Regional Mandate and Institutional Pressures in the Adoption of IFRS and IFRS for SMEs: Evidence from West Africa

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Abstract

This study examines two distinct forces behind the adoption of international accounting standards by West African countries. We treat the 2019 OHADA mandate as the regional force and use the three pressures of institutional theory to proxy for country-level factors. Examining 16 countries over 2009–2022, we do not find support for coercive or mimetic pressures, though the proxies for these two constructs are indirect. The findings support a significant role for normative pressures and, most strongly, for the 2019 OHADA mandate. The concentration of IFRS adoption among common-law countries, documented in prior research, does not persist after the mandate. Nine civil-law countries in the region adopted IFRS in 2019. In short, the 2019 OHADA mandate and country-level normative pressure are the two determinants of IFRS adoption we document in West Africa. For IFRS for SMEs, we find that none of the institutional theory pressures is associated with adoption; instead, the strongest predictor is a country's adoption of full IFRS.

Keywords: IFRS, IFRS for SMEs, OHADA, institutional theory, regional harmonization, West Africa

1. Introduction

International accounting standards—both International Financial Reporting Standards (IFRS) and IFRS for small and medium-sized entities (IFRS for SMEs)—now anchor global efforts to harmonize financial reporting, aiming to make corporate disclosures more transparent, comparable, and reliable across borders. Advanced economies have embraced these standards widely, but adoption across developing regions—West Africa in particular—has been uneven.

This variation stems from two very different forces. One is country-level institutional pressures; the other is regional regulatory harmonization through the Organization for the Harmonization of Business Law in Africa (OHADA). This study examines how each shapes adoption. We define West Africa as the 16 sovereign states in the Western Africa subregion of the United Nations Statistics Division geoscheme (United Nations Statistics Division, 2026); the subregion also lists Saint Helena, a dependent territory, which we exclude. This definition is broader than the membership of the Economic Community of West African States, which comprises 15 countries and excludes Mauritania. On the surface, West African countries differ enormously from one another. Economic size alone spans a wide range—from Nigeria, the region's largest economy at roughly US$290 billion in 2025, to among the smallest, such as Guinea-Bissau at about US$2.5 billion, a more than 100-fold difference (World Bank, 2025). They also vary in legal origin and language. Five are common-law, English-speaking jurisdictions, while eleven follow civil-law traditions and are not English-speaking, a split that reflects British, French, and Portuguese colonial ties. These differences might seem to explain divergent adoption.

Yet the factor that stands out is not any single country characteristic but the influence of OHADA. Through its SYSCOHADA framework, OHADA governs accounting practice across its member states, and for most of our sample period, it only partially aligned with IFRS. This changed with the revised SYSCOHADA. Effective for consolidated accounts from 1 January 2019, it required listed and public-interest entities in member states to report under IFRS, so that the entire OHADA bloc adopted in a single, coordinated step.

The bloc's move to IFRS matters in practical terms. International reporting is widely seen as a channel for attracting external capital, so this shift can be of direct interest to investors—and average foreign direct investment (FDI) inflows into our OHADA sample rose sharply after 2019, from roughly US$316 million in 2018 to about US$788 million in 2022, while inflows into non-OHADA countries stayed comparatively flat (World Bank, 2025). This comparison is descriptive, is not adjusted for other determinants of investment, and should not be read as evidence of a causal effect.

We test these competing forces empirically across 16 West African countries from 2009 to 2022. To capture country-level pressures, we apply institutional theory, which attributes standards adoption to three isomorphic pressures. The first, coercive pressure, works through dependence on outside funders. Aid agencies and lenders can make IFRS or IFRS for SMEs a condition of their support. The second, mimetic pressure, works through imitation, as governments copy the reporting choices of the trading partners they most want to resemble. The third, normative pressure, works through the accounting profession itself, since a workforce trained to international norms lowers the cost of moving to them. To capture the regional force, we treat the 2019 OHADA mandate as a regional policy shock.

Our findings suggest that the leading determinant of IFRS adoption is OHADA membership and, specifically, the 2019 mandate. This coordinated, one-time event explains adoption more than country-level factors do, as reflected in the insignificance of coercive and mimetic pressures in the data. Normative pressure is positively associated with adoption, pointing to the role of educational capacity in developing countries' readiness to move from local GAAP to international standards. Adoption of IFRS for SMEs, in turn, is closely tied to a country's adoption of full IFRS.

This study advances the literature on international accounting standard adoption in three ways, building on a full-region examination of how IFRS and IFRS for SMEs have been taken up across West Africa. First, it uses the 2019 OHADA mandate as a regional policy shock. To our knowledge, we are among the first to exploit it, allowing us to distinguish a coordinated regulatory event from the gradual institutional pressures emphasized in prior work. Because the mandate itself required member states to adopt, part of the association we document is definitional. We therefore treat the 2019 reform as a quasi-experimental setting rather than as a source of exogenous variation, and we discuss the limitations of the design in Section 5. Second, it shows that pooled, pan-African findings do not apply cleanly to this region. In particular, it refines and extends Boolaky, Tawiah, and Soobaroyen (2020). Using data ending in 2015, they read ex-British colonial status as a durable driver of adoption. In our pre-2019 sub-sample, the same colonial-legacy pattern holds—but it vanishes once OHADA members adopt IFRS in 2019, showing it was tied to the pre-treaty period rather than a lasting one. Third, it examines IFRS for SMEs — rarely studied in this setting — and finds that adoption of full IFRS is its strongest predictor.

These findings connect to a broader theme. Where a strong regional body governs, membership in it can outweigh the country-level pressures that adoption models usually emphasize. The centrality of OHADA to the adoption decision aligns with evidence from other settings—among former Soviet bloc countries, for example, European Union affiliation is a key determinant of IFRS for SMEs adoption (Song & Trimble, in press).

