of International Financial Reporting Standards (IFRS) at the level of professional practice in an unfavourable local context. Drawing on Gramsci's work on hegemony and interviews with local practitioners in Greece, we explore the role of Gramscian "common sense" in bolstering consent about the superiority of IFRS over local standards. We find that local practitioner understandings of the operation of the standards are fragmented and contradictory; notions of the common sense behind the high quality of IFRS are in conflict with the reality of collective practical experience—or "good sense", in Gramsci's terms—where the standards fail at specific levels to provide conclusive benefits. However, local practitioners appear to organise their overall consensus on the appropriateness of IFRS, drawing on justifications closely linked to espoused and hegemonic aspects of the common sense of neoliberalism, including the tropes of Europeanisation and modernisation. Therefore, despite the contradictions identified in the operation of IFRS and the inability of the standards to fulfil their objectives, the conflict between common-sense and good-sense understandings has led—at least temporarily—to the wide endorsement of IFRS by practitioners. The evidence challenges economic justifications of the functional utility of IFRS at the level of reported practical experience. That viewpoints about IFRS are found to be so contradictory and fragmented also challenges conceptions in existing literature about the coherence of the IFRS project.

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1. Introduction

What makes International Financial Reporting Standards (IFRS) widely accepted as de facto global accounting standards? Empirical evidence does not provide compelling evidence that IFRS meet the criteria of improving information and comparability, reducing the cost of capital, or leading to a better allocation of resources in capital markets (Brüggemann, Hitz, & Sellhorn, 2013; Cascino & Gassen, 2015; ICAEW, 2015). Yet the standards are widely presented as a rational, exhaustive, and internally consistent technology to account for financial transactions. IFRS are assumed to offer an effective basis for improving the information provided by firms to market participants and other interested parties, enhancing the efficiency of capital markets (Barth, 2013; Horton, Serafeim, & Serafeim, 2013). These depictions prevail, despite concerns stretching back over several decades as to whether it is feasible to devise conceptual frameworks and implement standards that meet the criteria mentioned above (e.g., Macve, 1997; Zeff, 1999).

Mainstream analyses also tend to portray the ways in which contingent factors affect the benefits (or drawbacks) of IFRS adoption, such as the 'infrastructure' that surrounds the use of the standards (Tarca, 2012) or the various 'institutional forces' at play (Ball, 2016). These factors are clearly important, and rightly include problems of firm incentives, levels or types of compliance enforcement, legal settings, and business cultures. Empirical research, therefore, suggests that observed benefits may be attributable to concurrent changes in other institutions rather than solely to the application of IFRS (ICAEW, 2015).

Despite the lack of clear empirical evidence on the effects of IFRS, the views expressed by local practitioners and standard-setters on the value of IFRS are more positive than can be justified by the overall pattern of research outcomes. For example, respondents involved in the European Commission's 2014 public consultation on the success of International Accounting Standards (IAS) Regulation (1606/2002) claim that IFRS have enhanced accounting quality, and believe that financial reporting comparability has improved within countries after the abandonment of national accounting regulation (Nobes, 2015). However, to the extent that these claims are not consistently borne out in research findings, there is a potential 'understanding gap' that needs to be addressed by the research community. One area for possible investigation, therefore, concerns the question of how, at the level of reported practical experience, practitioners experience the operation of IFRS. This study is an attempt to explore this question.

This paper explores why IFRS are accepted by practitioners at the local level, an acceptance that enables the entrenchment of the standards globally. In particular, the case analysed relates to the attitudes of practitioners towards IFRS subsequent to the mandatory adoption of the standards by European Union (EU) publicly-listed companies. The case of Greece provides an interesting context given the ways in which the country's economic and accounting traditions differ from the Anglo-

Saxon models on which IFRS are based (Nobes, 2008). Greece is widely regarded as a jurisdiction likely to be unfavourable for IFRS introduction because of inadequate institutional infrastructures to support effective long-term implementation (Karampinis & Hevas, 2011). Also, the small size of most companies and the lack of development of its capital markets mean that the benefits of IFRS adoption in Greece may not be obvious. Admittedly, empirical studies on the adoption of IFRS in Greece fail to show, in general, significant improvements in the quality of financial reporting information (Black & Maggina, 2016; Karampinis & Hevas, 2011; Papadatos & Bellas, 2011; Tsalavoutas, André, & Evans, 2012; cf. Dimitropoulos, Asteriou, Kousenidis, & Leventis, 2013). However, there are claims that the implementation of IFRS has improved the overall quality and usefulness of financial reporting in Greece. For example, questionnaire surveys assessing the perceptions of preparers and auditors (Ballas, Skoutela, & Tzovas, 2010; Caramanis & Papadakis, 2008; Naoum & Sykianakis, 2011) have found that the majority of respondents appear to have a positive view of the qualitative characteristics of IFRS information, such as relevance, reliability, and comparability. It is possible, therefore, that current research has not sufficiently explored the reasons underlying practitioners' embracing of IFRS (Nobes, 2015).

Nevertheless, it is important to acknowledge the rich diversity and significance of critical research undertaken in recent years. Moving beyond the study of the economic efficiency of IFRS as the major justification for the use of the standards, research has focused on the diffusion of accounting regulation at the macro level and on the work of standard-setters. These studies have focused on interpreting the institutional forces that drive accounting harmonisation and the socio-economic and political effect of IFRS as an emerging form of international global governance (Arnold, 2009, 2012; Bhimani, 2008; Botzem, 2012; Botzem & Quack, 2009; Chiapello & Medjad, 2009; Chua & Taylor, 2008; Crawford, Ferguson, Helliar, & Power, 2014). In the context of the ascendance of the International Accounting Standards Board (IASB) as a global regulatory body, and the consequent widespread diffusion of IFRS, researchers have highlighted the importance of non-economic factors in producing these outcomes. These factors include the endorsement and support of IFRS by powerful international bodies, such as the EU and the Big Four accountancy firms, which bestow further legitimacy on the flexible transnational private authority structure of the IASB and reinforce the IASB as an epistemic community of specialised technical knowledge (Chua & Taylor, 2008; Martinez-Diaz, 2005; Perry & Nölke, 2006; Zeff, 2012). As a result, rather than having been driven by economic logic, the diffusion and level of adoption or resistance to IFRS were found to be influenced by the interplay of international institutional pressures and local (f)actors (Alon & Dwyer, 2014; Irvine, 2008; Judge, Li, & Pinsker, 2010; Mantzari, Sigalas, & Hines, 2017; Maroun & Van Zijl, 2016). The adoption of international regulation in emerging economies, for example, has been linked to local actors' ideals of modernisation, based on Anglo-Saxon standards of professionalism, and by their dreams of being internationally accepted by Western economies (Mennicken, 2008). Local actors have been shown to play a key role in transferring IFRS into local practice (Albu, Albu, & Alexander, 2014). Furthermore, the introduction of international accounting regulation has been associated with the initiation of changes in accounting practices and in the roles played by professionals, potentially leading to various forms of conflict and/or resistance, and conflict resolution (Mennicken, 2008). In an interesting example, Durocher and Gendron (2011) show that sophisticated users may make sense of IFRS in an uncritical manner and act in a docile fashion by rationalising the aberrations—indications of incomparability of IFRS-based information—they encounter in their professional lives in ways that allow the ideal of comparability to be preserved.

Rather than focusing on the underlying institutional processes that enable the diffusion of IFRS, this paper seeks to develop an alternative perspective by examining the role of 'common sense' in sustaining consent about the superiority of IFRS over local standards at the level of professional practice. Drawing upon the work of Gramsci (1971) on hegemony, this paper investigates how a Gramscian form of common sense concerning the nature of neoliberalism (and its metonyms of modernisation and Europeanisation[1]),[2] may become hegemonic in such a manner as to shape the beliefs of practitioners about IFRS in fundamental and widespread ways. Common sense as a hegemonic precept based on taken-for-granted understandings, far from representing harmonious consent, is an amalgam of contested and incoherent ideas that are continually changing. Due to the heterogeneity of common sense, the systematic elements within it cannot be assumed to exist a priori and should be explored through empirical analysis. Moreover, a Gramscian understanding of common sense, apart from its contradictions and fluidity, encompasses the potential for change. 'Good sense' ideas are critical of common sense and derive from practical activity and collective experience, thus carrying the seeds of transformation of social practice. However, despite its contradiction-ridden nature and the existence of good sense, common sense—as power at the ideational level—plays a pertinent role in sustaining hegemony in a social order. A Gramscian approach, therefore, may provide a solid conceptual base for understanding how fragmented the discourse articulated by local practitioners often turns out to be when confronted with professional practice. In this way we offer an alternative understanding of the role of common-sense views in which modernisation and Europeanisation are conflated with neoliberalism in leading practitioners to reinforce the hegemony of IFRS. The central premise of our study is that a deeper conceptualisation of the link between the dynamics in the international political economy, and the ways these may be manifested in practitioner perceptions about IFRS, is an important starting point in our understanding of the diffusion of international accounting standards.

Interviews with key local practitioners, such as preparers, users, auditors, and other professional and regulatory groups, were conducted to explore how they assess IFRS. The findings indicate that even

[1] Europeanisation is broadly defined as the process of diffusion and institutionalisation of formal and informal rules, policies, and norms as constructed by EU decisions, and the incorporation of these rules, policies, and norms in the logic of national discourse, identities, political structures, and public policies (Radaelli, 2003). As a political and economic project, it embeds and favours neoliberal rationalities and reforms in the process of wider EU integration.

[2] There is some debate about the differences between the concepts of modernisation, Europeanisation, and neoliberalism (Olsen, 2002), while different variations of these terms are used in literature, such as neoliberal Europeanisation and neoliberal modernisation. As it will be discussed, in the context of this study, the terms are used interchangeably as they share common foundations and are defined in terms of economic and socio-political reforms towards Western and/or European norms and practices, diminishing state domination of the private sector, and an emphasis on market economics (Featherstone, 1998).

though local practitioners appear to concur on the necessity of IFRS, they often challenge IFRS as an accounting system and recognise the conflict between the accomplishment of IFRS objectives and the effects of standards on financial reporting. Even though local practitioners challenge IFRS on the inability of the standards to deliver the expected information quality objectives, they maintain their belief in the superiority of IFRS mainly because they consent to the particular market-oriented accounting paradigm that IFRS represent. The neoliberal Europeanisation version of common sense provides the ideological basis for the acceptance of financial reporting reforms towards more market- and international-oriented accounting systems, when solid evidence of the benefits of IFRS is, overall, difficult to offer.

The paper contributes to existing literature by focusing on the reflections of practitioners concerning IFRS practice. While literature abounds with discussions about the impact of local institutional actors and socio-economic, cultural, and institutional factors—such as country-level variations in economic growth, corporate governance, and regulatory and accounting frameworks—on the adoption and implementation of IFRS (Albu et al., 2014; Cieslewicz, 2014; Crawford et al., 2014; Fox, Hannah, Helliar, & Veneziani, 2013; Kvaal & Nobes, 2012), there is little evidence on the rationale advanced by practitioners. Smith-Lacroix, Durocher, & Gendron (2012), for example, discuss the ways rank-and-file auditors have experienced and been affected by the increasing use of fair values, which makes it harder for them to be in control of their expertise. Users of financial reports also raise concerns about the limits of the use of fair values in informing them about the performance of a business (Georgiou, 2017). Despite such practitioner concerns, we still know very little about how IFRS are accepted by them in the first place.

Our paper also provides an insight into the all-important role that ideational power plays in the diffusion of IFRS. The role of power in financial reporting, to date, has been mainly studied in the context of the coercive capacity of elite groups and by examining the various channels through which hegemony operates, such as states, standard-setters, and international accounting firms (e.g., Alon & Dwyer, 2014; Irvine, 2008; Judge et al., 2010; Yee, 2012). In distinction, our study highlights the importance of hegemonic common sense at the level of practitioners in gaining support for the implementation of accounting regulation reforms.

This study also extends previous work on the way practitioners justify and rationalise the superiority of IFRS, in particular, when clear evidence is lacking (Durocher & Gendron, 2011). The findings suggest that in this particular context there is something subtler than docility that perpetuates the acceptance of IFRS, in that the consensus for the necessity of IFRS is closely linked to the wider adherence to the moral, political, economic, and cultural values in the neoliberal trajectory. This paper also contributes to the emerging literature that considers the instrumental role of local actor interpretations of international accounting regulations in local contexts, which are linked with ideals of modernisation and a sense of belonging to and acceptance by Western economies (Mennicken, 2008). The identification of common-sense rationales provides the basis for understanding the extent to which the actions of practitioners 'reflect, challenge, and reproduce the prevailing hegemony' (Booth & Cocks, 1990, pp. 514).

