

THE EVOLUTIONARY ADVANCES IN TAX EDUCATION IN CANADA AND THE HEGEMONIC LEADERSHIP OF THE ACCOUNTING PROFESSION

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ABSTRACT

The main argument of this paper is that the accounting profession in Canada exercises hegemonic leadership over the development of tax education in terms of cadence and direction of reforms. To support this argument, the paper uses the development of the microeconomic approach to teaching taxation and the correlation between the numbers of tax courses taught in undergraduate programs and exemptions provided by the provincial institutes of the Canadian Chartered Accountants to students joining them. It uses arguments from institutional isomorphism to elucidate expected resistance to adopting new developments, such as the microeconomic approach, in the accounting field. The paper also builds on Gramsci's theory of hegemony to imply that business schools have given their consent to the Canadian Institute of Chartered Accountants by closely linking their curriculum, at least the taxation courses, to that of the institute.

1. INTRODUCTION

This paper argues that the evolutionary growth of tax education in Canada is a reflection of the hegemonic leadership of the accounting profession rather than a result of a concerted effort by business schools. To support its arguments, the paper explains how both the curriculum and the number of taxation courses offered in undergraduate Canadian programs are related to the Canadian Institute of Chartered Accountants' (CICA) training programs. It uses the failure of the microeconomic approach to teaching taxation to transplant the traditional compliance based pedagogy to imply the existence of submission by business schools in the delivery of taxation education to accounting profession's hegemonic leadership. It also uses the correlation between the numbers of taxation courses taught in undergraduate programs and the numbers of courses required by the provincial institutes of the Canadian Chartered Accountants to imply the same hegemonic leadership and related submission in the taxation curriculum.

The microeconomic approach (or managerial approach) which tries to formally integrate tax planning with the theory and practice of management

was thought to have curriculum development advantages over the traditional compliance-based paradigm, which was described as an anachronism (Jones 2001, p. 2). Although the microeconomic approach made its appearance both in the United States and in Canada at the turn of the 1990s decade (Scholes and Wolfson 1992; Thornton, 1993), its impact is not yet that apparent in the undergraduate programs more than a decade later. This paper argues that the main reason for such a low progress relates to institutional isomorphism where business schools, at least Canadian business schools, adopt homogenous teaching methods in taxation that are expected to be agreeable to the big accounting firms. These homogenous teaching methods are related to the fact that until recently, and for decades, practitioners from the big accounting firms taught taxation courses in North American business schools, and were naturally using the same methods they utilized for their in-house training courses (Jones and Duncan 1995).

The paper also builds on the work of Richardson (1989) who had shown that Canadian CAs use various methods of expansive hegemony to receive the consent of other accounting associations. The current paper argues that it is not only the other associations in the profession that succumbed to the hegemony of the CAs, but that business schools also gave their consent to the CAs by closely linking their curriculum, at least in the taxation area, to that of the Canadian Institute of Chartered Accountants (CICAs). The paper presents an empirical illustration of how the wishes of the accounting profession, especially the syllabus of Chartered Accountant's tax education, and by extension the contents of the CA Unified Final Examination (UFE) affect the number of taxation courses offered in the Canadian business schools.

The paper is organized as follows: Section two discusses how isomorphism affects the content and delivery of tax courses. Section three introduces Gramsci's concept of hegemony and its utilization in accounting research. This section also provides an empirical illustration of how the CICA syllabus drives the number of courses taught in undergraduate programs of Canadian business schools. Section four concludes the paper.

2. THE CONTENT AND DELIVERY OF TAX COURSES

The accounting profession in North America long ago recognized that taxation should be a major component of education for professional accountancy (Accounting Review Editorial 1938). Today, all qualifying examinations for students going into the Canadian accounting profession contain fairly large components of taxation materials. Most of this tax education is currently offered in undergraduate business programs. Therefore, both the curriculum and the structure of delivering this

knowledge should be of concern to academics and to all other actors in the accounting field.

Scott and Tiessen (1994) did a study on the contents and the delivery of Canadian academic accounting courses in a sample of Canadian universities. In their evaluation of the tax courses, they stated that “Tax courses were very professionally oriented. Most were quite procedural.” Furthermore, they wrote, “..in our sample there was no Scholes & Wolfson/Thornton type of tax class which would provide strong conceptual material for tax analysis”.