The remainder of this paper is structured as follows: Section 2 reviews the related literature. Section 3 develops the study's hypotheses and describes the data and methodology. Section 4 presents the empirical findings. Section 5 concludes with the study's contribution, practical implications, limitations, and directions for future research.

2. Literature Review

2.1 IFRS Adoption in Developing Economies

IFRS is issued by the International Accounting Standards Board (IASB) to provide a globally recognized framework for financial reporting. It aims to overcome the fragmentation of national standards that hinders cross-border transactions and global economic integration (Note 1). As of June 2026, 162 of the 170 profiled jurisdictions have committed to IFRS Accounting Standards and 149 require them for all or most domestic publicly accountable entities, making IFRS a foundation of global financial reporting (Note 2). Several studies, such as Brüggemann et al. (2013), De George et al. (2016), and Soderstrom and Sun (2007), review the determinants and consequences of IFRS adoption.

IFRS adoption is often viewed in developing economies as a means to modernize financial systems, attract FDI, and integrate into global financial markets. Prior studies link IFRS adoption to capital-market development and greater value relevance of accounting information (Ben Cheikh & Ben Rejeb, 2021; Chen et al., 2019; Nijam & Jahfer, 2018), though Samaha and Khlif (2016) caution that evidence on these consequences in developing countries remains limited.

Despite these benefits, implementing IFRS in developing economies poses significant challenges. Limited professional capacity, resource constraints, and institutional weaknesses frequently undermine effective adoption. Zeghal and Mhedhbi (2006) find that developing countries with higher literacy rates, an established capital market, and Anglo-American cultural ties are most likely to adopt international standards, while economic growth and trade openness are not significant. Furthermore, entrenched cultural and institutional conditions—including weak enforcement, corruption, and limited professional training—can undermine implementation even where IFRS has been formally adopted (Nurunnabi, 2015). High compliance costs and restricted access to training for accountants and auditors exacerbate these challenges, particularly in resource-constrained settings (Mita & Husnah, 2015; Uzma, 2016).

Weighing these benefits and costs, countries have adopted IFRS to differing degrees, and the pattern varies across developing regions. In Asia, Malaysia and the Philippines have incorporated IFRS into their national frameworks, while Japan has continued to develop Japanese GAAP alongside IFRS and China has converged with, rather than adopted, the standards (Camfferman & Detzen, 2018; Tsunogaya & Hellmann, 2020). In Latin America, mandatory adoption is now widespread, though evidence on its effects is mixed. Lopez et al. (2020) document increased accounting conservatism, while Mongrut and Winkelried (2019) find an unintended increase in earnings opacity as firms substituted the new regulation for high-quality audit.

2.2 IFRS for SMEs Adoption

IFRS for SMEs was introduced by the IASB in 2009 to address the distinct financial reporting needs of small and medium-sized entities. Unlike full IFRS, which is designed for publicly accountable entities, IFRS for SMEs offers a simplified, self-contained framework that reduces complexity and costs while retaining essential transparency and comparability (Note 3). This initiative underscores the IASB's recognition of the resource constraints faced by SMEs and their pivotal role in driving economic growth globally (Perera & Chand, 2015).

The adoption of IFRS for SMEs has varied significantly across jurisdictions, shaped by differences in economic contexts, regulatory environments, and institutional capacities. Adoption has spread inconsistently across Latin America and Asia, with some jurisdictions integrating the standard into national frameworks and others retaining localized systems (Gonçalves et al., 2022; Inoue, 2016; Tsunogaya & Hellmann, 2020). As of June 2026, 88 of the 170 profiled jurisdictions require or permit its use, reflecting its growing global acceptance (Note 4).

Despite its intended benefits, including reduced compliance costs and enhanced access to international markets, IFRS for SMEs adoption is not without challenges. The extent to which the IASB considers SME-specific needs has been questioned; Bautista-Mesa et al. (2019), for instance, note that the due process of IFRS for SMEs may not reflect the realities SMEs face, particularly in developing economies. Furthermore, limited awareness among SMEs, high compliance costs, and resistance to abandoning traditional accounting systems have hindered broader adoption (Sellami & Gafsi, 2018). Variations in institutional capacity and regulatory frameworks further complicate its implementation across jurisdictions (Quagli & Paoloni, 2012). Additionally, Perera and Chand (2015) emphasize that the simplification inherent in IFRS for SMEs can sometimes conflict with local legal and tax requirements, creating further reluctance among policymakers and businesses.

2.3 IFRS and IFRS for SMEs Adoption in Africa

The adoption of IFRS and IFRS for SMEs in Africa reflects a broader effort to harmonize financial reporting with global standards and foster regional economic integration, but the continent's economic, cultural, and institutional diversity has produced distinct adoption patterns. Regional frameworks are central to this variation—above all OHADA, which harmonizes accounting practice across its member states while sitting in tension with IFRS (Dicko & Fortin, 2014; Tawiah, 2019).

A clear divide separates non-OHADA anglophone and OHADA francophone countries. Nigeria and Ghana adopted IFRS relatively early to align with global markets, whereas the francophone OHADA members progressed slowly, retaining their regional standards. Three prior studies are most closely related to ours. Boolaky et al. (2020), in a pan-African panel using pre-2019 data, find that ex-British (common-law) status is positively associated with adoption and read it as a lasting legal-tradition effect. Dicko and Fortin (2014), surveying OHADA accountants a decade earlier, find support for IFRS among listed companies but resistance to extending it to all entities, citing cost and SYSCOHADA's fit for SMEs—a pre-treaty preference that foreshadows both the 2019 reform's scope and our results. Tawiah (2019), reviewing all fifty-four African countries pre-2019, documents the francophone OHADA bloc as the principal non-adopters and flags the anticipated 2019 transition as an open question, which our study addresses.