The remainder of this paper is structured as follows. First, we outline the theoretical framework of the study, which is informed by Gramsci's (1971) work on hegemony. The framework is complemented by analyses on the 'modernisation' and 'Europeanisation' rationales prevalent in Greek society to help us put Gramsci's notions in context. Subsequently, the research methods and analysis of our study are presented. This is followed by a discussion about the economic and financial reporting environment of Greece providing the context for understanding the emergence of practitioner attitudes towards IFRS. The main themes ensuing from the analysis of the interviews are then presented and discussed in three sub-sections: the common-sense discourses related to internationally comparable and market-oriented accounting standards, the challenges and contradictions—good sense—ensuing from interviewee engagement with IFRS, and the fundamental role of the hegemonic neoliberal common sense that serves as a unifying principle for the acceptance of IFRS. The paper concludes with the main contributions of our study.

2. Theoretical framework

Gramsci's (1971) work on hegemony is used in this paper to understand the conceptual basis that directs practitioner attitudes towards IFRS contributing to the maintenance of a hegemonic status in international accounting standard-setting. Gramscian-inspired frameworks in accounting research have been broadly used to study the way accounting discourse, accounting regulation, and the profession contribute to reproducing domination though coercive means or consensual hegemonies in advanced capitalism (Cooper, 1995; Goddard, 2002, 2005; Lehman & Tinker, 1987; Mantzari et al., 2017; Merino, Mayper, & Tolleson, 2010; Richardson, 1989; Spence, 2009; Yee, 2009, 2012). Few authors, however, have studied hegemony at the level of individuals and/or utilised the concepts of common sense and good sense to study the particular ways in which practitioners make sense of accounting. One such exception is Smyth and Whitfield (2017), who employed the common-sense/good-sense duality, integrated with Bakhtin's work on dialogics, to analyse the rationale advanced by UK government auditors in relation to government expenditure decisions, as expressed through the auditors' formal statements on the National Audit Office (NAO) *Equity investment in privately financed projects* report. They show how the common sense behind the profit-making rationale of equity transactions prevails over good-sense ideas that challenge the appropriateness of such transactions.

The current study differs in scope as it reaches rank-and-file practitioners; it focuses on the specific—yet fragmented—rationale they advance regarding the operation of IFRS in an unfavourable local context, thereby providing a deeper understanding of what spurs the acceptance of the standards. We develop our theoretical framework by first drawing on the notion of common sense and the common-sense aspects inherent in IFRS. We then utilise the notions of good sense and contradictory consciousness to help us analyse the contradictions between practitioner common-sense views and their practical experience. Lastly, we refer to literature on modernisation and Europeanisation to demonstrate the various expressions of common sense in the socio-political landscape of Greece.

2.1. Gramscian common sense

Gramsci's theory on hegemony relates to the importance that hierarchies of socio-economic and political power place on gaining consent through often overlapping coercive and non-coercive means (Eagleton, 1991).[3] Hegemony represents the ability of a dominant social group—fundamentally, but not exclusively, the ruling class—and groups allied to it, to act as articulators of the public interest and establish their own political, economic, moral, and cultural values and projects, so that subordinate groups accept them as conventional and natural norms (Femia, 1987). These predominant values saturate society and become part of what is called common sense.

Common sense is the embedded, incoherent, spontaneous—and sometimes unconscious—general belief systems, opinions, assumptions, and ways of understanding of the multitude in a given period. Common sense is a view of the world 'inherited from the past and uncritically absorbed', which tends to reproduce a condition of social homeostasis (Gramsci, 1971, pp. 333). Even though common sense penetrates deeply into the mental life of a society and can prevent the recognition of alternatives, it does not work as a monolithic system that subjugates the masses. Hegemony is disjointed and episodic, it is continually transforming itself and is historically contingent (Gramsci, 1971, pp. 324). A fundamental feature of common sense, therefore, is to be a divided and inconsistent understanding of the social world, as inconsistency is 'the normal condition of existence of the majority of social practice' (Thomas, 2009, pp. 373). However, values from different systems of thought can be amalgamated into a more coherent ideological framework in a particular social order, becoming common sense by uniting social groups and allowing hegemony to operate. Capitalism, for example, and its more recent reforms concentrated on neoliberal doctrines, has had a shaping influence on modern societies and prevailed as the hegemonic system internationally (Hall, 2011). Neoliberalism as a hegemonic system has many variants; it combines with other models and is constantly evolving and diversifying, while it is permeated by inherent contingencies, contradictions, and ruptures in different contexts (Brenner, Peck, & Theodore, 2010). However, the neoliberal common sense has a 'logic' and is broadly held together by a free market ideology maintaining markets operate more efficiently when they are self-regulating, and encourages reforms towards economic globalisation, deregulation, privatisation, and reductions in public expenditure on social services (Duménil & Lévy, 2004; Harvey, 2007).

Accounting draws from the hegemonic discourses in a social order and it often promotes the ideology of the status quo (Cooper, 1995). The form and role accounting assumes are shaped by the values that

[3] Gramsci analysed social superstructural elements, other than the economic base, to understand how power operates. That which he called 'political society' consists of forces, such as the state and the police, which form a coercive apparatus to ensure the masses conform to the type of production and economy. His 'civil society' refers to non-coercive private institutions, such as religious institutions, education, trade unions, political parties, or even accounting bodies, which could act as hegemonic instruments in a social group, exerting ideological control with the consent of the whole society.

comprise the hegemony (of the capitalist mode of production) prevailing at a given time for a particular society (Cooper & Sherer, 1984), coloured by the developmental stages of equity and credit markets, and evolving state regulation (Zeff, 2013). Standard-setting, in turn, may become a key social process for legitimising and promulgating 'accountings' with a particular nature and effect that support and reflect the prevailing hegemony (Booth & Cocks, 1990; Georgiou & Jack, 2011). The IFRS conceptual framework and standards are perceived as part of the neoliberal architecture reflecting the rationale of the hegemonic neoliberal economic model and discourse of globalisation (Zhang & Andrew, 2014). The standards are also seen as contributing to the reinforcement of the political and economic status quo, by providing coherence and legitimacy to the key idea of neoliberalism facilitating the institutionalisation of capital market accounting practices (Bengtsson, 2011; Cooper, 2015; Müller, 2014; Palea, 2015; Zhang & Andrew, 2014; Zhang, Andrew, & Rudkin, 2012). From this perspective, the important common-sense discourse used by the IASB to promote IFRS, and reproduced by elite groups such as (local) standard-setters and international audit firms, concentrates on two main aspects: international comparability and market orientation. Embedding the ideological tenets of neoliberalism, IFRS are purported to enhance economic globalisation through international accounting comparability and efficient resource allocation, and, by prioritising the information needs of investors and other market participants, to reflect the prevalence of 'free' financial markets for the provision of capital.

2.2. Good sense and contradictory consciousness

While common sense is made up of widely accepted, and predominant taken-for-granted values and ideas, held and disseminated by hegemonic social groups that shape the ways of understanding of people in a given period and place, good sense is a reciprocal to common sense. Good sense constitutes a view, or views, in contradiction to dominant beliefs; it is derived from a practical and collective experience of social reality. As it is based on common sense, good sense is not about superseding the existing mode of thinking but is about challenging an activity that already exists (Gramsci, 1971, pp. 330–331). Good sense, therefore, is capable of challenging the seemingly total dominance of common sense, and contains the 'embryo' of different conceptions of the world and the transformation of society in practice (Thomas, 2009). The two conceptions of the social world—common sense and good sense—coexist, and what is likely to follow from the clash of 'senses' is the state of 'contradictory consciousness', a state in which the theoretical consciousness (as fed by common sense) of individuals is in opposition to their activity. A contradictory state of consciousness has important consequences; even though it might lead to political and moral passivity it can also enable resistance to, and change of, practice.

Contradictory consciousness, nonetheless, is not merely a product of self-deception due to ignorance or lack of intellect. Self-deception could explain why individuals taken separately have perceptions that are incongruent with their experiences, but it cannot explain why these contrasts occur for larger groups of people (Ives, 2004). Contradictions, rather than personal, are social contradictions expressing deeper disparities in a social order (Thomas, 2009). The conceptualisation of modernisation and neoliberal Europeanisation as a hegemonic common sense, for example, implies that different types of discourse can co-exist but can also be rejected and/or challenged by individuals and diverse social groups. In the setting of accounting, which cannot be isolated from the complex and contradictory socio-economic structures, there are inconsistencies between the stated objectives of IFRS and actual accounting practice (e.g., Macve, 1997; Müller, 2014). Sophisticated users are confronted with aberrations between IFRS ideals, as promoted by IFRS supporters, and their actual fulfilment in business practice (Durocher & Gendron, 2011; Georgiou, 2017). The discourse by accounting practitioners can also be characterised by conflicting ideas. In the case of UK government auditors, Smyth and Whitfield (2017) find that even though auditors support common-sense ideas, such as the acceptance of market relations in equity transactions, there were utterances of good-sense ideas challenging the appropriateness of such transactions involving public assets such as schools and hospitals. Good-sense views, in this study, are represented as challenges to the market-oriented IFRS and their objectives, based on interviewee engagement with the standards. The role of wider neoliberal common sense in mitigating these challenges and resistance to IFRS is explored, as is the extent to which good sense is coherent enough to challenge the fundamental assumptions of IFRS and neoliberal common sense.

Overall, the current analysis locates common sense at the level of individuals, who are perceived as the elementary ensemble of social relations in which the dynamic interactions within the social world are found to take place in a ‘molecular’ fashion (Thomas, 2009, pp. 378). Therefore, even though common sense can be pervasive and informed by dominant institutional and structural conditions, these conditions do not deterministically regulate individual and localised actions. As individuals do not passively absorb prevailing common sense, it is important to analyse how they determine their various and often conflicting ideas and actions. Moreover, just as the prevailing common sense in society and accounting is transmitted at international and national levels, it can manifest itself in diverse ways and should be assessed in its local aspect (Gramsci, 1971, pp. 182). To help set our analysis in the context of Greece, we examine the particular features of common sense in the social setting of Greece and the way this common sense is reflected in accounting studies there.

2.3. Exploring common sense in the context of Greece

In Greece, a country of the European periphery, the concepts of modernisation and Europeanisation, closely linked to neoliberal reforms, are central to understanding the common sense of the political and economic elite (Ioakimidis, 2000). Over the last four decades, analyses based on the Western modernity framework have been concerned with identifying differences between Greek society and the ideal socio-economic and political models implemented in economically advanced Western (mainly European) countries. Diamandouros (1994), for example, writing in the early 1990s, described Greece as being polarised between two political cultures: modernising and underdog. The underdog culture is a pre-democratic, inward-focused, and pro-statist culture, supporting clientelistic networks of power, with a rather ambivalent attitude towards capitalism and its market forces. The underdogs or traditionalists are, thus, individuals or social groups resisting Western-inspired reforms and standards of professionalism, and are often linked with notions of corruption and inefficiency that are responsible for the economic underdevelopment of Greece (Herzfeld, 1992, 2004). Modernisers, on the other hand, are more positively defined as individuals or social groups that want to abandon this underdog political culture. They promote rationalisation along pro-liberal, secular, and free-market capitalist lines, and a departure from a commonly perceived corrupt clientelistic state bureaucratic tradition. However, rather than assuming that these two cultures are mutually exclusive categories, traits of both traditions can co-exist and be rejected by actors of either side of socio-economic and political divides (Xenakis, 2013). That being said, even though the 'traditionalist–modernisation' duality provides an ambiguous picture of Greek society in terms of class divisions, and ignores local social dynamics and conflicts among groups and various mechanisms of local and foreign power (Liakos, 2004), it is still important in understanding the dominant local political and social discourse.

Modernising in the local context has also become synonymous with 'catching up with Europe or the EU' (Triandafyllidou, Gropas, & Kouki, 2013). Within EU countries, Europeanisation has served as a basis for ideological consensus concerning the execution of neoliberal agendas and continent-wide macroeconomic reforms for the establishment of free-market societies (Bruff, 2008; Harvey, 2007; Luongo, 2016). EU membership is argued to exercise a Gramscian-type hegemony over its states as the logic of the neoliberal EU immerses into local policies and norms (Featherstone, 1998). Europeanisation processes in Greece corresponded with a neoliberal turn in politics and the economy, such as the implementation of the 'modernisation' programme by the Greek socialist party PASOK (1996–2004) and structural reforms by the conservative New Democracy government (2004–2007), aimed at bringing Greece closer to its EU partners by reinforcing a political culture of extroversion (Lyrintzis, 2005; Sakellaropoulos & Sotiris, 2004; Triandafyllidou et al., 2013). The Europeanisation discourse has played a key role in legitimising these neoliberal reforms (Pagoulatos, 2006).

