

Accounting as a Technology used for Governing a Population: The Case of

I-Kiribati 1890s-2000s

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Abstract

How accounting enables governors to govern is analysed. The governors comprise multilateral and aid organisations, and their imperial body predecessors, and the governed are the population of the Republic of Kiribati. A governmentality framework of analysis is used and a genealogical approach is taken. Data were obtained from participant-observation and reviews of histories, memoirs and official documents. The essence of the analysis is to show, in the context of the governance of the population in question since c. 1890, how the actions of various people spawned and matured accounting usages alongside how the actions of various people developed and changed governmentalities. Accounting is interpreted as a changing technology of governance used, in this case, to help “develop” people who fit externally determined rhetorical images (e.g. civilised natives, colonial subjects, modernised citizens, global consumers). The study may prompt similar studies of usage of accounting in creating governable persons in other places.

Keywords British colonialism, Pacific history, neo-colonialism, genealogy, governmentality

Paper type Research paper

Introduction

In places designated by Eurocentrics as “developing countries”, recurring themes in the relevant literature are that present-day accounting practices are a legacy of formal colonialism and an “inappropriate” technology (e.g. Hove, 1986; Ndzingo and Briston, 1999; Wallace and Briston, 1993). Most of the places in question have been the subject of a first generation and now a second generation of structural adjustment policies. Among various postcolonial bodies (i.e. multilateral organisations, foreign government and nongovernmental aid agencies, etc.) active in these places, some very influential ones (e.g. International Monetary Fund (IMF), Asian Development Bank (ADB), AusAID) are championing these policies (see Collier and Gunning, 1999; Kempa *et al.*, 2005). Prominent in them are accounting practices that, among many researchers in a variety of geographical and public policy contexts, Edwards *et al.* have shown are capable of extending “the domain of economic conceptualisation in accordance with new programmes of ‘government’ and neo liberal ideas of rational organization” (1996, p. 6).

Meanwhile, in a steady stream of Foucaultian-inspired and other critical accounting studies (e.g. Bush and Maltby, 2004; Hooper and Kearins, in press; Jacobs, 2000; Neu and Graham, 2006), colonial and dominion administrations of British origin are shown to have used numerous calculative practices and applications that encompass accounting. This accounting figured not only in governance distributed among colonial officials in situ and in distant London but also among indigenous officials of governance bodies subordinate to the colonial officials. These indigenous governance bodies had often been recast from earlier autonomous forms of governance that had been supplanted when territories were brought under colonial rule (Davie, 2000; Kalpagam, 2000). This accounting was used by colonial officials to circumvent and subjugate people of a different culture to make them governable and its consequences were often discriminatory (Holmes *et al.*, 2005; Jacobs, 2000; Neu, 1999).

This paper shows that the ideas in both paragraphs above apply to the territories and surrounding seas of the Republic of Kiribati (lat. 5°N to 10°S; long. 170°E to 150°W). It does this by analysing relevant accounting usages there from 1890 to 2000, and synthesising the analyses, in particular addressing three questions about which the literature referred to is generally silent:

- Are there parallels between the usage of accounting practices in colonial situations and their usage as part of structural adjustment policies?
- To what extent is the latter usage indicative of enduring continuities from periods of colonial governance to post-independence periods, rather than the end of colonial rule and coming about of sovereignty marking discontinuity?
- Is the adjective “inappropriate”, as used above, subject to question?

The rest of the paper comprises an outline of the Republic’s colonial and postcolonial history, the method employed for the study, the analysis, and synthesis and conclusions, including suggestions for further research.

Formation of the Republic of Kiribati

In 1892, Britain annexed the Gilbert Islands as a protectorate; and a few months later, it annexed the Ellice Islands. The two territories and their populations were administered as the Gilbert and Ellice Islands Protectorate (GEIP). This was despite *I-Kiribati* (i.e. people indigenous to the Gilberts Islands and Banaba (or Ocean Island)) being Micronesian; and Ellice Islanders (now Tuvaluans) being Polynesian. Neither group had a homogeneous culture or a heritage of common experience, let alone of political unity. The Gilberts in particular comprised several chiefdoms and gerontocracies; the primary identity of persons on each separate island were with the extended family household and its landholdings, then with neighbouring households in the district of the island, and then with the island (GEIC,

1974; Grimble, 1952; Lambert, 1966; Macdonald, 1971, 1982a, 1996b; Maude, 1963, 1968; Sabatier, 1977).