Adoption of IFRS for SMEs has followed an equally uneven path, hindered by limited awareness, high transition costs, and resistance to abandoning traditional practices (Segotso et al., 2024; Sellami & Gafsi, 2018). In regions dominated by SMEs, such as West Africa, addressing these barriers is critical to unlocking benefits including improved access to bank credit and broader financial inclusion.

2.4 The OHADA Framework and the SYSCOHADA

A distinctive feature of the West African setting is OHADA, established by the 1993 Port Louis Treaty, whose Uniform Acts are directly applicable in the domestic law of its mostly francophone member states. Unlike many regional economic communities, OHADA makes harmonization legally binding and simultaneous across members. Its accounting arm, SYSCOHADA, is rooted in the French civil-law tradition (Elad & Tumnde, 2009). OHADA has 17 member states across West and Central Africa, nine of which fall within our sample (IFRS Foundation, 2018). Our design therefore covers the West African portion of the bloc rather than all member states.

Francophone “non-adoption” reflected deliberate policy rather than weak capacity. The franc-zone reform rested on the view that pure IFRS—and IFRS for SMEs—do not fit less-developed economies, so OHADA built its own framework rather than adopting IFRS wholesale (Elad, 2015). This framework was overhauled at the end of our sample period. The revised Uniform Act (AUDCIF, 2017) made IFRS mandatory for the consolidated accounts of listed and public-interest entities across all members, effective 1 January 2019—a coordinated, treaty-driven event that moved the entire bloc on a single date. The reform did not extend to IFRS for SMEs.

The existing scholarship, however, is largely descriptive or historical (Degos et al., 2019; Elad, 2015), and panel analyses of what the 2019 mandate did to adoption remain scarce. Prior studies, meanwhile, tend to pool OHADA and non-OHADA countries within a single cross-country model (Boolaky et al., 2020; Tawiah, 2019), a design that cannot isolate the coordinated bloc transition. We address this gap by focusing on West Africa across the 2019 reform and separating OHADA membership from country-level determinants.

2.5 Institutional Theory and IFRS (for SMEs) Adoption

Institutional theory provides a robust lens for understanding IFRS and IFRS for SMEs adoption, particularly in developing economies. The theory emphasizes institutional isomorphism—coercive, mimetic, and normative pressures—as key drivers of convergence with international standards (DiMaggio & Powell, 1983; Scott, 1987). Coercive isomorphism arises from external actors, such as international financial institutions (e.g., IMF and World Bank), which often condition financial assistance on IFRS adoption (Hassan et al., 2014; Judge et al., 2010). Sellami and Gafsi (2018) show that countries more reliant on external funding are more likely to adopt IFRS for SMEs, responding to donor and lending institutions that require transparent financial reporting as a condition of assistance. Under mimetic isomorphism, jurisdictions facing uncertainty model their reporting on peers they regard as successful, adopting IFRS to stay aligned with major trading partners. Normative isomorphism stems from professionalization and education, where accounting bodies, universities, and the IASB play critical roles in promoting IFRS adoption through capacity-building and professional training (Kaya & Koch, 2015; Samaha & Khlif, 2016).

The adoption of IFRS for SMEs is shaped by the same three pressures, albeit with distinct challenges. Coercive pressures often stem from government mandates or regional frameworks that encourage simplified standards for smaller entities, while mimetic pressures arise as countries may observe early adopters benefiting from easier access to external capital and reduced reporting burdens (Sellami & Gafsi, 2018). Normative pressures operate through education and professional capacity, which Damak-Ayadi et al. (2020) identify among the environmental factors shaping cross-country adoption of IFRS for SMEs.

3. Hypothesis Development, Data, and Methodology

3.1 Hypothesis Development

Building on the literature reviewed in Section 2, we develop hypotheses for the West African setting. Coercive pressure operates mainly through the conditions that international financial institutions attach to their assistance. The World Bank’s Report on the Observance of Standards and Codes (ROSC) for Nigeria (2011) emphasized the importance of IFRS adoption to enhance financial transparency and investor confidence. Similarly, the ROSC for Liberia (2011) recommended the adoption of IFRS for public-interest entities and simplified reporting frameworks for SMEs, and the ROSC for The Gambia (2010) outlined a comprehensive strategy for modernizing the statutory framework, building professional capacity, and implementing IFRS and IFRS for SMEs to attract foreign investment.

These recommendations, however, are optional rather than mandatory, and a country's adoption decision depends on many factors beyond such external prompts. Whether country-level coercive pressure meaningfully shapes adoption is therefore an empirical question. Thus, we test the following hypotheses:

> H1a: Coercive pressures are positively associated with IFRS adoption in West African countries.
>
> H1b: Coercive pressures are positively associated with IFRS for SMEs adoption in West African countries.

Mimetic pressure in the region appears in efforts to emulate successful peers. Ramanna and Sletten (2014) find that smaller economies respond more strongly to these network benefits, treating adoption as a way to grow or lower the cost of existing foreign trade and investment, and they cite Ghana as an example. At a 2006 seminar convened to brief local companies on the transition, Institute of Chartered Accountants, Ghana (ICAG) President Professor Nana Ato Ghartey told the audience that, as an International Federation of Accountants (IFAC) member, Ghana "had no choice but to wake up and join the bandwagon" (Modern Ghana, 2006). Mimetic pressure is also evident in Nigeria, where the official case for adoption cited the growing use of IFRS in major capital markets and across Africa, alongside concern that limited disclosure had made the country appear a risky destination for foreign investment (Osinubi, 2020). Muda, Tornyeva, and MacCarthy (2024) use survey data to show that mimetic pressures significantly contributed to IFRS for SMEs adoption in Ghana. Whether mimetic pressure operates this strongly across a regional trade bloc whose members retained divergent standards until 2019 is, however, an open question. Thus, we test the following hypotheses:

> H2a: Mimetic pressures are positively associated with IFRS adoption in West African countries.
>
> H2b: Mimetic pressures are positively associated with IFRS for SMEs adoption in West African countries.

