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**The Pedigree of Accounting in Kiribati and its Consequent Prospects in the  
Transparency and Accountability Stakes, Sponsored by the International  
Financial Institutions**

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**Paper for Fifth Asia Pacific Interdisciplinary Research in Accounting Conference**

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# **The Pedigree of Accounting in Kiribati and its Consequent Prospects in the Transparency and Accountability Stakes, Sponsored by the International Financial Institutions**

## **Abstract**

**Purpose** – In espousing transparency and accountability of public authorities in the Global South, international financial institutions (e.g. International Monetary Fund, World Bank) have great expectations of how accounting will perform. In this paper, I assess the prospects of such expectations in the Republic of Kiribati.

**Design/methodology/approach** – I compile a genealogy of accounting from a review of historical sources and participant-observation data and elaborate the bloodlines it comprises by taking a genealogical perspective of power and knowledge.

**Findings** – Accounting practices in Kiribati turn out to be more mongrel-like than thoroughly bred from classic bloodlines, deriving from a hackneyed pool one can trace to *I-Matang* (i.e. white people indigenous to Europe) whose various activities have done much to shape said economy over the past two centuries. Although not considered as such by *I-Matang*, and so by *I-Kiribati* (i.e. people of Kiribati), an accounting remains that was part of the way that *I-Kiribati* lived before *I-Matang* began arriving. The practices called accounting are regarded by most *I-Kiribati* as part of institutions that still “belong” to *I-Matang*, notwithstanding that they inherited them as an adjunct to attaining independence from the former colonial power (i.e. Britain). While *I-Kiribati* interact with these institutions regularly, many seem not understand them and even more have few historic reasons to know that the institutions have a duty of accountability to them, through accounting or similar.

**Research limitations/implications** – I have tried to overcome uneven coverage, geographically, temporally and otherwise, of field research and secondary sources. Alternative light is shed on premises underlying key planks of structural adjustment policies.

**Originality/value** – The study could fuel discussion of how international financial institutions seem to think transparency and accountability are fostered, and whether the latter is rhetoric masking neo-colonial activities, intended or otherwise.

**Keywords** Genealogy of accounting, Pacific Islands, power and knowledge

**Paper type** Research paper

Transparency and accountability are critical for the efficient functioning of a modern economy and for fostering social well being. In most societies, many powers are delegated to public authorities. Some assurance must then be provided to the delegators—that is, society at large—that this transfer of power is not only effective, but also not abused. Transparency ensures that information is available that can be used to measure the authorities' performance and to guard against any possible misuse of powers. In that sense, transparency serves to achieve accountability, which means that authorities can be held responsible for their actions. Without transparency and accountability, trust will be lacking between a government and those whom it governs. The result would be social instability and an environment that is less than conducive to economic growth. (Carstens, 2005, p. 1)

## **Introduction**

Accounting is often associated with three interrelated processes. It facilitates and legitimises the process of persons within organisations clarifying their decision options economically. It is a means for reporting about the organisations in question in order that, among other things, economic outcomes of the behaviours of said persons within organisations are more transparent than otherwise, thus allowing these outcomes to be evaluated by anyone so inclined within and without the organisations in question. It facilitates accountability between persons to whom resources are entrusted and whose behaviours influence organisational performance and condition, and various publics with interests in said resources, performance, condition and associated matters. For example, in a republic, citizens confer agency responsibility on politicians, public officials, and institutional and other professionals. As citizens individually and collectively increase the duty on their agents to account publicly and so make their activities transparent, so the parity increases between the knowledge and power these various agents can exercise and the knowledge and power exercisable by the citizens. Thus, when exercising discretion in making decisions, performing actions and applying effort, agents are under greater influence of citizens and what they do in the name of the republic is more in accord with citizens' wishes.

While the quotation from Carstens (2005) above apparently incorporates these aspects of agency theory (Eisenhardt, 1989), it seems to further suggest that transparency and accountability, and therefore accounting, pervade many more aspects of modern life than may be popularly perceived; and that accounting practices are socially, politically and culturally significant, as well as economically so. Such ideas are borne out by more than two decades of

studies of accounting as part of how organisations and societies function (Hopwood and Miller, 1994; Macintosh and Hopper, 2005). However, like most accounting research, as a rule these studies are situated in the Global North, a score of exceptions (e.g. Briston, 1978, Irvine and Deo, 2006; Kearins and Hooper, 2002; Neu and Graham, 2006; Nzdinge and Briston, 1999; Pok, 1995) proving the rule. When making his argument, Carstens was deputy managing director of the International Monetary Fund (IMF), which along with other international financial institutions (e.g. its partner in Washington, the World Bank, and the Manila-based Asian Development Bank (ADB)) has been championing structural adjustment programmes in the Global South for three decades, such as I describe analytically elsewhere regarding the Republic of Kiribati (Dixon, 2004a). As Carstens exemplifies, these programmes continue to be espoused as necessary to increasing economic growth in the Global South, albeit with grassroots ideas on social stability, participation, poverty reduction and environmental sustainability being added recently to the rhetoric (e.g. ADB, 2001, 2002, 2006, 2007; Castalia Advisory Services, 2005; IMF, 2001), although their situated practices often attract accusations of neo-colonialism because of how knowledge and power associated with them is exercised (Annisette, 2000, 2004; Willis, 2005). New Public Management (NPM) reforms have been increasingly incorporated into these programmes (Larbi, 1999) and Carstens's argument epitomises the prominence accorded in NPM to an accounting technology (in the broad sense of theories, methods and practices of the discipline) that is reflective of new organisational and social practices, and constitutive of these new practices (e.g. see Hood, 1995; Lapsley, 1999, 2005).

In discussing unexpected and unintended effects of NPM, among the cultural surprises that Hood and Peters (2004) consider is the triumph of hope over experience. This is manifested in ideas being implemented repeatedly and giving rise repeatedly to disappointing outcomes, including in the Global South, for reasons of institutional capture and unswerving belief in particular technology. It can be construed as not learning from the past, at least in part from not knowing it, or not wanting to know it. This is my point of departure in this paper. I have delved into accounting practiced in the vicinity of Kiribati as far back as sources and some reasonable conjecture allow in order to compile a genealogy of accounting. The genealogy covers a few centuries and illuminates who has used accounting and in what ways. It is concerned with micro-practices and the exercise of power in local transactions and processes, some among *I-Kiribati* (i.e. persons of Kiribati) but most between *I-Kiribati* and *I-Matang* (i.e. white people indigenous to Europe[1]), or other foreigners, in which accounting figures,

often behind the scenes, seemingly ordinarily and mundanely, which are good reasons for social researchers to take notice of phenomena (see Pollner cited in Robillard, 1992).

Here I present the genealogy, elaborate its bloodlines and then discuss implications in the light of Carstens's argument, the triumph of hope over experience and accusations of neo-colonialism. In relation to Carstens's argument, I have used the genealogy to assess the extent that experience might have equipped *I-Kiribati* citizens of the republic with knowledge and power to apply accounting in ways consistent with his transparency and accountability espousals of the international financial institutions, which is reflected as far as Kiribati is concerned in ADB (2002). In relation to the triumph of hope over experience, I have used it to identify ideas being implemented repeatedly and giving rise repeatedly to outcomes that have been disappointing for *I-Kiribati*. In relation to neo-colonialism, I have used it to identify how *I-Kiribati* have not been as politically and economically independent as might have been supposed at various times but particularly following the dissolution of the Gilbert and Ellice Islands Colony (GEIC) after 64 years (1916-79)[2], the departure of the governor and other officials appointed by the British Government after nearly 90 years (they established the Gilbert and Ellice Islands Protectorate (GEIP) (1892-1915) before the GEIC), the institution of the republic in 1979 (GEIC, 1974; Macdonald, 1971, 1972, 1982; Maude, 1968), and the cessation of mining after 80 years (1900-80), the last 60 under the auspices of the British Phosphate Commissioners (BPC) (King and Sigrah, 2004; Macdonald, 1982; Williams and Macdonald, 1985). Kiribati, by the way, is pronounced *key-ree-bas*, being the way *I-Kiribati* enunciate Gilberts.

In delving into accounting, I took a wide view of what it comprises, allowing that it includes the practices, and underlying theories and methods, associated with financial and management accounting, auditing, private and public organisational finance and other branches of the discipline in the Global North. I considered the review by Gallhofer, Gibson, Haslam, McNicholas and Takiari (2000) of work on developing accounting systems reflective of indigenous culture, and discussion of the accounting of Australian Aboriginals by Gibson (2000) and Greer and Patel (2000). I took the positions that the knowledge, skills and values that accounting encompasses are forever-changing (e.g. on the incorporation of economic discourse, see Hopwood, 1992). The practices derive meanings from interactions among many categories of people in organisations and societies, accountants and managers included but not only these by any means. Wallace and Briston (1993) elaborate a similarly wide definition of "accounting infrastructure" in relation to developing countries. Similarly wide is

Neu's use of the term accounting to refer to "numerical, monetarized calculations techniques which mediate the relations between individuals, groups, and institutions as well as the accountability relationships that result from these social relations" (2000, p. 270). Particular points Neu makes and that I utilise are that accounting plays distributive and ideological roles, it includes incentive schemes and financing relations, and it enables the conveying of knowledge over distance (e.g. about people situated on the 180° meridian to people living on the Greenwich (0°) meridian). The relevance of this last example is that Kiribati is at the juncture of the 180° meridian and Equator, while the British Government's Colonial Office, etc. is in London (0° longitude).

The rest of this paper is structured as follows. First, I outline where the study is located theoretically and how it was conducted. Next, I provide retrospective analytical (i.e. theory-laden) descriptions of the several accounting bloodlines in the evolving political economy and social environment of *I-Kiribati*, starting from when islands and parts of islands had been separate polities with forms of government that *I-Kiribati* had developed of their own accord, and including not only the colonial and post-colonial periods just alluded to but also the early part of the 19<sup>th</sup> century, when there was a creeping informal colonialism across the central and south Pacific, through commercial interests, missionaries and imperial naval activity (Davie, 2000; GEIC, 1974; Macdonald, 1971, 1982; Maude, 1968). Next, I discuss the matters outlined above. Finally, I provide conclusions and suggest avenues for further research.

### **Study Location**

I have indicated already where the study is located geographically. Turning to its theoretical location, to give an account of how accounting figures in the way organisations and societies function, a range of often grand organisational and sociological theories are available, along with corresponding interpretive sociological methods (Chua, 1988; Covalleski, Dirsmith and Samuel, 1996; Denzin, 1989). Notwithstanding, I decided to follow leads taken by Alam, Lawrence and Nandan (2004), who argue that in studies of the relatively uncharted accounting of the Global South, historically specific stories and localised theories can better illuminate the various relations referred to in the foregoing than reaching for grander social theory; and by Irvine and Deo (2006), who show that relationships between societal theory and empirical data of this ilk are somewhat tenuous, and anyway derive from the values of the researchers (see also Davis, Menon and Morgan, 1982; Silverman and Gubrium, 1989; Turner, 1989). Thus, in theoretical terms, among the analytical description and discussions, at

best my paper contains only localised theories, employing metaphor, differentiation and concepts theories (Llewellyn, 2003). However, as can be implied from the title[3] and the earlier stated intention of compiling a genealogy of accounting practices, I have followed other accounting researchers (e.g. Hoskin and Macve, 1994; Kearins and Hooper, 2002; Miller and O'Leary, 1987; Neu and Graham, 2006) in using a micro-level genealogical method and analysis, which they induced from the work of Michel Foucault and exemplified. The approach is appropriate because I was active in the field of inquiry at a micro level and could review written material by people similarly placed (e.g. Grimble, 1921, 1952, 1957; Macdonald, 1971, 1972, 1982; Maude, 1963, 1968, 1977a, 1977b; Sabatier, 1977)[4]. Moreover, the field in which I worked is small, isolated, and comprises people with much cultural homogeneity: in the eyes of the outside world, they form an independent republic, often classified as a microstate.

As to personal stance, while acting as an intercultural mediator, I try to consider matters from the *I-Kiribati* side, thus taking a partisan stance that is familiar in qualitative sociological studies (Silverman, 1985) but which is not without difficulties (Gallhofer and Chew, 2000). I try to marry the interactionists' concern for the meanings that accounting has for *I-Kiribati* and the radical humanist aim of illumination giving rise to emancipation between *I-Kiribati* and *I-Matang* (re interactionism and humanism, see Macintosh, 1994).

The total population of Kiribati is now nearing 100,000, having increased threefold in less than a century. Although studying power relations and processes in such a slightly populated place is probably easier than in more populous societies, one still finds a rich mixture of the regulated and non-regulated, and legitimate and informal, from which to shed light elsewhere, and so give the study wide appeal. A familiar theme of the accounting literature on the Global South is the heterogeneity of the peoples, habitats and economic prosperity it encompasses (e.g. Wallace, 1990, 1999), inferring that all-encompassing theories are incongruous and that studies of individual peoples and countries are vital to know the diversity and complexity entailed (Wallace and Briston, 1993). Indeed, Macdonald (1982) signals dangers and inadequacies of generalisation even studying among the peoples of the 21 populated islands of Kiribati, and the contrasts with Tuvalu, because of differences among these peoples, which in turn has given rise to different ways that they have responded to similar influences, and because of field research and written sources about them being uneven in coverage, geographically, temporally and otherwise. Thus, I attach the term illumination to my results advisedly (see Denzin, 1989; Patton, 1990), and stress that how brightly my study illuminates other peoples and places depends on contingencies such as the natural environment, social and material culture, and sources and applications of accounting technologies.

Elsewhere (Dixon, 2004a, 2004b), I have documented my extempore involvement with *I-Kiribati* and participant-observation on Kiribati. In essence, it goes back over 20 years begun by and incidental to marriage to an expatriate *I-Kiribati*. I first visited South Tarawa, now the seat of government, on Tarawa Atoll and Nikunau Island in 1985, and my most recent stay ended in 1999. During visits, I lived among my *utu ni kaan* (i.e. closer extended family[5]), experiencing their style of living, and so, unwittingly, I was following Grimble and Clarke's advice about not expecting "to know the native until you have learned his home life. . . . by constant hut-to-hut visitation" (1929, introduction, no p. no.). For two periods (1988-89 and 1997-99), I staged accounting courses (see Dixon, 2004b), gathering data to design some of these. Subsequently, I have delved into the evolving political economy and social environment of *I-Kiribati* and followed current events there from Britain and New Zealand, by consulting academic, governmental, international organisation and other sources (e.g. news services, memoirs of colonial officials and missionaries, public records and archives), and by listening to many, many anecdotes about the GEIC and Kiribati, some told by

expatriate *I-Kiribati* but mostly by *I-Matang* whose experiences there spanned the 1960s through to the 2000s.

I was at some disadvantage because I lack *te taetae ni Kiribati* (also known as Gilbertese), the language common to all *I-Kiribati* [6]. This certainly applied during 13 weeks I was on Nikunau but also for most of the time on Tarawa. *Te taetae ni Kiribati* is the only oral language of most *I-Kiribati* and increasingly they have come to write in it, if they write at all. While a significant minority of *I-Kiribati* have fair knowledge and skills of written English, most lack practice in it and rarely use it orally and only when necessary. This is notwithstanding that English is much used in secondary school education, particularly in textbooks [7] and was for official purposes under British rule (1892-1979).

I allude above to the comparative value of the study being lessened by differences between Kiribati and other peoples and their habitats within the Global South categorisation. Further contingencies about the study's value stem from shortcomings in my methods, besides those normally associated with the human-as-instrument (see Guba and Lincoln, 1983; Patton, 1990; Sanday, 1979). A positive is that my extended experience makes me not as prone as many *I-Matang* are after single and often brief, less intimate encounters to such Eurocentric behaviour as proposing first-world "solutions" to innate situations that *I-Matang* often perceive as "local problems" (for discussions on this issue, see Devlin and Godfrey, 1998; Gallhofer and Chew, 2000; Llewellyn, 2003; Robillard, 1992). However, I am not acculturated or transculturalised, and believe that I cannot become so [8]. As I am an accountant writing for an accounting audience, I may be prone to providing "overly accounting-centric explanations" (Neu, 2000, p. 283). However, I have tried to avoid this, although accounting is bound to feature prominently anyway, given an intention to reveal specifically its place in the evolution of the exercise of power.

### **Analytical Description**

Using the methods outlined above, I was able to discern many instances of accounting. I have used my biased, expert judgement to arrange these into various bloodlines to make up the genealogy of present day accounting I was intent on compiling. For the sake of order and the limits of space available in a publishable paper, I have reduced these to the 10 bloodlines shown in Figure 1 and condensed the analytical descriptions of each to a few pages, as presented in subsections below.

[INSERT FIGURE 1 ABOUT HERE]

## **I-Kiribati Society and Accounting Appendages**

To compile this section I have reviewed work by several authors (e.g. Alaima Talu et al., 1979; Crocombe, 1987; Grimble, 1921; King and Sigrah, 2004; Lambert, 1966, 1987; Lundsgaarde, 1974; Macdonald 1971, 1982; Maude, 1963; Pole, 1995; Sabatier, 1977) who have constructed descriptions of *I-Kiribati* society before recorded interaction with *I-Matang* (see Maude, 1968; Officer on Board the Said Ship, 1767), or drawn up learned descriptions of the material culture of *I-Kiribati* on some so-called Outer Islands (Geddes, Chambers, Sewell, Lawrence and Watters, 1982; Koch, 1986). The latter give an inkling of life must have been like, notwithstanding that they were completed well after encounters with *I-Matang* had been reflected in and reconstituted these societies.

