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# **Beyond the accounting profession: A professionalisation project in the South Korean public sector accounting field**

## **Abstract**

**Purpose:** We aim to explore how an accounting association and its key members 1) define, control, and claim their knowledge; 2) adopt a closure and/or openness policy to enhance their status/influence; and 3) respond to structural/institutional forces from international organisations or the state in a particular historical context, such as a globalised/neo-liberalised setting.

**Design/methodology/approach:** We draw on Pierre Bourdieu's theoretical tools (field, capital, *habitus*, and *doxa*) to understand how public sector accrual accounting was defined, and how the Korean Association for Government Accounting (KAGA) was formed and represented as a group with public sector accounting expertise. Our research context was the implementation of accrual accounting in South Korea between 1997/98, when the Asian financial crisis broke out, and 2006/07, when accrual accounting was enforced by legislation. We interviewed social actors recognised as public sector accounting experts, in addition to examining related documents such as articles in academic journals, newsletters, invitations, membership forms, newspaper articles, and curricula vitae (CVs).

**Findings:** We found that the key founders of KAGA included some public administration professors, who advocated public sector accrual accounting via civil society groups immediately after Korea applied to the IMF for bailout loans and a new government was formed in 1997/98. In conjunction with public servants, they defined and designed public sector accrual accounting as a measure of public sector reform and as a part of the broader government budget process, rather than as an accounting initiative. They also co-opted accounting professors and CPA-qualified accountants through their personal connections, based on shared educational backgrounds, to represent the association as a public sector accounting experts' group.

**Originality/value:** These findings suggest that the study of the accounting profession cannot be restricted to a focus on professional accounting associations and that accounting knowledge can be acquired by non-accountants. Therefore, we argue that the relationship between accounting knowledge, institutional forms, and key actors' strategies is rich and multifaceted.

**Keywords:** Accounting professionalisation, public sector accounting, Bourdieu, South Korea

# Beyond the accounting profession: A professionalisation project in the South Korean public sector accounting field

## 1. Introduction

We aim to contribute to the literature around accounting professionalisation by exploring public sector accounting in South Korea ('Korea' hereafter). Accounting professionalisation has been an important topic for scholarly attention (Willmott, 1986; Chua and Poullaos, 1993, 1998, 2002; Ballas, 1998; Hao, 1999; Sian 2006; Yee, 2009, 2012). While one body of literature has highlighted the significance of the claim to and the control of accounting/auditing knowledge by accountants' professional bodies (Abbott, 1988; Walker, 1991, 2004a, 2004b; Edwards et al., 2007), another stream of research has suggested exploring political, economic, and social circumstances beyond the professional associations and their professionalisation projects (Burchell et al., 1980; Willmott, 1986; Puxty et al., 1987; Yapa et al., 2017). In this theoretical context, we aim to understand how professionalisation can be shaped by political, economic, and social environments, as well as by human actors. In particular, we try to explore the strategies of key individual actors in their responses to institutional forces, because strategies of key elite members of professional associations are supposed to be 'enabled by wider, societal institutions such as state agencies' (Chua and Poullaos, 1993, p. 693).

Specifically, we aim to study a professionalisation project of the Korean Association for Government Accounting (KAGA). Specialising in public sector accounting, KAGA was formed in 2002 in response to the adoption of accrual accounting in the Korean public sector. This was one of the NPM-style (New Public Management<sup>i</sup>) recommendations Korea adopted in exchange for bailout loans from the International Monetary Fund (IMF), following the Asian financial crisis that broke out in 1997/98. Prior to this crisis, a doxic public/private divide existed, whereby cash accounting was to be practised by public servants in the government sector, and accrual accounting by accountants in the private sector. Thus, whereas accrual accounting was an epistemic domain of accounting academics, the cash-based government budget process was the remit of public administration academics at the epistemic level. However, when the notion of public sector accrual accounting dismantled this divide, public servants, accountants, and academics (both from accounting and public administration backgrounds) created KAGA. Through this process, some of KAGA's key members from a public administration background, despite their shallow accounting expertise at the early stage, strived to define and control public sector accounting knowledge and to be recognised as public sector accounting experts later. Therefore, we aim to explore how they successfully claimed their knowledge and enhanced their legitimacy via the formation and development of KAGA.

We draw on Pierre Bourdieu's theoretical tools to tease out key drivers/outcomes of KAGA's professionalisation for the 10 years after the financial crisis. Bourdieu's key theoretical notions, such as *doxa* and *habitus*, provide a perspective to make sense of interactions between structural forces and individual agency. His suggestion that a study of professions should go beyond the focus on the taken-for-granted nature of professional associations (Bourdieu and Wacquant, 1992) is also in line with the directions we take. Therefore, we argue that Bourdieu provides a theoretical framework useful to explore a professionalisation project.

The remainder of the paper is organised as follows. The subsequent section reviews previous studies on professionalisation, and Section 3 elaborates key Bourdieusian notions. Section 4 explains the research context and methods utilised, and Section 5 maps out the Korean field. Section 6 explores the economic, social, and political context prior to the formation of KAGA, and Section 7 analyses how KAGA and its key members established their legitimacy. Finally, Section 8 discusses and concludes the paper.

## **2. A review of professionalisation literature**

### **2.1. Closure and openness**

The term ‘profession’ has been defined as ‘legally privileged groups which have managed to monopolise to a considerable degree social and economic opportunities’ (Sack, 1983, p. 6). ‘Professionalisation’ has been defined as a process, whereby ‘an occupational group might establish its difference and superiority from a related occupational group’ (Kirkham and Loft, 1993, p. 508). In this vein, professional associations are regarded basically as political bodies organised to defend their members’ economic interests against other occupational groups (Willmott, 1986; Lee, 1996; Caramanis, 1999; Richardson, 2000). British professional accounting bodies originated in the struggle between accountants and lawyers over lucrative insolvency work for failed joint stock companies in the late 19<sup>th</sup> century (Abbott, 1988; Walker, 2004a, 2004b; Edwards et al., 2007). Canadian accountants also organised themselves into professional bodies to protect their interests circa 1900 (Richardson, 2000). Greek accounting bodies were also seen as ‘primarily political and self-interested bodies’ formed to defend their markets in a contemporary globalised world (Caramanis, 1999, p. 189). In accordance with these studies, Willmott (1986) labelled professional associations as ‘private interest government’ (p. 564). Therefore, these studies suggest that economic rewards are a crucial driver for leading accountants to form professional bodies.

In pursuing their economic interests, a key strategy of accountants has been to claim knowledge relevant to the work they tried to monopolise. The important role played by the knowledge possessed by accountants in enhancing their professional authority has been recognised (Parker, 1994). However, Hines (1989) has argued that the claim of knowledge is more critical than actual possession of knowledge for the professionalisation quest. For example, British accountants claimed that their exclusive double-entry bookkeeping knowledge, rather than lawyers’ legal expertise, formed the foundation for the skills required to deal with complicated financial documents involved in bankruptcy and receivership, thereby defining these tasks as accounting work (Abbott, 1988; Walker, 2004a, 2004b; Edwards et al., 2007). In essence, as Walker (2004a, 2004b) and Edwards et al. (2007) highlighted, successful professionalisation is dependent on how effectively accountants define, control, and claim their knowledge as relevant to certain work.

In addition to the importance of knowledge claims, a more comprehensive Weberian notion of ‘closure’ has been widely used in the accounting literature to tease out how professional bodies managed to monopolise accounting work. Closure is defined as a state of ‘regulate[d] market conditions in their (professional bodies’) favour, in face of actual or potential competition from outsiders, by restricting access to specific opportunities to a limited group of eligibles’ (Sack, 1983, p. 5). Among a number of tools of closure, Royal Charters and/or membership/qualifications/designations have often been explored, because they were capable of differentiating ‘elite accountants’ from ‘also-accountants’ who also practised less prestigious work, such as insurance, loan brokering, and property dealing (Chua and Poullaos,

1993, 1998, 2002). These tools of closure suggest that professionalisation projects have also been driven by symbolic interests, such as occupational ascendancy or elitism, as well as economic rewards. Lee (1996) examined the formation of the Society of Accountants in Edinburgh (SAE) in the 1850s, and argued that the formation of the SAE not only created an economic monopoly but also a social elite. In the Scottish accountants' pursuit of social status, their monopoly of the usage of the credentials of 'Chartered Accountants' secured their prestige since the 1850s (Walker, 1991). In England, a Royal Charter awarded to the Institute of Chartered Accountants in England and Wales (ICAEW) in the 1880s was critical to excluding non-members and to having the legitimacy of the ICAEW's members recognised by lawyers, the public, and the state (Edwards et al., 2007). In late 19<sup>th</sup>-century colonial Australia, the Incorporated Institute of Accountants in Victoria (VIC) sought to be endowed with a Royal Charter from the Colonial Office in London (Chua & Poullaos, 1993, 1998). Likewise, Canadian accountants also tried to use the CA designation, which already possessed strong symbolic value and was perceived as a key to their professional status circa 1900 (Richardson, 1987; Poullaos, 2016). In the post-colonial setting, Annisette (1999) argued, the value of membership in the Institute of Chartered Accountants of Trinidad and Tobago (ICATT) lay not only in the qualification itself but in the status it represented. These studies suggest that symbolic strategies, such as obtaining a Royal Charter and monopolising the CA designation, are critical to the enhancement of the social status and legitimacy of professional associations.

Another strategy for enhancing the social legitimacy and status of the profession is 'subscribing to political and moral ideas of the day' (Preston et al., 1995, p. 517). Preston et al. (1995) examined the code of ethics of the US accounting profession and argued that American accountants presented themselves as ethical professionals upholding progressive political ideologies, such as democracy and pragmatism, which were seen as a solution to various social and economic problems in the early 20<sup>th</sup> century. This established the legitimacy of their professional status in American society. In line with this US finding, as British professional organisations developed, their members were perceived as trustworthy, independent, and dependable (Willmott, 1986). These studies suggest that a professional group's claim to conformity with a fashionable ideology and its resultant perception as reliable and trustworthy were also critical to the professionalisation process.

The strategies accountants use to differentiate themselves from other occupational groups, thereby enhancing their symbolic status, have also been explored from critical perspectives such as gender, race, and class (Kirkham and Loft, 1993; Annisette, 2003; Jacobs, 2003; Edwards and Walker, 2010). Through the lens of gender, Kirkham and Loft (1993) argued that by the 1930s, mostly male British accountants had established their professional status in contrast with bookkeepers, who counted more women among their numbers. While Kirkham and Loft (1993) defined accountancy as a male profession, Annisette (2003) defined it as a white profession, by citing the example of Trinidad and Tobago, a former British colony where non-white accountants struggled with entry into public practice. Even after the country achieved independence and stopped importing British accountants, affiliation to the UK-based Association of Chartered Certified Accountants (ACCA) was more valued than local ICATT qualifications, which Annisette (1999, 2000) labelled a colonial legacy. To Jacobs (2003) and Edwards and Walker (2010), accountancy was a middle-class profession. Accountants in Victorian Britain adopted a middle-class lifestyle, in terms of the employment of domestic servants, consumption practices, and household locations (Edwards and Walker, 2010). Even in a contemporary setting, big accounting firms in Scotland showed subtler ways of preferring trainees from middle-class backgrounds to those from less privileged

social classes in the recruitment process (Jacobs, 2003). These studies suggest that gender, race, and class have also been used as a tool to make the accounting profession more exclusive and thus achieve higher social status.