Normative pressure in West Africa is carried by professional bodies and training partnerships. Nigeria's Financial Reporting Council has worked to align local standards with international norms, establishing a training institute for professionals, preparers, and regulators (Alkali & Lode, 2012; Herbert et al., 2016). More broadly, Tawiah (2019) observes that IFRS adoption has raised the profile of international qualifications such as the Association of Chartered Certified Accountants (ACCA) across Africa, though he reads this as displacing national credentials rather than building domestic capacity. Such initiatives aim to build the professional capacity that adoption requires. Whether this capacity has developed far enough across the region to shape adoption remains an open question. Thus, we test the following hypotheses:

> H3a: Normative pressures are positively associated with IFRS adoption in West African countries.
>
> H3b: Normative pressures are positively associated with IFRS for SMEs adoption in West African countries.

OHADA introduces a form of regional regulatory harmonization. Its revised SYSCOHADA required member states to adopt IFRS for the consolidated accounts of listed and public-interest entities, effective 1 January 2019. This mandate operates by treaty—uniformly and simultaneously across members—rather than through each country's own circumstances, so we expect a coordinated shift in IFRS adoption among OHADA members around 2019. Thus, we propose the following hypothesis:

> H4: OHADA membership is associated with a coordinated increase in IFRS adoption following the 2019 SYSCOHADA mandate.

3.2 Data and Methodology

Our study employs a panel dataset spanning 2009 to 2022, for a total of 224 country-year observations. The sample comprises all 16 sovereign states in the Western Africa subregion of the United Nations Statistics Division geoscheme (United Nations Statistics Division, 2026). The dataset integrates country-level indicators and institutional variables from the following international sources:

- World Bank's World Development Indicators (WDI): foreign aid (a proxy for coercive pressure), imports of goods and services (mimetic pressure), tertiary education enrollment (normative pressure), GDP, and GDP growth.
- CIA World Factbook: each country's legal system and official language (https://www.cia.gov/the-world-factbook/field/languages/)

Dependent Variables:

- IFRS: A binary variable that equals 1 if the country has adopted IFRS and 0 otherwise.

- IFRS_SMEs: A binary variable that equals 1 if the country has adopted IFRS for SMEs and 0 otherwise.
- Both the IFRS and IFRS for SMEs adoption status and adoption years are based on https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/

Independent Variables:

- Coercive Pressures: Measured by net official development assistance received as a proportion of GDP.
- Mimetic Pressures: Measured by imports of goods and services as a percentage of GDP, capturing exposure to the accounting practices of trading partners.
- Normative Pressures: Measured by the gross tertiary education enrollment ratio.

Institutional and Regional Variables:

- OHADA: A binary variable that equals 1 if the country is a member of OHADA and 0 otherwise.
- Common Law: A binary variable that equals 1 if the country has a common-law legal system and 0 for civil-law countries, based on the CIA World Factbook.

Control Variables:

- SIZE: Measured as the log of GDP to control for the size of the economy, which influences a country's capacity to adopt complex standards like IFRS and IFRS for SMEs.
- GDP Growth: The annual percentage growth of GDP, which captures the economic dynamics and priorities of the country.

The following equations are estimated to test the hypotheses:

$$IFRS_{it} = \alpha_0 + \alpha_1 Coercive_{it} + \alpha_2 Mimetic_{it} + \alpha_3 Normative_{it} + \alpha_4 SIZE_{it} + \alpha_5 GDP\_GROWTH_{it} + \alpha_6 OHADA + \Sigma\ year\ FE + \varepsilon_{it} \quad \text{Equation (1)}$$

The second equation examines IFRS for SMEs adoption. It applies the same institutional theory specification as Equation (1) and adds the IFRS dummy to test whether a country's adoption of full IFRS predicts adoption of the SME standard:

$$IFRS\_SMEs_{it} = \beta_0 + \beta_1 Coercive_{it} + \beta_2 Mimetic_{it} + \beta_3 Normative_{it} + \beta_4 SIZE_{it} + \beta_5 GDP\_GROWTH_{it} + \beta_6 IFRS_{it} + \Sigma\ year\ FE + \varepsilon_{it} \quad \text{Equation (2)}$$

Building on Equation (1), we estimate several variants. We replace OHADA with the Common Law dummy in a separate specification, because they are highly correlated ($r \approx -0.76$), so we enter them in separate specifications; each captures a distinct part of the regional divide, with OHADA marking the treaty bloc and common-law status marking the anglophone adopters. Common-law status is not identical to ex-British colonial heritage. Liberia has a common-law legal system but was never a British colony. Our indicator therefore proxies for legal tradition rather than colonial history. We then add the OHADA × Post-2019 interaction to estimate the coordinated shift in IFRS adoption among OHADA members following the 2019 mandate (H4). Finally, we re-estimate the IFRS model on the 2009–2018 sub-sample—before OHADA members were required to adopt IFRS—to reconcile our results with prior pan-African evidence.

We begin the multivariate analysis with linear probability model (LPM) regressions. All models include year fixed effects, and standard errors are clustered by country. We then re-estimate the IFRS models using probit and logit specifications as a robustness check. The IFRS for SMEs model is estimated by LPM only, given the small number of adopters.