Significantly, political units in the Gilberts and Banaba comprised parts of islands, islands or groups of adjacent islands. Between c. 1400 and c. 1850, they took two forms: the southerly islands and often many northerly ones were gerontocracies headed by a council of *unimane*, (i.e. wise and respected old men); and Butaritari and occasionally other northerly islands were monarchies, under *uea* (i.e. chiefs)[9]. I shall focus primarily on the gerontocracies, two important institutions of which were *mwaneaba* and *boti*. The first is often translated as *meetinghouse* but better informed is “tabernacle of ancestors” (Maude, 1963, p. 11)[10], associated with which were *I-Kiribati* living in the vicinity in *mwenga* (i.e. dwelling areas), built in clusters to form *kainga* (i.e. hamlets). While each *mwaneaba* district was an independent polity, their structures and processes were similar, deriving from the cultural affinity of neighbouring districts and islands, and their close social ties. *Mwaneaba* were a “masterpiece of Gilbertese culture” (Sabatier, 1977, p. 99) that served as social and religious centres, inns for visitors, and political bodies (i.e. *I-Kiribati* Governments), making no distinction among what *I-Matang* class as legislative, executive and judicial functions under *te katei*, the code of customary social and governmental relationships. *Boti* (known as *inaki* on some islands) is often translated as clans but were actually the portions of the *mwaneaba* in which people sat according to their ancestry. Each *boti* was named after a significant *te bakatibu*. The people entitled to sit in particular *te boti* could be classed as belonging to a particular *te baronga*, which is closer to the idea of a clan (Hegnes Dixon, personal communication), and lived together in *te kainga* belonging to *te boti*. In a *mwaneaba* district, *boti* were represented in *te mwaneaba* by *atun* (i.e. head) *te boti*, who were usually the oldest non-senile males in each *kainga*. They were of approximately equal standing and arrived at decisions by consensus.

*I-Kiribati* and their culture evolved in harmony with their environment in its totality. Other important elements of society were *aba* (i.e. plots of land). Naturally, they were places on which *kainga* were built, and food and materials grew or were cultivated (e.g. coconut palms, pandanus, babai). Moreover, their ownership, use and conveyance were of political, social and spiritual significance, touching on many aspects of life (e.g. kinship, marriage, adoption, status seniority, group affiliation - Lundsgaarde, 1974)[11]. *Aba* outside *kainga* were owned individually by males and females, ownership implying enjoyment of *aba* in life, and conveying it during life or on death, usually to a blood or adopted relative[12], provided that *utu* of the owner had residual tenure rights, and so a say in their distribution. Of material importance also were rights held variously to the reef, lagoon (if their island had one) and ocean. Another set of valuable items were knowledge, skills, rituals and magic spells[13] and rituals associated with daily activities, including of such specialists as architect, thatcher, outrigger builder, composer, choreographer, warrior, doctor and undertaker. All were long-established and passed in a jealously guarded way within *utu* from generation to generation, for reasons of place in the community and honour. As to chattels, observations of their behaviour during the 24 hours or so that the *Dolphin* and *Tamar* were anchored off Nikunau led Officer on Board the Said Ship to induce that *Kain Nikunau* had little idea of private property and that “it is probable that they enjoy all things in a manner in common amongst themselves” (1767, p. 138).

From an accounting perspective, *aba*, rights, and secret knowledge, skills, spells and rituals are assets. They were widely distributed among different *boti* and this reflected, determined and reinforced the way power was shared among *boti*, and within *boti* among *utu*, under. All this sustained the *mwaneaba* system, which in turn promoted political stability within an island and from island to island, wars (see Sabatier, 1977) being exceptions that proved the rule. Their importance to *I-Kiribati* is signified by oral records or understandings having been maintained of which *aba* belonged to whom such that *unimane* were reputed not only to know the name of every *te aba* held by members of their *utu* but also could recall descriptions of them, their boundaries and their history of ownership. Notwithstanding, land disputes were a feature of life, and continue to be so[14].

Genealogy is a less obvious subject of accounting as *I-Matang* know it, but one that was of at least equal importance to *I-Kiribati* as *aba*, etc. were. Everyone was expected to authenticate membership of *te boti* by reciting their ancestry through several generations, thus allowing a comparison with oral records of *boti* and *utu* kept by *unimane* (e.g. Uering, 1979). Recitals

were part of the rights of passage to adulthood and, as Grimble (1952) experienced, being adopted into *boti*. In visits to distant *mwaneaba*, it allowed unknown visitors to prove their entitlement to sit with their *te boti* during formal social, spiritual and political proceedings of *mwaneaba*. In arranging marriage, it avoided *karikira* (i.e. incest), which would occur if partners shared a great grandparent by blood or adoption[15].

Striking are the similarities between the genealogical, spiritual, land and fishing rights resources covered in *I-Kiribati* oral accounts and those in the typology of NZ Maori resources developed by Winiata, as reviewed by Gallhofer et al. (2000), and in the accounting of Australian Aboriginals (Gibson, 2000; Greer and Patel, 2000). Regarding other, more conventional accounting ideas, while social and political obligations were important, economic liabilities were incidental to the process of these rather than something tangible and worth recording. *Bubuti* is a long-standing example of this and is of continuing significance in the distribution of goods, despite attempts to eliminate it by GEIC officials. Basically, it entails a right of a person to solicit goods or services from another and an obligation on the owner of the goods or provider of the services to agree, without a direct corresponding exchange, although there is an implication of reciprocity in the future (Macdonald, 1982). Concepts of trade, commercial manufacture, revenues, costs, and economic profit and loss, or surplus and deficit, were unknown.

The closest to a notion of a tax on income or wealth in the *mwaneaba* system was probably in arranging the frequent ceremonials that were held, over which an agreement about contributing was reached among *atun te boti* and implemented immediately, probably without need of a lasting (oral) record. I witnessed these kinds of discussion in the 1980s among *unimane* at Tabomatang; and Kazama (2001) reports similar recent experience at *te mwaneaba* on Tabiteuea South. Furthermore, Lambert (1966) reports that in Butaritari's chiefly system of government, *Kain Butaritari* (i.e. people of Butaritari) gave food, etc. to their *uea*, usually on occasions to mark critical life passages[16] and to symbolise recognition of *te uea*. How much was given and by whom was determined by consultation beforehand and the plan then implemented. Having received this homage, *uea* duly re-distributed surpluses to symbolise their generosity.

Regarding *I-Kiribati* accounting comprising only oral records, these had some reliability, although whether the absence of written records was because of lack of need, lack of technology or to allow *unimane* to exercise knowledge and power is unclear, save that once writing technology was introduced, by *I-Matang*, it began to be used. For example, Sabatier

(1977) refers to people before the 1930s recording their genealogy in exercise books, along with knowledge, skills, songs and magic spells, and keeping these records secure, and Uering (1979) amounts to such a record.

### ***Accounting Consequent on Oils***

This section is based on reviews of Macdonald (1971, 1982) and Maude (1968, 1977b) with snippets from other authors (e.g. Alaima Talu et al., 1979; Grimble, 1952, 1957; Sabatier, 1977). Commerce between *I-Matang* and *I-Kiribati* was initiated in the 19<sup>th</sup> century by trading ships following the Outer Passage route between Port Jackson and Canton and whalers working the On-the-Line[17] grounds during the December to March season. *I-Matang* wanted coconuts and other fresh provisions, bêche-de-mere, mats and other handicrafts, coconut rum and women. Some whalers (e.g. Ichabod Handy of Massachusetts) extended their operations into coconut oil, which was increasingly needed in Europe to manufacture soap and candles. *I-Kiribati* obtained this oil already by pressing coconut meat and merely increased its production; and for the whalers, cooping and storing the oil was similar to sperm and black oil. Simple barter aboard ship soon gave way to onshore trading using plug tobacco as currency. The ships in question voyaged for at least several months and sometimes a few years in pursuit of cargos, before eventually returning home; and so voyage accounting (see Bigg, Wilson and Langton, 1963) was probably used. This would be as prescribed by the proprietors at the home port, and the final accounting records would be compiled from each ship's accounting records. Thus, Maude cites from the papers of Robert Towns, a Sydney-based whaling ship owner, the net profits on the voyages of the ships *Bertha* and *Black Dog* from an "Aggregate statement of profits during the 3 years 1855, 56 & 57" (1968, p. 266).

*I-Kiribati* procured a gradually increasing array of items (e.g. iron, various tools and firearms and other weapons made of same, trinkets, poultry and pigs, and tobacco) through this trade, and their material culture was modified significantly. However, generally speaking, *I-Kiribati* only had the most befuddled impression of any way of life different from theirs. They had little conception of how much *I-Matang* relied on provisions and of what they were doing with coconut oil, and so were unaware of how much more *I-Matang* would be willing to exchange for them. Thus, in these early days *I-Kiribati* providers might have seen goods to the value of barely 5% of the price that their produce realised in Sydney, New Bedford, London, etc. Nor would the notion have occurred to anyone involved for *I-Kiribati* to be paid fees for whales taken, in contrast to the present situation of fishing fleets paying the

Government of Kiribati AU\$10s of millions annually for taking tuna. An exception was on Butaritari, where by 1850, an entrepôt trade (e.g. ship provisioning and repairs, stores and workshops) was taking off, and *Uea* Itimaroroa and Kaiea soon realised the potential of this in terms of fees, rents and taxes. No doubt these *uea* kept some form of accounting records and distributed some of this income among their subjects in traditional ways, but it does seem that for a time their households lived in styles somewhat removed from other *I-Kiribati*.

Richard Randell ran a prominent business on Butaritari, in partnership with Charles Smith of Smith's Wharf, Sydney and Captain Hugh Fairclough. They bought coconut oil from *I-Kiribati* and sold it in Sydney. They employed itinerant agents, mainly from among beachcombers and castaways, and posted them increasingly southwards (e.g. Thomas Redfern represented them on Onotoa in 1868 and was still going strong as a trader in 1892), eventually eliminating whalers from the coconut oil trade. No records survive (Maude, 1968) but Randell probably maintained accounting records on Butaritari, possibly including consignment accounts for goods consigned to itinerant agents, with them in turn maintaining accounts as consignees (see Bigg, Wilson and Langton, 1963); and Fairclough and other ships' captains they employed probably maintained accounting records on board the ships that took the oil and returned with trade goods, etc. It seems likely that all these fed into the partnership's accounts and these were almost certainly maintained by Smith in Sydney.

About 1870, an alternative way of getting oil to its industrial destinations emerged from J. C. Godeffroy and Son in Samoa. It required *I-Kiribati* only to dry coconut meat, the resulting copra being shipped and pressed industrially at the manufacturers in, for example, northwest Europe. This technology quickly caught on and made for rationalisation of the trade in the whole Pacific such that it became just one of several commodity trades around that region that came under the ownership and control of progressively fewer companies, whose main books were kept some distance from the Gilberts, albeit that they were mostly represented at Butaritari's entrepôt port. By the 1890s, they included Jaluit Gesellschaft Co. of the German Marshalls, Messrs Hensheim and Co. and J. C. Godeffroy and Son of Apia, German Samoa, Crawford & Co. and Wightman Brothers of San Francisco, Henderson and Macfarlane of Auckland, and On Chong and Co. and Burns-Philp (South Seas) Ltd of Sydney. Fast forward to c.1919 and the Versailles settlement following WWI finalised the exit of German interests from the Marshalls and Samoa. Ten years further on, copra prices collapsed like other commodity prices did in the Great Depression (Morgan, 1980) and by the late 1930s, the Gilberts trade was left to only W. R. Carpenter and Co. and Burns-Philp, the

latter with its main wharf at Tarawa having followed Campbell there c. 1896. Copra prices rose when WWII started in Europe but trade came to an abrupt halt c. 1941 when the war spread to the Pacific Ocean.

Regressing to the 1870s, *I-Kiribati* of all islands extended the cultivation of coconut trees to take advantage of demand for copra. This meant they could afford more trade goods, whose range gradually extended to what I came across on Nikunau in the 1980s (e.g. rice, tea, flour, sugar, dried and tinned milk, corned beef, soap, kerosene lamps and fuel, fishing lines, hooks and nets, bicycle parts, pots and pans, knives and spoons, tools, other metal goods, and, because of the missionaries, cloth, and, despite them, tobacco (but no alcohol)). As copra was virtually the only item *I-Kiribati* could give in exchange for these, so it became the main currency, and remained so for at least a century in remoter places[18]. It was used not only for trading but also for paying fines, taxes and school fees. Exchange occurred at trading stations that were gradually established in most *mwaneaba* districts[19]. They were operated by resident traders and agents, who comprised *I-Matang* and, later, a few Chinese[20], their *I-Kiribati* wives and their offspring. In addition, a few Samoan and Hawaiian Protestant pastors generated such a flow of copra from their mission work in the 1880s and 1890s that they began trading under the auspices of the mission; and later churches ran stores as a means of fundraising and keeping their congregations supplied with goods. An exception to this pattern occurred on Abemama (and Kuria and Aranuka), where *Uea* Baiteke and then Binoka controlled a few thousand acres of coconuts and monopolised the entire trade until the 1890s, reaping substantial economic, social and political benefits at the expense of their subjects. Binoka is reputed to have killed 80% of *Kain Kuria* and *Kain Aranuka* and enslaved the rest in order to take over their lands and increase the surplus of coconuts (Macdonald, 1982; Sabatier, 1977).

The accounting practised at trading stations facilitated financial administration and making basic operating decisions. Presumably, it comprised basic commercial bookkeeping reflecting financial structures, a mixture of agency, branch and proprietary capital. This was used to finance imported fixed assets and to carry stock[21]. When a ship called to collect the copra accumulated by the trader, probably over several months on remoter islands, the trader received his price, or the agent his wages and commission, and replenished his stock of trade goods. The time elapsing between ships entailed significant investment in stock, although as now even with sufficient capital and good planning it was usual for stocks of some items to

be exhausted some time before the next ship, and it too might have run out of or not have been loaded with said items.

Companies often recruited agents at their substantive places of business (e.g. Sydney, Apia) on the criteria of knowledge, skills and reliability, because of the capital that these companies entrusted to them, and their willingness to live remotely. Notwithstanding possible German and Chinese influence, most of it originated one way or another from the British Isles, for example via penal and settler colonies in what are now Australia, NZ, California and New England (see Carnegie and Parker (1996), and Chua and Poullaos (2002) re the transfer of British accounting technology to the European-settler colonies of the Pacific). Once in the Gilberts, it was learnt from husbands (e.g. Ngangota Randell occasionally acted as trader and supercargo in the 1850s and 1860s, and Rakera Turner helped run the store at Nikumanu between the 1890s and 1930s – Maude, 1968, 1977b, and Sabatier, 1977), parents, other traders (e.g. Robert Corrie taught George Murdoch[22] – Grimble, 1952; Horwood, 1994) and through churches (e.g. among the subjects that Revd and Mrs Goward initiated on Beru in their boarding school for older boys and married couples from throughout the mission was bookkeeping and how to be a trader – the school's main purpose was to train pastors).

Regarding the effect of local use of accounting by *I-Matang*, it is as well to appreciate that as with some members of all other classes of *I-Matang* before and since, having arrived in the Gilberts voluntarily or involuntarily, resident traders often undertook their activities more to support a laid-back lifestyle in a paradise than as their *raison d'être*. Like those alluded to already (e.g. Murdoch, Redfern, Turner, the forbears of the Kum Kees), they invariably spoke *I-Kiribati* and adopted other local behaviours, married locally to women who then as now played significant roles in trading affairs, and produced descendants whom they often groomed as traders and also passed other trade skills on too (e.g. carpentry, mechanics), often fitting them for work as GEIP, GEIC and Republic Government administrators. Meanwhile, the Gilberts were not attractive to extensive commercial operations in copra or other commodities, and so unlike the Marshalls, Fiji, Samoa, etc., *I-Kiribati* were not troubled by companies bent on land appropriation and labour exploitation in situ[23], except later on Banaba, because of its phosphate (see below).

The performance of accounting may have been confined mainly to *I-Matang*, their *I-Kiribati* wives, and offspring, and others working in *I-Matang* circles, but how it was practiced affected *I-Kiribati* with whom they were trading and, sometimes, casually employing. As with most accounting practiced by one group and affecting another, while *I-Kiribati* obtained

benefits in the form of the flow of trade goods, they were probably prone to disadvantages, not just on Kuria, for example, at the hands of Binoka. Notwithstanding many traders not being inclined towards aggressive economic exploitation either naturally or because of the need to minimise infractions of *te katei* and similar aspects of *I-Kiribati* culture, it is doubtful whether the goods being exchanged for copra by the 1870s reached 25% of its value in Sydney and further afield, although that was an improvement on the 5% reported earlier. In income per *te I-Kiribati*, this probably amounted to only a few dollars per year on most islands. Moreover, some disputes and incidents did occur that were grounded in economic matters, rather than in more usual social, political or religious infractions. Particularly notorious was a practice of advancing credit through the so-called *clip system*, which led to bitterly disputed debts and widespread grievances. It entailed a trader advancing credit to a landowner against a specified *te aba* and having the right to harvest copra from the coconut trees thereon for as long as the debt existed: an additional aspect was that clips began being traded. *I-Matang* accounting records notwithstanding, the accumulated disputes were resolved only when the islands were declared a British Protectorate, and indeed might be cited as one of the domestic reasons for that status coming about (Macdonald, 1982). In any case, *I-Kiribati* Governments incorporated into the structure of the GEIP Government accepted responsibility for debt servicing and repayment, which they made through communal collection of copra. Credit transactions since have continued to be problematic, and so unusual.