However, although the sociology of professions suggests the Weberian notion of closure as a strategy of professionalisation in pursuit of market monopoly, a number of accounting studies also found openness/inclusion rather than headlong exclusion/closure (Chua and Poullaos, 1998; Shafer and Gendron, 2005; Sian 2006; Edwards et al., 2007). Where membership eligibility was too tight, rival associations could emerge, and where it was too open its symbolic value was diluted (Sian, 2006). Therefore, the VIC promoted an openness policy to recruit more members during the first four/five years of its existence to increase its size (Chua and Poullaos, 1993, 1998). Shafer and Gendron (2005) extended the findings of Chua and Poullaos (1993, 1998) by showing that the American Institute of Certified Public Accountants (AICPA) planned to adopt an openness policy as part of its abortive Vision Project in the early 2000s to pursue advantages from a larger membership. Similarly, the professionalisation of Kenyan accountancy was achieved by including all qualified accountants, rather than by pursuing monopolistic market control (Sian, 2006). Edwards et al. (2007) also indicated that ICAEW relied on the closure strategy only after the obtainment of the Royal Charter. These studies suggest that not only closure/exclusion but also openness/inclusion can be a valid strategy in professionalisation processes, particularly at the early stages.

## **2.2. Accounting professionalisation embedded in historical contexts**

Both the establishment and the development of professional associations are embedded in a historical context, and thus cannot be properly understood without considering the background political, social, and economic circumstances (Burchell et al., 1980; Willmott, 1986; Puxty et al., 1987). In this vein, many studies have explored professionalisation projects in political, social, and economic contexts different from those of the UK (Chua and Poullaos, 1993, 1998, 2002; Ballas, 1998; Hao, 1999; Sian 2006; Yee, 2009, 2012). Chua and Poullaos (1993, 1998, 2002) explored the roles played by professional bodies in both the British imperial centre and the colonies, the British capital, and the Privy council/Colonial Office in London in the professionalisation of Australian accountants circa 1900, when the British empire reached her apex and Australians were building their own nation. Sian (2006) highlighted the fact that professionalisation strategies can be different in a non-settler post-colonial context by showing how neo-colonial and racial division in society, which she labelled 'colonial imprint', shaped the professionalisation of Kenyan accountancy after the country became independent in 1963. These studies suggest that a certain historical context, such as the colonial history, shaped the professionalisation projects in former British colonies in a manner different from that of the UK.

While most work based on Anglo-Saxon countries highlighted how accountants took initiatives in professionalisation projects to enhance their status and to maximise their interest (Willmott, 1986; Walker, 1991; Chua and Poullaos, 1993, 1998, 2002; Sikka and Willmott, 1995a, 1995b), a growing body of work based on non-Anglo-Saxon cases has argued that other social actors played a more critical role than accountants (Ballas, 1998; De Beelde, 2002; Yee, 2012). Exploring how the Greek audit profession was created after the Second World War, Ballas (1998) argued that its professionalisation project was initiated by the Greek state, which tried to use the profession to increase tax revenue, manage society, and establish its authority. De Beelde (2002) extended this line of study by examining the case of

professionalisation of Belgian auditors. He also found that, whereas the professionals played limited roles, politicians played critical roles in the creation of the Belgian audit profession. These cases suggested that, while the state/politicians had the power to mould the profession according to their interests, the accountants/auditors' role could be rather more limited than that of other actors in the professionalisation process in Continental Europe. These findings contrast with the Anglo-Saxon context, where accountants played more proactive roles.

Professionalisation in East Asian nations, such as Japan and China, shows historical trajectories different to the Western settings. Sakagami et al. (1999) argued that Japan's history and culture, and certain features of the nation's business and society shaped the current form of the accounting profession, such as the absence of the accounting profession in management accounting and the public sector accounting field, and the subordination of the profession to the state. Hao (1999) and Yee (2009, 2012) explored the professionalisation process of Chinese accountants after China opened up her economy in the 1980s. They found that Chinese accountants were not proactive enough to take the initiative, but were subordinate to the state, and thus were not able to form a self-regulating body (Hao, 1999). Traditional Confucian ideology shaped the state-profession relationship parallel to the father-son relationship, and thus state hegemony over the accounting profession was taken for granted. In the 1990s, the Chinese accounting profession was shaped by the directives of a single political leader, to wit, Zhu Rongji, who mandated the merger of the Chinese Association of Certified Public Auditors and Chinese Institute of Certified Public Accountants in the socialist/corporatist country (Yee, 2012). This Chinese case contrasts sharply with Anglo-Saxon cases, in which accountants, such as George Edwards, the president of the Institute of Chartered Accountants of Ontario and the president of the Dominion Association of CAs in Canada circa 1900, played crucial roles in professionalisation (Richardson, 2000). This contrast suggests that accounting professionalisation in a given country cannot be properly understood without considering the political, social, and economic context and history.

In a more contemporary context, the literature has explored the effects of late 20<sup>th</sup>-century globalisation/neo-liberalisation (Sikka and Willmott, 1995a; Caramanis, 1999, 2002; Yee, 2012; Yapa et al., 2017). Sikka and Willmott (1995a) argued that supranational pressures, such as directives from the EC in their case, affected the profession's practice and status. Caramanis (1999, 2002, 2005) extended the work of Sikka and Willmott (1995a) by showing how the Greek audit market was liberalised by US and EU political-economic pressure in the 1990s, when neo-liberal discourses permeated the political and economic fields. Yee (2012) examined Chinese accounting professionalisation in the context of globalisation in the 1990s, when China was transitioning to the globalised market economy, and argued that the state-profession relationship in professionalisation can be 'much more complex in a globalised context' (p. 429). Yapa et al. (2017) found that neo-liberal pressure from international agencies, such as the IMF and World Bank, led Sri Lanka towards an open market economy, which allowed international accounting/audit firms to compete with local firms over the local audit market. These studies indicate the need to further explore professionalisation projects in the context of globalisation/neo-liberalisation circa 2000.

The literature on professionalisation in political contexts has focused on the relationship between the profession and the state<sup>ii</sup> (Willmott, 1986; Chua and Poullaos, 1993, 1998, 2002). Willmott (1986) argued that 'professional associations are formed and developed within relations of power that they seek to shape as well as exploit' (p. 561), and thus the success of professionalisation is dependent on recognition and acceptance by the state. In particular, the

mutual dependence between professional organisations and the state reinforces the relationship between them as they support each other. Chua and Poullaos (1993) explored the professionalisation of Australian accountants between 1885 and 1906, and concluded that professions and the state ‘mutually influence, help create and are shaped by each other’ (p. 695). However, they also pointed out that professionalisation is not a process with a certain end-state, but is an ongoing project that both the profession and the state mutually engage in. Sikka and Willmott (1995b) argued that a close relationship existed between the UK accountancy profession and the state by showing that audit failures and scandals resulted neither in the prosecution of partners nor in the debarment of audit firms from practice. Sikka and Willmott (1995b) derogatively labelled this relationship ‘the close and indulgent relationship’, and an ‘enduring and institutionalised relationship of indulgence’. These studies suggest that a close relationship between the profession and the state is critical, and thus should be carefully examined to fully understand the professionalisation process.

This review of literature suggests a need to explore how a professional association and its key members 1) define, control, and claim their knowledge; 2) adopt a policy of closure and/or openness to enhance their status/influence, particularly at the early stages; and 3) respond to structural/institutional forces from international organisations or the state in a particular historical context, such as a globalised/neo-liberalised setting. To answer these questions, we attempt to explore how KAGA was formed in response to neo-liberal pressure from the IMF for public sector accrual accounting circa 2000. In particular, we examine how KAGA’s key founders included or excluded other social actors and negotiated with the state to define and claim their knowledge and enhance their legitimacy, status and power.

### 3. Theory

In providing a credible (hi)story of professionalisation of Korean public sector accounting, Pierre Bourdieu’s theoretical lens helps us develop our narrative, interpretation and explanation of the creation and development of KAGA (Parker, 1999). Bourdieu is notable for refusing to be categorised as either a structuralist or a constructivist. Instead, he always sought to recognise both the constructed nature of institutions and the institutional nature of constructive identity. However, the review of Malsch et al. (2011) suggests that, while Bourdieu’s concepts have been widely adopted in the accounting literature, the core constructivist concept of ‘*habitus*’ has been less broadly utilised than the structural elements of ‘field’ and ‘capital’. This finding accounts for the tendency within the accounting literature to read Bourdieu as a structuralist, which we argue is a product of this unbalanced application of his work.

We contend that Bourdieu’s theoretical notions provide the tools to explore how social actors strategically deploy their capital in their struggles. Bourdieu argues that professions are located in a social space of multiple fields and actors. The social space and fields are run by ‘the objective consensus on the sense of the world’, which Bourdieu called *doxa*, comprising elements such as unquestioned traditions and customary law (Bourdieu, 1977, p. 167). This taken-for-granted *doxa* reproduces ‘the objective structure of the relations between the positions occupied by the agents or institutions’ within a social space (Bourdieu and Wacquant, 1992, p. 105). In the accounting field, there is a *doxa* that CPA/CA-qualified accountants are more reliable, trustworthy independent and dependable than unqualified accountants and bookkeepers, and this *doxa* reproduces the social structure wherein the former occupied more dominant positions than the latter.

The counterpart of *doxa* at the structural level is *habitus* at the individual level, which is defined as ‘systems of durable, transposable dispositions, structured structures predisposed to function as structuring structures’ (Bourdieu, 1977, p. 72). This definition shows the reciprocity of *doxa* and *habitus*. *Habitus* is a structured structure (*doxa* in a social structure now embodied in human actors), but it is simultaneously a structuring structure as it sustains and reinforces particular doxic norms or practices in a field. Social actors’ *habitus* is unconsciously produced and reproduced by their upbringing, inculcation, training, and experiences, which reflect particular *doxa*, thereby reinforcing and perpetuating a social structure of dominant actors and dominated actors (Bourdieu 1985; Bourdieu and Wacquant, 1992). In the accounting field, the *habitus* of CPA/CA-qualified accountants, formed by their education, training, and socialisation, is different from the *habitus(es)* of unqualified accountants and bookkeepers, and reproduces and perpetuates the former group’s dominance through their various practices.

