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Accounting Services, the Islamic Middle East, and the Global Economy, by DAVID L. MCKEE, DON E. GARNER, & YSRA ABUAMARA MCKEE, Quorum Books, 1999

*Reviewed by Kent W. Meyer**

The stated purpose of McKee's Book is to help the reader understand the role that major international accounting firms can, and do, play in the economic life of selected Middle Eastern nations and the economy. While this purpose could be viewed as somewhat limited in scope, McKee's book contains the kind of information that a financial professional, in particular a legal professional, operating or planning to operate in the Middle East should read. However, there are many, especially in the legal profession, who would disagree with this statement.

Young professionals have long been told by their mentors that the key to success in their chosen fields was to specialize. For example, accountants were told to specialize in taxation or a specific industry and attorneys were told to select a specific area of law. To be a general practitioner was a guarantee of a mediocre and financially unrewarding career. In spite of the apparent need to specialize, growth in the global flow of information and commerce, which were facilitated by new technologies, has created a demand for individuals who have a broad knowledge of how all of the pieces fit together. Thus, in order to be effective, the legal or accounting professional must expand his or her knowledge base. A legal or an accounting professional must come to understand what is behind the laws or the numbers in financial statements. That is, only through an understanding of the political, educational, religious, and legal forces that are manifested in the accounting practices and laws of various countries can the legal or accounting professionals advise their clients on a proper course of action. While both members of the legal and accounting professions may appreciate the need to understand the broad forces that explain a nation's laws and accounting practices, it is the accounting profession that has been the most successful in developing such an understanding.

Accounting firms have evolved into very different organizations than they were just fifteen years ago. Many accounting firms willingly admit that the audit function, which was the core business of accounting firms for generations, has become only one of many available services being offered. In this regard, management, consulting, and advisory services, which require a very broad

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knowledge level, have become the front runner in many accounting firms. In addition, international accounting firms are not restricted in many countries outside the U.S. by the requirement that only lawyers in law firms may practice law. As a result, these accounting firms may offer services that would be severely limited in the U.S. The legal profession has been much slower to adapt to the need for a broader knowledge base than has the accounting profession. Accounting firms have embraced and utilized the kind of data contained in this book. Law firms, as a general rule, have not.

The following discussion illustrates how the book's contents can be employed by legal professionals to expand their outlook and to integrate more closely as team players. McKee's book is divided into four parts: *The General Frame of Reference*; *The Major Accounting Firms and Developments in Selected Islamic Jurisdictions*; *Legal and Institutional Parameters for Business and Accounting Practice*; and, *Implications for Regional Growth and Change*.

The first section of McKee's book is particularly valuable in providing an overall view of Islam and its role in shaping the cultures and the economies of the Middle Eastern countries. While the discussion is far from comprehensive, it did provide the reader with a fundamental working knowledge of this fascinating and significant topic. It is clear that virtually any economic or legal action taken in the Middle East must consider the tenets of Islam. Given the significance of this topic, this section could have been more extensive and a basic analysis of how Islam directly impacts business practices would have been helpful.

The following descriptions of selected Middle Eastern economies, resident major accounting firms, and international law firms could have been better integrated with information contained in the introduction. As presented, the information appears to be accurate but is very detailed and somewhat sterile. After a tantalizing introduction, the reader is provided with factual descriptions and with little or no link to the introduction. Most, if not all, of this information is readily available in such places as the Price Waterhouse "Doing Business Series." There are, however, some very interesting analyses of the major Middle Eastern nations. In this regard, the discussion of the major accounting firms and development in Egypt, Saudi Arabia, and Turkey in Part II were very informative. In particular, the discussion of the factors that have, and are, shaping the domestic and international economic environments of these countries provides a good introduction for those not acquainted with the general economic environment of the region.

Section three of the text discusses the legal and institutional parameters for business and accounting practice in the Middle East. The information in this section regarding the major accounting firms which provide services to the Middle-Eastern countries can be particularly useful to legal professionals. In the highly dynamic and increasingly complex environment of international business, it is difficult, if not impossible, for any one-service organization to provide all necessary services to business clients. As a result, a team approach is the only feasible way to effectively

meet the needs of international business clients. As noted above, international accounting firms have been much more dynamic and expansive in their approach to providing multiple business-related services than have their legal counterparts. Nevertheless, law firms can and should evolve as team players. International and domestic law firms could establish closer ties with international accounting firms and benefit considerably from the relationship. This section provides the legal professional and law firms with useful information about the role of accounting firms in Middle-Eastern countries. This information could provide the insight necessary to seek out and form closer relationships with these firms as a team player.

Of the four parts, part three, which discusses the legal and institutional parameters for business and accounting practices, contains information of the type most relevant to the legal professional. This section provides descriptions of the government agencies involved in regulating business enterprises and stock exchanges in the Middle East. It also provides descriptions of the various available forms of doing business. In addition, fairly detailed outlines of the legal requirements associated with business formation and operation in each of the countries in the Middle East provide a very good basic overview of the legal environments of the Middle-Eastern countries.

Part four, *Implications for Regional Growth and Change*, summarizes all of the prior chapters with regard to the legal and institutional issues affecting business operations in the Middle-Eastern countries along with a prognosis for future growth and development in the Middle-Eastern nations.

Accounting Services, the Islamic Middle East, and the Global Economy is a book that should be read by internationally oriented legal professionals for several reasons. First, it provides a concise description of the religious, cultural, political, economic and legal environments of a region, which play critical roles in the world economy that has a particular need for legal and accounting services. Additionally, the book can provide the legal professional with a resource for identifying and possibly seeking out potential partners. Finally, the book provides insight into a very fascinating and significant area of the world, an area that most westerners know little or nothing about.