4. Empirical Findings

4.1 Univariate Analysis

Table 1 presents the IFRS and IFRS for SMEs adoption status across 16 West African countries, highlighting notable regional patterns. IFRS adoption is widespread, with 15 countries implementing it, primarily due to OHADA's 2019 mandate. Prior to 2019, IFRS was mainly adopted by common-law countries. This pre-2019 pattern is consistent with the positive association between former British colonies and adoption of IFRS documented by Boolaky et al. (2020). The revised 2019 SYSCOHADA did not mandate IFRS for SMEs, so adoption of the SME standard remains rare. Only four countries in our sample—Ghana, Nigeria, Liberia, and Sierra Leone, all common-law jurisdictions—have adopted it, and no OHADA member has done so. Figure 1 plots the share of adopters in each group over the sample period. It shows a gradual rise among non-OHADA countries and a single step to full adoption among OHADA members in 2019. Table 1 and Figure 1 thus point to the regional regulatory framework as a central factor in international accounting standard adoption in West Africa, operating alongside country-level differences.

Table 1. Accounting standards, OHADA membership, and legal system by country

Country	IFRS Adoption Year	OHADA Membership	IFRS for SMEs Adoption Year	Legal System
Ghana	2007	No	2010	Common Law
Cabo Verde	2008	No	No	Civil Law
Nigeria	2012	No	2014	Common Law
Gambia	2013	No	No	Common Law
Sierra Leone	2014	No	2010	Common Law
Liberia	2018	No	2018	Common Law
Benin	2019	Yes	No	Civil Law
Burkina Faso	2019	Yes	No	Civil Law
Côte d'Ivoire	2019	Yes	No	Civil Law
Guinea	2019	Yes	No	Civil Law
Guinea-Bissau	2019	Yes	No	Civil Law
Mali	2019	Yes	No	Civil Law
Niger	2019	Yes	No	Civil Law
Senegal	2019	Yes	No	Civil Law
Togo	2019	Yes	No	Civil Law
Mauritania	No	No	No	Civil Law

This table presents the adoption status of IFRS and IFRS for SMEs across 16 West African countries in our sample. If the nation adopted IFRS or IFRS for SMEs, the year of adoption is reported. “No” indicates that the accounting standards are not adopted by the country. OHADA Membership reports whether the country is member of OHADA. The last column reports on the nation’s legal system.

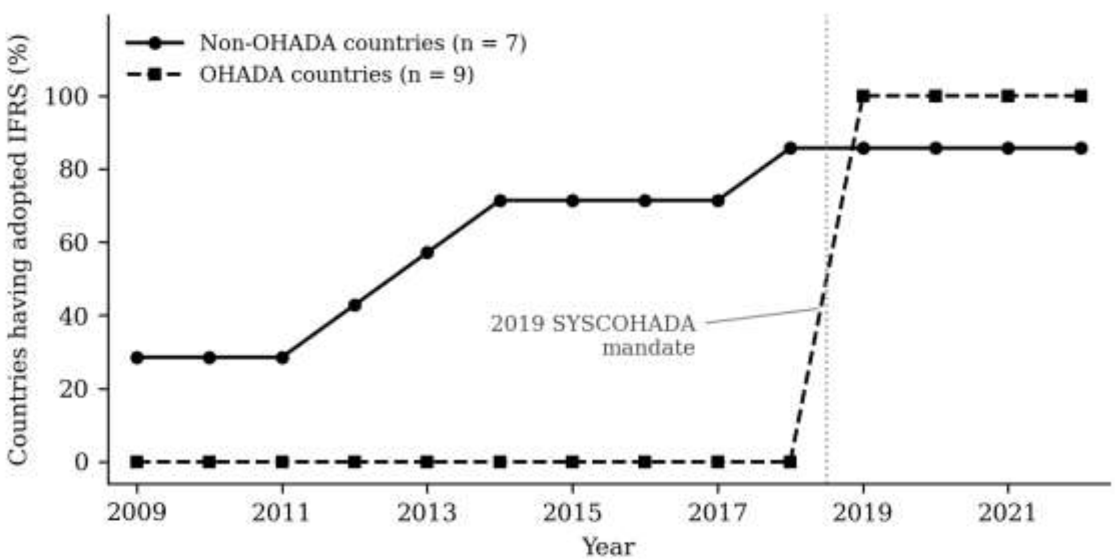

Figure 1. IFRS adoption in OHADA and non-OHADA West African countries, 2009–2022

This figure plots the percentage of countries in each group that have adopted IFRS in each year of the sample period. The non-OHADA group comprises the seven sample countries that are not OHADA members; the OHADA group comprises the nine sample countries that are members. The dotted vertical line marks the 1 January 2019 effective date of the revised SYSCOHADA. Adoption years are taken from the IFRS Foundation jurisdiction profiles, as reported in Table 1.

We then examine the descriptive statistics and correlations for our variables. Table 2 shows that annual GDP growth is volatile—its standard deviation is nearly as large as its mean—while SIZE varies little across the sample. In Table 3, OHADA membership and common-law status are correlated at −0.764, which is why the two are entered separately. The strongest correlation among the remaining explanatory variables is −0.537, between SIZE and Coercive. Consistent with Table 1, OHADA membership is strongly and negatively correlated with IFRS for SMEs adoption. All variance inflation factors (VIFs) for the base model are below two, confirming no multicollinearity concern (Note 5).

Table 2. Summary statistics

Variable	**Mean**	**SD**	**Min**	**Median**	**Max**
Coercive	0.082	0.070	0.004	0.068	0.709
Mimetic	38.006	12.799	11.615	35.543	96.389
Normative	8.872	4.940	1.237	8.703	21.790
SIZE	23.041	1.464	20.607	22.997	27.076
GDP growth (%)	4.372	4.082	-20.805	4.807	21.079

This table reports descriptive statistics for variables used in this study. Variable definitions are available in Section 3.2.