A field is defined as ‘an arena of permanent struggles and conflicts’ for power and status (Wacquant, 1987, p. 72). The key strategy of actors for winning these struggles is to distinguish themselves by mobilising and deploying their resources, which Bourdieu calls (different forms of) capital: economic, social, cultural, and symbolic (Bourdieu, 1986; Bourdieu and Wacquant, 1992). Economic capital is similar to the Marxist notion of capital (Wacquant, 1987). It is simply money (Bourdieu, 1977). Described in more detail, it is ‘immediately and directly convertible into money and may be institutionalised in the form of property rights’ (Bourdieu, 1986, p. 243). Economic capital can be converted into other types of capital. For example, children of an affluent family are more likely to perform better in schools than those from a poor family. This differentiation indicates that economic capital can generate cultural capital, which is constitutive of knowledge, skills, techniques, and language proficiency (Bourdieu, 1986). In the career paths of UK accountants, those from working-class family backgrounds admitted to the elite profession were not as successful as their peers from more affluent and privileged family backgrounds (Friedman et al., 2015).

Social capital is defined as ‘the aggregate of actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance and recognition or in other words, to membership in a group’ (Bourdieu, 1986, p. 248). The social capital of an actor is mobilised when other actors feel obligated to work for them just because they belong to the same group (Bourdieu, 1986). In the accounting field, CPA/CA-qualified accountants can activate their social capital through their professional networks, and thus Canadian accountants/auditors were able to mobilise resources via their CA networks to dominate the field of public sector performance measurement (Gendron et al., 2007).

Symbolic capital is the recognition of the capital that generates legitimacy and status in a field, thereby enhancing prestige and reputation (Bourdieu, 1985). It is defined as ‘any property (any form of capital whether economic, cultural, or social) when it is perceived by social agents endowed with categories of perception which cause them to know it and to recognise it, to give it value’ (Bourdieu, 1994, p. 8). In other words, if other forms of capital are ‘perceived and recognised as legitimate’, they can be symbolic (Bourdieu 1985, p. 724). However, this transformation into symbolic capital is most likely to occur with cultural capital. Cultural capital that often becomes symbolic includes educational and professional designations, such as ‘Dr’ and ‘CA/CPA’, which represent the holders’ advanced knowledge (Bourdieu 1985, p. 724). These designations/qualifications have legitimate, institutionalised, legal, and symbolic capital because the educational system guarantees the value of their

knowledge (Bourdieu 1985). The symbolic capital of the official designation is maximised when given by the state, because '[t]he state is the culmination of a process of concentration of different species of capital' (Bourdieu, 1994, p. 4). Therefore, social actors continuously wage 'symbolic struggles', struggles to have other actors recognise the legitimacy of their capital, in pursuit of 'symbolic violence', whereby other actors take their dominance for granted without questioning (Bourdieu, 1991).

These theoretical notions are not without limitations, in particular with regard to *habitus*. Bourdieu's definition of *habitus* was not definite. His later definitions of it as 'practical sense for what is to be done in a given situation' or 'feel for the game' (Bourdieu, 1998) were more concerned with individual agency, whereas the earlier definition in Bourdieu (1977) focused on its role of perpetuating social structure, which could lead readers to understand Bourdieu as a social determinist or structuralist (Everett, 2002). In the discipline of sociology, Burawoy (2012) criticised the notion of *habitus* as 'unknowable and unverifiable', and argued that 'Bourdieu never gives us the tools to examine what a given individual's habitus might be' (p. 204). These limitations have resulted in 'the almost total inattention to habitus' in organisational studies (Emirbayer and Johnson, 2008, p. 2), and its infrequent use in accounting research (Malsch et al., 2011), although it is a core concept of Bourdieu's framework, and its omission would inhibit the full theoretical advantages of deploying his ideas (Emirbayer and Johnson, 2008).

We argue that the usefulness of Bourdieu's comprehensive framework based on *habitus* in linking macro-structural setting and micro-individual agency still surpasses these limitations in the current research. We expect that *habitus*es of different social actors produced in different fields underpin their struggles to define accrual accounting knowledge and practice in the public sector field. We also expect that they strategically mobilise and deploy not only technical accounting knowledge (cultural capital), but also funding (economic capital), networks and connections (social capital), and qualifications and designations (symbolic capital) in their struggles to pursue legitimacy, power, and status in the field. Therefore, we argue that this theorisation beyond the professional association of accountants helps us tease out how key social actors constructed and represented their accrual accounting knowledge, whom they co-opted or cooperated with, under whose sponsorship, and how they presented KAGA and themselves.

#### **4. Research context and method**

We examine 10 years of the professionalisation project starting from 1997/98, when the Asian financial crisis broke out. The crisis began in Thailand, but it soon spread to other Asian countries including Korea (Arnold, 2012). Despite her relatively strong long-term solvency, Korea had a liquidity problem, which led to an IMF rescue package conditional on structural changes and reforms (Cumings, 1998). While major reforms were undertaken mostly in the private sector (in particular, the financial sector in which the crisis broke out) (IMF, 1997), the IMF also promoted NPM-style public sector reforms, particularly recommending that the Korean government shift from cash to accrual accounting (IMF, 2001).<sup>iii</sup> As a result of the IMF's recommendation, public sector accounting reform became an agenda item for the new administration that began its term in February 1998. It was decided that public sector accrual accounting would be implemented by the central, provincial and local governments. This decision was later enforced by the 2005 revision to the *Local Finance Act* and the 2007 revision to the *National Account Act*. As such, there was a shift from the existing doxic practice of cash accounting to accrual accounting.

We argue that this shift created an interesting context, because the accounting literature suggests that accountants who hold the required technical knowledge are expected to be associated with this accounting initiative (Hood, 1995; Power, 1997; Guthrie, 1998; Lapsley et al., 2009). However, the Korean public sector has been historically dominated by public servants who were not qualified accountants. Therefore, we expected a jurisdictional conflict over accrual accounting between accountants and public servants at a practical level, and between accounting and public administration academics at an epistemic level. However, what we found during fieldwork in 2010 was that these actors created KAGA in 2002, and that its key members were recognised as public sector accounting experts.

Therefore, we decided to delve into a case study of KAGA's professionalisation with a focus on its strategies. For this purpose, we combined interview data and documentary sources. Interviews were arranged with 45 social actors<sup>iv</sup> using a snowball method. At the start of the fieldwork, we organised interviews with an incumbent research fellow at the Korean Institute of Certified Public Accountants (KICPA), who specialised in public sector accounting, and with a former staff member of KAGA, who assisted its first and second presidents (from accounting and public administration backgrounds, respectively) from 2002 to 2004. We chose these two actors because we wanted to explore KAGA's history from both internal and external perspectives. We asked these interviewees to introduce and connect us to other public sector accounting experts for further interviews, at which we made the same request repeatedly.

Thanks to the cooperation of the participants, we were able to arrange interviews with 10 academics, 20 accountants, and 15 public servants who were widely recognised as public sector accounting experts. During the interviews, we found that the 10 academics held PhDs in either accounting or public administration from either Seoul National University (SNU) or prestigious universities in the US, and were key members of KAGA. Among the academic members were four former KAGA presidents whom we named Aaron, Greg, John, and Henry. While Aaron and Henry were professors of accounting, Greg and John were professors of public administration. We also interviewed KICPA-qualified accountants hired either by governments or by private sector entities. Most accountants did not hold PhDs, and non-SNU-graduates, such as Max and Wesley, more closely cooperated with KAGA's academics. Whereas Max continuously cooperated with KAGA's key members, Wesley doubted the expertise of professors of public administration while recognising their dominance in the public sector field. The interviewed public servants were those who passed public service entry examinations, worked at the central, provincial, or local governments with ranks ranging from public service level 8 (junior level) to level 3 (director level). Most public servants did not hold PhDs, and those who closely cooperated with KAGA's key members did not graduate from SNU either. The appendix provides the list of interviewees and their qualifications and higher education backgrounds, which were deemed to form the basis of their distinct *habitus* and capital in a Bourdieusian framework.

Interviews were semi-structured and we asked the interviewees about how they became interested and involved in public sector accounting and KAGA, and how they developed their public sector accounting knowledge. Although these questions were not exactly identical to our research questions, we took this strategy because we believed that, as they talked about their experiences, they would eventually answer our research questions (Rowley, 2012). For example, when one public administration professor was asked about how he became involved in public sector accounting, he started with the change in social atmosphere immediately after the financial crisis in 1997/98. The interview data was analysed through a Bourdieusian

theoretical lens, particularly focusing on how KAGA's key members accumulated and mobilised their capital to dominate the public sector accounting field.

The interview data from each participant were triangulated by interviews from other participants, by *ad hoc* observations recorded in the field notes, and by documentary sources. The field notes written during and after each interview were useful to analyse the *habitus* of different actors. We found that interviewees with a background in public administration were more sociable, hospitable, and supportive than those with an accounting background. The former bought us coffee/tea during the interviews or lunch/dinner after the interviews more than the latter, and more actively connected us to other public sector accounting experts whom they esteemed highly and/or were close to them (a generator of this *habitus* is further explored in section 7.2)<sup>v</sup>. Consequently, our fieldwork generated more interview data from those with a public administration background than from those with an accounting background.

Among the documentary sources were KAGA's membership forms, journal and newspaper articles, newsletters, invitations to conferences and workshops, and key actors' CVs. The membership forms, which KAGA's members submitted when they joined, provided insights into the nature of KAGA's composition. KAGA created an academic journal called the *Korean Governmental Accounting Review*, which provided insight into claims to public sector accounting knowledge and the creation of recognised expertise. Newspaper articles informed us of what Korean society was like. KAGA's newsletters and invitations informed us of KAGA's key events. Finally, we collected CVs, because biographical factors disclosed in CVs, such as key actors' education, training, and experience, were useful to respond to the call of Lee (1996), who suggested that it is necessary to identify critical relationships based on school and university in professionalisation projects and to realise their Bourdieusian potential to shape both the *habitus* of, and the capital available to, particular social actors.