Despite its prevalence, though, the common sense of neoliberal Europeanisation has been far from rigid historically. For example, until the 1990s Greece was considered as a peculiar partner within the European Community (EC), with Eurosceptic discourse being reinforced by the socialist government PASOK in the 1980s (Verney, 1993; 1997). Later, however, during the mid-1990s the rules imposed by the EC on Greece were promoted by political and economic elites as one of the forces of positive change, and the country was ranked among the most Euro-enthusiastic countries in the EU (Llamazares & Gramacho, 2007). In the 2000s, the country's entry into the Eurozone was welcomed as heralding a period of economic growth and feelings of 'Euro-euphoria' (Triandafyllidou et al., 2013). Following social tensions and rising unemployment in the five years following 2005, a severe debt crisis hit the country in 2009 that replaced the ideal image of neoliberal Europeanisation with pessimism about the economic and political situation. Nevertheless, the overriding interpretation by political elites and mainstream media has been that Greece failed to reform where necessary due to the predominance of the underdog political culture over the neoliberal Europeanisation one. Modernisation and neoliberal Europeanisation, as socio-economic goals, were also part of media discourse during the crisis, promoting a climate that favoured the manufacturing of consent to state privatisation (Morales, Gendron, & Guénin-Paracini, 2014). Neoliberal reforms, such as privatisations and reductions of social and political rights, were promoted in the mainstream media as necessary evils for Greece to become 'modern' and a 'true European' state (Mylonas, 2014, pp. 311).

Analysis of the concepts of politico-cultural dualism and Europeanisation reveals the main characteristics of Gramscian common sense in the socio-political setting of Greece. This common sense is expressed in two fundamental ways: either as discourse that supports neoliberal rationales and reforms, or as discourse that condemns the competing 'underdog' politico-cultural tradition and any social actors that oppose neoliberal reforms. The inconsistency of this common sense exemplifies Gramsci's conception of common sense as a contested political arena. Common sense is constantly reconstructed and refashioned by external pressures, particularly when confronted with collective experience.

The pervasiveness of the neoliberal Europeanisation and modernisation common-sense discourses is also reflected in studies about accounting in Greece that use these notions to analyse the functioning of the accounting profession and yield insights into the success or failure of reforms in accounting and auditing practices. For example, the failure of the Greek auditing oversight body, established in the first decade of the 2000s, to function independently, and the lack of efficiency of accounting regulation reforms are attributed to the resistance to Europeanisation reforms and the intervention of clientelistic governments and state control over domestic policy processes (Blavoukos, Caramanis, & Dedoulis, 2013). Accounting studies have also highlighted the importance of modernisation rationalities, institutional arrangements, and macro-level forces within the international political economy, in the formation and development of the accounting profession and practice in Greece (e.g., Ballas, Hevas, & Neal, 1998; Caramanis, 1999, 2002, 2005; Caramanis, Dedoulis, & Leventis, 2015). Indeed, Western countries have been highly influential on the development of local accounting institutions and the auditing profession (Dedoulis, 2016; Dedoulis & Caramanis, 2007). This set the context for the establishment of a pro-Western professional mentality, linked with concepts such as 'modern' and 'effective', associated with Western institutions and practices (Dedoulis, 2016, pp. 13). Accounting reforms approaching international neoliberal standards have involved long conflicts among local and international actors, while one of the important factors that precipitated the change in the Greek auditing profession was the advancement of neoliberal discourses by the profession and the government. Caramanis (2005), drawing on a Weberian approach, adopts the dual political culture framework of modernisation/traditionalism (Diamandouros, 1994; Mouzelis, 1995) to analyse the conflicting forces that emerged in the aftermath of the liberalisation of the auditing profession in the 1990s. This conflict involved modernisers who supported the liberalisation of the auditing profession, and the underdogs who opposed it. Despite the ascendancy of modernisers in Greek politics in that period, the charisma of the leadership of the 'underdog' group enabled a challenge to liberalisation. This episode shows that resistance is possible despite the predominance of a modernisation common sense—in conjunction with other coercive pressures. In the case of IFRS, though, no such coherent alternative view or resistant group has emerged. Therefore, in distinction to the studies referred to above, which focus on historical and/or institutional aspects of reforms in accounting bodies and the accounting profession, the current paper focuses on how various practitioners engage with and make sense of financial reporting standards drawing on common-sense discourses, and so act as the micro-foundation of IFRS hegemony.

3. Research methods

This study is based on 29 semi-structured interviews with Greek accounting practitioners carried out between September 2009 and August 2011. Secondary data, such as parliamentary discussions, were used to inform the interviews and provide the background of the study. Since the research focus was on the ways practitioners experienced and responded to the shift to IFRS, interviews with a diversity of key categories of local practitioners were considered appropriate to construct a rich picture of their attitudes (Ahrens & Dent, 1998; Silverman, 2005). Interviewees were selected to represent local practitioner groups, such as preparers, auditors, financial analysts, and bank managers, along with tax-authorities, capital market authorities, and accounting bodies, such as the Hellenic Capital Market Commission (HCMC) and the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB, or ELTE in Greek). The number of interviews considered adequate can vary across disciplines, though this study's quota is within the recommended range and patterns in accounting research (Dai, Free, & Gendron, 2016; Lincoln & Guba, 1985) and was considered sufficient in reaching theoretical saturation. Importantly, the interviewees were carefully selected based on their knowledgeability, professional experience, and engagement with IFRS-based information. However, technical expertise on IFRS was not always a prominent criterion, as individuals who were lacking in-depth technical knowledge made extensive use of IFRS information. Also, the interviewees selected had different academic and professional training and worked in different organisations, so as to mitigate potential interviewee selection biases (Silverman, 2005). For example, auditors interviewed include those who have worked for a Big Four audit firm and those who have never worked for one, and the analysts and bank managers who were interviewed comprise those who are working for local as well as international institutions. See the Appendix for further information on the interviewees.

The interviews were based on a general interview guide adjusted to the particular type of interviewee. However, the structure of the interviews was flexible; to build up a richer understanding of the complexities of the research setting and stimulate discussion, interviewees were allowed to deviate from the initial questions to relevant topics. Moreover, to ensure the consistency and credibility of our interview material, interviews were conducted at different points in time and compared with the accounts of interviewees who experience the operation of IFRS in different capacities (Lincoln & Guba, 1985). Initially, a number of interviews with various types of practitioners were conducted, which provided a pool of insights related to the objectives of the study. The initial interviews enabled the reconsideration and refinement of the research questions and provided further conceptual clarification for the research project. Further interviews followed, until the variety and quality of information obtained enabled sufficient depth to engage with the aims of the study (Suddaby, 2006). Depending on their role, interviewees were asked about the ways they made use of IFRS-based information and the effect of IFRS on their practice. Discussions were focused on how they experienced the transition to IFRS, their reflections on IFRS compared to the previous financial reporting system, and the benefits and/or weaknesses of IFRS. Other themes related to the effect of the wider politico-economic context within which the transition and implementation of IFRS has taken place. All the interviews were recorded and transcribed verbatim in Greek.

The interview evidence was analysed following qualitative analysis procedures (Miles & Huberman, 1994; Silverman, 2005). The transcripts were coded first using a relatively general thematic coding scheme, containing recurring themes and patterns, such as claims about benefits, criticisms, the local flavours added to IFRS adoption, and reasons explaining the gap between the IFRS objectives and the way the standards were experienced in practice. Later, the transcripts were re-read and more specific themes emerged based on the conceptual framework. Regular common-sense justifications for IFRS were identified based, for example, on themes such as international comparability, fair value accounting, elimination of state interference, and the influence of tax regulation. These themes were then combined and presented in the discussion as two major themes: international comparability and the market-based approach to financial reporting. The wider common-sense discourse that was used to justify the shift to IFRS related to 'neoliberal Europeanisation' and 'modernisation' doctrines, such as the importance of the 'free-market' economy and private enterprise, deregulation and privatisation of public assets and services, and economic globalisation; narratives that rejected 'underdog' (anti-modernisation) attitudes were also identified. Similarly, any examples where common-sense justifications supporting the superiority of IFRS did not correspond to interviewees' professional experiences (good sense) were also carefully analysed. It is worth noting that the interviews were conducted during a period in which a severe economic crisis in Greece was playing out, potentially increasing dissatisfaction with, or at least concern about EU policies and austerity measures among interviewees, and, by implication, with IFRS. Even though interviewees referred to the global economic crisis and other politico-economic developments, the variety and type of arguments that were raised by interviewees did not differ significantly during the period of data collection, when comparing the earliest and latest interviews, and has not affected the main arguments drawn from the analysis.

Selected excerpts of the transcribed interviews were translated into English for presentation in this study. Quotations are intermingled and used as illustrations aimed at reflecting the variety of perspectives and exploring potential explanations of interviewee insights (Malsch & Salterio, 2016). Rather than assuming that interview accounts generate accurate and 'true' accounts, our purpose here is to open up the discussion and encourage alternative interpretations of what drives the wide acceptance of IFRS. Indeed, interviewees are not a homogenous group as they may have different incentives and interests in endorsing, or opposing, IFRS and may be permeated by inter-professional conflicts and political influences (e.g., Caramanis, 2005; Caramanis et al., 2015). Our findings expose this variety of arguments and their importance for particular groups when addressing IFRS. However, certain regularities and similar patterns emerged from the analysis of the way in which practitioners, through contradictions at the ideational and practical level, concur with the appropriateness of IFRS at the local level.

Before we introduce the empirical evidence of the study we provide some background concerning the financial reporting regime in Greece, prior to and after the adoption of IFRS, and the attitudes of key local institutional groups towards IFRS to introduce the general context within which practitioners are socialised.

4. The economic and financial reporting context of Greece

The development of an external reporting framework addressed to an international public audience was an essential condition for the country's entry into the EU. The implementation of the Greek General Accounting Plan (GGAP), established in 1980, drew heavily on the French equivalent, the Plan Comptable Général, which brought Greek practice in line with the provisions of the EU Directives (Ballas et al., 1998). Following the adoption of the Fourth and Seventh EU Directives, which represented a move towards an Anglo-Saxon accounting tradition, Greek publicly listed companies were required in 2005 to adopt the endorsed IFRS, as part of the EU's regulation and strategy for the integration of EU markets.[4] The mandatory adoption of IFRS marked a fundamental shift in the financial reporting regulation and model, because the GGAP was much different from the capital market and shareholder-oriented IFRS. Financial reporting in Greece, a code-law country (as is the case in other EU countries such as Italy and France), has been traditionally controlled by the state and is characterised by a tax and legal orientation. Before the adoption of IFRS, preparers of financial statements were required to follow the prescriptive tax regulation according to the Code of Books and Records (CBR),[5] the GGAP, and Law No. 2190/1920 on Limited Companies of the Commercial Code.[6] However, when there was a conflict between CBR and GGAP, tax regulation requirements usually dominated over financial reporting standards in terms of preparers' reporting choices affecting the implementation of the GGAP (Tzovas, 2006).

The local financial reporting system has also been driven by the type of finance and the size of companies, and based on values such as conservatism, uniformity, and uncertainty avoidance. Greek companies, which are mostly small and medium-sized, have a highly concentrated ownership

[4] Apart from listed companies that are required to adopt IFRS based on the EU Regulation, IFRS in Greece is required for: i) the consolidated and separate financial statements of banks and other financial institutions incorporated in Greece, whose securities do not trade in a regulated market; ii) subsidiaries of listed companies and financial institutions that, in total, represent more than five per cent of the consolidated turnover or the consolidated assets or the consolidated results; iii) all Greek state-owned companies and Public Organisations and Enterprises according to Law 3429/2005, Art. 12 (IASB, 2018b).

5 The Code of Books and Records (in Greek: Kodikas Vivlion kai Stoixeion (KVS)) focuses on the organisation of book-keeping for tax purposes by unincorporated businesses and other forms of business enterprises.