Table 3. Pairwise correlations

	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**
(1) IFRS	1								
(2) IFRS for SMEs	0.430	1							
(3) Coercive	-0.051	0.004	1						
(4) Mimetic	-0.025	-0.035	0.307	1					
(5) Normative	0.369	0.279	-0.167	0.237	1				
(6) SIZE	0.141	0.309	-0.537	-0.447	0.248	1			
(7) GDP growth (%)	-0.168	-0.050	-0.131	0.049	-0.037	0.109	1		
(8) OHADA	-0.357	-0.529	-0.223	-0.258	-0.278	0.057	0.151	1	
(9) Common Law	0.350	0.692	0.274	-0.025	0.101	0.124	-0.057	-0.764	1

This table reports pairwise correlations for the variables used in regression models. Variable definitions are available in Section 3.2.

4.2 Multivariate Analysis

We begin the multivariate analysis with linear probability model (LPM) estimates, reported in Table 4; all models include year fixed effects, with standard errors clustered by country. Models (1) through (3) test the three institutional pressures individually, Model (4) includes all three together, and Model (5) adds the control variables. Across these specifications, normative pressure is the only significant institutional pressure. Its coefficient in Model (5) is 0.033 and significant ($p = 0.024$), supporting H3a, whereas coercive and mimetic pressures are insignificant throughout, leaving H1a and H2a unsupported. The normative result is not uniform across the table. The coefficient stays positive in Models (6) through (8), but it is significant only at the 10% level in Models (6) and (8) and is insignificant in Model (7). It is significant at the 1% level in the probit and logit estimates reported in Table 5.

In Model (6), the Common Law dummy carries a large positive coefficient (0.384), echoing the pre-2019 legal-origin pattern. Model (7) returns a negative coefficient on OHADA membership (−0.320), but this sign is mechanical rather than behavioral. Because OHADA members did not adopt IFRS until the 2019 mandate, and our sample contains more pre-2019 than post-2019 years, a single OHADA dummy averaged over the full period is pulled negative by the long pre-2019 stretch of non-adoption. It does not mean OHADA membership discouraged adoption; Model (8), which separates the two periods, shows the actual effect. There, the OHADA × Post-2019 interaction is positive and significant (0.744, $p < 0.001$), reflecting the coordinated 2019 adoption of IFRS and supporting H4.

Table 4. Linear probability model (LPM) regressions for IFRS, full sample

	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**
Coercive	0.019			0.656	0.537	-0.751	-0.054	-0.295
	(0.980)			(0.439)	(0.539)	(0.235)	(0.957)	(0.768)
Mimetic		0.000		-0.004	-0.004	-0.003	-0.006	-0.007
		(0.998)		(0.289)	(0.420)	(0.432)	(0.258)	(0.166)
Normative			0.030**	0.034**	0.033**	0.029*	0.025	0.027*
			(0.035)	(0.024)	(0.024)	(0.072)	(0.123)	(0.085)
SIZE					-0.000	-0.042	-0.013	-0.027
					(0.996)	(0.229)	(0.691)	(0.376)
GDP growth (%)					-0.012	-0.011	-0.006	-0.008
					(0.116)	(0.195)	(0.484)	(0.349)
Common Law						0.384***		
						(0.000)		
OHADA							-0.320**	-0.538***
							(0.019)	(0.000)
OHADA × Post-2019								0.744***
								(0.000)
Intercept	0.123	0.124	-0.093	-0.020	0.030	0.975	0.680	1.157
	(0.340)	(0.523)	(0.263)	(0.892)	(0.983)	(0.249)	(0.427)	(0.135)
Year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Adj. R^2	0.383	0.383	0.476	0.484	0.488	0.598	0.576	0.695
N	224	224	224	224	224	224	224	224

The dependent variable is the IFRS dummy, which is regressed on institutional theory factors plus control variables. Models (1), (2), and (3) test the institutional theory factors individually. Models (4) and (5) include all three institutional factors, with Model (5) adding the control variables. Models (6), (7), and (8) add the regional variables to the specification in Model (5): Model (6) the Common Law dummy, and Models (7) and (8) the OHADA dummy. Variable definitions are available in Section 3.2. All models include year fixed effects and robust standard errors are clustered by country. P-values are reported in the parentheses under the coefficients. ***, ** and * represent significance at the 1%, 5% and 10% levels, respectively.

Table 5 re-estimates the main tests using probit and logit models, for which we report marginal effects, and three results carry over from the LPM analysis. First, normative pressure remains positive and significant across Models (1) through (4), reinforcing its role as the only significant institutional pressure; this finding is consistent with Sellami and Gafsi (2018) and Judge et al. (2010). Second, coercive and mimetic pressures again lend no support to H1a or H2a, consistent with the LPM analysis. The mimetic coefficient in the probit of Model (1) is marginally significant ($p = 0.083$), but it is negative, that is, in the direction opposite to H2a. Third, the Common Law dummy is positive and significant (0.414) in Models (3) and (4), mirroring the legal-origin divide. The pooled OHADA coefficient is again negative (−0.267 and −0.288 in Models (1) and (2)); as before, we read this as the pre-2019 gap between OHADA and non-OHADA countries rather than any continuing reluctance to adopt, since every OHADA member moved to IFRS in 2019.