## 5. Mapping out the social space and the fields

There are a few doxic norms that have shaped Korean social structure, such as the doxic dominance of academics and public servants (Bourdieu, 1977). Their taken-for-granted dominance is a legacy of the social classes in traditional society: the *yangban* (nobility), who were mandarins and/or scholars; the *jungin* (middle class), who consisted of a small number of skilful technicians, such as translators and accountants, the *sangmin* (commoners) comprising peasants, craftsman, and merchants (the occupational hierarchy was formed in this order); and the *ch'ommin* (the lowest class of people), who did tasks considered undesirable or unclean (Kwon and Leggett, 1995). This social hierarchy was dismantled through Japanese colonial rule (1910–1945), the Korean War (1950–1953), and subsequent industrialisation. However, 'Korea is still influenced by its traditional past, and *yangban* culture continues as the norm' (Robinson, 1994, p. 512). In Bourdieusian language, *yangban* culture has remained doxic, thereby leading Koreans to take for granted the dominance of academics and public servants, which a *yangban* would choose to be in contemporary society. Academics and public servants are perceived to hold a social status higher than (possibly better-paid) engineers, businessmen, and qualified accountants. Therefore, some Koreans were willing to choose 'a less well-paid but more prestigiously named position' in an academic field or in a public service field by acquiring PhDs or by passing competitive public service entry examinations<sup>vi</sup> (Bourdieu, 1985, p. 733).

The doxic *yangban* culture was reproduced by Koreans' pursuit of academic qualifications in

prestigious universities throughout the 20<sup>th</sup> century. In particular, the strong symbolic capital of degrees at the SNU provided academics with the source of their power and influence. SNU is a Korean version of Oxbridge that succeeded the Keijo Imperial University, one of the nine Imperial Universities in the Japanese Empire prior to Korea's independence. The dominance of SNU graduates has been well documented by Sorensen (1994):

Because of the system of university admission by competitive exam, Koreans generally consider universities to be rankable on a monotonic scale, with Seoul National University at the head of the list. College graduates, too, are ranked in social prestige for the rest of their life by the ranking of the university they attended (p. 19)

A Bourdieusian interpretation of Sorensen's (1994) statement would be that an SNU degree endows its holders with strong symbolic capital to the extent that symbolic violence is created (Bourdieu, 1977), or their highest social status is not challenged by other social actors. Therefore, the *habitus* of university professors who graduated from SNU reflected this doxic dominance and was expected to engage public sector accrual accounting in a manner that could reproduce and reinforce their dominance in the academic field and broader social space.

In the private sector, on the other hand, modern entrepreneurs emerged during Japanese colonial rule. They founded companies, such as Samsung, Hyundai, and LG, which grew to be global conglomerates by the end of the 20<sup>th</sup> century. Even after independence, Korea emulated the Japanese developmental state model, wherein a strong bureaucracy led economic development (Kohli, 1994). This Japanese developmental state model successfully drove rapid economic growth until the Asian financial crisis.

However, a downside of the developmental state model was the domination of the state and the bureaucracy over the private sector, which has been well documented in the public administration literature, such as in Im (2003):

This hierarchical relationship between the public administration and citizens continued throughout the Japanese colonial and rapid economic growth periods. The bureaucracy has been a locomotive of the society.... The bureaucracy is strong and public servants, who are predominantly the elites of society, are considered wise and good decision-makers who hold a long-term perspective. ...[I]n many fields the government is the only demander or supplier of some goods and services and the private sector remains weak and small (p. 90, 93).

This description of the power and status of public servants suggests the doxic domination of the bureaucratic field over private sector fields, including the accounting field. This dominance of public servants also led us to expect that the bureaucratic *habitus* could be strong enough not to let the adoption of accrual accounting, a private sector practice, lead to the dominance of accountants in the public sector, as has occurred in many Western countries (Hood, 1995; Power, 1997; Guthrie, 1998; Gendron et al., 2007).

In contrast with Western countries, where accounting practices 'offer a valued source of personal satisfaction, collective identity, and social esteem' (Puxty et al., 1987, p. 279), accounting had more instrumental and material value in Korea. This weaker symbolic capital of accounting was caused partly by the perception of accountancy as an extension of the traditional *jungin* class that was subordinate to *yangban*. However, the more powerful explanation could be from the Japanese colonial legacy, which had shaped contemporary

Korean society and economy (Kohli, 1994), thereby making the Korean accounting profession akin to the Japanese profession (Sakagami et al., 1999). First, there was only one national body of professional accountants, KICPA, which was founded in October 1945, soon after liberation from Japanese colonial rule<sup>vii</sup>. Due to this relatively short history, KICPA may not have had enough time to develop the autonomy held by professional bodies in many other countries. Second, the social status of accountants was high due to the relatively difficult KICPA qualification examinations<sup>viii</sup>. Whereas the symbolic value in developing countries of professional credentials originating from developed countries, such as ACCA from the UK, has been well documented in the literature (Poullaos and Uche, 2012; Annisette, 1999, 2000), this dominance of overseas qualifications was not found in Korea. Here, local KICPA qualifications were more dominant than foreign ones because it was perceived to be more difficult to pass a KICPA qualification examination than overseas ones (Kim, 15 March 2016). Therefore, only KICPA members were allowed to use the ‘CPA’ designation, whereas foreign-qualified accountants refer to their ‘occupation’ as ‘accountant’ (Kim, 16 February 2016). This monopoly of the CPA designation suggests that the symbolic capital of KICPA was stronger than that of foreign qualifications. Third, the accounting profession was absent from the field of public sector accounting, which was practised by public servants who passed the public service entry examinations. Government auditors, who were also public servants, conducted audits of the national accounts, although CPA-qualified accountants monopolised the accounting/audit work in the economically dynamic and lucrative private sector, where accrual accounting had been a doxic practice. This absence of the accounting profession in the public sector reflected the doxic public-private divide and the doxic perception that accrual accounting was a private-sector practice and accountants’ remit was the private sector. Fourth, the profession conformed to the lead of or was subordinate to the state. The state decided on the number of new members of KICPA each year, and the central government was in charge of its qualification examinations.<sup>ix</sup> This recruitment practice reflected the doxic superiority of the public sector to the private sector in Korean society. Whereas this type of state regulation enhanced the legitimacy and status of the KICPA qualification because the state was the ultimate endower of symbolic capital (Bourdieu, 1985, 1991, 1994), it led the accounting profession to take the dominance of the state for granted and subordinated the accounting *habitus* to the bureaucratic *habitus*. Therefore, we expected that it would be more difficult for Korean accountants than for Western accountants to dominate the public sector field due to their weaker *habitus*, despite their possession of knowledge required for public sector accrual accounting.

In essence, this field mapping indicates that academics (in particular those who graduated from SNU) and public servants were more dominant than accountants in the Korean social structure. Finally, we argue that this Korean social cartography fits into Bourdieu’s framework predicated on French social space, in which ‘the field of higher civil service or the state, the university field, and the intellectual field’ occupied dominant positions in ‘the field of power’ (Bourdieu and Wacquant, 1992, p. 76).

## **6. Public sector accrual accounting promoted and defined**

Enormous political, economic, and social changes began from 1997/98. To begin with, the financial crisis caused many Korean banks and conglomerates to either collapse or re-structure/re-engineer themselves, which slowed down economic growth and increased unemployment. As a result of this national economic ordeal, the pro-labour progressive opposition party won the Presidential election in December 1997 for the first time since democratisation in 1987. Kim Dae-jung, who had fought against military rule since the

1960s, started his five-year fixed tenure in February 1998.<sup>x</sup> This change of government led civil activists, who had fought for democracy with him and thus shared *habitus* with him and his party members, to emerge as dominant social actors. This dominance of civil activists has been recognised by some researchers, such as Kim (2002):

In the case of South Korea, even during the democratic consolidation, civil society and mass mobilization have played crucial roles in pressuring the democratic regimes to continue and deepen political, economic, and social reforms and to make the policymaking process more transparent and accessible. Civil society in South Korea, in brief, continues to serve as the main driving force for social transformation (p. 67).

This suggests that civil activists, as powerful social actors, drove political, social, and economic reforms, and their power gradually grew doxic. Among the social activists were academics, who took powerful positions in the Presidential Office and in government departments to implement the required reforms. These appointments of academics to high-ranking posts reflected the *doxa* that valued academic qualifications. In essence, the financial crisis and the subsequent government change brought about the dominance of academics who were active in civil society groups as drivers of various political, social, and economic reforms.

This was the backdrop against which some professors, whom we named Bill, Greg, and John, took influential positions in civil society groups. These professors were born in 1952/53, graduated from SNU and had known each other since their joint master's program at the Graduate School of Public Administration in SNU. They had become close friends during their PhD programmes. Chris, the former KAGA staff member, testified that KAGA started from a private gathering of friends. Since earning their doctorates from SNU, their teaching and research had focused on public financial administration. Therefore, public sector financial management was the field in which these professors were able to establish dominant positions. These educational backgrounds and career paths suggest that these professors shared a common *habitus* and also possessed sufficient symbolic capital to be significant in the academic field.

However, they emerged as powerful social actors even outside the academic field when they took influential positions in significant civil society groups and advocated NPM-style public sector reforms. They promoted the benefits of the NPM measures, such as public sector accrual accounting, since they were aware of the NPM movement in the 1980s and 1990s, despite their lack of technical accounting knowledge. Bill chaired the Budget Surveillance Committee created within the Citizens' Coalition for Economic Justice (CCEJ) to monitor public sector budget expenditures. He was a standing executive committee member at CCEJ and also a co-representative of the Citizens' Action Network. Greg succeeded Bill as chair of the Budget Surveillance Committee. John was an executive committee member in the Citizens' Coalition for Better Government. They suggested that public sector budget expenditures should be more effectively monitored and that accrual accounting was a good tool to make the public sector more efficient, transparent, and accountable (Ahn et al., 2014). Their positions in civil society groups, combined with their SNU degrees and university professorships, provided legitimacy and validity to the notion of public sector accrual accounting. Greg and Bill recounted their experiences as follows:

These people pushed ahead this (public sector accrual accounting). There were civil society groups, such as the Budget Surveillance Committee within the Citizens'

Coalition for Economic Justice, whose chairperson was Prof Bill. Prof Carter was there as a public admin academic. I was there. Prof David (whose major was accounting) was there. Prof Aiden (whose major was accounting) also participated. There were some CPAs. But in Korea, it is the researcher groups such as professors who take the initiative in policy making. (Greg)

Personally, I majored in public financial administration.... It was not because I am well versed at accounting, but because there had been a global wave toward public sector accounting reforms, which I took interest in. It was in February 1998 that I joined CCEJ. Even before that, I had been interested in the adoption of accrual accounting as a part of public sector accounting reform, which was a global trend at that time. (Bill)

Greg's statement indicates that professors were active and dominant members of the civil society group, and thus they were expected to 'take the initiative in policy making', for instance in implementation of public sector accrual accounting, even though not all of them possessed accounting knowledge, because of the symbolic violence generated by their academic qualifications, professorships and positions within influential civil society groups. As such, we suggest that this initiative can be seen as an extension of the evidently powerful role played by the public administration professors via civil society groups in shaping and directing government policy in Korea.