6 The CBR, which is approved by Parliament, prevailed over parts of the GGAP and amendments to Law 2190/20 established by presidential decrees; however, legislation passed through Parliament took precedence over presidential decrees.

structure and are often managed by the owners, who occupy high positions within the organisational hierarchy (Naoum & Sykianakis, 2011). The national stock exchange is small, compared to other EU stock exchanges, in terms of the number of listed companies and market capitalisation (Dasilas & Leventis, 2013), while the banking sector has traditionally been the main source of funding, thus affecting the financial reporting regulation and practices of Greek companies (Ballas et al., 2010; Tzovas, 2006). Historical cost accounting and a prudent valuation of assets are, for example, more consistent with banks concerned with ensuring the securities of long-term loans and the existence of sufficient collateral to support these loans (Perry & Nölke, 2006; Palea, 2015). IFRS, instead, put more emphasis on fair values rather than the prudence principle; indeed, fair value accounting (FVA) was one of the major differences in accounting requirements that occurred in Greece after the shift to IFRS (Ballas et al., 2010). Overall, the strong link between financial reporting and tax laws, along with the technical complexity of IFRS and the lack of institutional support, have been considered the main barriers to the implementation of IFRS by listed companies (Apostolou & Nanopoulos, 2009; Ballas et al., 2010).

Despite the lack of adequate institutional infrastructures to support the implementation of IFRS and clear evidence of their actual benefits, the standards have been widely supported by local political and economic actors. IFRS adoption was used in public discourse as a means of restoring public trust in institutions and justifying capital restructurings. Following the recession of 2000–2003, the adoption of IFRS was promoted by the government as heralding a new era of economic purge and transparency of the corporate sector.[7] Similarly, representatives of Big Four firms and the Athens stock exchange applauded the adoption of IFRS, while the implementation of IFRS was considered a necessary prerequisite for attracting foreign investment (To Vima, 2002).

There was little opposition by political parties, apart from the Greek Communist Party, regarding the necessity of IFRS, as demonstrated by the debates in the Greek Parliament just before their adoption (e.g., Greek Parliament, 2002a, 2002b, 2002c, 2003). The leading political parties strongly supported the government's attempt at early adoption of IFRS to enhance the rehabilitation of the Greek economy, while listed companies were permitted to adopt IFRS in 2003, two years earlier than in the majority of other EU countries (Government Gazette, 2002). Later, during the wave of privatisations of Public Enterprises and Entities (PEEs) in 2007, similar public announcements were made by governments, audit firms, and the corporate sector with respect to benefits of the adoption of IFRS by PEEs (e.g., To Vima, 2007).

Multinational audit firms, actively promoting themselves as the key community of IFRS experts, have been also important proponents of IFRS internationally (Ramirez, 2012). In Greece, audit professionals and academics have been key actors exerting pressures for measures, such as financial reporting reforms (Ballas et al., 1998). After the liberalisation of the audit profession in 1993, which

7 For example, Nikos Christodoulakis, Minister of Economy and Finance at the time, stated that the adoption of IAS will provide beneficial opportunities for listed companies and the Greek capital market, while the standards were seen as part of the measures taken to enhance corporate transparency (Naftemporiki, 2002).

allowed international audit companies to operate within the country, the concentration of the audit services market has increased, and is represented mainly by the Big Four, as well as the SOL S.A. (Associated Certified Public Accountants auditors)[8], and Grant Thornton (Ballas & Fafaliou, 2008). Large multinational and local audit firms, which are more likely to conduct the statutory audit of listed companies that adopt IFRS, have arguably been highly involved in carrying out the transition to IFRS in Greece (Ballas et al., 2010). As a result, IFRS adoption has created new market opportunities for audit firms, which demanded increased audit fees and have benefited from the provision of new services, such as the conduct of actuarial studies that are required for the implementation of the standards (Naftemporiki, 2005). Furthermore, IFRS are widely disseminated through the education and training of practitioners. IFRS have been largely incorporated, over the last decade, in the professional training of accounting and auditing professionals[9] and the accounting academic curricula of Greek universities.

A thorough examination of the institutional actors that have paved the way for the emergence of certain views about IFRS is not within the scope of this paper. However, as already discussed, there has been limited critique on the appropriateness of IFRS at the local level. Some voices sceptical of the adoption and implementation of IFRS were raised by individuals representing the accounting and auditing profession, such as the Institute of Certified Public Accountants of Greece. Protopsaltis (2002), for example, with regards to the early adoption of IFRS, argued for a careful examination of the differences between IFRS and local accounting regulation, and the development of legislative infrastructure and technical expertise to enable the appropriate implementation of IFRS. However, despite some scepticism over practical obstacles in the implementation of IFRS, adoption of the standards is still considered an important part of the wider Europeanisation project. Within the wider debates on the financial crisis in Greece, which started escalating in 2010 and is still ongoing, there were some concerns regarding the inefficiency of IFRS and FVA to reflect market values in a reliable manner in the case of banking institutions (The Hellenic Parliament Foundation, 2009). However, IFRS were also promoted as an ‘opportunity’ to improve corporate transparency and accountability for the recovery of the economy. The wider acceptance of IFRS is also evident in the recent revisions of Greek accounting standards for non-listed companies (Law 4308/2014), as part of the transposition of the EU Accounting Directive 2013/34 into national law, a process which aligned national accounting standards with IFRS. This was completed in 2015, and Law 4308/2014 is claimed to have led to a significant improvement and simplification of financial reporting standards for Greek non-listed companies (Tsalavoutas, 2017). For this reason, it is not considered to be ‘surprising that the majority of political parties and almost all the business and professional bodies involved in the provision of comments to the draft bill were supportive of this change’ (*ibid.*, pp. 110).

[8] SOL S.A. is the largest local audit firm in Greece and is supported by the Economic Chamber of Greece (Caramanis et al., 2015).

[9] For example, the national professional body in Greece, the Institute of Certified Public Accountants of Greece (ICPAG) known as SOEL in Greek, supports the implementation of IFRS and provides training on IFRS (IFAC, 2017).

The pervasiveness of IFRS, therefore, is partly generated due to the standards' hegemonic purchase and dissemination through dominant institutions and conditions. Indeed, the role of coercive and non-coercive institutional mechanisms and actors, such as multinational and local audit firms, financial institutions, the state, and the profession, is important in understanding the groundwork of IFRS. Mantzari et al. (2017), for example, draw evidence from a survey and interviews with senior managers of Greek non-listed companies to find that the voluntary adoption of IFRS by these companies is driven predominantly by pressures exerted through powerful institutional constituents as they interact with organisations' strategic interests at the international and national level. Mantzari et al. suggest that coercive regulatory and legal requirements by the Greek state, the EU, and stock markets, as well as hegemonic pressures by financial institutions such as debt-contracting requirements, play a pivotal role in supporting the establishment of IFRS among non-listed companies. In the present study, the pro-IFRS rhetorical trends of a variety of practitioners are interpreted in the context of neoliberal and modernisation reforms in the Greek capital market and accounting institutions. The extent to which the underlying institutional mechanisms and modernisation reforms have driven the diffusion and establishment of IFRS in the local context is an interesting ongoing question. However, adherence to 'knowledge templates' and formal professional standards may vary significantly among practitioners, and are not necessarily internalised, while institutional means of IFRS diffusion are not homogenous and do not imply deterministic influence or the passive absorption of professional education and regulation standards (Baudot, 2018; Durocher & Gendron, 2014). What practitioners 'say' is indeed closely related to the politico-economic discourses and institutional settings they find themselves in, but the institutional setting, by itself, cannot explain the way practitioners make sense of IFRS, and their attitudes towards them. Our interest lies in exploring these attitudes and perceptions of IFRS in practice.

5. Findings

This section introduces the interview evidence and examines commonalities and contradictions within the common-sense views of practitioners, and the role of ideological hegemony in maintaining support for IFRS. As indicated earlier, two conceptions about IFRS co-existed: one drawing on the prevailing official notions of standard-setters and elite market institutions (what IFRS represent 'in theory'), and the other derived from the practical experience of practitioners.

Interviewees were unanimous that IFRS represented a positive financial reporting development. IFRS were represented as something that is 'a good idea'. The positive stance towards the adoption of IFRS was sometimes expressed as being based on 'intuitive' criteria.

> 'IFRS give a positive impression; personally, when I read IFRS financial statements they create a positive feeling in me.' (FA1)

‘IFRS are considered as more credible even though not all users understand them or can explain the reasons why they are better.’ (MA2)

In setting out to explore the reasons why IFRS were considered beneficial and even superior to the GGAP, it was notable that interviewees articulated conceptions infused with contradictions. The following section (5.1) presents common rationales that dominated the reasoning of interviewees. What was initially assumed to be ‘good’ about IFRS related broadly to two overlapping aspects: international comparability and market-orientation. Interviewees, however, provided us with reflections from their practical experience that contradict such rationales, as we explore in section 5.2. We examine how, despite such mixed views, practitioners still largely accept IFRS in section 5.3.

5.1. Common-sense views

5.1.1. International comparability

All interviewees identified the most important benefit of IFRS as being the ability to compare financial reporting information beyond national borders. This is not surprising, considering international comparability of financial information has been a central argument for the emergence of IFRS (Zeff, 2012). Interviewees concentrated initially on certain more ‘superficial’ aspects of comparability, such as the ability to recognise, ‘read’, and feel familiar with the presentation and format of financial statements of companies at an international level, rather than on ‘genuine’ comparability (Zeff, 2007).

‘In the case of IFRS, I can digest more easily the information I receive; I understand what I read.... It is easier for me to read, for example, a Spanish financial report according to IFRS.’ (BA3)

This international standardisation and uniformity of financial reporting statements appeared to have had more immediate and practical benefits in facilitating the work of interviewees who represented (multinational) financial institutions, such as investment banks.

‘IFRS accounts are more detailed, as information is broken down and cash flows facilitate the work of financial analysts, because in the past analysts had to do it themselves.’ (FA1)[10]

This type of argument regarding the ‘superficial’ comparability of IFRS in terms of a uniform presentation of financial statements is typical and repeated in different forms by interviewees. The use of common international standards arguably helps standardise training procedures for particular practitioner groups, such as auditors and financial analysts, and provides more confidence to analysts and investors as they can now extract more easily the accounting information required for their analysis and financial modelling, and feel they can compare their analysis with the reports of other international financial institutions.

[10] The GGAP (before its revision in 2014) did not require the preparation of Cash Flow Statements or the Statement of Changes in Equity.

> ‘Not much has changed for analysts following the adoption of IFRS ... We care about having a common base. Even if everyone says whatever they want, at least there is a framework to work on. In the past, it was difficult to compare sectors in different countries. It is important that Greek analysts can compare their analyses with the ones conducted by foreign analysts. IFRS are a positive progress.’ (FA3)

Our discussions with interviewees often revealed a juxtaposition between the EU economies of the so-called ‘advanced’ central and those of the peripheral. Local market actors felt dependent, to some extent, on the ‘advanced’ expertise of international financial institutions that conducted equity research, to support the financial analysis of Greek and foreign companies. In the context of the interviews, advanced central economies referred to economically more powerful countries such as the UK and Germany. Advanced expertise was often related to Anglo-American and broadly Western-inspired standards of professionalism and market practices. Also, based on the comment above (FA3), it is interesting how some financial analysts, who together with other capital providers are considered key users of IFRS, did not consider the transition to IFRS to have significantly affected their role and the quality of their financial analysis. Similarly, according to other local capital providers such as interviewees working for banking institutions, the previous accounting system (GGAP), overall, was adequate for the requirements of local banks. Again, however, a common sentiment was that IFRS provide some ‘comfort’ that financial statements could be compared internationally:

> ‘For the purposes of our analysis, which is not based solely on public financial statements, we are usually covered by the GGAP. Financial statements are more comparable internationally under IFRS because they are at least based on the same standards and principles. Of course, there are peculiarities related to the different industrial sectors of firms—but, still, it is easier for me to understand them.’ (BA2)

Comparability, as a concept, has been central in legitimising IFRS and is deeply embedded in the accounting rationale of sophisticated users as an achievable objective (Durocher & Gendron, 2011). However, even though international standardisation was considered a positive step, when the discussion moved beyond uniformity and the simplistic prerequisite of like things should look alike, and unlike things should look different (Zeff, 2007), it proved more challenging for interviewees to justify whether comparability in information has been achieved. In the context of our study, interviewees were conscious of business sector idiosyncrasies and other contingent infrastructural factors that affect the extent to which financial statements actually provide comparable information. Several practitioners argued that IFRS have not enhanced company disclosures or economic decisions but still supported IFRS on the basis of their ability to enable intra-company comparisons for companies with subsidiaries in different countries. The use of ‘international comparability’ as a common sense rationale dominates, despite the fact that locally-based multinational companies are few:

> 'The adoption of IFRS is like laying the first brick on a common foundation; when there is something common, one can compare information internationally, even though the tax regulation, legal framework, and culture differ, there is something in common.... IFRS have not helped in better reporting the economic affairs of a company, but for companies with many subsidiaries abroad it was useful.' (FA4)

Therefore, even though a few interviewees recognised some benefits for local capital providers using IFRS in terms of comparability at the national level (e.g., ACT4), the internationality of the standards was deemed more important. Practitioners often emphasised the need for financial statements to be expressed in 'a common language' to ensure internationally uniform accounting treatments without necessarily paying much attention to the particular accounting approach these standards will take.