Scholes & Wolfson/Thornton types of courses were initiated by academics at beginning of the 1990s decade (see Scholes and Wolfson 1992; Thornton 1993). This was in contrast to the evolution of procedural courses, whose developments were heavily influenced by practitioners who were adjunct professors in business schools for a long time before the appearance of full-time accounting academics (Jones and Duncan 1995). In Canada, the 1990s also witnessed the emergence of PhD programs that by the turn of the decade produced several graduates with the appropriate background to design research and to generate teaching agenda in line with the microeconomic approach. For a while it seemed that a mini-revolution in teaching and researching in taxation was underway (Rennie 1997). A decade later, the traditional method of teaching taxation that follows the structure of the Income Tax Act remains the most dominant perspective.

2.1. The Merits of Microeconomic Approach to Teaching Taxation

The major appeal of the microeconomic approach to tax planning is its ability to formally integrate tax planning with the theory and practice of management. It focuses on the interaction of tax and non-tax factors in the business environment. It highlights that taxation is an academic field with its assumptions, theories, and methods (Thornton 1993, p.3). A typical microeconomic based tax course would start with a framework for thinking about taxation. It would then apply the framework to explain major tax planning topics. The topics would include optimal choice among taxable entities (partnerships, proprietorships, and corporations) in carrying on business activities, capital markets and taxes, tax arbitrage (entity-based tax arbitrage Vs clientele-based arbitrage), compensation and tax planning (non-cash benefits, deferred compensation, stock options, employee loans), pensions and tax planning, debt and tax planning (capital structure, tax and debt), business combinations and tax, and international tax planning.

While there are variations, a typical traditional compliance-oriented course would have a considerable coverage of the income tax sections that relate to the calculation of an individual’s tax liability. Very few of such courses would include meaningful coverage of corporate tax liability or a

framework that relates tax rules to their economic or financial consequences. These courses are usually more concerned about the ex-post calculation of taxpayers' tax liabilities and compliance in general than about a framework that relates tax rules to their economic or financial consequences.

Supporters of the compliance-based approach claim that while the managerial approach may be appropriate for non-accounting students, accounting students require skills that "focus on institutional tax (compliance)" (Feltham 1996). They, therefore, recommend the continuation of adherence to following the Income Tax Act (Ibid). It is argued in this paper that the schism between accounting students and other business students in teaching the first course in taxation is not necessary. Accounting students are first and foremost business students, and would just as well benefit from a more conceptual coverage in their first tax course. In this aspect, pedagogy in taxation lags behind those of other areas of accounting such as financial accounting and managerial accounting. Even the intermediate courses, let alone introductory courses, in financial accounting do not follow the CICA (Canadian Institute of Chartered Accountants) Handbook as closely as the traditional first courses in taxation adhere to the Income Tax Act (ITA).

Tax education in the U.S seems to have suffered from the same problems as the Canadian tax education. Some tax educators in the U.S described the traditional compliance-based courses as an anachronism. Sally Jones (2001, p. 2) writes:

In the modern (postwar) era of business education, the first generations of tax teachers were practitioners: accountants or attorneys hired as adjunct faculty to initiate students into the mysteries of the newly enacted Internal Revenue Code of 1954. These practitioners taught their students in the same way they trained their employees. In doing so, they created a compliance-oriented paradigm that has survived to the present day.

It is argued in this paper that, both in the U.S and in Canada, after many decades of unchallenged reign, the compliance-oriented paradigm has been institutionalized in the delivery of tax courses in the business schools by influential environmental factors. It is further argued that this institutionalization phenomenon and the hegemonic leadership enjoyed by the accounting profession, who has given their implicit and explicit blessing to such courses, are the sources of the resistance to alternatives like those based on microeconomic approach.