Bill's statement suggests that his involvement in civil society activities started in February 1998, immediately after the Asian financial crisis and the Presidential election. Further, it suggests that, despite lacking knowledge of accounting, he perceived public sector accrual accounting as part of a wider global reform trend and as an extension of their interests in public sector reforms. In other words, the public administration professors had been well aware of the advent and growth of NPM reforms, such as implementation of accrual accounting since the 1980s (Hood, 1995; Anessi-Pessina et al., 2016), and began to advocate it via various civil society groups immediately after Korea applied to the IMF for bailout loans and the government changed, although they did not have a technical understanding of accrual accounting. Therefore, we argue that the notion of accrual accounting was understood as a measure of public sector reforms rather than as an accounting initiative and that the professors, despite their lack of accounting knowledge, were able to legitimise their activities and enhance their status and privilege because they subscribed to the doxic NPM ideology in the face of economic and political changes (Preston et al., 1995).

This type of advocacy, as well as the recommendation of the IMF, led to a shift from the existing doxic practice of cash accounting to accrual accounting. In the early 2000s, it was decided to adopt accrual accounting in both central government and local governments. This process was delegated to the Ministry of Finance and Economy and to the Ministry of Government Administration and Home Affairs (MoGAHA), respectively. This decision was later enforced by the 2007 revision to the *National Account Act* and the 2005 revision to the *Local Finance Act*, respectively. From this perspective, the reform was a combination of broader social changes, intuitional initiatives, and the agency of key individual actors.

The two ministries respectively formed accounting standards boards in which academics, CPA-qualified accountants, and public servants participated and cooperated. Aaron, an accounting professor who later became the inaugural president of KAGA, recalled his experience as follows:

The accounting standards board consisted of three groups: professors, both public admin professors and accounting professors, CPAs, and bureaucrats including workplace-level staff, division heads, and bureau heads. But professors took the initiative among these groups. In Korea, it is not accountants but professors who take the initiatives.

Aaron's statement also suggests that, while professors (both in accounting and in public administration), CPA-qualified accountants, and public servants worked on drafting accrual-based public sector accounting standards, professors (including public administration professors) were more dominant than other board members. This dominance of professors, in accordance with Greg's previous statement, reflects the doxic value of academic qualifications and represents the resultant symbolic violence, in that professors' power was taken for granted, regardless of their actual possession of technical accounting knowledge.

As accrual accounting was promoted as a measure of public sector reform by the professors at the epistemic level, it was defined and designed as a part of the government budget process at the practical level by public servants, whose *habitus* had dominated the public service field. We interviewed Toby, a public servant who participated in the accounting standards board for local and provincial governments. According to Bill's memory, Toby was 'a deputy director at MoGAHA who objected to accrual accounting the most in the beginning but became an evangelist of accrual accounting later on'. Whereas he initially cooperated reluctantly with the professors to adopt it, he was recognised later as a public sector accounting expert among public servants. Toby explained how accrual accounting was defined and designed as a part of the government budget process:

We draw up a budget, and then we implement that budget and settle accounts and produce financial statements. Accrual-based financial information is produced within this process. Thus regardless of adoption of accrual accounting, the budget process is the same. Then we argued that we should take a budgetary approach. ... But what we did was that we made accounting categories within budgetary categories. So the budgetary system was able to remain as steady as it was. If it had been viewed by an accounting perspective and if the focus had been on accounting, there should have been a lot of changes in budget-oriented things, and staff would have been in trouble. But what we did was to stick to the budgetary categories.

Toby's statement suggests that accrual accounting was designed as merely a part of the broader government budget process, and thus accrual-based financial statements were regarded as an adjunct to cash-based financial statements, which continued to be produced as the main document. Through a Bourdieusian lens, this definition indicates that public servants' dominant *habitus* adopted and adapted accrual accounting to the extent that their dominance was not challenged in the public service field.

The key board members piloted the newly designed accounting standards in two local councils in 2001 (see Ahn et al. (2014) for a detailed account) and perceived this attempt to be successful. However, the drivers of public sector reforms, including public sector accrual accounting, grew weak, because Korea had paid off all the IMF debts by 2001, and was suffering from 'reform fatigue' from neo-liberal 'painful restructuring' programmes in the private sector (Gluck, 2001). Consequently, the key actors faced the risk that they had accumulated the capital (social and cultural) for public sector accrual accounting since 1997/98 to no avail, and thus they had to do something lest their capital become a sunk cost.

This was the immediate backdrop to KAGA's formation in 2002.

## **7. Formation and development of KAGA**

During our fieldwork, we found that KAGA's professors and public servants each claimed to have made the most significant contribution to the public sector accounting standards-setting processes and/or to the formation and development of KAGA. The other party, it was claimed, simply cooperated with or helped them. We were not able to judge who made greater contributions, but this disagreement suggests a close relationship and interaction between the state and the association, which has been continuously highlighted in the accounting professionalisation literature (Willmott, 1986; Chua and Poullaos, 1993, 1998, 2002). Therefore, this relationship is one of the key analytical focuses in this section.

### **7.1. Representation of KAGA as an accounting association**

As the public administration professors did not possess substantial accounting knowledge at the early stage, their key strategy was to co-opt accounting experts. First and foremost, they co-opted Aaron as the inaugural president of KAGA. Aaron had both KICPA and AICPA qualifications, a master's degree from SNU, and a PhD from Indiana University. He was also an accounting professor at Sung Kyun Kwan University, a top-tier university, and the vice president of the Korean Accounting Association in 1998/99; thus, he was able to bring valuable symbolic capital to KAGA. While Aaron's SNU degree indicates that he was a part of SNU's network of public administration professors, his symbolic capital from KICPA/AICPA qualifications, PhD from a prestigious US university, and position as vice president in a top-class accounting association were critical to presenting KAGA as an expert group in accounting. This strategy of co-opting Aaron was akin to that of a small number of founding fathers of the SAE, who co-opted a few 'persons of considerable stature within the Edinburgh accounting community' to enhance its status (Lee, 1996, p. 334). Therefore, we argue that KAGA adopted a strategy of openness rather than closure from its start.

With Aaron joining KAGA as its inaugural president, KAGA was able to co-opt more accounting academics and accountants through Aaron's reputation (symbolic capital) and his personal connections (social capital) in the accounting field. Greg described this strategy of co-opting accounting experts to form KAGA as follows:

There are a couple of public admin academics who are doing public financial administration, such as Prof Bill and Prof David, and some accounting academics. But the number of accounting academics was small. We created KAGA in 2002, and at that time we co-opted accounting professors. We did that intentionally.

Greg's statement indicates that the public administration professors initiated KAGA and intentionally co-opted accounting academics to present KAGA as an accounting association rather than a public administration association. One strategy for co-opting accounting academics was to appoint an accounting professor as president of KAGA every other year. Accounting professors were appointed as presidents in odd-numbered years, while public administration professors were appointed in even-numbered years. For example, Aaron and Henry, both accounting professors, were presidents in 2003 and 2007, respectively, while Greg and John were presidents in 2004 and 2006, respectively. As a result of this strategy, accounting academics were able to perceive that KAGA was not fully dominated by public administration academics.

However, although Aaron became the first president of KAGA, the public administration professors remained its key initiators. Evidence of this was found in the interview with Ross, KAGA's first staff member who assisted both Aaron and Greg. Ross recounted,

As far as I know, public admin professors co-opted Prof Aaron. He was co-opted to be the president. But practical work was mostly done by public admin professors. As for Aaron, I heard that he was doing what he had been doing, but one day he received the request and got to do that (the job of president of KAGA).

Ross's statement shows that, although Aaron was KAGA's inaugural president, most practical work was done by the public administration professors. However, the public administration professors presented KAGA as an association open to other academics and professionals. KAGA invited accounting academics, accountants, and public servants to participate in its inaugural conference and to join the association, but registered tax agents, who reviewed cash-based financial statements of local governments, were not included in the invited group of professionals<sup>xi</sup>. This indicates that while openness was KAGA's key strategy, it was closed to less prestigious professionals.

The inaugural conference was organised to be run by non-public administration academics as a moderator, presenters, and discussants except for John, who had been working for 17 years for the Korean National Open University, where the event was held. However, whereas the apparent actors were mostly accounting experts who possessed strong cultural and symbolic accounting capital, they represented the strong social capital of the key KAGA professors. The moderator was David, who acquired his master's degree in accounting from the University of Illinois at Urbana-Champaign in 1983, AICPA qualifications in 1986, and a PhD in auditing from the University of California, Berkeley, in 1987. These academic qualifications gave KAGA symbolic accounting capital strong enough to attract further accounting experts, which was the reason key public administration academics asked him to lead the conference. David accepted this request, not only because of his friendship with Bill but also because of his link with other public administration professors. While David was an accountant, his first degree was in public administration, and he was a professor at the Department of Public Administration in Korea University, a top-tier university. The presenters were James and Ben. James acquired a PhD in management accounting from Syracuse University in 1996, had KICPA qualifications, and used to work at KPMG. His accounting symbolic capital from his PhD, CPA qualification, and work experience at a big accounting firm was sufficiently strong to attract accounting actors to KAGA. Ben, a junior to Bill within the Economics Department at SNU, acquired a PhD in economics from SNU in 1992. These presenters' academic backgrounds suggest that the key public administration professors did not have sufficient accounting knowledge to give a presentation in 2002, but their personal networks and connections were sufficiently strong to mobilise the cultural capital of other key actors in the academic field.

An investigation of the discussants' academic backgrounds leads us to a similar finding. Henry and Logan acquired their PhDs in financial accounting from Purdue University and the University of Southern California, respectively, and Peter, then a highest-ranking public servant (public service level one) at the Korean Board of Audit and Inspection (equivalent to the Auditor General's Office), had KICPA qualifications. They were also personally connected via SNU. Logan, an SNU graduate, was a very close friend of John, to the extent that he called John 'brother'. Henry, another SNU graduate, was a year junior to John at Kyunggi High School, the most prestigious high school in Korea in the 1960s/70s. Peter had

a master's degree from the Graduate School of Public Administration, SNU, which Bill, John, and Greg also attended. While their personal connections to the key public administration professors were a smooth pathway to KAGA, their PhDs from prestigious US universities or KICPA qualifications were what KAGA sought for its inauguration. In this perspective, individuals' social capital, intertwined through personal friendships and the SNU alumni network, was both critical to who was included in KAGA's inauguration and to representing KAGA as an accounting association rather than as a public administration association on its first day. As KAGA was represented as an accounting association with extensive access to accounting knowledge and the symbolic capital of accounting professors, accounting PhDs, and KICPA/AICPA qualifications, a type of symbolic violence occurred, whereby a visitor to the conference would not be aware that it was controlled by public administration academics, but would recognise it as an expert accounting group in the public sector accounting field.