> 'It is important that everyone uses the same accounting framework of standards in order to be able to speak the same language at an international level; it is not so much about which set of standards they should use.' (AUD4)

A recurrent justification for IFRS was, therefore, based on common-sense arguments related to the inevitability, or necessity, of the 'internationalisation' or 'globalisation' of markets. Interviewees often highlighted the perceived benefit of international accounting standards for international investors. These investors were prioritised as the key users of financial reporting information despite the fact that the majority of Greek companies are not trading internationally and that the equity market is relatively illiquid and inactive compared to more economically advanced EU countries. Whether IFRS facilitated the international growth of local companies remained unresolved, while the adoption of IFRS is seen as providing the opportunity and prospect for local companies to expand in international markets and attract foreign investment, or at least negotiate on better terms.

> 'IFRS provide a common language and enable companies to approach foreign investors.' (AUD3)

> 'It doesn't mean that because companies adopt IFRS they are trustworthy and they will attract foreign capital. They can negotiate on better terms; other [international] shareholders can understand this language.' (TAX2)

The prioritisation of investors/shareholders mirrors the IASB model, geared to serving investors in capital markets; neoliberal logic implies IFRS information can enhance the confidence of the investors, enabling 'the market' to offer beneficial outcomes for all. This also marks a conceptual shift of common sense in a context where multiple stakeholders, including the state, were targeted as key financial reporting information recipients. More importantly, interviewee justifications revealed a deeply rooted pro-economic internationalisation mentality that IFRS could provide more opportunities for Greek companies to 'get accepted' and upgrade to a partner status next to economic actors within the EU and international capital markets.

> 'The benefits of IFRS financial reports are that they are accepted by international users, they are comparable, they are a passport to get into the focus lists of foreign investors. Speaking the same language means more possibilities of getting accepted … The GGAP was a hindrance for the international expansion of Greek companies and for potential takeovers, mergers, etc. Companies can look for cheaper loans internationally.' (FA1)

IFRS, therefore, are again justified on the basis they provide a common international 'language', and/or a 'passport' to gain access to international markets (e.g., IASB, 2014, 2018a). It was interesting to see how the rhetoric adopted by interviewees to support IFRS was similar to the mainstream (normative) rhetoric and metaphors used by the IASB, other (inter)national standard-setters, and dominant market institutions (Durocher & Gendron, 2011). Even more broadly, comparability extended internationally through IFRS is promoted by interviewees as a generally positive future step and a condition for the 'modernisation' of the economy and business activity. In the words of a member of the Hellenic Capital Market Committee:

> 'IFRS are more legitimate. They contribute to the modernisation of a company and help to make it more outward-oriented and globalised.' (CM1)

Interviewees often drew links between the shift to IFRS and desirable neoliberal modernisation reforms, as discussed in the following sections. The establishment of global markets requires a single set of international accounting standards, instead of national ones that increase uncertainty for investors who read financial reports. Overall, a common argument used by interviewees in support of the adoption of IFRS is that these standards offer the potential of improving the market position of Greek companies by providing more economic opportunities in the international arena.

5.1.2. Market-based approach to financial reporting

The second set of arguments for IFRS, closely linked with the previous section, are related to the inherent market ethos of IFRS and their ability to provide an accounting framework to facilitate the international flow of financial investment. As an auditor put it: 'What changes now with IFRS is that the practical application of accounting is based on the market [forces] rather than on state guidelines' (AUD4). This reflects the core of the market-orientated common sense of IFRS and neoliberalism, centred on debates about the changing relationship between the market and the state.

An argument interviewees often used is that IFRS are more 'trustworthy' because they reflect economic reality in a more objective manner. IFRS are considered to 'tell the truth' and to portray a more 'realistic image' of a company's financial position and profitability when compared to the local GGAP.

> 'For bank managers, the use of IFRS by companies is a positive factor that contributes to decisions on whether to finance or give loans to companies. It means that the financial information provided is trustworthy.' (BA1)

But what makes information based on IFRS more trustworthy? According to some interviewees, the principles-based IFRS and the existence of options and flexibility in accounting treatments are important as they allow for the use of different valuation techniques, enabling preparers to customise the standards according to the particular economic environment and sectors in which companies operate. As an auditor indicated:

> 'IFRS are more flexible, they provide a more accurate representation of companies' financial reporting results. IFRS are more to the point as they offer the flexibility to choose and implement alternative options according to the nature of the operations of the company. The GGAP was a one size fits all, regardless of the sector and the companies' activities.' (AUD5)

For most interviewees, the increased trustworthiness and benefits of the flexibility of IFRS are related to the option to use 'market values' in accounting measurements. This use of market-driven fair values, especially when valuing assets, is considered to have led to a more accurate reflection of economic reality that 'does justice' to the company's value in the eyes of investors and banks.

> 'IFRS [referring to FVA] have an important benefit; they tell the truth. They represent the companies' financial results in a realistic way.' (ACT3)

> 'IFRS [referring to FVA] provide a true view of a company's affairs, unlike the GGAP.' (CM1)

> 'Fair values, especially in the case of financial assets but not only for such assets, are less outdated and mirror the current financial position of companies; present value equals the market value.' (AUD7)

The use of fair values allegedly had a significant influence on the financial results reported, often improving company financial results on first-time adoption due to the use of fair values in the measurement of financial instruments and property, plant, and equipment. The following quotes provide examples of the impact of FVA on financial reports:

> 'The former accounting system [GGAP] didn't do justice to the real value of the company ... Under IFRS the company improved the relationship between equity and debt [capital] by revaluing fixed assets and using more accurate depreciation rates.' (MA2)

> 'IFRS have increased the value of companies' non-current assets. The previous regulation, Law 2065/92, required that companies carried out some kind of revaluation of their non-current assets every four years. But the revalued amount was much lower than the actual market value of the asset. IFRS enabled companies—all companies implemented this option—to revalue assets at fair values, improving significantly their financial position.' (AUD4)

> 'Companies that adopt IFRS provide a better and more realistic representation of their financial position. Results are also improved upon, as they show surplus value from the valuation of the companies' non-current assets.' (TAX2)

Apart from IFRS adoption appealing to some preparers due to the positive effect of FVA on reported financial position and profitability, what is interesting is the underlying belief in the existence of a 'true' value, reflected in market value. The use of market values, primarily aimed at providing investors with useful information for decision-making, is considered important by Greek managers and other stakeholders, even though the capital market is not particularly active and the internationalisation of companies is limited. Moreover, even though in highly bank-oriented financial systems, such as in Greece and other continental EU countries, conservative and historical cost-based accounting has been central (Perry & Nölke, 2006) and served as a sound basis of valuing company profit and net worth by banks, interviewees still favour a market-based approach to accounting. Again, support for FVA was not clearly justified based on its technical soundness or superiority as a measurement approach. Rather than FVA being discussed based on its appropriateness as an accounting method in technical terms, it was more of a discussion related to politics of acceptability (Power, 2010); FVA represented the imperative of alignment with the markets. Interviewees appeared to embrace the idea that FVA can provide valuations through market mechanisms, supporting the assumption of the viability of a free market as critical (Zhang & Andrew, 2014).

In line with neoliberal rationales of deregulation, another regularity in interviewee arguments for market-based accounting was concerned with what financial accounting should not be; that is, state-driven. Support for market-oriented reforms in accounting was juxtaposed with objections to state interventions in financial reporting, views that can be seen as being both sides of the same coin. The separation between the state and the accounting profession is typical in Anglo-Saxon accounting systems, where standards are mainly the official promulgations of the accounting profession rather than the state (Booth and Cooks, 1990). As mentioned in section 4, tax regulation requirements traditionally dominated over financial reporting standards in terms of preparer reporting choices when there was a conflict between the two. For example, the concept of FVA was first introduced in local financial reporting standards by an EU Directive. Article 43c: Valuation of financial instruments at Fair Value was added in Law 2190 with a cross reference to IAS 39. However, the use of fair values remained limited, as an auditor explains:

> 'Very few companies apply 43c because it is in conflict with tax accounting as, according to the tax regulation, gains arising from changes in fair value are recognised while losses are not. They [local standards-setters] added the article because they were forced to do so by the EU; they included the whole IAS 39 in five lines of writing, without definitions.' (AUD8)

Interviewees were consistently critical of the tax-oriented mentality and practice that prevailed over financial reporting.

> 'Tax regulations are many and complex, while the law changes all the time, with new circulars following other circulars, etc. It is like the tower of Babel. We have meshed tax accounting with financial reporting. The disadvantage of the GGAP is that the tax authority interferes with Law 2190, making inappropriate interventions.' (AUD9)

Interviewees were highly critical of the prioritisation of tax regulation affecting the implementation of the GGAP, for example in the case of provisions related to employee benefits. As AUD2 and others explained, according to the Greek accounting regulation, defined benefit liabilities fell into the definition of provisions and were recognised on the balance sheet. In practice, though, the majority of the preparers followed the requirements of the tax regulation and only recognised liabilities related to employees that were due to retire during the year following the end of the financial period.

Tax law interference, described as the 'Achilles' heel' of accounting, together with state intervention in the economic affairs of companies, are therefore rejected by our interviewees. What is important in this context is that the strong statist orientation in accounting is considered to have negative implications, which can affect the ability of financial statements to represent a 'true' market-based view of company activities.

> 'Many companies prefer to listen to the taxman, distorting the more reliable valuation of assets achieved under IFRS. Tax results differ from financial results. Although the state should interfere in determining the tax obligations of companies and individuals that provide the main sources of income for state operations, the state should not interfere with companies' financial reporting.' (AUD4)

Interviewee arguments often revealed 'pro-modernisation' sentiments in support of the market-based IFRS, reinforced by a strong opposition to the intervention of tax laws, and by extension to state intervention, in accounting practice. The introduction of IFRS made the differentiation between tax accounting and financial accounting more distinct. The free mobility of capital internationally and the elimination of local barriers, critical elements of a global neoliberal economy, are key common-sense justifications used in support of IFRS as a framework that could optimise the conditions for businesses.

5.2. Good-sense views

Even though interviewees took a—sometimes uncritical—positive stance towards IFRS they were also capable of critical reflection. It was interesting to see how interviewees who were overall highly supportive of IFRS adoption, on further questioning and reflecting on their practice, would contradict themselves by being sceptical of the ability of IFRS to achieve their stated objectives in practice.

Although interviewees appeared to embrace the rationales for the internationalisation of financial reporting, they also recognised actual international comparability of company financial statements has important limitations and is difficult to achieve due to broader institutional and cultural differences among countries. As an auditor commented when asked about the actual comparability of IFRS:

> 'Do we implement IAS? Yes, we implement Local International Accounting Standards. Every country has its own history, has a background based on which it will adapt the concepts included in IFRS.' (AUD6)

Similar points were repeatedly made by different interviewees representing different professional groups. Interviewees were often confronted with contradictions between what IFRS *should* deliver and the unattainability of this ideal in practice:

> 'There are many factors that should be taken into account when looking at a group like the EU that still retains its national characteristics. It is difficult to evaluate the Polish and the French or the Greek and the Portuguese financial statements, because everyone keeps accounting records and books in different ways.' (BA3)

> 'The underlying concept of IFRS is that they should give comparable financial statements, regardless of the environment in which companies operate and the sector to which they belong. *They should be comparable but they are not*, because of the different national cultures.' (AUD1) [Emphasis added.]

Even though the IASB proclaims national standards make no sense in a globalised market environment (IASB, 2017, 2018a), and similar common-sense ideas of economic globalisation are widely espoused by the interviewees, the latter recognised that markets are not particularly globalised. States even within the narrower circle of the EU are thought to retain some of their local characteristics and financial reporting idiosyncrasies that affect financial reporting at the local level.

Interviewees who were less certain about the ability of IFRS to provide meaningfully comparable information at an international level, based on their professional experience, were often invoking the argument that IFRS were setting at least the 'minimum standards' of international comparability in financial reports (BA4) or that 'it is better than not having IFRS at all' (FA5), revealing a more passive endorsement of IFRS on the grounds of a lack of better alternatives.

Most interviewees referred to the frequent amendments of the standards, and increased subjective judgements required by preparers (compared to the GGAP), as factors that have an adverse effect on the implementation of IFRS and, consequently, the quality of financial information. The principles-based approach of IFRS, which was usually identified as one of the main benefits of IFRS compared to the rules-based GGAP, was considered also as a weakness. Many interviewees thought that there is a lack of clear guidance by standard-setters on the implementation of IFRS. The flexibility to choose among different options and different interpretations of accounting transactions has affected the comparability of financial statements, not only at the international level but also at the local level (e.g., ACT2, AUD4). Interviewees felt that as long as there are different measurement methods and options in IFRS, comparability will be compromised.