2.2. The Role of Institutional Isomorphism

Institutional researchers hypothesize that, over time, repeated actions in an organization or in an organizational field (like the accounting profession)

become institutionalized and are internalized by the actors involved (Berger and Luckmann 1966). These researchers identify pressures on institutions that may create rigid and institutionalized behaviors that ultimately cause them to be homogenous in structure, processes or programs and strategies (Di Maggio and Powell 1983; Haunschild 1993). These structures are in many cases maintained for their legitimating functions for the organization rather than for their efficiency (Meyer and Scott 1983; Deephouse 1996). A bridging process called institutional isomorphism propels organizations in the same field to become homogenous in time by copying each other or by some being forced to adopt others' structures (DiMaggio and Powell 1983; Mizruchi and Fein 1999). However, these institutional arguments are not meant to imply that institutional pressures for isomorphism are inescapable. In fact, research has shown that organizations respond to institutional pressures strategically (see Oliver 1991; Etherington and Richardson 1994).

2.3. Institutional Environment of Tax Education

In general, the accounting profession is considered to be one of those fields where member firms not only accommodate the expectations of the field but also try to act as role models (Greenwood and Hinings 1996). This accommodation of expectations and role modeling may heighten the fear by innovating institutions, such as those schools adopting the managerial approach to teaching taxation, of losing legitimacy (Deephouse 1996). However, changes and innovations do occur in all organizational fields (DiMaggio and Powell 1983; Greenwood and Hinings 1996). The difference lies in the type of changes that could be expected given the prevailing pressures for conformity.

Greenwood and Hinings (1996) hypothesize that when normative embeddedness or tight coupling of an organization within its institutional context is strong, convergent changes, i.e., reproduction and reinforcement of existing modes, rather than radical changes, i.e., movement to new modes of thought, are more common. Greenwood and Hinings (1996) also theorize that, while normative embeddedness reduces the likelihood of radical changes, permeability of a field increases that likelihood.

The above review has implications for the microeconomic approach to tax planning and education. First, because of the normative embeddedness of the accounting firms in their organizational field, the accounting profession will resist any departure from the traditional compliance-oriented approach unless the change is convergent and can be accommodated within the existing parameters. Second, since the accounting profession is an institutional field with high normative embeddedness, radical change can only occur to the extent that the accounting field is permeable to the

influences of the general market. Furthermore, if a radical change takes place in teaching taxation, it can only be evolutionary rather than revolutionary. Therefore, the rate of acceptance of the microeconomic approach of teaching taxation rests on the strength of the accounting profession's permeability relative to its normative embeddedness. To the extent that the microeconomic approach reflects changes in the market context of the accounting profession, including the schools that service it, and to the degree that the accounting profession is permeable, this approach may transplant the traditional paradigm in an evolutionary manner.

2.4. Evolutionary Advances in Tax Education

The realization that tax practice is too complex to be solely based on the statute – the Internal Revenue Code – started in the US in mid 1990s (Oppenheimer 1997). But the recommendations that seem to have been implemented are those from the accounting profession rather than innovations initiated by business schools and academicians.

The American Institute for Certified Public Accountants (AICPA) created a Model Tax Curriculum Task Force in 1996 to address the above issue. The task force concluded that the graduate tax courses in most schools are doing a good job of preparing their students for the market (Oppenheimer 1997). The committee recommended that a *radical* change is needed in the undergraduate tax curriculum to prepare the students for the profession's changing needs. The task force recommended a syllabus that would take two semesters or two three-credit-hour courses; but the most radical change was reserved for the first course. The most radical recommendation of the task force was the emphasis on business taxation rather than on the traditional individual income taxation coverage (AICPA 1999). According to the model, not more than 12% of the material should be devoted to individual income taxation.

By 1999 textbooks that adopted the task force's recommendations were published (e.g, *Principle's of Taxation* by Sally Jones 1999 and *Business Transactions* by Annette Nellen 1999.) These textbooks are invariably less compliance oriented than traditional texts. They down play the technical details of the law and instead focus on few fundamental concepts, which the authors think will provide the students with permanent frame of reference for future study of advanced topics. By concentrating on business transactions, the authors claim that the study of taxation is no more at odds with other business courses which focus on business entities.

Jones (1999) wrote that books like hers usher a new paradigm for meeting the educational needs of tax students in the twenty-first century. The paradigm, as she puts it, is based on three postulates:

1. Students should learn the tax law as an integrated component of a complex economic environment.
2. Students should comprehend the tax law as an organic whole rather than as a fragmented collection of rules and regulations.
3. Students who learn fundamental concepts have a permanent frame of reference into which they can integrate the constant changes in the technical minutia of the law.