Table 5. Probit and logit regressions for IFRS, full sample

	Probit (1)	Logit (2)	Probit (3)	Logit (4)
Coercive	0.046	-0.105	-0.765	-0.802
	(0.930)	(0.850)	(0.162)	(0.159)
Mimetic	-0.006*	-0.005	-0.004	-0.004
	(0.083)	(0.137)	(0.119)	(0.194)
Normative	0.026***	0.024***	0.039***	0.039***
	(0.004)	(0.006)	(0.000)	(0.000)
SIZE	-0.020	-0.022	-0.062***	-0.063***
	(0.413)	(0.265)	(0.003)	(0.003)
GDP growth (%)	-0.002	-0.002	-0.004	-0.004
	(0.773)	(0.675)	(0.379)	(0.448)
OHADA	-0.267***	-0.288***		
	(0.002)	(0.002)		
Common Law			0.414***	0.414***
			(0.000)	(0.000)
Year fixed effects	Yes	Yes	Yes	Yes
Pseudo R^2	0.624	0.638	0.729	0.727
N	224	224	224	224

The dependent variable is the IFRS dummy, which is regressed on institutional theory factors plus control variables. Models (1) and (2) include the OHADA dummy and Models (3) and (4) include the Common Law dummy. Marginal effects are reported for the probit and logit models. Variable definitions are available in Section 3.2. All models include year fixed effects and robust standard errors are clustered by country. P-values are reported in the parentheses under the coefficients. ***, ** and * represent significance at the 1%, 5% and 10% levels, respectively.

To isolate that pre-2019 gap, we re-estimate the IFRS model on the 2009–2018 sub-sample, before OHADA members were obliged to adopt IFRS (Table 6). The earlier pattern holds. OHADA membership is negative and significant (−0.533 in the LPM of Model (1)), the Common Law dummy is positive and significant (0.542 in Model (2)), and the probit and logit models in Models (3) and (4) agree, with normative pressure and common-law status both positive and significant. This earlier legal-origin result reproduces the ex-British-colony effect that Boolaky et al. (2020) report from a sample ending in 2015. Our contribution is to show that the effect is not a durable driver but a feature of the pre-2019 period. It dissolves in 2019, when the OHADA bloc adopts IFRS together.

One coefficient in Table 6 warrants comment. Coercive pressure enters negatively and significantly in the specifications that include the Common Law dummy (−1.366 in Model (2), with the same sign in the probit and logit of Models (3) and (4)), whereas H1a anticipates a positive association. We do not interpret this as evidence of a negative relationship between aid dependence and adoption. H1a is tested on the full sample in Tables 4 and 5, where coercive pressure is insignificant. Table 6 covers only the pre-2019 period and is a reconciliation exercise against prior pan-African evidence rather than a test of the hypothesis. We therefore treat the full-sample null as the relevant result for H1a.

Table 6. Regressions for IFRS, pre-2019 period

	LPM (1)	**LPM** (2)	**Probit** (3)	**Logit** (4)
Coercive	-0.637	-1.366***	-2.807***	-2.992***
	(0.450)	(0.007)	(0.000)	(0.000)
Mimetic	-0.006	-0.001	0.002	0.002
	(0.202)	(0.748)	(0.234)	(0.173)
Normative	0.029*	0.038*	0.052***	0.054***
	(0.060)	(0.052)	(0.000)	(0.000)
SIZE	-0.019	-0.054	-0.101***	-0.106***
	(0.554)	(0.183)	(0.000)	(0.000)
GDP growth (%)	-0.013	-0.022**	-0.013***	-0.013***
	(0.227)	(0.024)	(0.001)	(0.005)
OHADA	-0.533***			
	(0.000)			
Common Law		0.542***	0.619***	0.649***
		(0.000)	(0.000)	(0.000)
Intercept	0.977	1.145		
	(0.226)	(0.227)		
Year fixed effects	Yes	Yes	Yes	Yes
Model fit	Adj. R^2 0.546	Adj. R^2 0.514	Pseudo R^2 0.747	Pseudo R^2 0.750
N	160	160	160	160

The dependent variable is the IFRS dummy, which is regressed on institutional theory factors plus control variables. Marginal effects are reported for the probit and logit models. Model (1) includes the dummy variable for OHADA and Models (2), (3), and (4) include the Common Law dummy. Variable definitions are available in Section 3.2. All models include year fixed effects and robust standard errors are clustered by country. P-values are reported in the parentheses under the coefficients. ***, ** and * represent significance at the 1%, 5% and 10% levels, respectively.

Finally, we turn to IFRS for SMEs (Table 7), which we estimate by LPM over the full 2009–2022 sample. Model (1) enters the three institutional pressures with the controls. None of coercive, mimetic, or normative pressure is significant, so the SME hypotheses—H1b, H2b, and H3b—are not supported. Two factors do predict adoption. SIZE is positive and significant in both models (0.104), and in Model (2) the IFRS dummy is the strongest predictor (0.401, $p = 0.006$), raising the adjusted R^2 from 0.136 to 0.271. In other words, adoption of IFRS for SMEs is closely tied to a country's adoption of full IFRS. The SIZE result admits two readings. Larger economies may have more small and medium-sized entities and therefore more use for a dedicated standard. The coefficient may also reflect the presence of one economy far larger than the rest, so we do not press either interpretation. The OHADA experience reinforces the pattern. Every member adopted full IFRS in 2019, yet none has adopted IFRS for SMEs.

Table 7. LPM regressions for IFRS for SMEs, full sample

	LPM (1)	LPM (2)
Coercive	1.388	1.173
	(0.228)	(0.182)
Mimetic	0.001	0.002
	(0.829)	(0.420)
Normative	0.015	0.002
	(0.250)	(0.878)
SIZE	0.104**	0.104**
	(0.048)	(0.023)
GDP growth (%)	-0.006	-0.001
	(0.533)	(0.916)
IFRS		0.401***
		(0.006)
Intercept	-2.611**	-2.623**
	(0.049)	(0.018)
Year fixed effects	Yes	Yes
Adj. R^2	0.136	0.271
N	224	224

The dependent variable is the IFRS for SMEs dummy, which is regressed on institutional theory factors plus control variables. Variable definitions are available in Section 3.2. All models include year fixed effects and robust standard errors are clustered by country. P-values are reported in the parentheses under the coefficients. ***, ** and * represent significance at the 1%, 5% and 10% levels, respectively.