### ***Accountability to Jehovah***

This section is based on reviews of Ernst (1992), Garrett (1992), Goodall (1954), Grimble (1952, 1957), Knoll (1997), Macdonald (1971, 1972, 1982), Mason (1985), Maude (1963, 1968) and Sabatier (1977). Word of Christianity was brought to Kiribati in the latter half of the 19<sup>th</sup> century by rival Protestant and Roman Catholic missions. For various reasons (e.g. an alternative religion provided by the impressive, knowledgeable, technologically superior *I-Matang*, a written version of *te taetae ni Kiribati* and books translated into it, knowledge/stories about elsewhere in the world), it so appealed to *I-Kiribati* that in less than three decades a significant majority were members of one of these congregations. Thus, Christianity at least seemed to take precedence over and in many respects to have displaced much of the long-established religion as an integral part of social and material culture, although the latter was and still is revived occasionally. In addition, from the 1870s to the 1910s, *mwaneaba* districts in the southern Gilberts particularly changed from gerontocracies

into theocracies almost, under the political control of the Samoan pastor and then *I-Matang* missionary representatives of the North-West Outstations of the Samoan branch of the London Missionary Society (LMS).

Regarding the accounting they conferred on *I-Kiribati*, axiomatic is that the Christians introduced the accountability-related concepts of preparing for the next world and the Day of Reckoning. This competed with and subsequently fused with the previously ascendant solidarity with and accountability to one's *utu* and *boti* (including *bakatibu*), although the institution of *boti* went into terminal decline at this time[24]. The LMS's Samoan pastors in particular placed a "strong emphasis on the rewards of heaven and the punishments of hell" (Macdonald, 1982, p. 43), and started to build up laws to curtail situations and behaviours that were a normal part of *I-Kiribati* life (e.g. nakedness[25], *eiriki* and *tinaba* relationships (Grimble, 1957), birth control through abortion and infanticide, adoption, keeping relics in *mwaneaba*, each *kainga* maintaining *te bangota* (i.e. a shrine) with a stone symbolising *te anti* (a spirit, possibly of the first human *bakatibu* of the *boti*), the various forms of dance (see Dambiec, 2005; Whincup, 2005)). These laws also instituted Sabbath observance (e.g. attending church, a ban on working, playing games and other recreation), and by inference, days of the week (e.g. *Moanibong* (or first day) = Monday, *Kaonobong* (or sixth day) = Saturday). As more and more *mwaneaba* districts were converted, their *unimane* enthusiastically passed more of these laws. They became so wide ranging that everyone was bound to break one regularly. Moreover, *unimane* appointed a copious force of *kaubure* (i.e. policemen and wardens) to enforce them[26], so that most breaches were found out. Furthermore, despite what turned out as barely effective opposition from a few traders and Roman Catholics, the laws applied to everyone, leading to what Sabatier described as "constant tyranny from the Protestants" (1977, p. 181).

Infractions of these multifarious laws were regarded as breaching church discipline, which initially was punishable on Earth only by exclusion from the church. However, after a *mwaneaba* district was converted, punishment changed, mostly to fines that were levied in copra and payable to the church. A substantial flow of copra ensued, droughts notwithstanding, and passed through the missions' accounts, being applied to build not only churches but also grand dwellings for pastors, who along with their *I-Kiribati* deacons, some of them *unimane*, had a life of relative leisure and affluence. Most *I-Kiribati* seemed prepared to accept this, seeing the pastor as "a living example of the accomplishments that could follow from Christianity and civilisation" (Macdonald, 1982, p. 49). As alluded to already,

some pastors, Hawaiian[27] as well as Samoan, used the fines in copra as a basis of running businesses, trading goods for more copra and even using the notorious clip system to advance loans. Thus, when Captain Davis surveyed the Gilberts in 1892 in annexing them as the GEIP, he qualified notes about the presence of pastors on islands by whether they were trading (see Resture, 2004).

Pastors performed their island missions with much autonomy from the LMS and ABCFM. Oversight visits by *I-Matang* missionaries from bases in Hawaii and Samoa were short, no more frequent than annual and taken up with ceremonials (e.g. school prize-giving). The people involved in the LMS in London were Victorian businessmen (e.g. Sir Albert Spicer, the international paper merchant, was its treasurer c. 1890, according to Garrett, 1992) and took a keen interest in fundraising and allocating funds throughout the mission (see Goodall, 1954), but this does not seem to have extended to any form of annual financial evaluation and audit of these outstation missions during these annual visits. In any case, many of the visitors were impressed by the results the pastors were achieving, and so supported the methods they used.

Although the GEIP Government curtailed the above practices from the mid-1890s in the north and central islands, including through appointing a few *I-Matang* to government agent, interpreter and tax collector positions, they went largely unchecked until 1900 in the LMS-controlled south, where there was no agent of the GEIP/GEIC Government in residence until 1917. What did change the situation in the south was the arrival of the first resident *I-Matang* LMS missionary, William Goward, but this was like going from the frying pan into the fire. Goward was aghast at the “inconsistent, incompetent and un-Christ-like” (Macdonald, 1982, p. 89) behaviour of the Samoans and set out to replace them with *I-Kiribati* that he would train himself. He established his headquarters on Beru and for most of the next 20 years played a domineering politico-religious part in the changing way of life on the southern islands. By then, his methods and behaviour, including controlling appointments to official positions held by *I-Kiribati* (which all went to Protestant minions), attracted as much criticisms as he had levelled at the pastors. This came from the Catholics (including Sabatier, 1977) and the GEIC Government, notably Southern District Officer Grimble (1918-1920), who was appalled by how representatives of the LMS had made *te I-Kiribati* ashamed of his ancestry, history, legends and “practically of everything that ever happened to his race outside the chapel and the class room” (Grimble cited by Macdonald, 1982, p. 133). Goward retired in 1917 and his successor, George Eastman, was much less controversial, as he

involved himself much less in secular politics *per se* than either the pastors or Goward, and he lasted until 1947. The intense newfound accountability that *I-Kiribati* had to Jehovah continued developing, however, and Sabbath observance, etc. are still much in evidence, particularly on Outer Islands.

As regards administrative accounting of the missions, Sabatier (1977) makes by-the-by references to administration, budgets and accounts of the Roman Catholic mission. In describing its early activities, he writes of the “mission’s slender budget” (p. 210) and its “terrible financial difficulties” (p. 318). Goodall (1954) reports about the Protestant missions after the Samoans and Hawaiians were repatriated and mentions that Goward, Eastman and one of their support staff, William Levett, included administrative and accounting skills among their strengths. Fundraising was of significance to both missions and to their *I-Kiribati* flocks. Funds were needed to pay for wooden and then cement churches, replete with bell towers and stained glass windows; and to meet costs of religious and educational activities. Roman Catholic funds were supplemented by various Pacific- and French-based benefactors, and by *I-Kiribati*, who often made subscriptions. The Protestant approach seems to have been for congregations to do most of the contributing, including by performing valuable work (except on Sundays). Nowadays, that takes the form of running *mronron* (i.e. informal and unregistered cooperative trade stores) being run among church congregations (and other social groups), as I saw on Tarawa and Nikunau. I also realised that women on Nikunau spent much of their time producing handicrafts (e.g. coconut mats, fishing hats, shark’s teeth knives) for sale on Tarawa, to *I-Matang* “tourists”. Church fundraising on Nikunau seemed to be a significant pastime that absorbed much of the small amount of money circulating there. Although some of this cash was to meet church expenses there, much of it seemed to be sent to Tarawa. This was replicated on other Outer Islands, spurred on by occasional competitions for which island could donate the most to Kiribati Protestant Church (KPC) headquarters on Tarawa. Assuming this fundraising was typical of Goward’s time, perhaps it was not the inventive fundraising activities of the Samoan pastors that gave him offence, but the way the funds were openly misappropriated for personal Earthly benefit.

### ***Accounting Amidst Protectorate, Colony and Republic Government***

Elsewhere (Dixon, 2007a), I have analysed descriptively how accounting was used in the GEIP, GEIC and Republic of Kiribati Governments, showing that the accounting of these institutions was largely about *I-Kiribati*, and not to *I-Kiribati*. Work I reviewed included GEIC (1974), Grimble (1952, 1957), Grimble and Clarke (1929), Macdonald (1971, 1972,

1982), Mason (1985), Maude (1963, 1968, 1977b), Sabatier (1977) and Van Trease (1993). Significant are the ways that accounting has been used to formulate, express and justify policies and to execute policies to organise, control and legitimise behaviour. Increasingly, these ways formed part of a web of governmental institutions that accounting reflected, reinforced and helped constitute; and into which *I-Kiribati* were drawn by *I-Matang*. At best, these *I-Matang* acted paternalistically, in the sense of believing they knew what would be best for *I-Kiribati*. Although *I-Kiribati* took charge of this web under the Republic Government, where *I-Matang* contract staff and, more recently, consultants have been involved paternalism has tended to prevail. Otherwise, *I-Kiribati* have taken charge but with little experience, and they have been prone to mimic how they perceived that *I-Matang* who preceded them behaved, as well as try to bring their own ways to bear on how institutions function. In this, accounting has turned into (or arguably remained) something of an institutional ritual.

Regarding framing policies, I induced eight phases looking at events through an accounting lens. First, during the 19<sup>th</sup> century, *I-Matang* imperial powers were involved in a Pacific-wide informal imperialism (Davie, 2000), as fostered by *I-Matang* discussed in the previous sections; by *I-Matang* warships on patrol under the Pacific Islanders Protection Convention to inspire “good behaviour” (Sabatier, 1977, p. 148); and by the appointment of the Governor of Fiji as British High Commissioner for the Western Pacific. Britain for one was reluctant to formalise a territory’s colonial status unless revenues were likely to sustain administration expenditures, without contributions from the British Exchequer (Morgan, 1980). The Gilberts were thought incapable of doing so, and the GEIP only came about as a result of an Anglo-German agreement of 1886 about several global matters, and even then Britain delayed for six years.

Second, Britain instructed the first resident commissioner, Charles Swayne (1893-95) that as soon as possible no contributions from Imperial funds should be necessary to pay for GEIP administration (Morgan, 1980). This obliged Swayne and his successor Campbell to make the best of the existing *I-Kiribati* Governments mentioned above, as they set about what *I-Matang* saw as eliminating savagery, instilling peace and public order, and building civilisation, not to mention resolving trading, land and religious disputes among groups mentioned in the previous sections. Swayne’s Native Laws 1894 placed a duty these governments to levy a Sovereign’s tax to pay for GEIP administration. Campbell appointed *I-Matang* traders to government agent, interpreter and tax collector positions to oversee them,

and increase the yield from this tax, enabling the administration to grow without exceeding its revenues.

Third, in 1908, the GEIP/GEIC Residency moved from the Gilberts to Banaba, where it remained until being evacuated in 1941. Phosphate was discovered on Banaba in 1900 and mining operations were industrialised by private companies and under the BPC. Facilitating the success of mining and the benefits it provided to British, and later Australian and NZ, interests became the main issue for the GEIP and then GEIC Governments. Although phosphate was potentially a significant source of finance with which to expand GEIP/GEIC Government activities into social and other services and economic development, that barely happened until the 1970s. Indeed, as resident commissioner, Grimble implemented ideas of keeping the Gilbert and Ellice Islands (as distinct from Banaba) “a close preserve inviolate from European rapacity, aided by the fact that there were no natural resources except a little copra to exploit” (Maude, 1977a, p. v). Under what Lundsgaarde (1974) and Maude refer to as a museum policy, Grimble envisaged *I-Kiribati* resuming a simple, somewhat Spartan life, as per his somewhat romanticised view of *I-Kiribati* society (Grimble, 1952, 1957). Naturally, the BPC lent its support to this policy because the financial demands it entailed from the GEIC Government would be minimal (Macdonald, 1982).

Fourth, during the 1930s, British officials in Suva and the Gilberts came to deplore the ascendancy of the BPC, and the state of the GEIC and the paralysis of its Government (Macdonald, 1982). They were spurred on by concerns to raise standards of living throughout Britain’s colonies (Morgan, 1980). Although these ideas were distracted by WWII, and worldwide shortages of finance, materials and skilled labour in its aftermath, Resident Commissioner Maude (1946-48) proceeded with a new policy of decentralised modernisation, but more slowly and with more economy than he originally imagined, but then things stalled under his conservative successor, John Peel (1948-51).

Fifth, decentralisation was replaced with centralisation under Resident Commissioner Michael Bernacchi (1952-61), as he went about resolving delays in modernising projects already underway and getting more off the ground. More so than economic development *per se*, he was concerned about providing modern amenities, including for *I-Matang* officials and public service professionals (e.g. teachers, doctors, engineers) in order to recruit them more easily, and he gradually stepped up the rate of modernising within his field of vision on Tarawa. Much tangible and administrative infrastructure of national significance accumulated there, including governmental accounting systems that ran up and down through a centralised

*I-Matang*-run bureaucracy, and migrants began to be attracted there from Outer Islands, as analysed elsewhere (Dixon, 2007b). Like Maude before him, Bernacchi was concerned to contain recurrent expenditure because of what would happen once Banaba's (wasting) phosphate asset was exhausted and the still derisory revenue from there ceased. This concern mirrored a fear held by the British Government about colonies not being able to sustain welfare services without subsidies from Britain once they were independent (Morgan, 1980). Containing costs, facilitating direct (eyeball) control, rendering scale economies and being more efficient were among the justifications for centralisation. Bernacchi also saw the prospect of cessation of mining as a reason to save and invest, and so he had the significant idea of establishing the Revenue Equalisation Reserve Fund (RERF) and thereby create a stream of investment income (GEIC, 1957; Macdonald, 1982; Pretes and Petersen, 2002). Resident Commissioner Andersen (1962-69) provided a further twist, changing the thinking from infrastructure and amenity planning within projected funds, to development planning based on need, and procuring funds accordingly (e.g. from the BPC and British Government's Colonial Development and Welfare Fund (CDWF)). Modernising on Tarawa continued into the 1970s, and gave rise to its high growth in population, which is still ensuing[28] and which the ADB now views as "a worrisome trend" because it has "degraded the environment and increased economic frustration" (2006, p. 1).

Sixth, the first *Te Beretitenti* of the Republic, Ieremia Tabai (1979-91) promoted a preference for a simple lifestyle and *I-Kiribati* values. The Republic Government faced a substantial (approximate \$10m) annual shortfall in the recurrent budget that it inherited from the GEIC Government because mining revenue ceased. However, this was met from grants-in-aid that Britain had reluctantly agreed to provide in the Independence settlement. But Ieremia intended to bring these grants-in-aid from Britain to a premature end to symbolise independence from the former imperial power, and succeeded by implementing policies to increase revenue (e.g. the first fishing licences negotiated with Japan) and contain operating expenditure and the infrastructure investment that would cause it to increase. Thus, the level of modernising activities reduced, but only for a while, as it turned out (Macdonald, 1982).

Seventh, as time passed, so more organisations discovered the new Republic (see list in World Bank, 2005), coinciding with the substantial global expansion of the aid industry in the last 25 years (Burall, Maxwell and Menocal, 2006; OECD, 2007). They have persuaded successive Republic Governments to accept guidance, influence, advice and capital donations-in-kind (or sometimes in cash), thus reviving modernisation with some vigour in

the 1990s and 2000s. Employing operating staff and meeting running costs have invariably been assigned to the Republic Government, thus giving rise to a 250% increase in expenditure in real terms between 1985 and 2001. This has been met from increased revenue yields from import duties, income and profits taxes, charges for government services, the proceeds of fishing licence fees and, occasionally, applying investment income from the RERF (Government of Kiribati, 2007). The effect of this activity is plain to see on Tarawa, in terms of inward migration from Outer Islands and population growth, and increases in buildings and other structures, motor vehicles and rubbish.

Eighth, as analysed elsewhere (Dixon, 2004a), the modernisers have been challenged by neo-liberalisers associated with international financial institutions, primarily the ADB, assisted from Australia and NZ. They have advocated structural adjustment policies grounded in development theories adhering primarily to market fundamentalist ideology, rather than intervention. Essentially the policies comprise deregulating international and domestic trade, allowing foreign nationals to establish businesses and be employed, reducing government fiscal policy interventions, privatising government enterprises, otherwise curtailing the scope and size of public services and reducing government expenditure, and improving the performance and public accountability of the government. The main targets for disestablishment or reform are the very public services, government enterprises and associated structures, processes and procedures that *I-Matang* gifted to *I-Kiribati* at Independence and since. However, because of the RERF and fishing revenues, Kiribati is not dependent on aid, and so the Republic Government has been able to absorb the pressure to implement these policies seriously. Indeed, the Republic Government and its multifarious aid partners are still the dominant new investor in business operations, as well as in infrastructure and facilities to provide public services.

Regarding implementing policies, since being incepted by Swayne, accounting as used as part of government has changed invariably incrementally according to circumstances of the GEIP, GEIC and Republic and the changing policies enumerated above. Consequently, in the institutions now comprising the Republic Government and functioning under a mix of modernisation and neo-liberal policy rhetoric, the accounting bears resemblances to that used in the GEIC and GEIP Governments. At various times, its use has reflected, reinforced and constituted an almost continuous series of hierarchically structured, mostly authoritarian and decidedly paternalistic administrations between the 1890s and at least until Andersen began introducing internal self-government and arguably until Independence 1970s, as painted by

Macdonald (1971, 1972, 1982), with *I-Matang* in the ascendancy and *I-Kiribati* Governments beneath. An example of the structure from Dixon (2007b) is shown in Figure 2. This is as seen looking up from Nikunau and as it had evolved by c. 1920. Unsurprisingly, it bore many similarities in form and rationale to that described by Davie (2000) in relation to Fiji c. 1880. Although modified several times (see Macdonald, 1971, 1972, 1982), this general format prevailed until the 1970s, except the Residency was on Tarawa after 1944.

[INSERT FIGURE 2 ABOUT HERE]

Initially, how accounting was practiced as part of GEIP and GEIP Government was undoubtedly influenced by expectations that high commissioners had of Swayne, Campbell, etc., and traders and phosphate staff taken on in government agent positions. Increasingly, the experience that *I-Matang* staff brought with them from other colonies and Britain played a part, as did the post-war supervision of GEIC Government finances by HM Treasury. More expertise arrived as the GEIC Government elaborated and extended accounting and related systems after 1950, hand in glove with expanding the scope and scale of its activities. All these processes and systems were paper-based, many still surviving today alongside computerised ones that began being introduced in the 1980s. They were sustained by a few *I-Matang* accountants supported by a disproportionate number of Tuvaluan clerks, who mainly decamped to Funafuti in 1976, and *I-Kiribati* ones.