The above claims are very close to those stated in the microeconomic approach to tax (see Scholes and Wolfson's *The Planning Approach* and Thornton 1993). The influence is not as apparent in Canada. One of the conclusions of the Canadian Academic Accounting Association (CAAA) project on the state of accounting education was that more concepts-based introductory course may be desirable (Scott and Tiessen 1994). In tax education, Scott and Tiessen (1994) were unambiguous in their assessment that Scholes & Wolfson/Thornton type of courses offer the conceptual framework that would be consistent with the concepts-based orientation. Following the typology adopted by Etherington and Richardson (1994) in describing resistance to institutional pressures, it is now apparent that business schools strategically chose negative responses to the CAAA demands (suggestions) for change. Canadian business schools are publicly funded. Therefore, actors in the accounting field, especially the most hegemonic actors like the Chartered Accountant (CA) firms may not use direct resource transfer to expand their hegemony. However, the majority of accounting students in business schools aspire to become CAs (Etherington and Richardson 1994). This creates a very imbalanced interconnectedness between the CA profession and the accounting programs in business schools.

But there are traces that the Canadian Tax education environment may be heading in that direction. There are some courses that follow the same logic as the managerial tax planning approach, but which are mostly for non-accountants or MBA students. Some discernable shifts are also occurring in some of the most popular textbooks used for the first Canadian income taxation course. For example, *Introduction to Federal Income Taxation in Canada*, by Beam, Laiken and Barnett (2004), which is still the most widely used textbook in Canada for the first course, has added about 20 pages of microeconomic approach of tax planning material in its introductory chapter. The book, nevertheless, still adheres to its original philosophy of following the organization of the Income Tax Act. The other major books in the market generally ignore the microeconomic approach, but some introduce other important changes.

In sum, while it seems that the changes that are taking place in the US tax education system are having some influence on the paradigms practiced in Canada, the level of influence does not seem strong enough to indicate a radical change. The changes that are adopted are evolutionary rather than revolutionary. These changes are also sponsored by the guardians of the status-quo, which are the accounting firms. In the next section, it is argued that the isomorphism phenomenon explained in the earlier sections of the papers may be interacting with equally strong force acting in the same direction: hegemonic leadership of Chartered Accountants.

3. Gramsci, Hegemony, and the accounting profession

Webster's Encyclopedic Dictionary defines hegemony as (1) leadership or predominant influence exercised by one state over others, as in a confederation, (2) leadership; predominance. However, hegemony as a critical tool is a Marxist concept largely attributed to Antonio Gramsci, the Italian activist labor leader who wrote his most important work during his imprisonment by Mussolini from 1926-37 (Litowitz 2000). Hegemony is considered to be the most influential concept in Gramsci's *Prison Notebooks* (Sasson 1987). In its most general sense, Gramsci's notion of hegemony describes a situation where a dominant group receives the submission of the dominated group either by force or by the exercise of leadership (Gramsci 1971).

Those two levels of power, which are sometimes called force and consent (Richardson 1989) could be present in any social control. But force may normally be associated with state coercive actions by courts and police. Control by consent is more subtle than the coercive type of control, or force. Consent control is sometimes referred to as the "hegemony proper". Litowitz (2000) wrote "It [hegemony] involves subduing and co-opting dissenting voices through subtle dissemination of the dominant group's perspective as universal and natural, to the point where the dominant beliefs and practices become an intractable component of the common sense." This is the definition of hegemony implied in this paper.