The inaugural conference was successful in terms of member recruitment. Among the 58 early members of KAGA who had signed up by the end of 2003, at least 19 applied for the membership on the day of the inauguration.<sup>xii</sup> The first 19 members consisted of five accounting academics, five public administration academics, four public servants, three CPA-qualified accountants, and two other major academics. This composition suggests that the key professors' strategy was successful in making the new association open to accounting experts, while ensuring that the dominant role of public administration academics in KAGA was not necessarily evident to the members who joined at the inauguration. Despite the dominance of the public administration professors in the establishment and leadership, as of 2006, membership was composed of 103 accounting academics, 53 public administration academics, 45 public servants, and 20 CPA-qualified practitioners. However, registered tax agents were invited neither to KAGA's events nor its membership, even though they reviewed the cash-based financial statements of local councils prior to accrual accounting adoption, because they were symbolically weaker actors in Korean society. This membership composition suggests that KAGA's initiators opened the association only to those who possessed strong cultural and symbolic capital in the accounting field and public administration field, but excluded the less-respected social actors, to construct and represent KAGA as a symbolically powerful accounting association.

## **7.2. Registration as an incorporated association and government funding**

A significant strategy for generating legitimacy as an expert group was formal state recognition. Since its formal inauguration in August 2002, KAGA's founders sought state recognition by having KAGA registered as an incorporated association with MoGAHA. There were a number of functional benefits to KAGA being an incorporated association. Following this, KAGA was able to operate as a legal entity and have its own bank accounts. Previously, KAGA had used John's personal bank account to receive membership fees, which provides circumstantial evidence that John was a key founder of KAGA. In addition, KAGA members were able to conduct research projects contracted out by government departments under the umbrella of the legal entity rather than as a group of individuals. However, there was also a symbolic benefit, because being an incorporated association meant that KAGA was authorised by the state, which is the ultimate source of symbolic capital in most social spaces (Bourdieu, 1985, 1991, 1994). Therefore, registration as an incorporated association was critical to the construction and representation of KAGA as an expert group endorsed by the state.

However, the version of this incorporation story received from academics was slightly

different from what public servants, such as Felix, remembered. In 2002, Felix moved to MoGAHA and was assigned to the task of accrual accounting adoption. However, its driving force had been growing weak, because Korea had repaid its bailout loans from the IMF by 2001, and the anti-neoliberal and pro-labour progressive party won the Presidential election again in 2002. Felix recounted the atmosphere in MoGAHA at the time, as follows:

MoGAHA was supposed to take the initiative in this (public sector accrual accounting), but the atmosphere there was like ‘Accrual accounting is hard and difficult.’ So it had been delayed and no one took charge of this. So at that time, I took charge of this. At that time, I was a deputy director. Then all my deputy director colleagues who worked next to me were all negative, saying ‘Why do you do that?’ I was called to work on this, but the atmosphere was weird.

Felix’s statement indicates that he was not able to accomplish his mission by himself within MoGAHA, and thus needed to mobilise driving forces from the outside. In this situation, he chose to ask KAGA to support his mission. This strategy indicates that Felix was trying to mobilise the cultural and symbolic capital of KAGA’s founders who were still interested in public sector accounting reforms, because there was a doxic ‘belief in the legitimacy of words’ of KAGA’s powerful academics (Bourdieu, 1991, p. 170). In other words, MoGAHA needed KAGA to propagate the legitimacy of public sector accrual accounting. Felix suggested that KAGA should be registered as an incorporated association with MoGAHA to facilitate the cooperation necessary to expedite the accrual accounting adoption process. He received a positive response from KAGA and began working on KAGA’s authorisation. He subsequently provided administrative support to facilitate KAGA’s incorporation, which was finalised in May 2003. Most interviewees agreed that this process was extraordinarily rapid, considering that KAGA had been founded only in August 2002.

Following the incorporation, MoGAHA financially supported KAGA’s activities, such as conferences and seminars. MoGAHA was the main funding source for KAGA. While KAGA held 17 events during for its first five years of existence, MoGAHA sponsored 14 of them. Chris, a former staff member of KAGA, recounted,

MoGAHA financed KAGA. KAGA received money not directly from MoGAHA, but from the Korean Local Finance Association (KLFA). KLFA is an institution which lends money to local governments and it might be engaged in the superannuation of local public servants. .... The major source of the fund came from the KLFA. ...KLFA was completely controlled by MoGAHA. So they did whatever MoGAHA told them to do. Funding always came from them.

Chris’s statement suggests that MoGAHA continuously funded KAGA’s activities via an organisation it controlled. Therefore, KAGA’s presidents were able to hold seminars and workshops without great financial concerns, because they expected constant cash flows from MoGAHA. This finding suggests that, while KAGA provided cultural and symbolic capital to MoGAHA by conducting accrual accounting projects contracted out by the latter, MoGAHA provided economic capital to KAGA. Concerning this relationship, Lee, a relatively junior KAGA member, stated that ‘KAGA was set up to work with MoGAHA’, adding that ‘From another perspective, KAGA was established to help MoGAHA.’ Lee’s statement suggests that MoGAHA’s strategy to engage KAGA to work on public sector accrual accounting was successful, thereby enhancing the veracity of the perspective provided by Felix.

In essence, regardless of who initiated the incorporation of KAGA, whether academics or public servants, the stories from both sides confirm the close relationship between the association and the state, which was continuously reinforced by the exchange of cultural capital and economic capital. Considering that the dynamics of the relationship between the two parties have been cemented by their mutual dependency (Willmott, 1986) and that a professional association's capacity for dominance is not only dependent on its knowledge repositories but also on its relationship with the government (Halliday, 1987), we argue that the close relationship between KAGA and MoGAHA facilitated the dominance and legitimacy of KAGA and its founders in the public sector accounting field.

The continuous cash flows from MoGAHA also created and/or reinforced the sociable and hospitable *habitus* of public administration professors mentioned in Section 4. While KAGA's presidents from both accounting and public administration backgrounds enjoyed generous funding, their management styles were different. Chris recounted what he observed of the different styles as follows:

When KAGA was founded, a fund was raised, and it was well managed when Prof Aaron (from an accounting background) was the first president. But Prof Greg (the second president from a public administration background) spent all the money. He left only KRW 500,000 (around GBP 300). The treasury of KAGA was empty then. Prof Stephen (the third president from an accounting background) filled the treasury of KAGA .... Prof John (the fourth president from a public administration background) always said 'Okay. Okay. Good. Good'. That was his style. Money was not an issue.

Chris's statement indicates that, the constant financial support from MoGAHA helped Greg and John to run KAGA without financial concerns, whereas Aaron and Stephen were still frugal and tried to make up the deficit. This difference in *habitus* between the two groups of professors was reflected in their expenditure and affected the establishment of rapport with public servants, which is examined in the subsequent section.

### **7.3. Developing relationships with public servants**

KAGA was recognised as a public sector accounting expert group by public servants who actually practised accounting. However, it was not only accountants and accounting professors but also public administration professors who were perceived as experts, although they did not have substantial accounting knowledge at the early stage. This recognition of expertise can be partly explained by the perception of accrual accounting as belonging to the government budget process and as a measure of public sector reform as examined in Section 6. However, the close relationship between public administration professors and public servants (social capital) also contributed to this recognition.

The close relationship between the public administration professors and the public servants was noted during a dinner with Greg, after the formal interview. When we asked him to introduce us to CPA-qualified accountants in the government, he gave us the work phone number of a public servant at MoGAHA off the top of his head. Greg stated, 'Leo can be contacted at xxxx-xxxx. Talk to him. Tell him that you met me ... And ask him to let you interview a CPA there.' Greg's memory of Leo's work phone number and his statement suggest that public administration professors had a closer relationship with public servants than with CPA-qualified accountants.

This relationship had been built up via the standards-setting processes, wherein KAGA's professors tried to involve workplace-level public servants. Carl, a public servant who worked on accrual accounting in Metropolitan Daejeon, recounted:

Workplace-level public servants were invited to sit in on the meetings for accounting standards setting too. So professors and other members of accounting standards board asked us whether what they said was right or wrong. Sometimes we said that what they said was weird and then those parts were removed. Professors were too much oriented to theories and far away from the practice. When we said that their opinion was wrong, that was corrected. But sometimes, they asked us to follow their opinion even though that did not fit the practice, because that was the direction to go and should be included in the accounting standards.

This statement by Carl shows that workplace-level public servants participated in the accounting standards-setting process and exchanged their practical knowledge with the theoretical knowledge of the professors, who were the most powerful actors in the accounting standards-setting process but willingly accepted the opinions of the workplace-level public servants. In this way, KAGA's professors were able to understand workplace-level practice, but also to share *habitus* with public servants, based on their mutual understanding of public sector attributes and the government budget process.

The process of building up social capital and sharing *habitus* between public servants and the professors was expedited by social occasions involving alcohol, which has been a strong socialisation tool in Korean society. When Aaron talked about KAGA's cooperation with MoGAHA, in particular with Felix, he stated, 'We were a good match. He drank very well.' Bill also testified to the process of socialisation via drinking, stating, 'The next deputy director was Felix. He drank a lot with us, professors'. These statements by professors suggest that socialisation through occasions involving alcohol after hours of working on accounting standards setting facilitated a sharing of *habitus* and reinforced the social capital between the professors and public servants (Anderson-Gough et al., 1998).

Sharing *habitus* and strengthening social capital with public servants continued through training sessions. While the task of training public servants was often delegated to KAGA's key members via the Korean Research Institute for Local Administration (KRILA), the public administration professors were often better at training and communicating with public servants than those from accounting backgrounds. Alex, a former researcher at KRILA, explained:

In addition, the reason why they (the public administration professors) were acknowledged as experts among public servants is that they trained the public servants. ... The lectures of the commercial accounting experts were very hard to understand. They also gave lectures to the public servants. ... So, naturally, public admin academics joined KRILA in training public servants. They already had a rapport with public servants. It is harder for those who do commercial accounting to teach public servants by lowering the level than for public admin professors who already had a rapport with them.

Alex's statement indicates that public servants found it easier to understand public administration professors than accountants, as the public administration professors shared common *habitus* elements with the public servants. The training provided by accounting

professors and CPA-qualified accountants, on the other hand, assumed a degree of accounting knowledge that did not exist. Because of the shared understanding and their greater role in the training process, the public administration professors, rather than the accountants, were recognised as public sector accounting experts in spite of the accountants' greater technical knowledge. Therefore, we argue that shared *habitus* and rapport (social capital) can be as critical as (or more critical than) technical knowledge to the establishment of knowledge recognition.

In addition to involving public servants in the standards-setting process and training them, KAGA continued to engage public servants by inviting them to attend KAGA's conferences/seminars free of charge. Ross, a former KAGA staff member, stated,

I was a KAGA staff member when Prof Aaron and Prof Greg were the presidents of KAGA. When Prof Aaron was the president, it was the beginning of KAGA, so there was not much work to do. But when Prof Greg became the president, we held seminars 10 times. ...He held a seminar even in Jeju Island (a popular tourist spot).