> 'The application of IFRS differs from company to company. With IFRS, there is great leeway for options. In order to ensure financial statements are comparable and reliable, we have to contact the management of the company to get clarifications.' (FA1)

'A company that applies IFRS can get infinite results, as a result of the different approaches it can adopt. For example, it can use different methods in IAS 19 [Employee Benefits]. In my opinion, there is little comparability; one company uses historical costs, another uses fair values.' (AUD8)

The exercise of more professional judgement and the use of estimates by preparers are considered to hamper the quality of financial information in practice. The GGAP, in some cases, was considered to be more 'straightforward' in providing financial information that is more trustworthy and free from management's subjective estimations. For example:

'The GGAP is based on strict accounting rules for the preparation of financial statements … e.g., non-current assets are depreciated at a fixed rate of ten per cent, which can be fair or not. Companies will not make provisions for bad debts themselves [financial reporting and tax regulation in Greece provide strict prescriptions for the recognition of provisions] … [This means that the financial] result is indisputable and fixed. IFRS have both accounting rules and judgements in valuation, and financial results vary and can be disputable.' (AUD7)

Even though interviewees were supportive of the shift to a more market-based financial reporting system, they raised concerns about the feasibility of determining and understanding measurements of assets and liabilities based on fair values. A number of interviewees raised the issue of FVA being ambiguous and complicated.

'With fair values, companies can have huge profits or huge losses; they [the companies] should take advantage of the opportunities but also undertake the risks once they apply them. The problem is that fair values are difficult to measure and to estimate.' (AUD5)

In practice, investors and analysts are left uncertain as to what is the 'real situation' of a business, whereas the use of fair values can have an unforeseen and unexpected effect on company financial statement results.

'I am still unsure about how some companies have measured the fair value of some financial instruments.' (FA2)

'Fair values are ambiguous. Do you know what it means to re-adjust equity capital by five per cent? It is a massive number. We look for deviations or spikes in the results, we conduct regression analyses, I may ask for some clarifications from the Investor Relation team. IFRS standard-setters sometimes make compromises and are influenced by other interests. They changed the market-to-market policies to save companies like … [interviewee named two international banks].' (FA4)

Some interviewees, as the above quote shows, acknowledged the politics involved in standard-setting and the responsibility of the IASB for accounting quality gaps between IFRS principles and practice. They also highlighted the point that there is not 'a' fair value. The challenges with FVA relate also to the dependence on the expertise of third-party private-sector organisations. Several interviewees focused on the opportunities that the flexibility of IFRS offers for biased valuations by valuers when it comes to evaluating the market value of assets. Biased valuations are more difficult to inhibit due to the lack of an independent Greek state institute providing official licences or certificates to accredit private valuers,[11] and the lack of a well-established domestic body of valuers that can support the application of IFRS.

> 'Creative accounting is easier and more intense with IFRS. Often, there are valuers that do not do their job properly and make higher estimations than the real value of the fixed assets or the subsidiary companies.' (AUD4)

> 'IFRS are adopted by companies in a looser way; there is the subjectivity factor—take for example the valuer who is paid by the company and tends to manipulate the figures in order to agree with the management's directions.' (TAX1)

However, the lack of trustworthiness of measurements is not attributed only to the biases of valuers in their attempt to accommodate the interests of preparers. Issues arise when there is no market for specific assets or the market is illiquid. As a company chief accountant points out, there are challenges in determining, for example, the useful life and fair value of some type of tangible non-current assets: 'For example, in the case of special refrigerators or display racks, there are no specialist valuers for assets of this type (ACT1).

Here lies a situation where the subjectivity required on the part of preparers opens a space for opportunistic accounting, while the constantly changing accounting standards, and their contained contradictions and ambiguities, not only provide the means for earnings management but also make it necessary (Macintosh, 2009). Another side-effect of IFRS adoption is, therefore, the increased opportunities for earnings manipulation.[12] Most interviewees believed that as IFRS allowed more discretion to preparers to exercise their judgement in making estimates in the accounting measurement, opportunities were provided to companies to influence results through the selective application of accounting measurement methods.

> 'Is manipulation easier under IFRS? Yes. The GGAP has clearer rules. In countries with developed markets, cooking the books is more sophisticated. It's gourmet cooking. Take the example of financial instruments. According to the Greek standards, valuation is made on the average price in the middle of December, while under IFRS according to the last directors' meeting. Can they manipulate things or not?' (AUD9)

> 'I have the impression that manipulation has increased after the adoption of IFRS ... Books are kept and results are reported in a way that is more aligned with companies' interests.' (FA2)

[11] The only valuation organisation at the moment in Greece is the private Hellenic Institute of Valuation, established in 2009.

[12] Empirical accounting research provides mixed results on the impact of IFRS on earnings management (ICAEW, 2015). Recent empirical studies in Greece, a country with exceptionally high levels of earnings management before IFRS, find that even though accrual-based earnings management has decreased, after the mandatory adoption of IFRS, this reduction was replaced by an increase in real earnings management (Ferentinou & Anagnostopoulou, 2016).

Interviewees explained that FVA increased the opportunities for manipulation as managers could more easily over-estimate their assets or under-estimate their liabilities, for example, in valuations related to provisions, employee compensations, and inventory. The fair value methodologies used to value non-current and intangible assets, such as the rights in takeovers that required impairment tests, all offered many opportunities to accountants to 'fill in the gaps' (FA1).

Instead, as discussed earlier, preparers were supporting IFRS on the basis that they facilitated them in accessing funds from international banks by reflecting the 'real' income and wealth of the company. There is an interesting contradiction here as IFRS are promoted by the IASB as faithfully representing real economic increases in the wealth of companies, while preparers manipulate financial performance results in order to satisfy the demands of the capital market (Macintosh, 2009).

Also, our analysis indicates contradictory opinions about the achievement of IFRS objectives in practice partly reflect the contradictions inherent in the patchwork of financial reporting principles and theories that are not reconciled into a coherent perspective, and are applied selectively and to different effect in different contexts (Erb & Pelger, 2015; Macve, 2010; Zeff, 2013). Contradictions also reflect the top-down approach to developing 'high-quality' accounting standards, devoid of an understanding of actual accounting practice, based on economic and technical market-centric assumptions about the objectivity of accounting (Georgiou, 2017; Power, 2010).

In some cases, interviewees rationalised the contradictions between IFRS objectives and professional practice by blaming the self-interest of preparers in the implementation of the standards, allowing in this way the ideal of IFRS superiority and legitimacy to be preserved.

> 'IFRS include accounting principles and subjective estimations, and results can be disputable. *If the estimations made under IFRS are correct* then you have the best possible results. But companies use fair values and report whatever numbers they want in order to affect the results. Previously, accounting standards were stricter, now they are more flexible and voluminous and thus more complex and of questionable quality.' (AUD7) [Emphasis added.]

> '*IFRS are the perfect financial reporting system if properly applied*. But, in reality, accountants or managers have something in their mind: to meet targets. The financial statements could be flawless if people did not have other things in their mind. The GGAP looks at the actual costs and the value of the asset is known when it is sold. IFRS have fair values and offer more opportunities to manoeuvre and manipulate results.' (AUD8) [Emphasis added.]

Overall, interviewees maintain that the adoption of IFRS implies a positive step in terms of accounting quality. However, they identify significant gaps between IFRS common sense and actual practice regarding IFRS implementation. Our analysis indicates that interviewees tend to assume and preserve the ideal of IFRS international comparability, as well as other characteristics, such as faithful representation, transparency, and trustworthiness, by mobilising 'purifying strategies' to transform contradictions into 'insignificant disturbances' (Durocher & Gendron, 2011). These strategies involve 'technical criticisms', such as the flexibility of IFRS and local flavours in IFRS applications. Practitioners also try to make sense of gaps between common sense and practice by using 'patience' rhetorical strategies expressing faith in IFRS objectives being ultimately achieved in the future, when practitioners acquire more technical expertise in applying the standards. There is also some criticism regarding the power politics influences on the IASB standard-setting processes responsible for the inadequacies of the standards. Interviewees' discursive critical problematisations of the quality of IFRS are important and contain the 'embryos' of an alternative understanding of accounting possibilities, even though they do not manifest, verbally at least, in solid good sense that could destabilise the hegemony of IFRS.

There is something more subtle, though, in the rationalisation of IFRS contradictions that goes beyond the mere purification of the ideals of IFRS' qualitative characteristics. It appeared that IFRS acceptance has important ideational dimensions closely linked to the espoused broader and dominant hegemonic neoliberal common sense and its variants of Europeanisation and modernisation. This explains why, despite the contradictions identified in the operation of IFRS and their inability to fulfil their objectives, the standards are widely endorsed by interviewees, even if this endorsement is passive.

5.3. IFRS hegemony cemented by a neoliberal common sense

Ideological hegemony starts to have an effect when there is uncontested common sense, in spite of contradictions in practitioner conceptions of IFRS. Due to the fragmented views of IFRS throughout the interviews by practitioners, a recurring question arose: why, despite their mixed views on IFRS and the sense of a general lack of relevance of IFRS in the local context, do the standards appear to be so widely accepted? With evidence for enhanced comparability and quality of IFRS being thin on the ground, practitioners pointed to wider economic, political, and moral common sense to justify the necessity of IFRS. In this section we explore these aspects of common sense.

IFRS were described as 'the perfect financial reporting system' or a framework that is innovative and 'centuries ahead of its time', and IFRS standard-setters were even described as 'geniuses' (e.g., AUD8, MA1). Even though such enthusiasm about the superiority of IFRS and IFRS standard-setters' work was not shared equally by all interviewees, there was some consent on the supremacy of IFRS on the grounds of the alleged expertise of IFRS standard-setters and the superiority of Anglo-Saxon professional practice. Such views often rested upon beliefs that the local GGAP was a relatively backward, or technically inferior, reporting system. IFRS adoption is seen as representing and instigating a positive 'modernisation' shift in the approach of local practitioners towards financial reporting. As a company manager explains, the transition to IFRS could enable a change in the local 'underdog attitude' of preparers and practitioners:

> ‘The adoption of IFRS has not changed the routine of the managers’ daily tasks. Managers have the same access to necessary information for the administration of the company under both accounting frameworks. Maybe the Greeks want standards to be set at an international level, to feel that they [the managers] cannot be at ease and do whatever they want.’ (MA3)

The elaboration of common sense and a particular conception of the world did not involve merely the elaboration of systematically coherent concepts, but also cultural struggles to transform popular attitudes and diffuse ideas that become historically and socially universal (Thomas, 2009). In trying to unravel the rationales driving interviewee views, they were encouraged to elaborate on this change in mentality. What was deemed particularly important was the change in professional mentality towards Anglo-Saxon standards that promoted modernisation and conformity with international and EU standards. Similar sentiments about the change in the mentality engendered by IFRS are shared by other interviewees. An auditor attributed the acceptability and the positive stance towards IFRS to ‘xenomania’.

> ‘Many Greek people have some degree of xenomania and think that the international is better.’ (AUD7)

This ‘mania’ is usually used to describe an excessive attachment to foreign customs and institutions. In this context, xenomania seems to mean attachment to Western customs and the necessity to be part of the EU. The auditor continues:

> ‘We are part of the EU, this cannot change—we cannot exit from the EU. We are required to adopt IFRS, we cannot avoid it, even though the country’s environment is unfavourable. What we can do is to make an effort to comprehend the standards and *advance our technical level* and apply them in this particular context ...’ (AUD7) [Emphasis added.]

A company manager shared the view that the lack of economic development and modernisation of Greece is due to the country’s failure to adopt the technical knowledge and economic systems (including accounting standards) developed by the more economically advanced EU countries, arguing that Greece is suffering from an ‘inferiority complex’ towards the core of the EU (MA2).

Similar arguments used in support of IFRS were advanced by several interviewees, for example:

> ‘The standards are developed according to the Northern European culture. Our problem in Greece is that we do not have the cultural background in order to understand IFRS ... If Greek standard-setters had the will and the culture to produce some work, GGAP would be the best solution. We should try to gradually adopt and embrace their [IFRS] philosophy. Greece cannot stay behind, if everyone says x you cannot say y.’ (AUD1)

The question of whether the GGAP is technically inferior to IFRS remains unresolved, as the backwardness of the local standards is not always justified in terms of their technical aspects; the GGAP is still considered by some interviewees as a technically competent accounting framework.