Gramsci's notion of hegemony was introduced to the accounting literature by researchers that primarily study the role of accounting in society (e.g., Goddard 2002; Cooper 1995; Richardson 1989). Goddard (2002) used the theory to analyze three periods of development of the public sector accounting in the UK. He discussed the relationship between the prevailing hegemony of the state and the development of public accounting. He documented how the public sector accounting body in UK propagated, through its journal and examination system, knowledge and techniques reflecting and constituting ideologies that were in line with the coercive and

consensual approaches adopted by the state (Goddard 2002, p.683). That is, changes in the accounting practice at any point in time may not be a progression but a succession of junctures that are manifestations of what the dominant group wants at that point in history. Like Goddard (2002), Cooper (1995) was also concerned about how accounting serves as a mechanism through which state hegemony and ideology is propagated. Cooper (1995), using the NUJ (National Union of Journalists) of UK, showed that accounting facilitates a hegemonic leadership that often stifles alternative world view points. Goddard (2002) and Cooper (1995) highlighted the usefulness of Gramsci's concept of hegemony in highlighting the role of government on the development of accounting practices. These papers build on other studies that proposed and/or empirically documented how, in general, the state and its ideology have shaped the relation that accounting has with society (see Tinker 1984; Armstrong 1987, Burchell *et al.*, 1985; Richardson 1989).

There is, however, a dearth of research that gave meaningful discussion to the existence of hegemony within the professional accountancy. An exception to this phenomenon is Richardson (1989) who, while investigating the relationship between the state and the accounting profession, used Gramsci's concept of hegemony to analyze the role of Canadian regulation in sustaining the expansive hegemony of the Chartered Accountants in the Canadian accounting profession. This part of the current paper concentrates on investigating the hegemonic leadership of the Canadian Institute of Chartered Accountant (CICA) in the education for professional accountancy.

3.1. Chartered Accountants' (CAs) Hegemonic Leadership and Number of Taxation Courses in Canadian Business Schools

At the time (2005) of writing of this paper, there is no common body that licenses Chartered Accountants (CAs) in Canada. Licensing is still a provincial responsibility. However, the Canadian Institute of Chartered Accountants (CICA) uses the Uniform Final Examination (UFE) to achieve a minimum level of technical education for CAs. As a result, different regional CA institutes and their schools ultimately provide approximately the same level of technical tax expertise to their CA students. But, the provincial institutes differ in the minimum number of tax courses that students coming from business schools are required to take before enrolling in provincial CA schools.

Generally, the provincial CA educational programs review tax courses offered by the business schools in their provinces and provide credits or exemptions towards the institutes' professional education requirements. (See http://www.icao.on.ca/public/about/oth_inst.html#que). The western-based

Chartered Accountant School of Business (CASB) requires that incoming students have at least taken one course in taxation. The Ontario CA Institute's School of Accountancy requires and provides credits for up to two courses. The Order Des Comptables Agréés Du Québec requires and provides exemptions for two courses. The Atlantic School of Chartered Accountants (ASCA) treats tax education differently from other components of CA education. It usually provides its students all the necessary technical tax knowledge after they enter the ASCA education program. The current study did not locate any tax course exemptions provided to schools in the Atlantic Provinces. This would also mean that the ASCA does not need to review the contents of the tax courses offered in Atlantic Business Schools. Its counterparts in other regions, especially those in Ontario and Quebec, invariably review all accounting courses offered by business schools in their provinces to assure themselves that these courses conform to their syllabus. For example, the following is from the Ontario CA website (http://www.icao.on.ca/public/career/be_a_ca/u_index.html):

The Institute recognizes courses by reviewing course content, grades and credit hours. To be recognized for credit, courses must have acceptable coverage of topics prescribed in the Syllabus for Entry to the Chartered Accountancy Profession.

The various practice and traditions of the CA provincial programs provide an empirical test of the CA hegemony described earlier.

3.2. Data and Descriptive Statistics

The paper hypothesizes and tests for a correlation between the number of tax courses offered in each of the 50 business schools in Canada shown in Appendix A and the exemptions of tax courses given to incoming students to provincial CA education programs. The number of courses and the exemptions were collected from the respective websites of business schools and Chartered Accountants' provincial institutes.

Table 1: Number of Tax-Course Exemptions by Provincial CA Institutes

Courses allowed for exemption	Frequency (number of schools)	Percent
0 (Atlantic Provinces)	11	22
1 (Western provinces)	15	30
2 (Ontario and Quebec)	24	48
Total	50	100

As shown in Table 1, 22% or 11 schools in this study's sample are in a CA jurisdiction, i.e., Atlantic Provinces, that does not offer exemptions for

any tax courses taught in business schools. About half (48%) are in a CA jurisdiction that provides exemptions for up to two courses; these are the schools in Ontario and Quebec. The rest of the schools, 30%, are under a jurisdiction that requires only one tax course. These are the schools in Western Canada.