Accounting revolved around an annual cycle of activities: annual estimating of revenues and expenditures on recurrent and capital items; the resident commissioner authorising these, except from 1941 to 1955 when approval had to come from HM Treasury in London because of the grants-in-aid entailed in re-establishing the administration after WWII; taxes and revenues being collected and expenditures incurred, incidental to which a myriad of prime documents were prepared and accounting records were maintained; monitoring actual revenues and expenditures compared with budgets, and making budget and operational adjustments accordingly; closing the accounts at the year-end; and auditing the final accounts and reporting them to the resident commissioner, the high commissioner and London, where a financial summary was published as part of biennial (and later annual) reports for the years from 1896 to 1974 (e.g. GEIC, 1957, 1974). This was the limit of how accounts fitted into public accountability, a belief having arisen among *I-Kiribati* that, even though the GEIP/GEIC Government or *Te Tautaeaka* provided some services and funds, it was alien and belonged to *I-Matang*[29]. Before WWII, officials of the Pacific Phosphate Co. and BPC used the estimates process to challenge the GEIP and GEIC Governments from time to time

over how much they intended spending, and so trying to negotiate revenue from these mining organisations (e.g. in the early 1920s, the BPC persuaded the Governor of Fiji and the Colonial Office in London that the administration of the GEIC was unnecessarily expensive, leading to cuts in staffing and the sale of the GEIC Government's ship, and so a cut in district officer visibility on the Gilbert and Ellice Islands.). After WWII, the accounts told a story of GEIC Government recurrent expenditure growing from just over AU\$0.5 million in 1950 to AU\$9.5 million in 1976, mainly to pay for the increasingly elaborate public service bureaucracy and meet net costs of distribution and other quasi commercial activities, which came to be set up on trading bases, giving rise to governmental enterprise accounting (see below). In addition, as much modernising was increasingly implemented on a project basis and financed with specific capital grants, so individual project accounts were more in evidence (Grimble, 1952, 1957; Grimble and Clarke, 1929; Macdonald, 1971, 1972, 1982; Morgan, 1980).

The processes and systems were largely intended for use by senior *I-Matang* officials until internal *I-Kiribati*-rule was gradually implemented. From 1967, a succession of representative and executive bodies formally took on progressively more authority, including for approving annual estimates and having sole power to introduce proposals involving financial appropriations. However, *I-Matang* continued to occupy all senior public service positions and the financial secretary always held the finance portfolio. Macdonald (1972, 1982) exemplifies how accounting was one of the ways these *I-Matang* officials absorbed criticism, with such ruses as providing minimal information in a complex fashion or denying certain information existed. *I-Kiribati* representatives had to follow procedures based on the Parliament in Westminster, which were founded on adversity, and not on consensus; and, following custom, would abstain from free discussion if it meant challenging estimates and other proposals made by an established authority (e.g. the resident commissioner). They also had to rely significantly on papers written exclusively in English by officials, including budgeting and accounting information. The planning and evaluation this was geared to support continued to be based on such *I-Matang* ideas as neo-classical economic rationality using management control structures and processes. No one adapted the accounting technology to the Kiribati context, and so the data generated by it did not reflect beliefs, values, culture and social arrangements of *I-Kiribati* and the environmental conditions they faced then or subsequently. Thus, leading *I-Kiribati* were denied any real role in policy

formulation and strategic implementation by *I-Matang* officials virtually until Independence and Ieremia Tabai took office.

A not surprising consequence of this denial was that when Constitution of Kiribati 1979 was written for the Republic there was little challenge to most elements of the structure and process being embedded in it. This included the canon of no taxation without representation, whereby the executive (i.e. *Kabinet* and ministries) must obtain the approval of the legislature (i.e. *Te Mwaneaba ni Maungatabu*) before assessing and collecting revenues, raising loans and incurring expenditures; and must present its accounts for audit by the legislature, specifically the auditor-general and the Kiribati National Audit Office (KNAO). How these bodies are arrayed in the structure is shown in Figure 3, with accounting and finance areas elaborated (for more details see Dixon, 2004a, 2007a).

[INSERT FIGURE 3 ABOUT HERE]

Moreover, as *I-Kiribati* had little opportunity to learn to the detail of implementing policies particularly in the areas of finance, accounting, economics and planning, these areas continued to be sustained by a few *I-Matang*, including accountants, in line management and operational positions supported by *I-Kiribati* juniors; and the changeover from *I-Matang* to *I-Kiribati* was more prolonged than in other parts of the public service. Even then, *I-Matang* consulting activity in them was significant, taking such forms as advising senior officials, working alongside counterparts in middle-level posts, and providing education and training. Furthermore, new computer hardware and software and similar technical installations and systems development have invariably been through separate, intermittent projects led by *I-Matang* consultants, with consequences that changes have occurred piecemeal, without coordination (e.g. a new computer system here and a training programme there), by discrete leaps, and leaving *I-Kiribati* operators with sheer learning curves and ignorance of how new technology has evolved elsewhere from the old, not that they may have adequately understood the old technically, rationally or socially in any case[30].

Alongside computerisation, the aforementioned growth of aid industry activity has been the other significant external contingency affecting government accounting since Independence. This has entailed dealing with a wide range of donors and the varying and increasingly elaborate accounting requirements they demand of the Republic Government. These relate to planning and ex ante evaluation of projects (see Rondinelli, 1993); and implementing, monitoring, controlling and acquitting aid-in-cash projects, entailing variations among donors

and across time in charts of accounts, forms of statements, coverage of non-financial matters, frequencies of reports and changes to requirements (Burall, Maxwell and Menocal, 2006; Hove, 1986). Other issues among government institutions were that political, social and administrative criteria were ascendant in determining which development projects materialised; complications arose from the sheer number of projects and the number of ministries they were scattered around; there was a backlog of acquittals (NZ Official Development Assistance, 1999); and as all cash-in-aid was banked in one account and project accounting records were imperfect, disputes had arisen about funds meant for some projects being spent on other things. Donor dissatisfaction with accounting arrangements was contributing to an increasing trend for aid to be in kind. Much aid was in this form in any case, in order that donors could supply labour, goods and services to benefit not only Kiribati as the recipient country but also organisations and workers from the donor country.

### ***Accounting Amidst Phosphate Mining and Distribution***

I have already made several references to mining of Banaba, where phosphate was discovered in 1900 and which became part of the GEIP shortly after. Mining operations were quickly industrialised allowing over 20 million tonnes of phosphate to be extracted and shipped in 80 years, mainly to Australia and New Zealand (ANZ). Banaba was virtually the only case in the GEIP/GEIC where the indigenous people were troubled by *I-Matang* bent on land appropriation and labour exploitation in situ. The GEIP/GEIC Residency was located there from 1908 to 1941 as facilitating the success of mining and the benefits it provided to British and ANZ interests became the main issue for the GEIP and then GEIC Governments. When mining resumed in 1946, the BPC had Banaba to themselves, the GEIC Government having re-located to Tarawa and re-located the Banabans to Rabi, Fiji. Although phosphate was potentially a significant source of finance with which to expand GEIP/GEIC Government activities into social and other services, and to promote economic development, that barely happened until the mid 1960s. Indeed, the phosphateers, be they in the guise of the Pacific Islands Co., Pacific Phosphate Co. or BPC, acted on Banaba and in Suva, London, Canberra and Wellington to resist this idea. Pacific Phosphate Co. benefited from the expropriation of Island Fund balances by the GEIP in 1914. BPC persuaded the relevant authorities that the administration of the GEIC was unnecessarily expensive on at least two occasions in the 1920s and 1930s, leading to GEIC Government expenditure estimates being reduced accordingly, and was supportive of the GEIC Government's frugal museum policy of the late 1920s and 1930s. Their "campaign of Government economy" (Sir Arthur Richards, High

Commissioner for the Western Pacific (1936-1938) as quoted in Macdonald, 1982, p. 122) was not undermined until after Nauru gained Independence in 1965 and took over its own mining, and the price of ore now purchased from there by the BPC increased to reflect world market prices. Concerns of senior colonial officials about the financial viability of the GEIC and Republic after mining would cease became increasingly myopic in the last 30 years of the GEIC. The “Banaban problem” delayed Kiribati’s Independence by several months. Shortly after Independence, the last shipment of ore left Banaba and the BPC wound up its operations there in 1980. The present day plight of Banabans and the dilapidated state of their homelands[31] still causes them resentment and attracts outside condemnation (Barraclough, 1977; Cooper, 1995; King and Sigrah, 2004; Macdonald, 1982; Williams and Macdonald, 1985). In 2007, annual reports of the BPC to the commissioners for the final three years of mining were still closed documents in the National Archives in London, being subject to the 30-year rule, like other miscellaneous BPC records of the same period held there. Thus, somewhat ironically in these days of transparency of governmental bodies, reports about the last few years of mining will only become accessible between 2007 and 2011.

The BPC came about through the Nauru Island Agreement 1919 and acquired the mining rights and facilities on Banaba as an adjunct to purchasing mining rights and facilities on Nauru from the Pacific Phosphate Co. in the aftermath of WWI. It was a “nonprofit” joint venture of the Australian, NZ and British Governments. Its finances were entirely separate from the partner governments (and from the GEIC Government), and the Agreement provided for them not to interfere in BPC activities. Each appoint a commissioner to the three-man commission and they were appointed with mining, agricultural and fertiliser industry issues in mind, not public accountability to citizens of the democracies who appointed them, much less Banabans, *I-Kiribati* or Nauruans. Although they were quite active in its governance from time to time, Macdonald describes the BPC as “something of a self-perpetuating oligarchy” (1982, p. 275) ruled by its senior staff based in Melbourne, Australia.

BPC’s modus operandi was to mine ore from Banaba, Nauru and, after 1949, the Christmas Island in the Indian Ocean, using *I-Kiribati* and other non-*I-Matang* labour, and to ship most of it to its depots at various ports adjacent to farming areas in need of fertiliser in Australia and NZ. A small quantity of ore also went to Britain[32]. The ore was sold at prices calculated only to recover BPC’s costs, as defined in the Agreement (i.e. working expenses, cost of management, contribution to expenses of the Australian-run Nauru Government (and

the GEIC Government), interest on capital, a sinking fund for capital redemption and other charges agreed to unanimously by the commissioners). From 1920 to 1940, the prices that ANZ farmers paid for fertiliser were barely two-thirds the price ruling on the world market, and something of this sort prevailed until the late 1960s (c. 1953, A. H Gaze, BPC's general manager 1920-54 is quoted in Williams and Macdonald (1985) as indicating that the price was only a quarter of the price elsewhere). They were obliged to sell their produce through marketing boards at a price that reflected the cheap fertiliser they were supplied with not only to ANZ households but also to British ones, which until the 1970s was the dominant agricultural export market of ANZ. Small quantities of ore were sold elsewhere at market prices by BPC (e.g. to Japan up to 1941, Malaysia) and the contribution from these sales reducing the unit-cost prices of sales in ANZ and Britain (King and Sigrah, 2004; Williams and Macdonald, 1985).

Judged from the annual reports that were furnished to its three commissioners but not published (e.g. BPC, 1974), this *modus operandi* was reflected in the BPC's accounting practices, along with its nonprofit designation and its needs not only to determine costs, and so prices, but also its aim to contain them, giving rise to an efficient and controlled factory-like set up on all three islands. It was concerned that the unit-cost prices at which it distributed phosphate fertiliser in Australia and New Zealand (and Britain) were as low as possible. I inspected reports for a sample of years from the 1920s through to the 1970s and noticed a standard pattern. They show tonnage mined, shipped and distributed; the costs of extraction and distribution operations, and unit costs; revenues derived from sale of ore; and moderate annual surpluses. The reports are quite elaborate with supporting schedules, tables and notes, all with a costing focus, giving the impression that the idea of containing costs was pursued unflinchingly on behalf of its principals. However, costs of *I-Matang* managerial staff and other management items seem not as elaborated as they could be in the reports, which could lead one to speculate about whether these were as economic as they might have been. Macdonald (1982) reports that mine-based staff (as distinct from labourers) enjoyed an enviable standard of conditions on Banaba and effectively paid no income taxes to the GEIC (or to anyone else probably); and that the BPC's Melbourne headquarters were lavish. Indeed, it was in Melbourne that most of BPC's accounting was performed, reflecting circumstances of similar colonial enterprises elsewhere (e.g. plantations in Trinidad and Tobago, studied by Annisette, 2000), and their annual reports were audited by a private accounting firm there.

Regarding access to the BPC's accounts by the GEIC Government, it was provided with summary accounting statements but was not allowed to scrutinise the BPC's accounting records in order to verify these statements or go in any detail into the organisation's finances and its ability to contribute more to the GEIC (Macdonald, 1982). While it may be construed that the Dickson, Grimble and other pre-WWII administrations did seek to increase amounts that the BPC contributed, this did not fit with the colonial philosophy of the times until just before WWII (Morgan, 1980). However, afterwards the British-oriented GEIC Government made various demands for a greater share of the value of the ore and about other matters from the ANZ-oriented BPC, and London and Canberra/Wellington got involved in what went from some "amicable horse-trading" (Williams and Macdonald, 1985, p. 420) to relations that were increasingly strained. The GEIC Government needed money to fund post-war rehabilitation and modernisation in the wider GEIC, and then to provide *I-Kiribati* with a legacy on which to draw after mining ended. However, up the early 1960s, only tens of thousands of Australian dollars were forthcoming each year from the BPC (including on behalf of its employees) as royalties and in lieu of the taxes, import duties, etc. that applied to residents and organisations elsewhere in the GEIC. But by the mid-1960s, GEIC officials were becoming more successful in dragooning royalties from the BPC, and these increased from a miserly AU\$1 per tonne in 1954 to a still derisory AU\$4 in 1966, with 15% going to *Kain Banaba*, who by now were also demanding some compensation for their treatment, etc. However, it was not until the last decade or so of mining that the payments became substantial and better reflected the value of the ore on the world market, which quadrupled in the oil crisis of 1973-74, although they had fallen back by 1977 (thus, AU\$40 per tonne in 1975 and AU\$20 per tonne in 1977). Save for this increase in payments, the BPC appears to have resisted accountability to the GEIC Government, much less to any *I-Kiribati*, whom it saw for most of the mining period merely as labourers, or troublesome landowners in the case of *Kain Banaba*, rather than as "stakeholders" (GEIC, 1957, 1968, 1974; King and Sigrah, 2004; Williams and Macdonald, 1985).

### ***Accounting about I-Kiribati Governments***

I have already referred to the circumstances of *I-Kiribati* Governments at three particular stages. They existed before *I-Matang*, contrary to how *I-Kiribati* and similar Pacific peoples were described in the more disparaging rhetoric: for example, as "various tribes of savages who are subject to no laws" (Wilson to British ships operating from the Australia Station cited by Macdonald, 1982, p. 65) (see also Gibson, 2000; Greer and Patel, 2000; Kearins and

Hooper, 2002). By the 1890s, direct involvement of missionaries, particularly in the southern Gilberts, had altered them significantly, changes being to religious attributes, laws they enacted and enforced, and sources and applications of revenues. Incidentally, whaling and oil trading also affected them, but in a roundabout way, relatively speaking. During the 1890s, Swayne and Campbell started to use them to further GEIP Government policies. They toured the islands frequently and appointed *I-Matang* government agents to oversee them. They implemented Native Laws 1894, under which they were designated as *native governments*[33]. Frustrated by the enduring authority of *unimane*, Campbell replaced the latter on their governing councils with younger men. He attempted to compile land registers for each island, unsuccessfully as it turned out (Baaro, 1987), and introduced the first in a generally accepted series of land taxes. Regarding how *I-Kiribati* should behave, he enacted Island Regulations 1908 to replace the varying regulations that had accumulated on each island, although these were not applied south of Tabiteuea, where regulations the LMS in effect dictated held sway until c. 1918 (Macdonald, 1971; Sabatier, 1977).

Campbell's successors, Dickson (1908-13) and Eliot (1913-21), needing to formalise control of the Gilberts and Ellice from Banaba, adapted the above as follows. They divided the Gilberts into three districts, with the Ellice making a fourth. An *I-Matang* district officer[34] was stationed in each (e.g. on Beru for the Southern Gilberts, as per Figure 2), with a wider range of duties than the agents had had. Variations to the composition, conduct and other matters about *I-Kiribati* Governments that they had implemented since 1908 were formalised in Revised Native Laws 1916. These circumstances prevailed by and large until the evacuation in 1941. They were affected in one direction by Grimble's museum policy, including the infamously authoritarian *Regulations for the Good Order* (1930), which caused an MP to ask a question in the British House of Commons; and in another by early moves away from that policy towards modernising, as encapsulated in the Gilbert Islands, Island Regulations (1939) and the Native Government Ordinance 1941, which was not implemented until 1948. Even so, for most *I-Kiribati*, it was some combination of their *unimane* and their church officials who legitimately governed them (Macdonald, 1971, 1972, 1982).

Significant from an accounting viewpoint in this requisitioning of *I-Kiribati* Governments as an adjunct to the GEIP/GEIC Government structure is that Native Laws 1894 provided that each *I-Kiribati* Government should maintain an Island Fund and stipulated that accounts be kept of it, including cashbooks, prison produce record books, and books of receipts and licences (for dogs and bicycles). This task fell to the scribe, one of several administrative *I-*

*Kiribati*-held positions established in these laws and appointed by Campbell or his agents. An Island Fund balance represented an *I-Kiribati* government's accumulated net surpluses, which it could apply in the future. These were in the supposedly safe-keeping of the GEIP Government, supposedly that is because of what occurred in 1914. Under a vague pretext of the Sovereign's Tax having yielded insufficient to meet GEIP expenditures on the Gilberts and Ellice (as distinct from Banaba), thus shifting the burden of these to the Pacific Phosphate Company, the Secretary of State for the Colonies as good as directed that the aggregate £17,000 balances of Island Funds be expropriated as GEIP revenue and the Funds abolished. From then until the 1950s, all revenues collected by *I-Kiribati* Governments were deemed to belong to the GEIC Government, and each *I-Kiribati* Governments was only allowed to incur expenditures from appropriations allotted by the resident commissioner through the relevant district officer (Grimble and Clarke, 1929; Macdonald, 1971, 1972, 1982).