Overall, our results identify two determinants of IFRS adoption in West Africa. The leading determinant is OHADA membership. Under the 2019 SYSCOHADA mandate, member countries adopted IFRS together, and this regional, treaty-based shift outweighs the country-level pressures. Among those country-level pressures, the one that matters is normative capacity—tertiary education enrollment is positively associated with adoption—whereas coercive and mimetic pressures show no significant effect. For IFRS for SMEs, the strongest predictor is a country's adoption of full IFRS. Together, these findings suggest that where a strong regional body governs accounting, membership in it can outweigh the country-level determinants that adoption models usually emphasize.

The regional result also has a straightforward institutional interpretation. Under Article 10 of the OHADA Treaty, Uniform Acts apply directly in member states and override conflicting national provisions, whether earlier or later, so the revised SYSCOHADA took effect without national transposition (OHADA, 2016). Membership therefore operates as a direct and binding channel of coercive pressure in the sense of DiMaggio and Powell (1983), rather than through the diffuse country-level channels—aid dependence, trade exposure, professional capacity—that the cross-country literature typically models (Boolaky et al., 2020; Judge et al., 2010). Where a regional body holds legislative authority of this kind, the relevant unit of analysis for adoption may be the bloc rather than the country.

5. Conclusion

Our study examines the determinants of IFRS and IFRS for SMEs adoption across 16 West African countries from 2009 to 2022. We argue that adoption in this region stems from two distinct forces—regional regulatory harmonization through OHADA and country-level institutional pressures—and that separating the two is essential to understanding the pattern. Treating the 2019 OHADA mandate as a quasi-experimental setting for the regional source, and applying institutional theory to capture the country-level pressures (coercive, mimetic, and normative), we examine which of these two forces actually shapes adoption.

The results show that IFRS adoption is significantly shaped by OHADA membership and, specifically, its 2019 SYSCOHADA mandate, which moved the entire member bloc to IFRS in a single, coordinated step. Operating by treaty and simultaneously across members, this shift outweighs the country-level pressures. Normative pressure, proxied by tertiary education enrollment, is positively associated with IFRS adoption, suggesting that countries with stronger educational capacity are better positioned to move from local standards to international ones. Coercive pressures, such as dependencies on foreign aid, show an insignificant influence on adoption outcomes. One reading is that external financial support alone does not drive accounting reform without complementary domestic initiatives. A second reading, which we cannot rule out, is that our proxy does not capture the underlying construct closely enough to detect the mechanism. Mimetic pressures, proxied by trade integration, are also insignificant in this region. For IFRS for SMEs, the strongest predictor is a country's adoption of full IFRS; the SME standard is taken up almost exclusively by countries that have also adopted full IFRS.

Taken together, our contribution is to separate a coordinated regional mandate from the gradual country-level pressures emphasized in prior work, and to extend the evidence to IFRS for SMEs in a region where that standard has rarely been studied.

These findings also have practical implications. Where a regional organization can legislate directly for its members, harmonization can advance faster through a single coordinated mandate than through the gradual accumulation of country-level pressures. Regional bodies weighing similar initiatives may find that binding, simultaneous adoption resolves the coordination problem that slows voluntary convergence. At the same time, IFRS for SMEs adoption remains at zero across the OHADA bloc, which shows the limits of a mandate that reaches only listed and public-interest entities. In economies dominated by small and medium-sized entities, extending the benefits of international reporting would require either a separate mandate for the SME standard or sustained investment in the professional and educational capacity that our normative result identifies as the one country-level factor associated with adoption.

Our findings are subject to several limitations. First, the three institutional pressures are measured with conventional but indirect proxies. Because two of the three hypotheses rest on null results, our finding that coercive and mimetic pressures do not operate in this region may reflect the limits of these measures rather than the absence of the mechanism. More direct indicators, such as IFAC membership activity, the density of qualified accountants, or participation in IMF programs, would be preferable, but consistent panel data on them are not available for all 16 countries across the full period. Second, adoption is measured as formal commitment. The 2019 mandate applies only to the consolidated accounts of listed and public-interest entities, and in several sample countries the number of affected entities is small, so coding a country as an adopter may overstate the change in reporting practice. Our reliance on macro-level data also means that we cannot assess compliance or implementation quality, which the literature identifies as a persistent gap in African settings, or examine firm-specific adoption dynamics. Third, the association between the mandate and adoption is partly definitional, since the mandate required member states to adopt, and the comparison group has limited residual variation. Fourth, governance quality, regulatory capacity, and political conditions may also shape adoption and are not modelled here. Tertiary enrollment in particular may capture broader institutional development as well as accounting-specific capacity. Finally, the focus on West African countries means that our findings may not generalize to regions with different institutional and economic contexts.

Future research could revisit these mechanisms with more direct measures of institutional pressure as such data become available, investigate firm-level determinants of IFRS and IFRS for SMEs adoption, or assess the post-adoption effects on financial reporting quality.

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Notes

Note 1. https://www.ifrs.org/use-around-the-world/why-global-accounting-standards/

Note 2. https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/#analysis-of-the-170-profiles

Note 3. https://www.ifrs.org/issued-standards/ifrs-for-smes/

Note 4.
https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/#analysis-of-the-use-of-the-ifrs-for-smes-accounting-standard

Note 5. Usually, a Variance Inflation Factor (VIF) greater than 10 is a sign of high multicollinearity in variables. Our VIFs are significantly lower than 10.

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