Table 2: Number of Tax Courses Offered by Canadian Business Schools

Tax Courses offered in the school	Frequency (number of schools)	Percent	Cumulative Percent
0	6	12	12
1	11	22	34
2	29	58	92
3	4	8	100
Total	50	100	

As shown in Table 2, 92% or 46 of the schools offered not more than two tax courses. Only 4 schools, 8% of the sample, offered three tax courses. No school offered more than three courses. However, some schools (like Brock and Ryerson) offer other tax courses that are not open to students in accounting. According to their outlines, these courses, while not exactly following the microeconomic approach, take more business and managerial approach than typical courses for students taking the CA route.

3.3. Regression Analysis

In line with the hegemony phenomenon described earlier, this paper hypothesizes that the numbers of tax courses offered by schools positively vary with the number of exemptions offered by the respective CA Provincial Institute. As a result, the study runs a regression of the number of courses offered by business schools on the number of exemptions provided by the provincial CA institutes. The results, as shown in Table 3, indicate that the numbers of courses offered in business schools do positively vary with the number of exemptions offered by the respective provincial CA education programs.

However, the paper performs further analysis on the relationship between courses and exemptions by adjusting for known factors that may affect the relationship (Pindyck and Rubinfeld, 1998). Size is a variable that may proxy for the effect of various factors. For example larger universities may have resources and reputation that can reduce the hegemonic influence of CAs institutes. That is, the type of school in which the school of business is part of may have some influence on whether the school resists or conforms to the CA institutes' hegemony. One would then expect the correlation

between courses and exemptions to be lower for larger schools. Adopting the categorization used by the Canadian Macleans' magazine in rating Canadian Universities, the following variables were introduced into the regression in Table 3:

Medical is equal to 1 if the business school is in a university that offers broad range of PhD programs and research, as well as a medical school.

Comprehensive equals 1 if the business school is in a university with significant amount of research activity and a wide range of programs at the undergraduate and graduate levels, including professional degrees.

Undergraduate equals 1 if the business school is in a university that is largely focused on undergraduate education, with relatively few graduate programs

Exemptions x (medical, comprehensive, or undergraduate) is expected to capture a shift in the coefficient of Exemptions due to the type of the school.

Table 3: Regression Results

Dependent variable is Number of Courses offered in a Business School

Variables	Coefficients	Std. Error	t-Statistic	Significance
Constant)	1.104	0.197	5.611	0.000
Exemptions	0.409	0.132	3.098	0.003
EXCLUDED VARIABLES FROM THE ABOVE MODEL ARE: A stepwise regression discarded them as irrelevant to the model				
Variables	Significance level of the t-statistic (insignificant if greater than 0.05)	Collinearity Statistic: Tolerance (Close to 1 implies no collinearity)		
Medical	0.201	0.949		
Comprehensive	0.297	0.995		
Undergraduate	0.775	0.930		
Exemptions x Medical	0.733	0.871		
Exemptions x Comprehensive	0.124	0.850		
Exemptions x Undergraduate	0.172	0.908		
R-square = 0.15 Model significance statistic, F = 4.051 (significant at 0.012)				

As the results in Table 3 show, neither the adjusted R-square nor the number of significant variables changed when such adjustment was made to the model. That is, the influence of the type of school on either the intercept or on the slope is not statistically significant (see bottom part of Table 3).

One of the interesting results in Table 3 is that, regardless of the number of course exemptions provided by the CA education programs, the schools

tend to offer at least one course (coefficient of the constant is = 1.1). The number is unchanged when stepwise regression is used and variables, in the excluded variables part of Table 3, are added to the model one at a time. But, as the slope of the exemptions variable shows, the number of courses offered by a particular school increase by approximately one course for every two exemptions (slope is 0.409) provided by the CA schools. In other words, the model predicts that, while business schools under CA jurisdictions that offer zero exemptions are likely to offer one course, schools in one-course-exemption CA jurisdictions are as likely to offer one course as they are likely to offer two courses. The schools in CA jurisdictions with two tax course exemptions are likely to offer two tax courses. This tendency of business schools to offer at least one taxation course, and most likely two, in their undergraduate programs can also be seen from the cross-tabulation count shown in Table 4.