Conditions of possibility that varied from one previously politically autonomous island to another seem to have smoothed their annexation (e.g. the frequent civil wars on Tarawa, disputes over mortgaged coconut trees on Butaritari, a political vacuum on Abemama following the death of a despotic chief, and sectarian discrimination and violence on several islands, particularly in the London Missionary Society-controlled south). A similar possibility arose in 1900 when phosphate was discovered on Banaba. This detached island lay to the west but its inhabitants had some ancestral ties to the Gilberts. It was annexed as part of the GEIP and the phosphate mined, first by private British companies (1900-19), and then, under the Nauru Island Agreement 1919, by the British Phosphate Commission (BPC), until the phosphate was exhausted in 1979. In 1916, Britain re-designated the GEIP as the Gilbert and Ellice Islands Colony (GEIC) to reflect changes in responsibilities and governance that had occurred since 1892. For administrative expediency, islands in the Line (1916) and Phoenix (1937) Groups were added to the GEIC; these were far to the east and not inhabited by *I-Kiribati*, if at all (GEIC, 1974; Macdonald, 1982a, 1982b; Sabatier, 1977; Williams and Macdonald, 1985).

From 1892 to 1976, the GEIP and then GEIC came within the territories governed by the British High Commissioner for the Western Pacific, first from Suva, Fiji Islands (1877-1952), then from Honiara, Solomon Islands, until this office was abolished in 1976. After that, the GEIC related direct to the Foreign and Commonwealth Office in London. These British principals were represented in the GEIP-GEIC by a resident commissioner (RC) (assumed title Governor 1976-79), whose Residencies were based on the islands of Butaritari (1892-96), Tarawa (1896-1908), Banaba (1908-41) and, finally, Tarawa (1943-79). The gap from 1941 to 1943 occurred because colonial officials evacuated the GEIC when Japan was about

to invade and returned after the Battle of Tarawa (GEIC, 1974; Macdonald, 1982a, 1996b; Maude and Doran, 1966).

From 1967, internal self-rule by *I-Kiribati* and Ellice Islanders evolved under the supervision of successive RCs and Governors. This was the first time that *I-Kiribati* were expected to regard even the Gilbert Islands as one unit for political and governance purposes. Up to then, governing and administering the islands jointly had been a British project: since time immemorial, the *I-Kiribati* governance of particular islands, island districts or clusters of islands had been largely separate. In 1979, the Republic of Kiribati was created out of the GEIC without Tuvalu[1]. But most *I-Kiribati* were interested not in a united state as envisaged externally, but in their separate islands, and so the Gilbert Islands each retained separate identities. Thus, the new sovereign state lacked an overall identity, sufficient national political leaders and a socio-political organisation of *I-Kiribati* origin. Even so, from its formal seat on Tarawa, an elected Republic Government of *I-Kiribati* assumed roles that formerly senior colonial officials had played; and soon most of the staff it employed were mainly *I-Kiribati*. To the outside world, it was the dominant player in both providing public services, and importing and distributing commercial goods and services (Macdonald, 1982a, 1996b).

The new Republic, as befitted its “developing country” status, attracted aid from sources in addition to the finance Britain agreed to in the independence settlement for development projects. This led to further growth in public services and governmental enterprises. In the late 1980s, it was also becoming a target of postcolonial bodies that were championing structural adjustment policies. Although sounding as if to adopt a first generation structural adjustment programme, the Republic Government balked at some specific policies, and only partially implemented others, or found it difficult to do so, and so they have come to very little (see ADB, 2006; Dixon, 2004a). Indeed, the activities of the many other donors ran

contrary to a major policy in the programme, that of reducing the size and scope of Republic Government services and other activities. There are signs that a second-generation structural adjustment programme is in process, extending to poverty and environmental concerns and “good governance” (see ADB, 2006; MacKenzie, 2004).

Meanwhile, after a limited amount of immigration from the other islands to Tarawa in the 1950s and 1960s, the rate of this has increased since, and so Tarawa’s population has increased dramatically. The reasons include better access to education and other public services, employment opportunities with the GEIC and then Republic Governments, families reuniting there and a more liberal lifestyle. While in some respects this has increased interaction between people originating on different islands and made for political integration of the Republic, it has also divided residents of Tarawa from Outer Islanders over their economic, social and political circumstances (Dixon, 2004a; Macdonald, 1982a, 1996a, 1996b).

Method

Why and how the study has been conducted are inter-related. The author first visited Kiribati in 1985. During his fifth visit (1997-99), he was part of a British Government aid project and responsible for designing and staging a programme of accounting courses for adult further education students. This involved a significant amount of “training needs” type inquiries on Tarawa among Republic Government and other formal economic entities, as well as experiencing life among the growing number of *I-Kiribati* residing on that atoll (for details see Dixon, 2004b). During these inquiries, accounting and other aspects of structural adjustment policies arose alongside various institutionalised accounting practices that derived from GEIC days. As alluded to in Dixon (2004a), neither resonated much with the social and material culture of *I-Kiribati*.