This agency arrangement entailed *I-Kiribati* governments being involved in the GEIP/GEIC Government's annual estimates process through their district officers, whose main point of contact in each government was the scribe. The scribe collected revenues, kept them intact and maintained accounts of them. In order to pay expenditures authorised by the GEIP/GEIC, Government, he also held an imprest established by the district officer, for which he also kept accounts. District officers were *ex officio* treasury sub-accountants, sub-collectors of customs, licensing officers and postmasters (including providing a rudimentary banking service mainly to relay remittances from Banaba, etc.). During intermittent visits to islands in their districts they carried with them a chest of cash, a travelling cashbook and other records, and a supply of official stationery. Along with several other tasks performed during a visit (see Grimble, 1952, 1957), they audited the revenue and expenditure accounts, replenished the imprest and took away the revenue. Audits sometimes revealed issues that they judged to be poor internal control, shortcomings of accounting records, etc., although conversely, scribes sometimes complained that district officers made entries in their books that were not explained and that they found unintelligible. At their district headquarters, district officers maintained several books of account and record (e.g. a cash book, capitation tax register and departmental vote book). Periodically, they sent money and financial returns (e.g. monthly cash returns, quarterly capitation tax returns) to the treasury on Banaba. How well they completed this paperwork may be judged from an official reminder from Grimble and Clarke that, "The written word is vital to the ultimate success of the individual [colonial official] and his work,"

and “The keystone of enduring organisation is an efficient system of records” (1929, p. 29) (Macdonald, 1971, 1982).

Although these accounting and related inter-island arrangements imply lively interactions between *I-Kiribati* Government officials, district officers and Residency-based staff, as with relations between Banaba (and later Tarawa), Suva and London, priorities (in this case, mining on Banaba (or later modernising Tarawa) over affairs on the other islands) and remoteness affected their significance and timeliness. District officers had always found it difficult to visit islands away from their district headquarters because they had to rely largely on ships collecting copra. These became increasingly infrequent through to the 1930s because of greater efficiency of shipping operations (i.e. fewer ships collecting greater volumes of cargo) and the decreasing prices of copra affecting production and making such operations increasingly uneconomic anyway. Lack of shipping also meant it was difficult to reach Banaba from the four district headquarters (later, Tarawa was not much more convenient, until air services were introduced c. 1970). However, while accounting processes were hampered as timely generators of information for central control by the resident commissioner at a distance, they also made amends for the economic and logistic impossibility of alternative, more direct controls (Macdonald, 1971, 1982).

As far as *I-Kiribati* were concerned, accounting arrangements comprised unfamiliar processes, involved the unusual technology of writing, were conducted in a foreign language and gave rise to alien ideas around accountability. When added to wider circumstances of structure and process dating from Campbell’s time and alluded to earlier, it is hardly surprising that *I-Kiribati* came to perceive *I-Kiribati* Governments as mere extensions to *Te Tautaeaka*, and so not belonging to them or affording them any public accountability through the official accounts. Thus, Macdonald opines that “island governments became little more than extensions of the central administration” (1971, p. 288); also arguing that, “the practice of governance, with its authoritarian structure and insistence on conformity was steadily eroding the indigenous capacity for self-rule” (1982, p. 137). A further indication of how *I-Kiribati* Governments were regarded and figured on islands is that when GEIC administrators evacuated because of WWII, the *I-Kiribati* Governments on most islands soon expired and *unimane* reassumed overt political roles to exercise authority over social and economic life. However, account books and petty cash boxes were among symbols of British rule that some *I-Kiribati* Government officials preserved and hid from the Japanese, until the GEIC

Government was restored and *I-Matang* officials started re-establishing their version of *I-Kiribati* Governments from the mid 1940s (Macdonald, 1971, 1972, 1982).

This agency perception persisted after the restoration until at least the 1980s (Roniti, 1985), and possibly even continues today. This was despite several attempts by GEIC and Republic Government officials to curtail it. As analysed by Macdonald (1972, 1982), these involved revising the powers, membership, process and structure of *I-Kiribati* Governments, and relations they had with Tarawa. Regarding accounting, seemingly to increase *I-Kiribati* Governments' autonomy, Island Funds were re-established via the Native Governments (Financial Powers) Ordinance 1955. However, *I-Kiribati* Government officials still had to partake in the GEIC Government's annual estimates and accounting process, and they were expected to meet the salaries not only of their officials but also of *I-Kiribati* employees of the GEIC Government (e.g. teachers, medical staff) posted on their islands, including stemming from a flurry of modernisation projects (e.g. classrooms, clinics, staff houses, courthouses and *I-Kiribati* government buildings, water and sewerage systems, roads and causeways, and, in a few places, buses) in the late 1960s and 1970s. A further bleeding of Island Funds arose when the Island Courts Ordinance (1965) provided that these courts ceased being parts of *I-Kiribati* Governments and became part of the GEIC judicial structure. This was accompanied somewhat controversially by fines they imposed being paid to the GEIC Government instead of into Island Funds.

These changes to expenditure obligations and revenue sources caused most *I-Kiribati* Governments to have deficits. Initially, these were made good by the GEIC Government in the form of subventions to meet overall amounts. However, the closer financial supervision by district officers and other *I-Matang* officials that accompanied these subventions reinforced the agency perception. A further impediment was that those *I-Kiribati* Governments that were capable of generating an annual surplus avoided this if they could because half of any surplus had to be paid to the GEIC Government, which would use it in paying subventions to other islands. In an effort to rectify these shortcomings, the GEIC Government replaced subventions with specific capital grants and loans, increasingly for works that were formulated as development projects, and with specific recurrent grants to meet the costs of staff working on islands providing GEIC Government education, medical and other services (Macdonald, 1972, 1982).

A personnel issue that had an effect up to the early 1970s was that district officials<sup>[35]</sup> spent increasingly more time on modern Tarawa and less at their sparse district headquarters

islands, let alone on the other islands in their districts. On visits they did make, they barely had time to deal with matters of immediate importance and meet senior officials. Thus, among other things, the quality and quantity of communication and advice they gave fell, which undoubtedly extended to poorer auditing and less interactive control, including through accounting. A further change from 1967 was that the positions of scribe and chief of *kaubure* were replaced with the single position of island executive officer. These positions were allotted to a new set of recruits to the local government service, trained on Tarawa and posted to islands, usually not their own. They proved to be a particularly weak link in the early days of the new system that the Local Government Ordinance (1966) introduced. In particular, there was an increase in the volume of work that the scribe and chief of *kaubure* would have had to handle, notably relating to centrally-imposed controls associated with modernising and public service expansion (e.g. annual estimates, grant applications, island development plans and similar paperwork in English). This now fell on the single-handed, inexperienced island executive officer taking over their duties, without much support from *I-Matang* district officials whose visits to many islands at this time were seldom. Continuing difficulties of communication from islands remote from Tarawa were accentuated by this growth of controls and need for approvals from resident commissioner or district officials. The work of the new island executive officers was not made easier by ignorance on islands of what the new system was about and a perception that it was another *I-Matang* impulse. A further problem was that being posted to islands not necessarily whence they originated meant they lacked *aba* on which to subsist in order to eke out their somewhat inadequate salaries. This probably accounted for the high incidence among them of theft of public funds and staff turnover (Macdonald, 1972, 1982).

From the late 1960s, slightly better shipping and then an internal air service made touring by district officers easier. A further positive was that in 1974, the pre-war division of three districts for the Gilberts and one for the Ellice was restored and each was given a district officer normally resident there: the position of district commissioner was abolished. This prevailed until 1983, when an attempt to replace *I-Matang* with *I-Kiribati* was aborted because the idea of *I-Kiribati* from other islands/districts in such positions instead of *I-Matang* was unacceptable to islanders (Roniti, 1985). Under the Local Government Act 1984, the position of island executive officer was replaced by two positions, clerk and treasurer. Regarding development projects, from the 1960s, the number undertaken varied from island to island and year to year. A significant factor was whether particular projects were regarded

by *I-Kiribati* as being “for the Government” (see note 30) and the disposition of *unimane*, whose authority endured as far as *I-Kiribati* were concerned, despite being formally ejected by Campbell from *I-Kiribati* Governments and having elected to be aloof from these for the several intervening decades and to exercise authority in lands courts and management committees of *boboti* (i.e. co-operative societies that) (see below). *Unimane* gave expression to this by on the one hand being reluctant to agree to tax increases that would be needed to provide local contributions towards a project’s costs; and by on the other making creative arrangements for funds to be raised under the auspices of *kawa* (i.e. villages)[36] and churches. Another factor was the restoration of the four districts in the Gilbert and Ellice and stationing of district officers in each. They were able to explain development ideas, and so influence councils and communities; and the number of projects increased. This development assistance from the GEIC Government helped broaden and improve its image from essentially an instrument for *I-Matang* control from Tarawa, to one of control that was accompanied by a source of funds. However, what it undertook on Outer Islands was far removed from what it did on Tarawa (Macdonald, 1971, 1972, 1982).

This behaviour has been replicated by Republic Government administrations for the most part. Since Independence, the Island Councils provided for in Constitution of Kiribati 1979 (see Figure 3) have continued in ways not much different from the *I-Kiribati* governments as they had evolved under the GEIC Government by the 1970s. They are subject to Government of Kiribati legislation (e.g. Local Government Act 1984) and subservient to the *Kabinet* in other ways but have some autonomy. Customary authority of *unimane* endures alongside. A factor that both contributes to this endurance and is a consequence of it is that many young people, particularly women, have migrated to Tarawa to get beyond some of it, as it is less pronounced there.

### ***Accounting in Supply to I-Kiribati***

By the 1930s, *I-Kiribati* had experienced a century of increasing access to imported trade goods (e.g. basic groceries and provisions, metal goods, cloth and tobacco). They had been able to pay for these with copra and cash remitted by *utu* working elsewhere as miners, seamen, plantation workers and so on. The goods they traded had been imported and distributed as a reciprocal of the collection and export of copra. Facilitating this exchange had been the trading companies, their agents and own account traders (see above). For a series of reasons culminating in prices of copra and other pacific commodities collapsing c.1930, the circumstances and effectiveness of resident traders declined and most companies that they

relied on had pulled out or gone under. Only two remained, namely Burns-Philp and On Chong (who would soon be bought out by W. R. Carpenter and Co.), and they were collaborating rather than competing over prices, and so giving rise to a “commercial system of virtual monopoly” (Maude, 1949, p. 7). Despite the fall in *I-Kiribati* purchasing power consequent on the fall in copra prices, the situation called for something different for external supply of goods to continue. Thus came about conditions in which the establishment of *boboti* was possible.

The initial application of this idea was in the Ellice Islands in 1926, under schoolmaster turned district officer, Donald Kennedy, although the idea was also in use in other colonies (e.g. Tanganyika). Greatly impressed by its success, Southern Gilberts District Officer Harry Maude introduced it on Beru in 1931 and, by 1934, there were 34 societies of up to 200 members on 15 of the Gilbert Islands. Soon they were handling virtually all the intra-island trade in copra and goods, with Burns-Philp and On Chong/Carpenter handling importing and exporting from Tarawa and Butaritari.

Subject to some variations, *boboti* were usually governed by an elected committee, on which *unimane* became prominent. A general meeting of members was held at least every six months at which various decisions were voted on, and the books and physical items were scrutinised. Thus, they entailed an extension of the enduring principles of *mwaneaba* governance of sharing the process of decision-making among the people, which appealed to *I-Kiribati*, particularly in the southern Gilberts. Other appealing factors identified by Macdonald (1982) were that they eliminated profits of private traders of *I-Matang* and Chinese origin or descent. Their prices for goods were calculated by marking up the wholesale price by 10%; and the trade-in price for copra was calculated by deducting 10 shillings per ton from the export price[37]. The resulting contributions were applied to expenses: they usually employed only one paid official, called a scribe (later manager). Among his general managerial and administrative duties, he kept the account books. These comprised separate books to record membership, copra, cash and stores (or stock or *kaako/cargo*); and a pass book for each member to record each transaction with a member. Any surpluses were usually applied as retained capital but sometimes they were used to provide annual cash bonuses to consumers in proportion to the value of transactions shown in their pass books (Macdonald, 1971; Maude, 1949).

The success of *boboti* in the 1930s was despite some trying circumstances outlined by Maude (1949), most serious being the worsening prices of copra. However, Roniti (1985) indicates

that failure would not be allowed to occur because it would entail *kamama* (i.e. shame) on the members. Then they received a financial boost when demand for copra rose and prices increased following the outbreak of war in Europe. But this was short-lived because the war spread to the Pacific c. 1941, and shipping and trade in the region came to an abrupt halt. Left marooned, they soon collapsed and virtually disappeared without trace. However, Maude included them in the GEIC rehabilitation plan (GEIC, 1946) along with the GEIC Government Trade Scheme, on grounds of efficiency and to avoid the pre-war private duopoly. The GEIC Government's power to do this stemmed from ships being in short supply and under control of the Allies, who could thus determine the structure that trade in the Pacific would follow[38]. This part of the plan was implemented more swiftly than any other, such that by 1948, they had re-opened channels for goods to be imported through Tarawa and distributed to island *boboti*, where they were bought by *I-Kiribati*. Payment for goods was made in copra mostly, whose flow to Tarawa for export was thus resumed, helping greatly to restore governmental and church revenues. An extenuating circumstance was the post-war world shortage of oils and fats, giving rise to high copra prices, to which *I-Kiribati* responded by increasing production. Indeed, for 10 years up to the late 1950s, a market for this copra was guaranteed under a so-called bulk-purchase agreement with the British Government's Ministry of Food[39]. Meanwhile, the mark up on goods and trade in price paid for copra were increased while copra prices were good (Macdonald, 1982; Maude, 1949).

Maude (1949) alludes to some fundamental differences between these *boboti* and those of the 1930s. The 1930s ones emerged locally, albeit with district officer championing and encouragement, and were capitalised by *I-Kiribati*. In contrast, the post-war ones were largely initiated by the GEIC Government, which provided administrative and training assistance, and mostly took over island stores set up c. 1946 as branches of the Trade Scheme. They were largely capitalised within the Trade Scheme, capital being subscribed in the form of goods on credit; and came to be overseen by *I-Matang* officials through registration, regulation and audit, eventually provided for through the Co-operative Societies Ordinance 1952. A registrar was appointed on Tarawa, and district ones for the Gilberts and other districts. Registrars had authority to approve annual estimates, distributions of profits and appointments of *boboti* managers. Rules of thumb built up over the previous two decades were formalised in the Ordinance and others introduced, some inspired from the Colonial Office and other colonies. These included requirements to draw up rules and have them

approved by the registrar, and to be open to inspection and have their books audited by the GEIC Government's Co-operative Division. There was a strict prohibition (eventually rescinded) on buying and selling on credit, notwithstanding that in the late 1940s *boboti* had in effect been financed by obtaining stock on credit from the Trade Scheme (Macdonald, 1971, 1982; Maude, 1949; Roniti, 1985).

*Boboti* proved effective until the 1980s. However, in contrast to Macdonald's (1982) view of their success stemming from autonomy, Roniti (1985) argues that the statutory powers, oversight by registrars and financial provisions meant that in similar fashion to *I-Kiribati* Governments, they came to be regarded as extensions of the GEIC Government and an increasing dislike and distrust of them grew among *I-Kiribati*. One response was to establish *mronron*, which were beyond the statutory powers and supervisory arrangements applying to *boboti*. From the 1980s, *boboti* on Tarawa went into decline from the 1980s, with problems of governance, management, finance and utilising prime sites evident to me in 1998; and their fortunes there had repercussions for ones on Outer Islands. Besides, with the sustained permanent migration to Tarawa since the 1970s, and mine working jobs on Banaba and Nauru having dried up, cash incomes are lower on these islands now than probably for over half a century.

Elaborating on *mronron*, these were established at *kawa* level and among church congregations and until quite recently were bound to obtain their supplies from *boboti*, although the two were often competing with each other. As well as being regarded as belonging to their *I-Kiribati* members more so than *boboti*, another attraction was that they dealt in the smallest quantities of basic goods at virtually all hours, and received savings and provided small short-term loans. They have gone from strength to strength since the 1960s, particularly on Tarawa, where by far the greatest number of business entities are micro-businesses (e.g. provisions' kiosks, moneylenders, hawkers of fish, garden produce and lunchtime take-aways, buses, bars), and many are *mronron*. This form of entity is preferred as it circumvents continuing customary restrictions that would bring community censure and ridicule on individuals who trade for self-seeking reasons and ambition, or adopt other *I-Matang* ways. Notwithstanding, there are micro-businesses that are family owned and operated but even these are at pains to stress their community service nature (Macdonald, 1982; Roniti, 1985).

Accounting practices in micro-businesses revolve around basic financial administration and making basic operating decisions rudimentary forms of operating controls and makeshift

accounting records to facilitate. In provisions businesses run out of roadside kiosks, I saw every sale being listed in an exercise book and at intervals the total in the book being reconciled with the cash. They may well reflect the practices of *I-Matang* trading among *I-Kiribati* a century or so ago and in *boboti*, with some reinforcement from the bookkeeping education and training that is provided in schools, etc. (see Dixon, 2004b). There seems to be an amount of overkill and ritual compliance with what similar businesses are seen do and with meanings taken from trying to make sense of *I-Matang* bookkeeping textbooks[40]. Notwithstanding the record keeping, the notion of separating a business from its owners, á la the business entity concept, is not widely appreciated, and so *I-Kiribati* trying to run a trade store or similar find their *utu* being unable to grasp the distinction between goods forming the capital of a business and goods available to consume domestically. A parallel problem of sustainability is that some proprietors find difficulty in distinguishing between funds required to replenish stock or pay invoices for items bought on credit and funds representing profits.