Table 4: Distribution of Schools by Number of Courses and Exemptions

Number of courses offered by the school	SCHOOLS IN A CICA JURISDICTION THAT OFFER THE NUMBER OF COURSES			Total number of Schools in all jurisdictions
	Atlantic provinces (Offer no course exemptions)	Western Provinces (offer 1 course exemption)	Ontario and Quebec (offer 2 course exemptions)	
0	2	2	2	6
1	5	5	1	11
2	4	8	17	29
3	0	0	4	4
Total number of schools in a jurisdiction	11	15	24	50

Nine of the 11 schools that come under a jurisdiction that gives no exemptions (i.e, Atlantic Schools) offered one or two taxation courses, with 36% actually offering two courses. Also more than 50% of the schools that came under a CA jurisdiction that gives one-course-exemption actually offered two courses in taxation. In all, 12 of the 26 schools (or 46%) that come under a one-course exemption jurisdiction (Western schools) or a zero-course exemption jurisdiction (Atlantic schools) offered two courses. Over all, as Table 4 shows, two thirds of the schools (33 of 50) offered two or more courses in taxation. It seems that the influence of the two-course exemption jurisdictions (Ontario and Quebec) extends to other jurisdictions.

The foregoing conclusion that Ontario and Quebec CA institutes may have hegemony over schools in other provinces is not surprising for several reasons. First, given that students, so far, were writing the same final examinations, the UFE, no matter which province they are trained in, completing two courses in taxation may constitute the minimum preparation for the examination. Second, since Ontario and Quebec (the two-course exemption jurisdictions) usually account for more than 60% of all the students writing the Uniform Final Examination (UFE), schools in smaller jurisdictions may just be mimicking the syllabus of those in bigger jurisdictions of Ontario and Quebec. For example, see Table 5 for the number of students who wrote the National UFE from 1999 to 2004 (CA Ontario 2005, website: <http://www.icao.on.ca/public/career/index.html>)

Table 5: Number of Students Who Wrote the National UFE, 1999-2004

	2004	2003	2002	2001	2000	1999
West	742	746	630	894	808	737
Ontario	1,136	1,084	1,169	1,096	1,052	1,049
Quebec	533	570	518	549	559	565
East (Atlantic)	150	207	167	147	148	131
Total	2,561	2,607	2,484	2,686	2,567	2,482

Third, since prospective CA students sometimes move from their home provinces for articling, the schools in smaller provinces may view the requirements of bigger provincial CA institutes to be representative of the CICA requirements. Therefore, in the absence of other confounding factors, business schools in Canada might be expected to ultimately offer two taxation courses. In addition to the effect of the hegemonic leadership of CAs and institutionalized behavior illustrated earlier, the difficulty of condensing the vast tax material in the Income Tax Act into a single tax course provides inertia to the two-course practice.

3.4. Other Influences on the Number of Tax Courses Offered

A growing number of Canadian schools are applying for accreditation by AACSB International (The Association to Advance Collegiate Schools of Business). These schools have to abide by some fairly strict programs that may not favor having more than a single taxation course in a four-year undergraduate program. For example, AACSB requires that in a four-year undergraduate program (i.e., 120 credit-hour program), not more than 60 (or 20 courses) should be business related. The shortage of tax educators with PhDs and the tightening financial situation in most Canadian business schools also aggravate the situation. These difficulties may increase the

likelihood by schools to cancel the second taxation course if it attracts relatively low number of students. For those schools that attained or have applied for AACSB accreditation, this could be exacerbated by the requirement that at least 60% of the students be taught by full-time professors. This could give hope to proponents of the microeconomic approach.

Ideally, all schools should at least be offering two taxation courses in their undergraduate programs. Also, ideally, the first of those two courses would be taught in the microeconomic approach, while the second course could include a healthy doze of interpretations and tax cases. But, given those pressures that discourage the addition of new tax courses, the extra creativity required in offering the minimum required tax knowledge in a single course, may eventually reduce the risk and discomfort associated with abandoning the taken for granted pedagogical paradigm of following the ITA structure for an entity-based similar to the microeconomic approach.

