



Accounting and Business Research >

Volume 39, 2009 - [Issue 3: International Accounting Policy Forum](#)

1,427 49

Views | CrossRef citations to date | Altmetric

6

Original Articles

# Accounting standards and the economics of standards

Geoff Meeks & G.M. Peter Swann

Pages 191-210 | Published online: 04 Jan 2011

📖 Cite this article   🔗 <https://doi.org/10.1080/00014788.2009.9663360>

Sample our  
Economics, Finance,  
Business & Industry Journals  
>> **Sign in here** to start your access  
to the latest two volumes for 14 days

📖 References

📖 Citations

📊 Metrics

📄 Reprints & Permissions

Read this article

🔗 Share

## Abstract

The paper draws on the economics of standards to inform current debates on international accounting standards. It traces the benefits claimed for standards – their contribution to the division of labour, innovation, trust, etc.; and the costs, including entry barriers and compliance costs. It illustrates these benefits and costs with cases from accounting regulation. It adopts two approaches to the question whether accounting regulation is best achieved by a single set of standards for the world, or by competing systems. The first approach focuses on contributions in economics, including the theory of standards races and of optimal variety. In these analyses, only in special circumstances has a single standard emerged as the superior outcome. The second approach introduces evidence from accounting and finance on the problems of translation with globalised financial markets, and on the relative costs and benefits of multiple standard-setters or a single global scheme. The most compelling net benefits

of harmonisation arise for small economies moving from idiosyncratic to international standards.

Keywords::

international accounting regulation      economics of standards

## Notes

Geoff Meeks is at Judge Business School at the University of Cambridge and G.M. Peter Swann is at the Business School, University of Nottingham.

This is an extended version of the authors’ P. D. Leake Lecture, given at the Institute of Chartered Accountants of England and Wales on 1 May 2008. They would like to thank the Institute for doing them the great honour of inviting them to give the lecture. They are grateful to their discussant, Peter Holgate, for his very helpful comments, to Amir Amel-Zadeh for valuable statistical assistance, and also to Scott Bandura, Michael Bromwich, David Green, David Gwilliam, Robert Hodgkinson, Richard Macve, Stuart McLeay, Chris Nobes, Brian Singleton-Green, Nigel Sleigh-Johnson, Martin Walker, Geoffrey Whittington and members of the audience at the P. D. Leake Lecture for helpful comments. They are also grateful to the editor and referee of this journal for comments on an earlier draft of this paper, but none of the above are responsible for remaining errors.

Swann had prime responsibility for Sections 2 and 4, Meeks for Sections 3 and 5. Correspondence should be addressed to: Peter.Swann@nottingham.ac.uk; gml@cam.ac.uk.

### Related Research Data

International Differences in the Cost of Equity Capital: Do Legal Institutions and Securities Regulation Matter?

Source: Journal of Accounting Research

Convergence of substantive law and convergence of enforcement: a comparison

Source: Unknown Repository

Competitive strategies for product standards: The strategic use of compatability standards for competitive advantage

Source: Long Range Planning

Efficient Capital Markets: A Review of Theory and Empirical Work

Source: The Journal of Finance

Capital Market Information and Industrial Performance: The Role of West German Banks

Source: The Economic Journal

Do Acquirers Manage Earnings Prior to a Share for Share Bid?

Source: Journal of Business Finance & Accounting

## Related research

People also read

Recommended articles

Cited by  
49

## Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

## Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

## Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

## Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

## Keep up to date

Register to receive personalised research and resources by email



[Sign me up](#)



[Copyright © 2025](#) [Informa UK Limited](#) [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)

 **Taylor and Francis Group**

Registered in England & Wales No. 01072954  
5 Howick Place | London | SW1P 1WG