An example of accounting being used somewhat unwittingly to discriminate and disadvantage *I-Kiribati* that I perceived in 1998 was that the sole commercial bank's criteria for making advances were based on first-world accounting practices. In any case, many micro businesses tend not to use bank accounts[41], and so were being denied access to credit. Critically, most of the bank's domestic advances were overdrafts and short term loans, and more than 80% of deposits were invested in overseas securities. Advances on more development-based criteria were available from the development bank, to which micro-businesses and personal borrowers were turning.

Regressing to the 1940s, the Trade Scheme was a separate accounting entity from the GEIC Government, financed by loan capital from the British Treasury and grants from the CDWF. However, at first, it was run in a cumbersome bureaucratic manner by *I-Matang* officials as another part of the GEIC Government. When this was realised as being unsatisfactory, it was injected with *I-Matang* commercial expertise and Morris, Hedstrom Ltd, of Suva, Sydney and London were appointed as its overseas purchasing agents. As alluded to above, it set up stores on most islands, which were then handed over to *boboti* that *I-Kiribati* had been encouraged to form (Maude, 1949). By 1955, it had repaid the aforementioned loan capital, and was then transformed into the Wholesale Society, financed from capital contributed from Trade Scheme surpluses and by *boboti*.

An interesting extension of the Trade Scheme was the Producers' Development and Stabilization Fund, established from some of its profits (Maude, 1949). It was the first of

various income equalisation and subsidy schemes implemented by the GEIC and Republic Governments to counter the effects of world price fluctuations on *I-Kiribati* access to trade goods. Notwithstanding, income from copra fell during the 1960s, and so cash remittances from Banaba and Nauru overtook copra as the main form of spending in *boboti*, with copra accounting for as little as 20% of purchases on drier islands. In the early 1970s, in a more buoyant market, the GEIC Government provided subsidies to copra cutters to encourage co-operative development of smallholdings and improvement of trees, and a short-lived rise in world prices motivated *I-Kiribati* to increase harvesting for a while (Macdonald, 1982). Since, world prices have been on a downward trend and the prognosis is for this to continue. The export of copra continues to be vested in a governmental body, the aforementioned marketing board. For some years, the prices it pays to copra cutters through islands' *boboti* have been significantly above the falling world market price, and this has been portrayed as equalisation of prices over a trade cycle, or stabilisation of prices in the face of fluctuating ones. The prices to *I-Kiribati* are achieved with assistance through the European Union's Stabilisation des recettes d'Exportation (STABEX) (Aiello, 1999). In addition, the copra is transported to Tarawa by the government-owned inter-island shipping service, which is subsidised from general Republic Government revenues. As significant sources of these are fishing licence fees and investment income from the RERF, this latter subsidy has the fortuitous effect of distributing among the people of the Outer Islands a little of the past and present windfall gains from phosphate mining and tuna fishing. The continuation of these arrangements may be under threat because the Republic Government is being pressed by international financial institutions to abolish these so-called agricultural subsidies because they appear contrary to the free market dogma underlying their neo-liberal policies. Notwithstanding, the Republic Government recently established a processing plant to produce local soap and oil on Tarawa under the auspices of the Kiribati Copra Mill Co. Ltd, a government-owned limited company capitalised through an aid project, and this now takes some copra instead of it all going for export.

The Kiribati Copra Mill Co. Ltd is the latest in a series of enterprises the GEIC and then Republic Governments have gotten involved in, the first having been the Trade Scheme. Not only have these suited local circumstances but they were in keeping with a change in general philosophy and policy made by the British Government about modernising its colonies, including governmental intervention in their economic development (Morgan, 1980). Various reasons encouraged and necessitated the GEIC and then Republic Governments in further

similar ventures to the Trade Scheme. First was the apparent success of the Trade Scheme. Second were the increasing needs of the GEIC Government stemming from modernisation and of the growing numbers of *I-Matang*, Tuvaluans and *I-Kiribati* residing on Tarawa as a consequence; these outstripped what *boboti* had the capital or expertise to do. Third was the seeming lack of interest in the GEIC from external private companies because of its lack of profit potential.

How these ventures came about included that in the 1950s and 1960s, various GEIC Government departments began engaging in activities (e.g. minor public works, maintenance of construction, vehicle and plant, import of supplies, ship building and repairs) as an adjunct to their primary functions. The bureaucratic ways these were organised, the lack of awareness of costs of particular activities and these costs falling on general revenues, and concerns about their inefficiency led in the early 1970s to all of these activities being brought under a new umbrella organisation, the Gilbert and Ellice Islands Development Authority (GEIDA), and put on a more economic footing. The GEIDA also embraced the Wholesale Society, which despite its partial ownership by *boboti* was seen by *I-Kiribati* as an agency of the GEIC Government and was managed by *I-Matang* staff. The GEIDA was also intended to oversee development activities, reflecting similar bodies in other colonies (e.g. Northern Nigerian Development Company, Uganda Development Corporation, Cameroons Development Corporation (Morgan, 1980). However, the GEIDA was a short-lived entity, proving to be an inefficient, monopolistic and “an all-consuming monster” (Macdonald, 1982, p. 183), and so it was dismantled and its activities re-assigned in the late 1970s.

Said activities were dispersed among several separate governmental bodies, although formally the Kiribati Co-operative Wholesale Society (KCWS) was owned by the various *boboti*. The fate of these bodies has been to give rise to many of the corporate public enterprises and joint ventures of today, to which new activities and ventures have been added since. This includes the KCWS, which became insolvent by the early 1990s and was taken over by a governmental enterprise, Bobotin Kiribati Ltd. Over 20 were gradually transformed into government-owned businesses incorporated under the Companies Ordinance 1979, and up to 10 comprise statutory organisations (e.g. Public Utilities Board, Kiribati Housing Corporation) (see ADB, 2002, for a recent list). Some were or continue as joint ventures between the Republic Government and Pacific-region transnational companies, with the latter supplying not only capital but also *I-Matang* senior management expertise (e.g. the

Australian and New Zealand (ANZ) Banking Group's participation in the Bank of Kiribati, the country's sole commercial bank – see <http://www.anz.com/kiribati/>).

Under their neo-liberal policies, and structural adjustment programme, international financial institutions would like the Republic Government to privatise the enterprises it owns (IMF, 1999) but this has not happened for various reasons, including lack of political will and popular support; lack of private capital; and a perception that these so-called businesses are not about making profits and providing vehicles for economic investment, but are there to maintain an inflow of trade goods, provide utilities and commercial services, and, somewhat incidentally now, enable the outflow of copra (Dixon, 2004a). However, the liberalising of official and cultural attitudes to trade has been a contributory factor in the emergence alongside government enterprises of an increasing but still small number of individually significant private for-profit businesses[42] over the past two decades: the primary factor has been the population and economic growth of Tarawa. These businesses are local initiatives, mostly from two sources: *I-Matang* who arrived in Kiribati since the 1970s as contract staff of the government, aid agencies and joint venture companies and have turned into latter-day traders; and descendants of *I-Matang* and Chinese traders of the 1850s to 1930s era whose families have tended to be involved in commerce in some way over the years, including for the government and *boboti*. The legal statuses of these businesses vary between limited companies and business partnerships[43]. Along with government businesses, they are important in supplying the needs of the populace on Tarawa, displacing the three or four *boboti* once ascendant there, but are less so on Outer Islands, where *boboti* have only recently been joined by a few government business.

Regarding accounting in government enterprises and these private businesses, most seem to employ *I-Kiribati* accounting specialists, with undergraduate diploma and degree qualifications perhaps (Dixon. 2004b). At least in government businesses, these finance managers are usually members of appointed boards of directors that govern the businesses, or are advisors at board meetings. The language of accounting is English, as reflected still in most official and formal business papers (e.g. legislation government documents, accounts and budgets, consultants reports commissioned by international financial institutions, papers and accounts of the larger businesses), with relatively few being translated into *te taetae ni Kiribati*. Most systems are concerned with the administration and control of ordering, stocking, selling and distributing goods, collecting money and paying bills. They have increased in sophistication as the cash economy has grown and as computer technology has

become accessible, although paper-based systems are still common. Indeed, those that emerged via the GEIDA probably are burdened even now with its somewhat over-elaborate paper-based operating information and internal controls. From what I observed in 1997-99, they tend to dictate how things are done, including how slowly customers are dealt with. As in government ministries, there is a tendency for *I-Kiribati* staff, particularly in government businesses, to adhere to procedures ritualistically. Few staff are attuned to systems signalling “problems” or helping make commercial choices. An extension of this is that the pricing of goods continues to follow the pattern established by *boboti*, with a standard and quite low mark up, and little adjustment either to curb demand in response to shortages or to stimulate demand for items failing to sell, including, more obviously, foodstuffs with limited shelf lives. Moreover, government price controls dating from a few decades ago apply to items regarded as necessities (e.g. rice, tobacco, kerosene and school exercise books).

Regarding accounting for government enterprises and private businesses incorporated under the Companies Ordinance 1979, its accounting and related requirements are typical for a former colony in reflecting similar British legislation of the 1940s and 1960s (see Walton, 1986). Company directors file annual accounting returns, among other documents, with the companies’ registrar, and these are open to public searches. The large sample of returns I perused in 1997 comprised a directors’ report, profit and loss statement, balance sheet, and a report of the auditor, if one had been appointed. A cash flow statement was sometimes volunteered. The return formats varied among companies but seemed consistent for each company, although a change of accountant could lead to a change in format. Fines were levied on companies that failed to submit timely annual returns and most were remarkably prompt. However, as well as being disadvantaged because the accounts are in English framed in *I-Matang* concepts of economics and business (e.g. periodicity, entity recognition, using money as a unit of measurement and maintaining money capital) and are concerned with measurement of economic transactions and performance, it is doubtful whether many *I-Kiribati* appreciate their rights to information from the registrar within the general principle of institutions, particularly *I-Matang*-inspired ones, being accountable to them.

In addition to complying with the Companies Ordinance 1979, government companies, along with statutory boards, are required to submit audited accounting statements to *Te Mwaneabani Maungatabu*, the audits being performed by the KNAO. This seems to be of greater public significance among *I-Kiribati* than reporting under the Companies Ordinance, deriving partly from proceedings of *Te Mwaneaba* being broadcast live on *Radio Kiribati*, with repeat

broadcasts in the evenings and during recesses. This public spectacle and the interest shown in it reminded me of similar public interest in formal *mwaneaba* discussions among *unimane* on Nikunau, and as reported by Kazama (2001) on Tabiteuea South. Regarding the scope of audits, in the late 1990s, the *I-Kiribati* Auditor-General encouraged compliance with standards of reporting issued by the International Federation of Accountants. His reports included not only true-and-fair-view opinions but also financial performance analyses. He criticised many enterprises for overstocking, inadequate controls on credit sales, failing to perform regular bank reconciliations and other internal control matters. Questions in *Te Mwaneaba* stimulated changes of governance structures and senior managers. However, this put the Auditor-General under some pressure not only because those subjected to *kamama* had relatives in high government positions but also because someone monitoring, controlling, evaluating and subjecting other *I-Kiribati* to *kamama* brings *kamama* on himself.

### ***Accounting to Facilitate Colonial and International Aid***

I have referred already to the global expansion of the aid industry, that successive Republic Governments have been persuaded to accept guidance, influence, advice and capital donations, and that this has had repercussions for government accounting. Given its size and scope, the aid industry in Kiribati constitutes a significant and varied area of accounting separate from but interrelated with government. It involves both *I-Kiribati* and *I-Matang* and other outsiders (e.g. Japanese, Chinese of both hues) but with the latter ascendant through not only holding the purse strings but also in terms of knowledge and skills associated with the subjects of projects and with project processes and accounting for projects.

This started during the modernising agenda of the GEIC Government of the 1940s to the 1970s. It was increasingly implemented on a project basis and financed with specific capital grants after the Colonial Development and Welfare Acts of 1940 onwards were adopted by the British Government. These projects had to be justified by the GEIC Government to the High Commission in Honiara and to London. Aid was mostly in cash and individual project accounts were increasingly in evidence in the GEIC Government systems. However, there were restrictions on where cash could be spent, for example on goods and services sourced from Britain in preference to elsewhere (Macdonald, 1982). As grants by and large were from the same Colonial Office source, so the accounting format requirements only varied over time.

This changed after Independence and a wide range of donors emerged, each with their own accounting requirements, which also have varied over time (Burall, Maxwell and Menocal, 2006; Hove, 1986). As indicated above, the understandable inability of *I-Kiribati* government accountants to cope and a preference anyway among some donors to provide aid-in-kind has resulted in a decreasing proportion of the cash associated with the aggregate of donations being handled by the Republic Government, and an increasing proportion handled by and accounted for along with expenditures etc. by the agencies themselves, sometimes in Kiribati but mainly elsewhere, with the reporting invariably aimed there and rarely to *I-Kiribati*. I observed in the late 1990s that in the formulating and planning stages of projects, consultants' reports often contained an assessment of the costs and benefits of recommendations, which were measured using first-world accounting criteria, together with specific ideas about financial management and control, if the recommendations ran to creating institutions or systems and the consultant appreciated the accounting implications. As Rondinelli (1993) reports elsewhere, considerations of benefit-cost and financial control were prominent in subsequent project appraisal processes used by most donors, at least as legitimising tools. In their implementation stages, even with accounting and reporting all done abroad, projects sometimes entailed accounting and performance reporting systems being instituted in Kiribati, and so with *I-Kiribati* subject to and possibly participating in the accounting in order that projects and personnel could be monitored and evaluated, and for reports up chains of command stretching to the Global North. Systems included use of qualitative and quantitative data, financial and non-financial, processed into statements of objectives, logical frames, aid-worker personal performance reports, project progress reports, etc. Aid-in-cash raised more involved accounting and control issues. For example, some branches of foreign NGOs were raising overseas funding from multiple donors on a project-by-project basis. In similar fashion to the Republic Government as alluded to above, their usually *I-Matang* general managers were obliged to keep separate accounting records, and separate bank accounts even, for each donor and mostly for each project, and to comply with donors' increasingly elaborate and varying reporting requirements, despite lacking funding to employ specialist accountants.

As regards the accounting technology content of projects that entail establishing or re-establishing (usually labelled "strengthening") organisations, project staff usually perceived this content as an essential but incidental ingredient in most such projects, for which invariably the aim (sometimes forlorn) of sustainability without further external

implementing agency assistance and funding was espoused, as reported occurring elsewhere (Burt and Clerk, 1997; Rondinelli, 1993). For example, the project I worked on aimed to strengthen a further education institution that was established by *I-Matang* in the days of the GEIC. As its financial and other administrative structures and processes had virtually ceased to function in the eyes of *I-Matang* project staff, they had to facilitate the setting up of new ones by managerial, teaching, clerical and financial staff as part of the project outputs, in the expectation that the latter would assume responsibility for performing budgeting, budgetary control, internal control, costing, and resource allocation and attraction functions.

## **Discussion**

The genealogy of accounting I presented in Figure 1 and the bloodlines I have elaborated above constitute the main contributions of this paper. However, it would not be complete without some discussion of implications. Below I address the three areas signalled in the introduction, acknowledging that lots more choices would have been possible. Before that, however, it is appropriate to comment on the nature of the findings that are implicit in the above analytical description. At one level the analysis merely provides another example to confirm what other writers (e.g. Wallace and Briston, 1993) have described as the non-formalised channels through which accounting has moved from the Global North to the Global South, and the external-supply-push nature of the flows along these channels, except that push is not a suitable metaphor. That is, most of the accounting passing along these channels was accompanying baggage of *I-Matang* and intended for their use and in their interests, not recipients already in situ at the end of the channel. However, at another level the analysis illuminates one example of how the accounting that has been carried through these channels has been figuring longitudinally in the knowledge and power relations and processes between various types of people who have felt the need to create and operate the channels and the people at the outflow end.

### ***Transparency and Accountability in Economic Growth and Social Well-being***

Regarding the extent that experience might have equipped *I-Kiribati* citizens of the republic with knowledge and power to apply accounting in ways consistent with transparency and accountability espousals of the international financial institutions specific to Kiribati (e.g. ADB, 2002), there is little evidence to suggest that the accounting information, the accounting control or similar were ever originally intended to empower *I-Kiribati*, except those prepared to work in partnership with (as the junior partner) or be lulled into

collaborating with *I-Matang* in order to civilise/control, convert in religious belief, modernise, liberalise or other change their fellow *I-Kiribati*. For example, it was never in the nature of colonial administrations or other arms of the British Government (e.g. the BPC) to be accountable to *I-Kiribati*. *I-Kiribati* were often seen as inferior beings to be patronised, subdued, controlled and exploited. For most of the time since accounting practices were introduced, *I-Kiribati* were never the intended recipients of accounting reports and other outputs, either in managerial and governance roles or as the public. Before independence, even though various reports and accounts found their way into the public records, the closest most records approached the inhabitants of the various islands was at GEIC Government headquarters at Bairiki on Tarawa, and many were overseas. The records were part of *I-Matang* institutions that *I-Kiribati* still have difficulty accessing (e.g. the national library and archives). Meanwhile, administrations owed accountability elsewhere, to governments back home. The *I-Kiribati* were not included much in accounting systems determination of purpose, development or maintenance or in use of accounting information; and transparency was never part of the purpose of the systems. So, why should they be expected to embrace the latter let alone re-develop systems consistent with it as a prime purpose?