4. Conclusions

Ten years after its appearance in North America, the microeconomic approach to tax planning and tax education has made some inroads into the Canadian business schools' pedagogical arsenal. But the speed of its adoption in the training of accountants is very slow. This study hypothesized that the resistance to the microeconomic approach could be related to an institutional isomorphism phenomenon where the traditional ITA oriented method of teaching taxation is internalized and adopted as a template. The template has originated from the accounting firms, which as a group are the largest employer of business schools' graduates in accounting and may have a hegemonic influence on tax education in business schools (Etherington and Richardson 1994). Because of tight inter-dependency between the accounting area of the business school and the accounting firms, the continuation of the Income Tax Act (ITA)-oriented way of teaching taxation may be more for its perceived legitimization role and continuation of CA hegemony than for its efficacy in educating future tax professionals.

The study uses the relationship between the number of tax courses offered in the undergraduate programs of business schools and the number of exemptions allowed by CA provincial institutes to illustrate the strength of the CAs' hegemony. It shows that the numbers of taxation courses exempted by the provincial CA institutes for students coming into their programs have significant correlation with the numbers of tax courses offered by Canadian business schools. Furthermore, the study implies that the influence of larger institutes like Ontario's extends to schools outside of their jurisdictions.

However, a caveat regarding the regression analysis in section 3 is in order. Despite the hegemonic leadership theorizing in the section, the model relating the number of taxation courses offered in Business Schools to the number of course-exemptions by the CA jurisdictions is not yet fully developed. The study's model should thus be treated as a start and not as an end by itself. For example, while the exemptions variable in Table 3 is significant, the intercept of the model is even more significant. The intercept shows that regardless of exemptions, schools will offer at least one course in taxation. The study proposed some explanations for that. Future researcher may provide more convincing and more complete results.

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APPENDIX A
Number of Tax Courses Offered in Canadian Business Schools

School	Number of Courses	Type of University	Region
Toronto	2	MD	O
UBC	1	MD	W
Queen's	2	MD	O
McGill	2	MD	Q
Alberta	2	MD	W
Western Ontario	2	MD	O
Montreal – HEC	3	MD	Q
McMaster	2	MD	O
Dalhousie	1	MD	A
Ottawa	2	MD	O
Saskatchewan	2	MD	W
Calgary	1	MD	W
Laval	3	MD	Q
Sherbrooke	2	MD	Q
Manitoba	2	MD	W
Waterloo	3	C	O
Simon Fraser	1	C	W
Guelph	0	C	O
Victoria	0	C	W
Memorial	2	C	A
York	2	C	O
Regina	2	C	W
Carleton	1	C	O
Windor	2	C	O
New Brunswick	1	C	A
Concordia	2	C	Q
Mount Allison	1	PU	A
St. Francis Xavier	1	PU	A
Trent	0	PU	O
Acadia	1	PU	A
Winnipeg	0	PU	W
Bishop's	2	PU	Q
Wilfred Laurier	2	PU	O

Lethbridge	2	PU	W
Saint Mary's	2	PU	A
Moncton	0	PU	A
Brock	3	PU	O
Lakehead	2	PU	O
UNBC	2	PU	W
UPEI	0	PU	A
Mount Saint Vincent	2	PU	A
Nippissing	2	PU	O
Laurentian	2	PU	O
Ryerson	2	PU	O
Brandon	2	PU	W
Cape Breton (UCCB)	2	PU	A
Trinity Western University	1	O	W
Algoma University College	2	O	O
Athabasca University	1	O	W
Okanagan University College	2	O	W

Where,

Type of School:

MD = Business schools in universities with medical and doctoral programs as per the definition of MacLean' Magazine.

C = Business schools in universities with comprehensive programs of undergraduate, graduate, and PhD programs

PU = Business schools in universities that are primarily undergraduate.

O = Others

Regions:

W = Schools in the four Western Provinces of B.C, Alberta, Saskatchewan, and Manitoba.

O = Schools in Ontario

Q = Schools in Quebec.

A = Schools in Atlantic Provinces of PEI, Nova Scotia, New Brunswick, and Newfoundland, and Bermuda.

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