What is deemed important is what IFRS represent, and there are certain commonalities in interviewee arguments worth scrutinising further. The idea that IFRS are part of a common-sense modernising culture that reflects the tradition of Western advanced EU countries carried positive connotations. Such comments display a rejection of the 'underdog' culture that resists the common sense of modernisation (or neoliberal reforms), but also a sense of inferiority towards the Western world (Diamandouros, 1994, pp. 18). Practitioner arguments are broadly reminiscent of the modernisation and Europeanisation discourses advanced during accounting reforms (e.g., Caramanis, 2005), as IFRS mark a shift towards the Europeanisation vision of the Greek economy and society that indicates a technical dependency of the profession on Western organisations (Dedoulis, 2016).

IFRS are seen as an inevitable development in relation to wider institutional conditions and architecture, such as the forces of globalisation. A strong narrative representing Greece, a peripheral capitalist country, as trying to catch up with Europe is replicated. Importing EU directives and accounting regulations to the local level represents a necessary alignment of local values to the 'European' shared beliefs, discourse, and culture. Whatever differentiates peripheral countries from those at the core is considered an anomaly or weakness. Also, the idea of Greece 'staying behind', if the country does not adopt IFRS, is dismissed as being an underdog position—associated with attempts to hinder the Europeanisation project and the adoption of Western-centric values and policies.

Other interviewees take a more passive stance towards the internationalisation of financial reporting, believing it to be a process taken for granted at the macro politico-economic level, that the adoption of IFRS is inevitable, and companies have to accept the 'way things are'. Regardless of whether interviewees actively support or are more passive towards the shift to IFRS, the inevitability of IFRS is a key assumption made during all interviews.

> 'Surely, one can logically conclude that a company that adopts IFRS provides reliable financial information ... IFRS offer an almost internationally accepted way of financial reporting, in the sense that the European and American standards are converging. This, in turn, makes IFRS more reliable.' (BA2)

It is interesting IFRS are accepted as trustworthy based primarily on the fact they are endorsed by the EU and are convergent with American financial reporting standards. Again, rather than focusing on the technical aspects of IFRS and on evidence of improvements in the quality of financial reporting information, local actors portray IFRS as embodying Western cultural values and practices considered more progressive and serving as a benchmark for good trustworthy financial reporting practice.

If the adoption of IFRS is considered a positive step towards modernisation, pre-IFRS accounting practices and regulation appear to be criticised as stigmatised by the corrupt and clientelistic state bureaucracy and political culture prevailing in the country. Accounting practice that results from a clientelistic mentality is usually described as prioritising individual interests rather than the 'common good' (Mouzelis, 1995) and is opposed to the democratic ethos of Western bureaucracies (Kokosalakis & Psimmenos, 2002). Based on common-sense rationalisations, some interviewees argued that a neoliberal economic model that is market-oriented and promotes privatisation can foster political and economic modernisation minimising political corruption as the political pathology of clientelism.

> 'The economy and the accounting profession should be based on private initiatives; all institutions and organisations that were run by the state were a disaster. Even though private institutions did not prove to be better in the end, we need to preserve the idea of privatisation and try to improve its weaknesses ... We cannot go back to when companies were bribing public services.' (FA3)

A common justification advanced for the use of IFRS is, therefore, that the standards are disassociated from the powerful statist orientation of financial reporting. The underlying assumption, sometimes explicitly expressed, is that the adoption of IFRS is a component of a broad agenda promoting privatisation and market competition as leading to a more efficient allocation of economic resources and corporate performance. Even though some interviewees acknowledge the importance of state intervention in certain economic sectors and are critical of the shortcomings of privatisations and the free market logic, they are generally in favour of fewer statist interventions in accounting. State intervention is often considered an obstacle to the efficient operation of free markets that needs to be restricted:

> 'Unfortunately, in Greece the majority of people adhere to leftist ideologies and beliefs; these are rather dated and do not encourage the *modernisation* of the economy and society. We do not have a society of equal opportunities, actual free markets, but instead there are despicable state interventions everywhere that lead to an unproductive economy and the distortion of society ...' (MA3) [Emphasis added.]

> 'State intervention through the GGAP has damaged the financial reporting of companies.... The state, in general, should be limited to capital circulation in order to avoid economic crises caused by the irresponsibility of the banks. States should not limit private initiatives and should stay away from the production processes of the economy, business activities.' (AUD2)

Discussions about IFRS adoption were thus highly political. Agreement with, and support for, IFRS was built upon neoliberal and modernisation common-sense discourse that free markets are in the public interest as they can secure the most optimal social and economic conditions for all. Similar to this common-sense discourse, the main function of the state should be to ensure the integrity and solvency of the financial system (Harvey, 2007). The state-driven and tax-dominated rationale to financial accounting is condemned and defined as an obsolete approach, detrimental to entrepreneurship and the economic growth of companies. The improper implementation of IFRS is, therefore, often seen as the result of prevailing tax regulations over financial reporting. One company manager went as far as to describe this tax-oriented attitude as the outcome of a lack of education and a sign of the ‘lower intellectual level that hinders Greek companies from applying a Western-type accounting framework and practice’ (MA4). The fact that IFRS helped to make the distinction between tax accounting and financial accounting clearer for publicly listed companies was one of the arguments in support of IFRS. Overall, IFRS are accepted due to their alignment with the neoliberal model and prevailing common sense as the sole model for future development, and the undermining of traditional notions of the legitimate authority and accountability of the state.

6. Conclusions

This study critically investigates the way practitioners engage with IFRS practice and opens up the issue of why an overall consensus to IFRS is maintained, thus enabling the wide dissemination of the standards. It focuses on an unfavourable local context of a less-developed capital economy with an accounting and economic tradition that differs from the market-oriented approach of IFRS, where the benefits of the standards become less evident. The findings suggest that the question of what drives the acceptance of IFRS by local practitioners cannot be answered based on the technical aspects of IFRS and the economic efficiency of the standards. Drawing on their professional experience, practitioners challenge the ability of IFRS to achieve the expected beneficial outcomes in terms of international comparability and high quality financial information. Despite the fact that practitioner arguments demonstrate how both these outcomes are seen as contestable and contradictory, they appear to resort to justifications closely linked to espoused and dominant aspects of neoliberal common sense. Neoliberal common sense acts as the basis of consent and source of power at the ideational level (Gramsci, 1971) and bolsters the acceptance of IFRS, involving not only economic but also political and intellectual dimensions. We, therefore, offer an alternative understanding of the way accounting regulation works at the level of practitioners.

The IASB and EU standard-setters justify and endorse IFRS based on claims that the standards provide decision-useful information to capital providers and other key users of financial reports. While the case for IFRS tends to be reproduced in a fairly routinised way by the IASB, and other global regulatory bodies promoting IFRS, we still know little about why IFRS are accepted in different contexts. The study provides empirical evidence on the way local practitioners view IFRS after their adoption, evidence that is argued to be generally lacking in accounting research. Our findings challenge the assumptions about the quality of IFRS information as a realistic objective based on business practice, and draw attention to important issues related to the endorsement of neoliberal accounting models and regulation implicated in the desire for acceptance by, and integration into, the EU and international politico-economic arena. Moreover, previous literature on IFRS in different local contexts concentrates on the effect of the infrastructure surrounding the use and implementation of the standards; we extend these problematisations by examining the role of practitioners in the process of legitimising and reproducing the hegemony of accounting standards (Mennicken, 2008).

This paper, therefore, provides an insight into the all-important and prosaic role that hegemony and ideational power play in gaining consent for accounting regulation reforms at the level of practitioners. Even though a Gramscian approach enables an understanding of IFRS hegemony in relation to the predominant values that organise capital markets in the international political economy context, it locates common sense at the level of individuals as an elementary mosaic of social dynamics. As there is not ‘a’ unitary common sense attributed to individuals or a group of practitioners, but instead a complex set of ideas that may be in continuous transformation (Gramsci, 1971), the findings expose the diversity of rationales provided in support of IFRS. Despite their variations, practitioners’ common-sense arguments are concentrated on the international comparability and market-orientation of the standards, which are conflated with practitioner consent for socio-economic neoliberal reforms that encourage international free-market economic models, privatisations, deregulation, and the delegation of more authority to private regulatory and professional bodies. Similarly, pro-IFRS views are built on sentiments of abandoning an old ‘underdog’ or anti-modernisation tradition (Diamandouros, 1994; Mouzelis, 1995) that promotes state interventionism in company financial reporting affairs. IFRS are seen as an accounting reform that replaces a ‘non-functioning’ and ‘retarded’ local financial reporting system stemming from an ‘inferior underdog’ tradition with one that functions according to the more efficient European (Western) standards. In this way, the proclaimed success of IFRS goes beyond explanations merely related to accounting practices and institutional changes and extends to deep-rooted beliefs dominant in diverse national and business settings.

Gramscian common sense also enables a deeper understanding of accounting practice variations and the expression of dominant beliefs in local contexts, without undermining their link to the international political economy context. We find that the common sense of modernisation and neoliberal Europeanisation plays a pertinent role in sustaining the legitimacy and hegemony of IFRS in a less economically advanced country of the EU periphery. IFRS in this context is seen as desirable progress enhancing EU integration and economic growth. Even though common sense views about IFRS necessarily manifest themselves in particular ways in the context of Greece, and in local practitioner group discourse, they share common systematic elements with the common sense of the wider community of practitioners internationally. Further studies in different local contexts could explore the extent to which practitioners draw on neoliberal common-sense justifications to support IFRS in similarly conflicted or only partially accepted ways. Our findings have exposed the extent to which the network of practitioners in Greece are indoctrinated with neoliberal ideas. Exploring further the ways in which these practitioners are socialised and indoctrinated in this respect provides a promising area of future research.

Our analysis also demonstrates the under-explored implications of the internationalisation of accounting standards and IFRS in particular. Practitioners respond in different and inconsistent ways that could potentially hinder or enable the entrenchment of IFRS. This can provide some explanation as to why accounting standard-setters constantly pursue ideological support in unfavourable local contexts where IFRS may not be so relevant due to differences in accounting traditions. If consent is weakened, then there is a need for direct coercive pressures to be exercised, for example, through the state and juridical governments (Gramsci, 1971).

Moreover, based on the analysis here, the attachment to the dominant neoliberal common sense means discussion of alternatives is neglected and/or difficult to envisage. Arguments supporting IFRS prevail over those challenging IFRS, as challenging the shift to IFRS entails the challenge of practitioners' wider beliefs, knowledge systems, and ideological structures based on values that support the neoliberal capital market edifice. As the design of national GAAPs in the EU tends to move towards the direction of IFRS, and there is a lack of credible EU alternatives (ICAEW, 2015), the monopoly of IFRS as the international financial reporting standards creates a sense of inevitability, inhibiting counter-hegemonic responses to IFRS hegemony. Considering that IFRS have ambiguous benefits in accounting practice and that this financial reporting reform was part of a wider programme of reform, the EU Financial Services Action Plan, it raises the question of who benefits from the adoption and the acceptance of IFRS (Durocher & Gendron, 2011; Pelger, 2016).

While financial reporting reforms may be considered relevant to a narrow network of business practitioners, such as companies, financial institutions, audit firms and the profession, new accounting regimes affect wider parties that are often invisible, including citizens, employees, minority groups, and public sector institutions. Our findings suggest that, based on practical experience, IFRS do not appear to have accomplished the objectives that motivated their development and application in the first place. Yet a combination of IFRS and IFRS-inspired standards (such as the International Public Sector Accounting Standards) are transplanted into public sector accounting and the financial reporting systems of non-listed companies. These accounting reforms are promoted as enhancing the quality and transparency of financial information by helping to uncover, for example, previously concealed financial information about public sector debts and budget deficits (Cohen & Karatzimas, 2015; Tsalavoutas, 2017). We hope the current study will inspire further research work on the operation and rationalisation of market-oriented financial reporting reforms in the context of public sector accounting and non-listed companies in various capital market economies. More critical accounting research is also encouraged on the extent to which the application of IFRS in the private and public sector are used as a tool of control facilitating neoliberal reforms, such as reductions in welfare and pension benefits for employees and other social groups, especially in economies that have suffered more intensely from the effects of the 2008 financial crisis.