The underlying theories and language of accounting puts most *I-Kiribati* at a disadvantage vis-à-vis a small number of *I-Kiribati*, thus empowering people based on intellect with expertise in the area at the expense of those of a certain age. Thus, this technology is not increasing the transparency of government institutions and influential private sector organisations, and so is not making the people's representatives on the governing bodies of these organisations any more publicly accountable than they already are from the informal, conversational data that citizens hear and on which they can base judgments. Indeed, instead of making things transparent, and empowering accountees, accounting at least hampers and sometimes disqualifies *I-Kiribati* from participating in some structures and processes of institutions inherited from *I-Matang* and through which much power is now exercised, while legitimising the authority of the people it is supposed to be making accountable. In particular, the foreign concept of a sovereign nation state comprising all islands is propped up in part by accounting ideas, processes and systems. However, having been marginalised by modernisation on Tarawa and the migration this has stimulated, it could be said that as far as *I-Kiribati* on many Outer Islands are concerned the part played in daily life by central government and other bodies on Tarawa has diminished, possibly to a level not experienced

for a century, and there are no longer any *I-Matang* and Samoans in the guise of churchmen, notwithstanding that church activities, including fund raising, are ubiquitous.

The accountability and power that these ideas, processes and systems is facilitating in some *I-Kiribati* is competing with something akin to accountability that is part of the *I-Kiribati* culture. This runs along individual and family lines, concerns moral, cultural and social matters, as well as economic ones, that are of no more than equal and perhaps less importance. Macdonald (1982) opined that beneath the constitutional independence, the trappings of government as expected by *I-Matang* agencies operating on Tarawa and to a much lesser extent elsewhere, and the benefits, etc, of trade and other interaction with the modern outside world, there is still something immutable about *te I-Kiribati's* ties to his or her *utu* and *aba* and identification with the island where the latter and some of the former, alive or dead, are still to be found. That participants in formal organisations owe accountability individually or collectively to others (e.g. line managers, customers, stakeholders), and conversely, that someone or a group of people can expect others to be accountable to them in a Global North managerial or stakeholder sense, are both alien ideas, as is the idea of disseminating information that is not explicitly solicited. Add to this cocktail the reticence that *I-Kiribati* have about monitoring and holding each other to account, which applies doubly to their elders, then conventional theories about accounting serving stakeholders fall down; and the same applies to internal control and accountability within organisations.

### ***Triumph of Hope over Experience***

Regarding the triumph of hope over experience, there is plenty of evidence in the period since modernisation came into vogue to suggest ideas are implemented repeatedly and give rise repeatedly to outcomes that have been disappointing seen from the *I-Matang* point of view of *I-Kiribati* as the intended beneficiaries, and so disappointing to those *I-Matang* with expectations of benefit. An example relates to technology introduced through projects. Starting the description of the typical cycle when *I-Kiribati* take over some first-world, state-of-the-art technology installed by the just departed *I-Matang* experts, although sometimes the technology just disappears, as other authors report elsewhere (e.g. Wallace and Briston, 1993), in many cases the fabric of the technology is sustained. However, signals the technology broadcasts are frequently ignored, limited use is made of whatever the technology produces, intended chains of accountability or whatever have little effect, and instead ritualistic adherence to procedures displaces the spirit and purpose (economic, political and/or

social) that its *I-Matang* architects intended, not least because these lack cultural legitimacy, are ill-suited to the environment, the learning curve is too steep (including because they have not experienced how the new technology might have evolved from the old because the evolution occurred elsewhere, and they are unlikely to be able to turn to other *I-Kiribati* operating the same technology elsewhere on Tarawa., etc., even if that was culturally acceptable, which it is not). These rituals may symbolise contribution to the work of *kawa*-like organisations, not to mention providing ways of passing time during office hours, although they also allow upper- and middle-level staff to exercise knowledge and power. As with many other technologies (e.g. education curricula, water and sewerage systems, operations involving computers, electronic equipment, plant, vehicles and machinery), rarely are there enough *I-Kiribati* able to perform repair and maintenance tasks associated with accounting practices (and even if there are, any necessary parts may be unobtainable), and so the rituals are interrupted by technical breakdowns. After several years have passed, new *I-Matang* arrive to espy said technology as a problem. They have little time or inclination to study the history of the technology and they know that, in any case, aid donors do not want to get involved in “non-prestigious” projects, such as ones to repair existing technology to sustain basic services (Traynor and Watts, 1992); and so they champion and implement a project involving state-of-the-art technology as the solution, perhaps naively believing in, or paying lip service to, the idea of sustaining their new technology. If the technology materialises, then once *I-Matang* hand it on to *I-Kiribati* to operate, the cycle is repeated. This pattern applies to many other technologies besides accounting (e.g. education curricula, water and sewerage systems, plant, vehicles and machinery, and anything involving computers or electronic equipment).

### ***Neo-Colonialism***

Regarding neo-colonialism, no matter if this intended or otherwise, *I-Kiribati* do not seem to have been as politically and economically independent as might have been supposed at various times but particularly following the institution of the republic in 1979 when they allegedly attained Independence. More so than the underlying theories and language of accounting putting most *I-Kiribati* at a disadvantage vis-à-vis a small number of *I-Kiribati*, they put all *I-Kiribati* at a disadvantage vis-à-vis the staff of international financial institutions, aid donors and similar organisations. Accounting ideas, processes and systems maintain secrets, which mostly are only discernable by *I-Matang* with particular knowledge and expertise. This is in keeping with accounting as applied by present-day *I-Matang* being

likely to amount to *I-Kiribati* (continuing to be) being accounted about (rather than to) as part of a structural adjustment programme, an idea that Jacobs (2000) reviewed in relation to Maori in New Zealand. This allows *I-Matang* in question to exercise knowledge and power over said citizens in ways that amount to neo-colonialism, with instead of accounting figuring in the lives of *I-Kiribati*, both locally and at a distance, be it from a district headquarters, the Residency, the High Commission or London, it is now figuring from Manila, Canberra, Wellington, Tokyo, Brussels, and Washington (and more besides no doubt). Political independence notwithstanding, accounting used by and championed through aid-granting institutions and international organisations is increasingly dominant, born of advances in accounting practices, surfeits of ideas, enthusiastic personnel and finance for “development”, and impatience for change. However, *I-Kiribati* seem to have a remarkable knack of absorbing the plans of religiously-minded and governmentally-minded *I-Matang*, by adopting outward *I-Matang* forms but retaining the substance of *I-Kiribati* culture (Macdonald, 1982).

### **Conclusions and Further Research**

My paper was prompted by arguments expressed by an IMF official about transparency and accountability and how these contribute to social stability and economic growth. Taking the Republic of Kiribati as a site to study, and believing that transparency and accountability rely to some extent on accounting, I delved into accounting as it has figured in the Republic. I found that various people had used accounting at various times and that many of these uses contributed to its use today. I synthesised my basic findings into a genealogy comprised of various bloodlines and then delved further into these. The bulk of my paper comprises the genealogy and elaborations of each bloodline. I then used this new found knowledge to conduct brief discussions around three things: ideas of public bodies being transparent and this transparency giving rise to accountability to *I-Kiribati*, with consequences that that process might have; the idea of the triumph of hope over experience; and the possibility, intended or otherwise, of neo-colonialism being effected through accounting. I conclude that notions of transparency and accountability are mere rhetoric in English, and barely intelligible to people who speak and whose culture is reflected in *te taetae ni Kiribati*. There is plenty of evidence of the triumph of hope over experience, and much of this is less because of ignorance than of complex personal and institutional motives at odds with espousals of aiding a developing people. Intended or otherwise, neo-colonialism is rife, but is probably no more effective than under the previous explicit British variety.

Further research could be conducted elsewhere using the methods in this study: accounting in very few parts of the world or their peoples can be said to have been studied longitudinally, except in mainly English speaking countries where research is prolific. In Kiribati, I am already looking at the consequences of the accounting analysed in this paper for particular I-Kiribati (see Dixon, 2007b).

## Notes

1 Having white skins, aboriginal Europeans were thought by *I-Kiribati* in early encounters to come from the land of *Matang*, the land of white people, whence originated the first *bakatibu* (i.e. ancestors beyond the seventh generation), *Te I-Matang*, and to where the souls of the dead are believed to return (Grimble, 1952; Sabatier, 1977).

2 In controversial circumstances, the people of Tuvalu (i.e. Ellice Islanders) elected to form a separate Dominion from in 1976 but because of a delay to try to resolve the *Banaban problem* the Gilbert Islands were not decolonised until 1979 (Macdonald, 1982).

3 The title alludes to assessing the likely performance on the racecourse of thoroughbred racehorses by reference to the corresponding performances of their forebears and other near relations. This is particularly significant in pairing horses to breed from, and when a horse is a foal or a yearling (i.e. when it is likely to be put up for sale and many months before it is mature enough to gallop and race).

4 Arthur Grimble was from a well-to-do family that amassed a moderate fortune in Hong Kong. Educated at Cambridge, he also spent some time studying languages in Europe before working as a colonial official in the GEIC for almost 20 years from 1914, including as resident commissioner from 1926 to 1932. He then worked in other colonies before retiring from the Colonial Service to write and broadcast, notably about the Gilberts, and continue to study languages; he was a member of the Royal Anthropological Society (Simon Seligman, personal communication). Ernest Sabatier went to the Gilberts as a Roman Catholic priest in 1914 and died there in 1965. Harry Maude, also a Cambridge graduate, spent almost 20 years as a colonial official with the GEIC Government from 1929, after which he joined the South Pacific Commission and then became an academic. Barrie Macdonald is an academic who studied under Maude and carried out field study research during four extended visits to the Gilberts between 1969 and 1977.

5 In his explanation of *utu*, Maude (1963) points out that in theory a person's *utu* is an indefinitely extensible category of near and distant kindred, but that in practice it is bounded by knowing with whom one shares a common ancestor. Given the still keen knowledge of genealogy among *I-Kiribati*, this will certainly be scores and probably hundreds of people, the common ancestor being possibly several generations back and long dead. However, in personal communications, Heggies Dixon and Dick Overy distinguish between *utu* and *koraki*, the

former being near kindred sharing a common ancestor say within four or five generations and including relatives by marriage, while the latter are more distant blood relatives.

6 One feature of the language (as demonstrated in *te taetae ni Kiribati*) is that singular words are distinguished from plural ones by being preceded by *te*.

7 At the main secondary school (i.e. King George V (KGVS) from the 1920s, and then King George V and Elaine Bernacchi School (KGVEBS), when it went co-educational in the 1970s, the students up the 1980s, who included my wife, were punished for using *te taetae ni Kiribati* on campus.

8 Sabatier reports one old missionary as saying that, “After ten years in the islands you think you know the local people; after twenty-five years you doubt it and after forty years you are firmly convinced that you do not know them” (1977. p. 341).

9 Butaritari’s *uea* system lasted well into the 20<sup>th</sup> century. *Uea* systems also displaced the *mwaneaba* system periodically elsewhere, especially from the time of organised trading with *I-Matang*. For example, Abemama, Kuria and Aranuka were ruled by the patriarchal Baiteke and then his son, the infamous despot Binoka, for the second half of the 19<sup>th</sup> century. Thus, in the Native Laws 1894 enacted by the GEIP Government of Resident Commissioner Swayne (1893-95), the nine islands from Aranuka northwards were recognised as having *uea*; and the seven islands southwards from Nonouti were recognised as having *mwaneaba* councils (Macdonald, 1971, 1972, 1982).

10 This arises because relics and other artefacts were housed in them, although each *kainga* (i.e. hamlets) also had a *bangota* (i.e. shrine) with a stone symbolising an *anti* (a spirit, possibly of the first human *bakatibu* of the *utu*). It was adorned regularly and an offering of food left.

11 Regarding the significances of land, similar traditions apply elsewhere in the Pacific, including among Aboriginal Australians, as analysed by Gibson (2000) and Greer and Patel (2000); and NZ Maori, as analysed by Kearins and Hooper (2002).

12 Exceptions stemmed from rewarding acts of kindness; wars, leading to *aba* belonging to the vanquished being shared out (and captured former owners being enslaved); *aba* being gifted as part of *tinaba* relationships (see Grimble, 1957); and *aba* forming compensation for breach of promise of marriage, serious wrongdoings and similar. The wars were curtailed under the Protectorate; the Christians tried stamping out *tinaba* relationships, but land due for these continued being transferred under other guises; and compensation ended when the *I-Matang* practice of crime and punishment by the state was instituted under the Protectorate (Lundsgaarde, 1974; Macdonald, 1982; Sabatier, 1977).

13 Grimble and Clarke advised that “[S]imple magic rituals and charms are the concomitants of every conceivable form of native activity” (1929, p. 6). However, long-established knowledge, skills and technology should not be underrated because of the attendant magic and rituals. Such things often go together in other societies, as analysed by Abrahamson and Fairchild (1999).

14 Disputes arose for various reasons, including disagreements over boundaries, contested ownership arising from inheritance and other transfers, and encroachment on seldom used *aba* being challenged. Courts took the form of *unimane* sitting in *mwaneaba*, but sometimes fights were arranged between individuals or wars occurred between *mwaneaba* districts. The GEIP/GEIC Governments stamped out combat and, at various times, tried to institute land registers and land courts within the GEIC Government judicial structure. The first attempt at a register by Campbell was a dismal failure as the premises it was based on were somewhat removed from *I-Kiribati* practices of ownership, usage and conveyancing, and later attempts have not fared much better. Land courts as instituted under the Native Governments Ordinance 1941 may have increased rather than reduced the volume of disputes and the stimulation and distraction they give rise to among *I-Kiribati*. They provided an outlet for *unimane* to exercise their longitudinal knowledge of *aba* and their enduring authority (Crocombe, 1987; Grimble, 1952, 1957; Lundsgaarde, 1974; Macdonald, 1971, 1972, 1982; Maude, 1963; Pole, 1995; Sabatier, 1977).

15 Even today, after considerable social change *I-Kiribati* can usually recite their *utu* back for several generations, and often do when they meet fellow *I-Kiribati* they do not know personally, to see how closely related they might be. In particular, one of the first things *I-Kiribati* who might form a sexual attachment do is compare their knowledge of ancestry, so as to avoid committing *karikira*.

16 Generally, these included births (particularly of first-born children), first “birthdays”, women’s first menstruations (now celebrated intermittently), marriages and deaths. On Butaritari, they extended to occasions relating to *uea* and their accessions.

17 The Line refers to the Equator.

18 On Tarawa, cash has changed from being regarded as mere transitory wealth to something more substantial. However, on Outer Islands, it is rather incidental still to land, physical and knowledge assets, and subsistence products. In 1987, in Tabomatang *mwaneaba* district on Nikunau I was entrusted by *te unimane* with a sack of copra, representing a few days collecting, splitting and drying. He sent me to the island co-operative shop in the nearby Nikumanu district, at the back of whose modest premises was a copra store of longstanding, I handed over the sack and was given a few coins. I immediately handed these back and rode away clutching a small bottle of tomato ketchup manufactured in Australia.

19 For example, in June 1892, while annexing the GEIP, Captain Davis RN recorded a trader in four of the *mwaneaba* districts on Nikunau, namely Jean François (Frank) Even (own account), Richard Tomlinson (Jaluit Geswellschaft), Tom Day (own account) and Robert Homes (Crawford & Co. of San Francisco) (see Resture, 2004). The latter’s store was probably at Nikumanu, and if so Andrew Turner took it over shortly after. *Kain Nikunau* (people of Nikunau) in the other two districts used the store in the neighbouring district (e.g. see note 20), with a certain reluctance because of an underlying rivalry between districts.

20 Three brothers who came to the Gilberts were seeking refuge from the Sino-Japanese war of, probably, 1894-95. They took up trading on three islands under assumed names, married locally and gave rise to the Kum Kee

family, which is prominent in several Tarawa businesses today (personal communication from Buaua Willis-Richards, granddaughter of one brother).

21 There was no local financial institution in the Gilberts until sometime in to the GEIC period, and even then it was created to facilitate governmental and personal money transfers rather than as a bank for commercial undertakings. The first commercial trading bank was not established until 1970 (Macdonald, 1982).

22 Murdoch arrived in the Gilberts as a young man c. 1870 and died there 60 years later. He put the literacy, numeracy, bookkeeping and storekeeping that Corrie taught him to good use. After working for Corrie and then trading on his own, he became trading master to Binoka, taking over from a series of relatives of that *uea*. Following Binoka's death in 1891 he was involved in an ill-fated venture to Guatemala with *I-Kiribati* labourers, and then became a GEIP government agent, interpreter and tax collector in the central and southern Gilberts districts, including a spell as acting resident commissioner during 1912. He mentored the young Arthur Grimble c.1914. His two marriages produced an abundance of offspring (Horwood, 1994), many of whose descendants are involved in present-day government and trade.

23 *I-Kiribati* were sometimes exploited as labourers elsewhere (including as victims of *blackbirding* and as indentured labourers), although they also obtained financial and other benefits in the same capacity, giving rise to a substantial flow of remittances. Among work done was on whaling and trading ships, not just locally but as far as Europe, the West Indies and the Cape Colony; and on copra, sugar and coffee plantations and in mines around the Pacific (e.g. Fiji, Guatemala, Hawaii, Line Islands, Mexico, Queensland, Samoa, Tahiti, Nauru, Banaba) (Macdonald, 1982; Maude, 1968, 1977b; Sabatier, 1977).

24 An informal survey of several *I-Kiribati* aged between 25 and 45 revealed little awareness of not only the name of their *boti* but of the general concept. Further inquiry of some of their elderly parents revealed some awareness of the concept and of names of parent's *boti*.

25 The extension of the wares of traders to cloth, and of local skills to making clothes, arose because of the missions' aversion to nakedness. Obliging *I-Kiribati* to wear clothes also led to such afflictions as tuberculosis and skin disease.