Ross's statement indicates the sudden increase in the number of seminars under Greg's presidency and the attractive locations chosen. The numbers and venues of the seminars suggest that MoGAHA's generous funding allowed many events to be held in various regions, including popular tourist locations. This type of funding facilitated the network building between KAGA's professors and public servants. In Bourdieusian language, economic capital from MoGAHA was used to build up social capital with public servants. Chris, another KAGA staff member who assisted John, suggested that the increased number and size of seminars was not limited to Greg's presidency:

As I said previously, it was when public admin academics were the presidents of KAGA that KAGA seminars were crowded with public servants. .... For example, when KAGA held a summer seminar at Chonbuk Uni (which Greg had worked for) in 2006 (when John was the president), the auditorium was very big, but it was fully packed with local public servants from the vicinity of Chonbuk Uni. They had hot debates, presented their cases for the adoption of accrual accounting. Especially there were heaps of questions from the floor. Because public admin academics were in charge, public servants rushed into the seminar.

While both former KAGA staff members testified to the increase in the number and size of KAGA's events under the presidency of public administration professors, Chris attributed it not only to MoGAHA's funding but also to the rapport between the public administration professors and public servants. Consequently, public servants who participated in KAGA's large-scale conferences and seminars later remembered the public administration professors as public sector accounting experts. This finding suggests that economic capital can contribute to the formation of social capital and to the further reinforcement of cultural capital and symbolic capital.

#### **7.4. Developing accounting expertise**

Although the public administration professors' roles in powerful civil society groups and their leadership positions at KAGA allowed them to participate in the public sector accounting standards board, their lack of technical accounting knowledge at the early stage could have been problematic and undermined their claims to be public sector accounting

experts. This was why the early involvement of recognised accounting experts, such as Aaron, was so critical to KAGA's leadership.

The public administration professors did not have sufficiently substantial accounting knowledge to draft accounting standards at the early stage, but they were able to rely on the technical knowledge of the accounting professors. When John was asked about the standards-setting process, he stated,

Prof Aaron was the president [of KAGA], so he worked very hard. And under him, Prof Henry and Prof Logan did most of the practical work. Prof Henry worked on the balance sheet part, and Prof Logan worked on formats of the financial statements.

John's statement suggests that most of the work that required technical accounting knowledge was conducted by the accounting professors, such as Henry and Logan.<sup>xiii</sup> However, the drafts of accounting standards were published in KAGA's name, and thus KAGA's key professors, regardless of their technical accounting knowledge and their actual contribution to the standards-setting process, were increasingly seen as public sector accounting experts, in particular, when they took KAGA's presidency. As such, the social capital associated with KAGA was transformed into symbolic capital, as the non-accountants were able to 'offer the appearance of expert knowledge and technical efficacy' in public sector accounting (Halliday and Carruthers, 1996, p. 409).

However, we are not suggesting that these individuals did not engage in personal study and efforts to better understand accounting. Alex, who was an active KAGA member, described the strategies adopted to enhance their accounting knowledge as follows:

It is true that they (the public administration professors) exerted a lot of effort in it. Have you met Prof John? As you know, they really studied hard. Objectively speaking, they are no less than experts, because they have been working on this for more than 10 years by now. ... Prof Greg and Prof John attended courses for AICPA to learn the American accounting system in private academic institutes. They also prepared for AICPA exams.

Alex's statement shows that the public administration professors acquired accounting knowledge as they studied accounting informally and formally (including completing some AICPA courses). In addition, KAGA's leadership ran monthly workshops, wherein public administration professors were taught accounting by the accountants, while public administration professors taught the accountants about the government budget process and public sector reform context. Here we argue that these workshops played an important role in the reinforcement of the tie between accounting professors and public administration professors because the expansion of professional knowledge is 'one of the privileged sites of the reproduction of social capital' (Dezalay, 1995, p. 343).

In addition to this knowledge acquisition and expansion process, their claim to accounting expertise was institutionalised through the establishment of a new academic journal issued by KAGA, the *Korean Governmental Accounting Review*, and its publication of academic papers. The *Korean Governmental Accounting Review* was the only academic journal specialising in the discipline of public sector accounting in Korea. Greg published six papers and John published four papers in it. As such, the establishment of and the publication of papers in the *Korean Governmental Accounting Review* was an important tool for securing

their claim to public sector accounting expertise.

In addition to the *Korean Governmental Accounting Review*, public administration professors published public sector accounting papers in top-tier public administration journals. Greg published in the *Korean Public Administration Review* and the *Korean Society and Public Administration*; John published in the *Korean Public Administration Review*; and Bill published in the *Korean Journal of Public Administration* and the *Korean Society and Public Administration*. Through these publications, public administration professors mobilised their cultural capital from the public administration field to enhance their reputations as experts in the public sector accounting field, and then, mobilised their growing expertise in public sector accounting to enhance their standing in the public administration field. From this perspective, we argue that the cultural and symbolic capital from each field was mutually reinforcing, thereby establishing the legitimacy and power of these professors.

Consequently, the professors' dominance and significance were recognised by other actors in the field, including accounting professors, public servants, and CPA-qualified accountants. Among the accountants were Max and Wesley, who worked on public sector accrual accounting projects. Whereas Max had continuously cooperated with the professors, Wesley stopped working with them. However, both Max and Wesley testified to the dominance of the key professors:

But wherever people gathered together, they knew one another. Whatever committee of the government was made up, most of the members were graduates of SNU. They all knew one another. (Max, a CPA)

They (the dominant public administration professors) are all intertwined through personal networks. The personal network is the KAGA network and the Mafia network of the Graduate School of Public Administration at SNU. Sorry for this expression, but I regard them as a Mafia. Sorry to say this.... But they are closely linked and act as if they were one. (Wesley, a CPA)

These statements of Max and Wesley, who did not graduate from SNU, confirmed that KAGA's key professors, who graduated from SNU, were the most dominant group in the public sector accounting field. The power and dominance of the key professors' intertwined personal networks (social capital) was visible to the less dominant CPA-qualified accountants, who possessed functional accounting knowledge and technical skills to practise accrual accounting. The dominance and ties of KAGA's key professors were so powerful that Wesley labelled them a 'Mafia'. This labelling suggests that the dominance of the professors was perceived by less dominant actors to be reinforcing and reproducing their power and status in the public sector accounting field. This finding indicates that KAGA politically functioned 'as instruments of domination (or, more precisely, of legitimation of domination)' for the key professors (Bourdieu, 1979, p. 80).

## **8. Discussion and conclusion**

In this paper, we aimed to explore how an accounting association and its key members 1) define, control, and claim their knowledge; 2) adopt a closure or openness policy to enhance their status/influence, in particular, at an early stage; and 3) respond to structural/institutional forces from international organisations or the state, in a particular historical context, such as a globalised/neo-liberalised setting. For this purpose, we explored the early history of KAGA,

in particular, its economic, social, and political backgrounds, and the strategies of its key founders. We found that among the founders were public administration professors who graduated from SNU, advocated public sector accrual accounting via civil society groups, and strategically established and developed KAGA. Despite their lack of technical accounting knowledge at the early stage, they were later recognised as public sector accounting experts.

The professors' claim to public sector accounting knowledge and their dominance in the field was successful because their strategies fit the historical context. First, the professors had been aware of NPM-style reforms in the 1980s/90s. They advocated the notion of public sector accrual accounting via civil society groups immediately after Korea applied to the IMF for bailout loans and a new government was formed in 1997/98, thereby making public sector accrual accounting doxic. In other words, the professors proactively used the notion of public sector accrual accounting in response to the structural forces from IMF recommendations. Second, the professors understood public sector accrual accounting as a measure of public sector reform and, in conjunction with public servants, defined and designed it as a part of the broader government budget process rather than as an accounting initiative, thereby making technical accounting knowledge less critical. Otherwise, CPA-qualified accountants and accounting professors might have monopolised public sector accounting in the practical and epistemic domain, respectively. Third, the founders adopted an openness policy up to a certain extent to increase the association's size and influence. They co-opted accounting professors and CPA-qualified accountants through their personal connections and based on shared educational backgrounds at the association's early stages to represent the association as a public sector accounting experts' group. However, less-respected registered tax agents, who used to review cash-based financial statements of local governments, were excluded. The review work of accrual-based financial statements was now open only to CPA-qualified accountants. This finding suggests that social status based on education and qualifications can be a tool of closure.

The legitimacy and power of KAGA and its key founders was enhanced in the public sector accounting field and in broader Korean society by its registration as an incorporated association with the government (symbolic capital), by mobilisation of financial resources from the government (economic capital), and by reinforcement of the rapport with public servants (social capital). KAGA's key founders involved workplace-level public servants in the accounting standards-setting process, trained them, and invited them to KAGA's seminars free of charge. Simultaneously, the public administration professors acquired accounting knowledge and institutionalised it in the form of academic journal articles (cultural capital). Consequently, KAGA's key founders were able to be recognised as public sector accounting experts regardless of the possession of technical accounting knowledge at the early stage.

The findings of this study contribute to the existing accounting literature by confirming our existing knowledge and also by challenging our taken-for-granted assumptions. To begin with, we confirm the importance of exploring the economic, social, and political contexts, in which accounting professionalisation takes place (Burchell et al., 1980; Willmott, 1986; Puxty et al., 1987; Chua and Poullaos, 1993, 1998, 2002; Ballas, 1998; Hao, 1999; Sian 2006; Yee, 2009, 2012). KAGA's formation and development would have been impossible without the financial crisis and the change of government in 1997/98, and may have taken different forms in other cultural settings than those of Korea, which doxically valued academia, public service, civil society activities, and SNU graduates. Second, we recognise the symbolic elements, such as status and legitimacy, in addition to economic rewards, as critical to a professionalisation project (Richardson, 1987; Walker, 1991; Chua & Poullaos, 1993, 1998;

Lee 1996; Annisette, 1999; Edwards et al., 2007; Poullaos, 2016). KAGA's key founders tried to have the government endorse their association and shape it as an expert group, which enhanced the legitimacy and status of the association and themselves. Third, we confirm the significance of the close relationship between the state and the profession (Willmott, 1986; Chua and Poullaos, 1993, 1998, 2002). Mutual dependency between KAGA and MoGAHA was critical both to the implementation of public sector accrual accounting via contracting out standards-setting projects and to the development of the association via funding and endorsement by the state. Finally, we confirm the importance of representing an association as a reliable and trustworthy expert group (Willmott, 1986) and of subscribing to the popular ideology of the age (Preston et al., 1995; Caramanis, 1999). KAGA's founders advocated public sector accrual accounting as a measure of neo-liberal NPM ideology to make the government more efficient, transparent, and accountable, which was in fashion immediately after the financial crisis in 1997/98. After they founded KAGA, they actively propagated the symbolic capital of the association, such as PhDs and AICPA/KICPA qualifications held by its key members and endorsement by the state, thereby representing the association as a reliable and trustworthy expert group in the public sector accounting field.