However, rather than suggesting practitioners accept deterministically the dominance of IFRS due to the pervasiveness of neoliberal common sense, this study reveals that they are capable of critical reflection, when they move from dominant official notions of standard-setters and elite market institutions, concerning the benefits of IFRS at more experiential levels. Good-sense ideas that are gained from empirical experience act as a source of critique to common sense enabling the comprehension and dissemination of alternative understandings of the social world and practices such as accounting. The competing mix of prevailing common sense and peripheral good sense understandings can explain why, despite the contradictions identified in the operation of IFRS, the standards are widely endorsed by practitioners, but often in a reluctant or passive way. This critical reflection, therefore, has not been transformed into comprehensive good sense, or in other terms, into a counter-philosophy—alternative assumptions underlying accounting—that will allow a break with the incoherence and passivity imposed by an incoherent accounting practice. The role of academics and educators of business practitioners is important in this respect. We find that the critical reflection of practitioners is myopic and they generally fail to recognise wider limitations that may result from the influence of free-market logic on accounting and political economy (Gendron, 2018). It is highly unlikely that practitioners will develop alternative ideas and a critical understanding to common sense beliefs if their education is restricted to the teaching of technique and does not instil reflective thinking (Gendron, 2015). Academics have, therefore, a key role to play in developing research and educational platforms that encourage alternative theoretical perspectives for improving social and political action.

Even though neoliberal common sense has served as an important element in stabilising the hegemony of IFRS at the local level, ideological battles are constant. Exploring the power of common sense in particular organisational and institutional contexts, and making explicit the contradictions within this common sense, is crucial in providing a base for more critical awareness of accounting principles and practice. Mounting a persuasive criticism of common sense and promoting this criticism in the public arena may be challenging given the significant commitment people tend to have in certain hegemonic ideas. However, common sense and the theory of hegemony indicate the driving rationales of practices, such as accounting, but also their limitations and failings, thus motivating a ‘phronetic’ approach to social science in the sense of enabling thinking about change and social praxis (Dillard & Vinnari, 2017). As common sense always involves struggles over values, definitions of social reality can be challenged, especially in the context of an ‘organic crisis’ of society (Gramsci, 1971). An organic crisis occurs when political and economic elites fail in major political undertakings, such as controlling the current crisis of neoliberalism. Although the capacity of neoliberalism to reproduce and perpetuate, including in times of economic turmoil, should not be ignored (Guénin-Paracini et al., 2014), organic crises can provide the conditions for alternative hegemonic forces and discourse. As the consequences of the crisis are becoming increasingly evident at the socio-economic level in contexts such as Greece, the Europeanisation ideal is being shaken to its foundation. At the time our empirical evidence was collected, the dramatic implications of the recession were not visible to the degree they are now, especially in the case of Greece. For example, a Gramscian hegemony may have limited the extent to which exit from the EU could become part of the political discourse. However, recent developments, such as the Greek bailout referendum in 2015 and the EU referendum in the UK, may have had an impact on practitioners' common-sense ideas, as leaving the EU and challenging neoliberal Europeanisation becomes part of their cognitive mapping. Additional research could explore whether the on-going crisis and capital market re-structuring have further challenged the common sense understandings of local practitioners about accounting standards and practice in different contexts.

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Appendix: List and details of interviewees

Code	***Job Title***	***Professional experience (years)***	***Qualifications***
	Auditors		
AUD1	Auditor (Senior Manager) in SOL, Member of the HAASOB[13]	23	BSc, ICPAG[14]
AUD2	Chartered Auditor (Manager) in a Big Four	14	BSc, MSc, ICPAG
AUD3	Chartered Auditor (Manager) in a Big Four	10	BSc, MSc, ICPAG
AUD4	Auditor (Manager) in SOL S.A.	15	BA, MSc, ACCA, CPA
AUD5	Auditor (Senior Manager) in a Big Four	13	BA, ACCA
AUD6	Auditor (Senior Manager) in a Big Four	15	BA, ICPAG
AUD7	Auditor (Senior Manager) in SOL S.A., Member of the Scientific Council of SOEL[15]	30	BSc, MSc, ICPAG
AUD8	Auditor (Senior Manager) in a Big Four	26	BSc, ICPAG
AUD9	Auditor (Senior Manager) in SOL S.A., Member of the Scientific Council of SOEL	36	BSc, MSc
	Financial Analysts		
FA1	Financial Analyst (Local financial services firm)	16	BSc, MBA
FA2	Financial Analyst	12	BSc, MBA, CIA[16]
FA3	Financial Analyst (Local financial services firm)	14	BSc, MBA
FA4	Financial Analyst	14	BSc, MBA
FA5	Financial Analyst	16	BSc, MSc
	Preparers		
MA1	Financial manager	25	BSc
MA2	Managing director	>30	BSc, MBA
MA3	Finance director	16	BSc
MA4	Finance director	23	BSc, MSc, MBA

[13] The Hellenic Accounting and Auditing Standards Oversight Board (HAASOB), or ELTE in Greek, is the national supervisory body for the auditing and accounting profession, supervising the correct and effective implementation of accounting and auditing standards (Law 3148/2003, Harmonization of National Legislation 3693/2008 Regulatory Acts of AAOB Directive 2006/43/EC of the European parliament, and the Council and European Directives).
[14] Certified Public Accountant by the Institute of Certified Public Accountants of Greece.
[15] The Institute of Certified Public Accountants of Greece (Soma Orkoton Elegton Logiston (SOEL)) for independent audit of firms was created in 1992 after the elimination of the Institute of Certified Public Accountants (Soma Orkoton Logiston (SOL)), which from 1957 until 1992 was supervised by the Greek state.
[16] Certified Internal Auditor.

ACT1	Chief Accountant	15	BSc
ACT2	Chief Accountant	32	BSc
ACT3	Chief Accountant	9	BSc, MSc
ACT4	Chief Accountant	24	BSc
	Banks		
BA1	Bank Manager (Greek Bank)	12	BSc
BA2	Bank Manager (International Bank)	28	BSc
BA3	Bank Manager (Greek Bank)	>25	BSc
BA4	Bank Manager (Greek Bank)	23	BSc, MBA
	Regulatory market body		
CM1	Member of the Hellenic Capital Market Committee[17]	15	BSc, MA
	Tax authorities		
TAX1	Tax officer	>35	BSc
TAX2	Tax officer	>30	BSc, PhD

[17] The Hellenic Capital Market Commission (HCMC) is responsible for the surveillance of the proper application of capital market legislation. It participates decisively in the formation of the capital market regulatory framework, on a national, European, and international level, and contributes actively to the operations of the Council of the European Union, of ESMA, and of IOSCO (Law 1969/91 and organised by Law 2324/1995).

Thank you for your valuable feedback. As requested, below we address your comments and the comments by reviewer 2. We hope that as a result of these changes, you find the paper to be much improved so that it has now reached the necessary standard for being accepted by the CPA journal.

Editor's comments:

1. **Title of the paper:**

"I think the reviewer is right about the title of the paper. Try to make it more engaging and convivial."

Response:

The title of the paper has now been changed to:
"Ideological hegemony and consent to IFRS: insights from practitioners in Greece"

2. **Contribution of the paper and further research:**

"One of your most intriguing findings is the extent to which people who are part of the "economics network" in Greece are indoctrinated with neoliberal ideas. Would it make sense to highlight this as a promising area of future research? How are people socialized and indoctrinated in this respect?"

Response:
The point has been now highlighted in the conclusions of the paper (pp. 34, paragraph 2).

3. **Specific comments in relation to typos and unclear sentences**

Response:

All of your comments have been addressed and unclear sentences have been revised.

4. **References, up-dated literature, and proofreading**

We have reviewed recent literature published in major interdisciplinary accounting journals and incorporated any relevant articles into our argumentation. We have also checked the references, making sure that they are consistent with the journal's style. The integrity of the references, in both directions, is also verified. The paper has been also carefully read and appropriate proofreading revisions have been made.

Comments from Reviewer 2

1. In terms of structure, the author(s) should exclusively focus on political and economic developments in section 2.3 and transfer all material related to the development of accountancy in Greece in section 4. Writing in layers is very helpful for the international readership and facilitates understandings. Having said that, the political and economic developments in section 2.3 should be further enriched and be more analytical on the basis of secondary resources. Please note that the title

of this section should necessarily include somehow the word "Greece" to narrow down readers' expectations.

Response:

Regarding the structure of the paper, did not make any changes as we believe that transferring parts from section 2.3 to 4, will disrupt the logical flow of our argumentation.

However, in order to enhance the logical flow of the text and explain why we refer to particular issues in each section, we added more linking sentences and clarifications throughout the paper, and when we transit from one section to the other. For example, we explain that in sub-section 2.3 (part of the theoretical framework section) we discuss accounting studies in Greece because we want to demonstrate the way different forms of common sense, such as Europeanisation, are reflected in the study of accounting reforms. We have also built more efficient connections between sections in the literature review, findings and discussion, in order to make our work more readable and allow us to sustain our arguments in a coherent manner.

2. Transferring all material relating to the development of accountancy in Greece in section 4 would make it possible for a thorough literature review to take place and a more analytical background to be built. Two issues should be paid attention to:

a. Although section 2.3 very nicely introduces the reader to the division between "modernizers" and "traditionals" in Greece, section 4 appear to ignore the role of influential eminent professionals (traditionals), firmly attached to the old Greek accounting establishment, who fiercely argued against IFRS adoption. This has been a very interesting debate which was mirrored in the press and could be seen in the parliamentary debates during the process of the passing of Law 2292/2002 and relevant legislative efforts. This debate is necessary to be referred to since IFRS dominance contributed to silencing and overpowering such voices sealing IFRS's hegemony. For instance, see articles published by Protopsaltis and Grigorakos in Logistis (an influential local periodical for accounting practitioners in Greece) back in the early 2000s and other press clippings arguing against early adoption of the IFRS.

Response:

Following the reviewer's interesting suggestion, we reviewed all issues from the periodical 'Logistis' between 1998–2011 (approximately 160 issues), and some relevant articles were incorporated in the manuscript (e.g., Protopsaltis, 2002). We had also examined again some relevant parliamentary discussions related to the adoption of IFRS before 2005.

However, we could not find any fierce arguments against IFRS. As we state in the paper, apart from the Communist party, the only critical comments by political parties and politicians were related to the early adoption of IFRS due to the lack of preparedness of the Greek companies. But there was no challenge of the adoption of IFRS per se. Some other practitioners (auditor, SOEL scientific committee), such as Protopsaltis, have also limited their critique to highlighting the lack of infrastructure and some differences of IFRS with local regulation. However, he remained supportive of changes in financial reporting towards IFRS especially on the grounds of that Greece needs to conform with EU regulation.

Even though such potential arguments against IFRS in the local context by institutional actors might be important, these will not affect the main arguments drawn from the analysis.

In fact, a recent review by Tsalavoutas (2017) on the recent revisions of the Greek accounting standards for non-listed companies that aligns national standards with IFRS (as part of the transposition of the EU Accounting Directive 2013/34 into national law), concludes that: “the majority of political parties and almost all the business and professional bodies involved in the provision of comments to the draft bill were supportive of this change [towards IFRS-inspired Greek accounting standards]’ (*ibid.*, p. 110). This point is also highlighted in our literature review in section 4.

However, if the reviewer would like to direct us to particular articles and/or parliamentary discussions that demonstrate the strong opposition to IFRS by ‘traditionals’, we would be very interested in reviewing them and incorporated them into our background literature.

b. Moreover, in section 4, the author(s) should necessarily make use and indicate how this work is differentiated from a paper published in Accounting Forum [Mantzari, E., Sigalas, C., & Hines, T. (2017). Adoption of the International Financial Reporting Standards by Greek non-listed companies: The role of coercive and hegemonic pressures. Accounting Forum, 41(3), 185-205].

Response:

We have explained in section 4 how the work of Mantzari et al., 2017 is differentiated from the current study.

3. The empirical section needs to be further improved. Although I am sure that the author(s) have(s) delved into parliamentary debates, preambles to laws and press publications, h/she/they have(s) made no actual use of these sources. The end result has been that the empirical section still lacks depth. I would strongly suggest that the empirical section should be enriched/supported with archival material as this would substantially upgrade the paper. It is important for the author(s) to have a look at "Accountancy Greece" (http://www.accountancygreece.gr/), a periodical issued by the Greek profession were numerous articles expressive of current professional pro-IFRS views can be found.

Response:

The first issues of the quarterly periodical have been examined (the first issue of the periodical was published in October 2010, Oct-Dec 2010). However, more extensive use of archival and press material will result in increasing substantially the already long manuscript, and we feel that this analysis would not enhance our main arguments. Moreover, the role of the institutional actors (governments, accounting profession, audit firms, media, etc.) in promulgating pro-IFRS views is important and is clearly acknowledged in the paper (e.g., section 1and 4).

4. Finally, I suggest that key words indicative of the investigation such as practitioners, perceptions, Greece should necessarily appear in the title of the paper.

Response:

The title of the paper has been revised to reflect better the content of the paper.

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