26 After his 1892 visit to Nikunau, Captain Davis reported there being up to 200 police among a population of barely 2,000 (Resture, 2004).

27 The Hawaiians were part of the Boston-based American Board of Commissioners for Foreign Missions (ABCFM) and the Hawaiian Evangelical Association, which sponsored the Protestant missions in the northern Gilberts until c. 1917, when they withdrew in favour of the LMS.

28 Barely 3,000 people (<10% of the population of the GEIC) lived on Tarawa atoll before the short-lived Japanese occupation. There were 6,000 (<15%) in 1963, 10,000 (>20%) in 1968, and nearly 15,000 (>28%) in 1973. Shortly after Independence, when many Tuvaluans and some *I-Matang* left, the population was just over 15,000 (>25% of the population of Kiribati) whereas now it is over 45,000 (>48%) (Government of Kiribati,

2007; Macdonald, 1982).

29 A related idea is that of work or other matters being “for the Government”. This derives from compulsory days of communal works instituted by Campbell and the resentment they caused even after being reduced from 78 days per annum to 52 and then 24. Work included road building, erecting prisons, hospitals and houses for officials, and changing the layout of and upgrading dwellings of *I-Kiribati*. By the 1930s, *I-Kiribati* governments were organising annual work programmes and setting the number of days of communal works accordingly. In the 1960s, the requirement was replaced with voluntary labour on “projects” that involved work of a customary nature, such as *mwaneaba* maintenance, and paid labour financed from increased local taxation. However, as the potential for the latter was not great, some minor communal services were re-instated by councils (Macdonald, 1972; Sabatier, 1977). Macdonald (1982) makes several references to this concept of “for the Government” and it is one that I too noticed from time to time in the form of a significant reluctance among *I-Kiribati* to perform not only manual labour but also committee work without payment, if it was attached to an “official” body. This contrasts completely with the willing and cheerful attitude that *I-Kiribati* have about work they do for *utu*, friends and visiting strangers.

30 Noteworthy is that computerisation can be difficult to sustain, not only because of skill shortages but also because hardware suffers in the hot, sandy, saline, humid conditions and mains electricity is unreliable

31 Banaba is still scattered with mining machinery, plant, asbestos-laden facilities and other industrial debris, which the BPC donated to the Government of Kiribati (King and Sigrah, 2004)

32 The Nauru Island Agreement 1919 provided for Britain to receive 42% of ore produced for home consumption and that if this was not taken up for this to be shared between the other two partners for home consumption if they could use it, and for any remainder to be sold commercially elsewhere. Although only a very small quantity of phosphate actually went to Britain, it was not entitled to direct compensation for its share going to its partners.

33 This designation persisted until 1967, when they were re-designated as *island councils*.

34 Until 1917, these were designated as district magistrates.

35 It was some time before district officers were re-appointed after WWII, and even then they included only one officer based on Tarawa for the whole of the Gilberts. In 1956, this was reduced even further by the two districts of the Gilberts and the Ellice being merged under one district commissioner supported by two touring subordinate district officers, all based on Tarawa (GEIC, 1957; Macdonald, 1972, 1982).

36 *Kawa* came about between 1880 and 1910 as a result of pastors, Campbell and Goward breaking up *kainga* and obliging *I-Kiribati* to re-settle in standard dwelling areas in *kawa* laid out in an orderly line adjacent to a street, close to the church and *mwaneaba* (Macdonald, 1982).

37 The use of a standard mark up and other pricing practices continued a tradition of *uea* and *unimane* being involved in price fixing, rather than left to individuals and to commodity and labour market forces. Historically,

Macdonald (1982) reports early responses to falling copra prices by *uea* and *unimane* were to put a *tabu* on trade, choosing to be oblivious to the same falling prices affecting companies exporting the copra. More recently, he tells of the price of surplus fish, etc. and handicrafts having been sold on and from Outer Islands at prices fixed collectively and for some time at amounts that may bear little relationship to supply and demand or to labour time and other inputs.

38 In addition to these political and logistical encumbrances, Burns-Philp, Carpenter or other private trading companies inclined to return to the GEIC may have been dissuaded for economic-accounting reasons.

39 The agreement was one on many throughout the colonial empire covering various commodities and was espoused by the purchaser as a method for furthering development of colonies. A related idea was the establishment in many colonies of marketing boards, including the GEIC Copra Board (now called the Kiribati Copra Cooperative Society). A separate Colony Handicrafts Cooperative Wholesale Society was established to handle curios, shark products, etc. (Maude, 1949; Morgan, 1980).

40 Perhaps with racial undertones, Sabatier observed that

The Gilbertese is only really interested in games, and maths for him is a pastime. Once he has grasped something he repeats it indefinitely and with a patience that has nothing to do with devoutness or genius. Any problem that requires thought finds him quite at a loss; the least pitfall and he is bowled over. The sporting excitement of doing calculations is to finish a problem quicker – or better – than his neighbour. And the result is obvious: it is either correct or not – like the spear that pierces a fish or goes to one side of it. (1977, p. 193).

41 Little money is saved for extended periods by individuals for personal or business use. Bank accounts are used to look after small surpluses in good periods before being drawn on in poorer periods or for specific planned significant expenditures (Macdonald, 1982).

42 Although fairly big by Kiribati standards, they are all small by external ones, having turnovers of perhaps one or two million dollars at most. They are involved in importing and wholesaling as well as retailing. They have difficulty in attracting overseas suppliers. It does not help that many potential suppliers are ignorant of Kiribati's existence, let alone know how to ship goods there. In addition, like government enterprises, they can experience unusual cash flow problems because of the time it sometimes takes for goods to arrive at Betio and be distributed, let alone sold, being longer than normal credit periods their suppliers offer reliable customers. In addition, suppliers can be put off by methods of administration used by *I-Kiribati* that are at odds with their own. All in all, these make it difficult for Kiribati firms to obtain credit overseas (and from the Bank of Kiribati). The obvious repercussion is some discontinuity of supply of various items in the Kiribati retail sector.

43 I was told by one *I-Matang* business proprietor that there was not much difference in tax and official paperwork between the two forms and that the main reason for him staying as a partnership was that he doubted very much if among most *I-Kiribati* the notion of a person having only limited liability for the debts of a business entity is properly understood, and so worthless.



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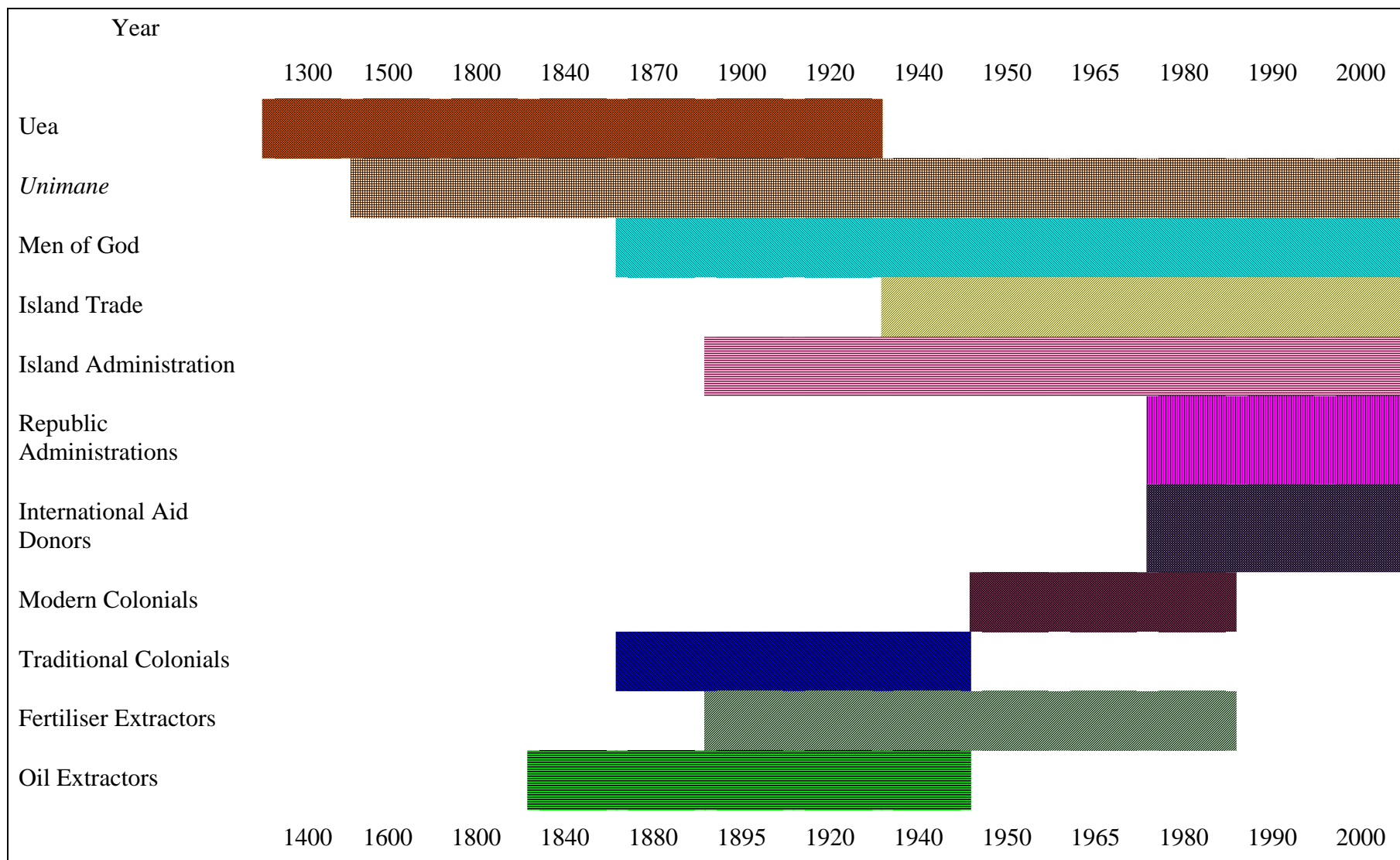
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*Figure 1 Bloodlines comprising a Genealogy of Accounting appearing in Kiribati up to the 2000s*

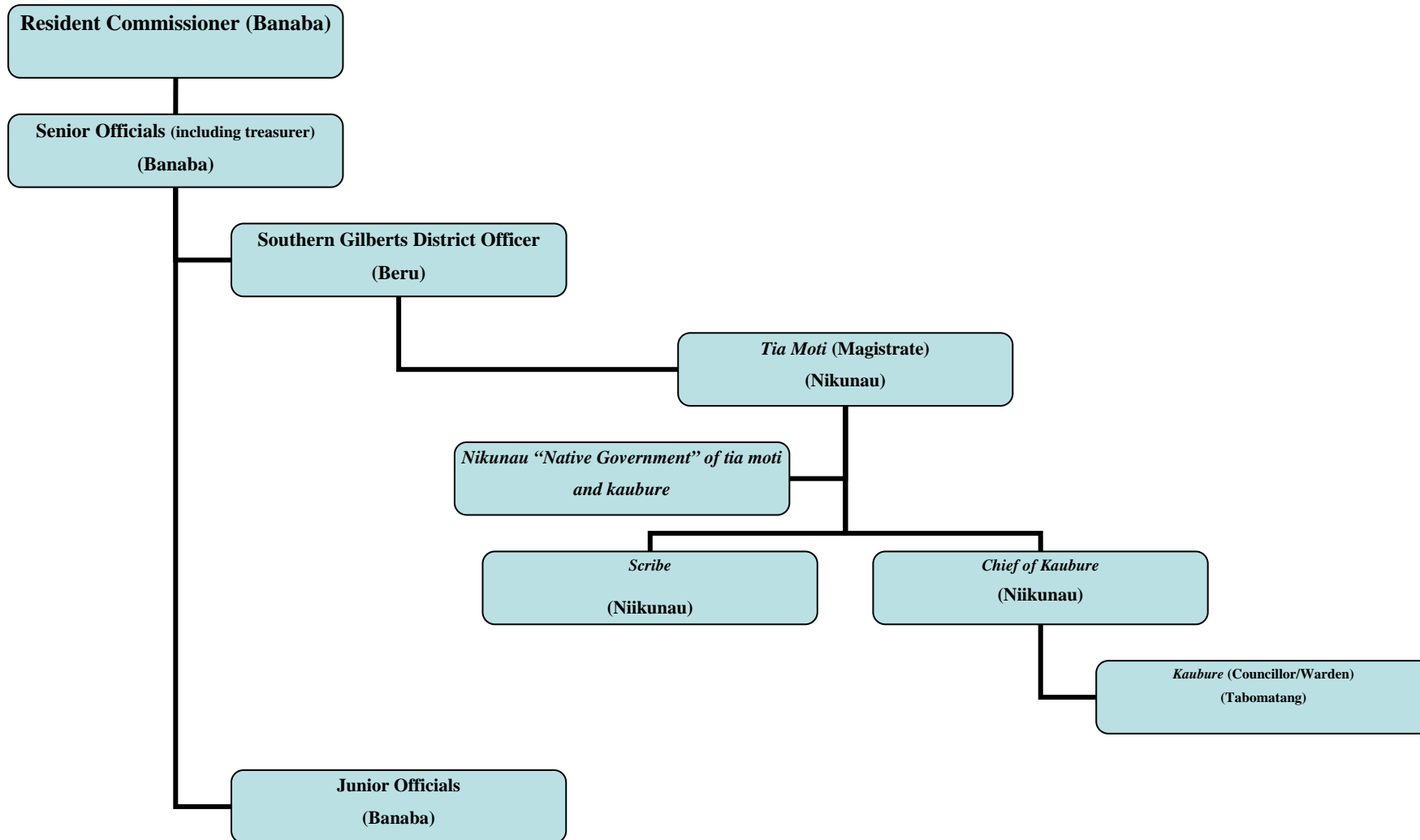


Figure 2 Structure of Government in the Gilberts by 1920 (Posts held by I-Matang in regular font, posts held by I-Kiribati in italics)

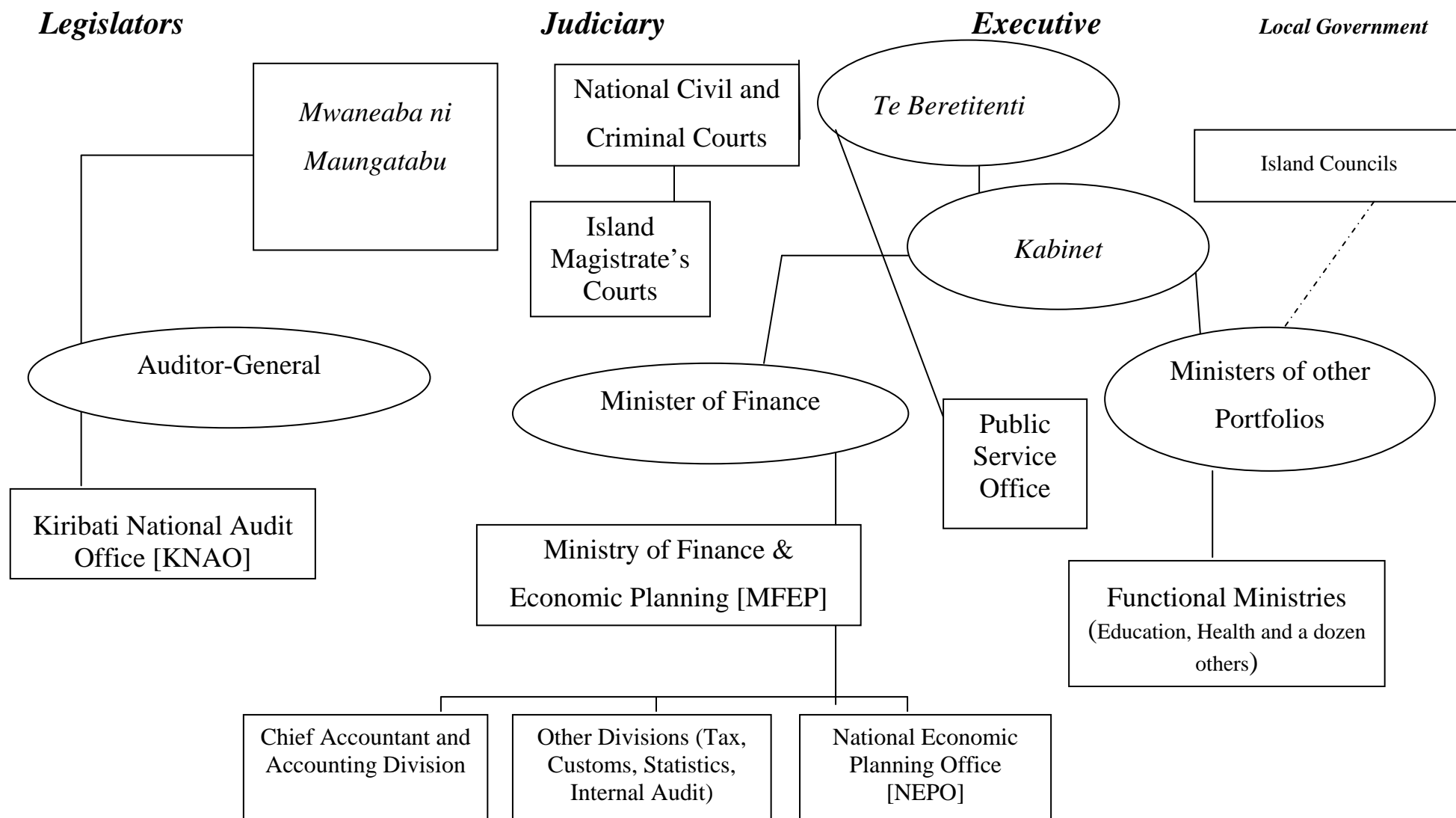


Figure 3 Structure of the Government of Kiribati c. 2000 (with accounting and finance areas elaborated more than others)