In addition to confirming our existing knowledge, our findings can challenge the taken-for-granted links and assumptions in the existing accounting literature. First, we challenge the taken-for-granted bond between the accounting profession and the accounting association (Willmott, 1986; Chua and Poullaos, 1993, 1998, 2002; Walker, 2004a, 2004b; Samuel et al., 2005; Fogarty et al., 2006). The accounting profession and professional associations have been interchangeably used in the accounting literature, because the accounting profession has been represented by professional bodies of accountants (Richardson, 1987; Walker, 1991, 2004a, 2004b; Poullaos, 2016). However, we found that, while KAGA was represented as an accounting association, it was controlled by non-accounting founders. This finding suggests that an apparent accounting association does not necessarily represent the accounting profession. An apparent accounting association neither necessarily represents accountants nor aims to enhance accountants' status and power. Therefore, we need to rethink what the accounting profession is by shifting from a taken-for-granted focus on a professional association to broader fields.

Second, we challenge the taken-for-granted link between accounting knowledge and accountants and the taken-for-granted expectation that the public sector reforms enhance the power and legitimacy of the accounting profession. Previous accounting studies assumed that the accounting profession monopolised technical accounting knowledge (Abbott, 1988; Walker, 1991, 2004a, 2004b; Samuel et al., 2005), and thus accountants who exclusively possessed knowledge required for public sector reform become dominant actors in the public sector (Hood, 1995; Power, 1997; Guthrie, 1998; Lapsley et al., 2009). However, we found that public administration professors and public servants defined and claimed public sector accounting knowledge to maintain their power and legitimacy in the public sector field. The Korean accounting profession was less interested in the public sector than the private sector because the private sector is more profitable and lucrative than the public sector. This finding suggests that accounting knowledge is transferrable to other social actors than accountants and public sector reforms do not necessarily enhance the power and legitimacy of the accounting profession.

Finally, we found Bourdieusian notions of *doxa* and *habitus*, which had not been widely used in the accounting literature, to be useful in addition to popular notions of capital and field in research on accounting professionalisation (Malsch et al., 2011). Relying on the notions of

*doxa* and *habitus*, we explored how the social structure was formed in Korea, where the accounting field was less valued than the academic field and bureaucratic field, and how public sector accrual accounting was defined and designed to maintain the dominance of public servants and public administration academics in the public sector field. This finding suggests that neither the definition of accounting knowledge nor that of accounting practice is fixed, but that both can be formed and shaped depending on the *habitus* of dominant social actors.

This paper is not without limitations. We were not able to judge whether public sector accrual accounting was a success story or not. While it has been implemented in central, provincial, and local governments and accrual-based financial statements were produced in addition to cash-based budgetary accounting statements, we were not capable of judging whether the public sector became more efficient, transparent, and accountable as suggested by its advocates. However, the power and legitimacy of the advocates had been evidently enhanced.

This case study was conducted in a Korean cultural context, and thus the results of this paper are not readily generalisable to other cultural settings. However, we argue that the ‘thick description’ of the Korean case in the paper will allow readers to consider the applicability of our findings to ‘other settings in which they themselves operate or with which they are familiar’ (Parker and Northcott, 2016, p. 1117). In particular, further research into professionalisation projects in cultural settings, where both structural forces and individual agency are to be examined, and where symbolic elements are as critical as functional accounting knowledge and technical skills, is expected to contribute to our understanding of the construction and representation of the accounting profession and accounting knowledge.

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## Appendix. Interview participants

English pseudonyms	Position	Qualification	Education at SNU	Date and length of interview
Academics				
1) Aaron	Professor in accounting, the 1 <sup>st</sup> KAGA president	PhD/ KICPA/ AICPA	Master (M)	10 Mar 2010 52 minutes
2) Greg	Professor in public administration (PA), 2004 KAGA president	PhD	Bachelor (B), M and PhD	25 Feb 2010 69 minutes
3) John	Professor in PA 2006 KAGA president	PhD	B, M and PhD	16 Mar 2010 88 minutes
4) Henry	Professor in accounting, 2007 KAGA president	PhD	B	20 Mar 2010 No recording
5) Ross	Former KAGA staff member	PhD	M and PhD	4 Feb 2010 30 minutes
6) Chris	Former KAGA staff member	PhD	M and PhD	22 Jun 2010 48minutes
7) Bill	Professor in PA	PhD	B, M and PhD	14 June 2010 71 minutes
8) Eldon	Senior research fellow, at KRILA	PhD	None	7 July 2010 No recording
9) Alex	Professor in PA	PhD	B	7 July 2010 47 minutes
10) Lee	Professor in PA	PhD	None	23 Feb 2010 98 minutes
CPAs				
11) Wesley	CEO of a small accounting firm	PhD/KICPA	None	26 Mar 2010 102 minutes
12) Max	Partner at Baker Tilly	KICPA	None	7 Apr 2010 54 minutes
13) Justin	Research fellow at KICPA	KICPA	B	4 Feb 2010 46 minutes
14) Blake	Accountant at PwC	KICPA	B	5 Feb 2010 34 minutes
15) Tony	Public service level 5	KICPA	None	18 Feb 2010 No recording
16) Jason	Manager at KPMG	KICPA	B	19 Feb 2010 40 minutes
17) Alison	Public service level 5	KICPA	None	2 Mar 2010 34 minutes
18) Jeff	Accountant at KICPA	KICPA	B	3 Mar 2010 31 minutes
19) Frank	Public service level 5	KICPA/ AICPA	None	3 Mar 2010 23 minutes

20) Andrew	Manager at PwC	KICPA	B	6 Apr 2010 23 minutes
21) Shelley	Senior manager at Baker Tilly	KICPA	None	10 May 2010 51 minutes
22) Eric	Public service level 4	KICPA	None	11 May 2010 77 minutes
23) Tyson	Public service level 6	KICPA	None	7 Jun 2010 27 minutes
24) Jacob	Manager at Baker Tilly	KICPA	None	8 Jun 2010 60 minutes
25) Emma	Junior accountant at Baker Tilly	KICPA	None	
26) William	Junior accountant at Baker Tilly	KICPA	None	
27) Mason	Junior accountant at Baker Tilly	KICPA	None	
28) Jay	Junior accountant at Baker Tilly	KICPA	None	
29) Wood	Public service level 5	KICPA	None	11 Jun 2010 38 minutes
30) Wise	Public service level 6	KICPA	None	24 Jun 2010 39 minutes
Public servants without CPA qualifications				
31) Felix	Public service level 4 Central government	None	None	4 Mar 2010 55 minutes
32) Linda	Public service level 7 Local council	None	None	26 Feb 2010 58 minutes
33) Leo	Public service level 6 Central government	None	None	3 Mar 2010 57 minutes
34) Sean	Public service level 6 Central government	None	B	16 Mar 2010 10 minutes
35) Neil	Public service level 3 Central government	None	None	18 Mar 2010 No recording
36) Shane	Public service level 3 Central government	None	None	31 Mar 2010 No recording
37) Harry	Public service level 5 Local council	None	None	19 Apr 2010 59 minutes
38) Naomi	Public service level 7 Local council	None	None	20 Apr 2010 No recording
39) Toby	Public service level 4 Central government	None	None	26 Apr 2010 58 minutes
40) Emily	Public service level 8 Local council	None	None	13 May 2010 53 minutes
41) Carl	Public service level 5 Provincial government	None	None	17 May 2010 69 minutes
42) Jane	Public service level 5 Central government	Lawyer	None	26 May 2010 15 minutes

43) Song	Public service level 5 Central government	Lawyer	None	24 Jun 2010 18 minutes
44) Jack	Public service level 5 Central government	None	B and M	12 Jul 2010 No recording
45) Eugene	Public service level 5 Central government	None	M	

<sup>i</sup> A basic doctrine of NPM was ‘lessening or removing differences between the public and the private sector’ (Hood, 1995, p. 94), and accrual accounting, which used to be perceived as a private sector practice, was now recommended to be adopted in the public sector.

<sup>ii</sup> The state can be defined as ‘the authority of hierarchical control, as operationalised by career civil servants ... vested in agreed rules and procedures backed up by the state’s monopoly of legitimate coercion’. (Puxty et al., 1987, p. 275)

<sup>iii</sup> Public sector accrual accounting was a rather minor reform agenda compared with large-scale restructuring/re-engineering programmes in financial and corporate sectors, and thus it was not even mentioned in the Letter of Intent of the Government of Korea to the IMF (IMF, 1997). In this letter, the Korean government promised to strengthen accounting standards and disclosure rules in line with generally accepted accounting principles, to ensure the transparency of financial transactions, and to reduce scope for corruption, but these promises were all related to the financial and corporate sectors.

<sup>iv</sup> English pseudonyms were used for all of the individuals discussed in this paper to protect individual confidentiality.

<sup>v</sup> This difference in habitus we felt at the interviews was also confirmed by KAGA’s other former staff member whom we called Chris, who testified to the difference in expenditure behaviour of KAGA’s presidents from accounting and public administration backgrounds.

<sup>vi</sup> The competition rate even increased after the financial crisis broke out, because of the job security provided by the public service (Yoon, 1998).

<sup>vii</sup> While KICPA was formally established in 1954, its predecessor, Chosun Institute of Accountants, was formed in 1945 (<http://www.kicpa.org/>). *Chosun* is the name of the dynasty that ruled over Korea prior to Japanese colonisation.

<sup>viii</sup> The phrase, ‘professionals, such as lawyers, CPAs, and doctors... with economic power, job security, and social status’ was frequently used in South Korean newspaper articles. Therefore, young adults in their 20s/30s were willing to ‘invest a couple years while young to be quite well off for the rest of life’ (Yoo and Seo, 2006).

<sup>ix</sup> The power of the state over even individual accountants was recognised by Reports on the Observance of Standards and Codes of World Bank (2003), which stated that ‘MoFE (Ministry of Finance and Economy) has the formal power to take a disciplinary measure against individual CPAs’. (p. 12)

<sup>x</sup> It was an irony that this government elected with strong support from the working class had to implement neo-liberal re-engineering/re-structuring that adversely affected its supporters.

<sup>xi</sup> While what they did could be classified as ‘audit’, a legal term for it was ‘review’ because an audit of a local government’s accounts should be officially done by the Korean Board of Audit and Inspection (equivalent to the Auditor General’s Office).

<sup>xii</sup> Among 58 early members, 11 did not fill in the date of membership application.

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<sup>xiii</sup> However, CPA-qualified accountants and public servants remembered themselves as doing most of the practical work, while the professors simply gave them directions.