Although the aid project was regarded by its sponsor as successful, the author was disquieted by his experiences, and so embarked on this study. Basic concerns the author had were to account for the seeming lack of relevance of present-day accounting practices to matters that seemed important to I-Kiribati; to understand more about how present-day accounting practices had materialised, particularly to analyse what roles they had played in how governance of the Republic had materialised. Retrospective analysis using a genealogical approach seemed fitted to addressing these concerns. This approach is explained and exemplified by various accounting researchers (e.g. Kearins and Hooper, 2002; Miller and O’Leary, 1987), and derives from several studies by Foucault. It depends on analysing micro-level relations from time to time in order to trace the links between contemporary notions and antecedent notions, to show how the former emerged out of the latter.

?? Ranson 2003 p. 461, 464 – Foucault’s genealogies sought to understand the descent of practices as a series of events – the controls, disciplines, regulations, imposed on the members of a social practice , pursuing particular purposes, defined by distinctive relationships and evaluative procedures. Analysis looks at practices leading to establishment and application of norms, controls and exclusions; and practices as they render true/false discourse possible

Greater understanding of the present modes can be achieved by clarifying the historical and political conditions that have shaped them, in a way that not only periodises their inception but also traces their extension and intensification into a coherent regime of regulation.

Contradictions in Kiribati context: trading, lawlessness, Christianity; Samoan Chirstianity and I-Matang Christianity; Lawlessness and Order; Cleanliness and muckiness; order and muddle; planning and muddle; control and civilisation; exploitation and civilisation labour need, civilisation and Christianity; civilisation museum, conservation, and modernisation;

modernisation and self-determination, and control and neo-colonialism; autonomy and aid dependency

Space does not allow the luxury of a detailed descriptive review of historical material??

The author was well placed to use this approach, being able to apply his experiences of Kiribati, with its small population (< 100,000) and cultural homogeneity; and to capitalise on his continuing family contacts there and acquaintance with expatriate *I-Kiribati* and *I-Matang* (i.e. fair-skinned people indigenous to Europe). Anecdotes about Kiribati since the 1960s are a regular part of their conversation. The author also consulted a score of participant histories and memoirs, and on some documented oral histories of *I-Kiribati*. None of these is focused on accounting but many make passing references to governance, administration, budgeting, finance, accounting information and usage of accounting systems. Notable are the works of Father Ernest Sabatier (resident 1912-65) (Sabatier, 1977); of the sometime colonial officials and sometime academics Arthur Grimble (resident 1914-32, including as RC after 1926) (Grimble, 1952, 1957), and Harry Maude (resident 1929-41 and 1944-48, including as RC after 1946) (Maude, 1963, 1968, 1977b; Maude and Doran, 1966); and the Pacific Islands historian Barrie Macdonald (fieldwork researcher c. 1970 and commentator since) (Macdonald, 1971, 1972, 1982a, 1982b, 1996a, 1996b; Williams and Macdonald, 1985). The author has also drawn on some official sources (e.g. Constitution of Kiribati 1979; GEIC, 1974; Grimble and Clarke, 1929; IMF, 2001; Kiribati National Statistics Office, 2007). However, he has not had the resources to consult colonial archives believed to be available on Tarawa, and in Auckland, Australia and London.

The latter shortcoming makes this work somewhat exploratory still, and so, given also that accounting in Kiribati is relatively uncharted the approach of Alam *et al.* (2004) has been

followed, that such work is best-reported using historically specific stories and localised theories. However, a simple enumeration of governmental and broader accounting topics and their functional use would miss the point: it would merely comprise the usual functional topics (e.g. tax, budgeting, responsibility accounting, audit, appropriation accounting, national income statistics) and shed little light on their political, economic and social usages. In an attempt to reveal more about these usages, the author has framed the analysis of the study data along lines of Foucault's claim that "The State is nothing other than the changing effect of a multiple regime of governmentalities" (2004, p. 79).

As informed by Sanchez-Matamoros *et al.* (2005), the author has taken a *governmentality* to comprise:

- the rationalities (i.e. mix of explanation, understanding and justification, real and rhetorical) that governors provide for a population needing to be governed and to reveal their governmental ambitions. An example of governmental ambitions (real or rhetorical) is to bring into being a population who fit externally determined images (e.g. civilised natives, colonial subjects, modernised citizens, global consumers).
- the complexity of paraphernalia used by governors to effect their ambitions. The paraphernalia include accounting as a technology for governing a population, and so as a practice of governmentality (Miller, 1990; Miller and Napier, 2000; Miller and O'Leary, 1987).

The essence of the analysis is to show, in the context of the governance of the citizens of the Republic of Kiribati and their ancestors since c. 1890, how the actions of various people developed and changed governmentalities, and, alongside, how they spawned and matured accounting usages, of which a wide view is adopted. Such a view follows studies typical of not only the Foucaultian-inspired work of Miller with others just cited but also of the

emerging economies literature (Wallace and Briston, 1993) and literature of postcolonial views of colonial times (Neu, 2000). Accounting encompasses numerous calculative practices and applications. It enables knowledge to be conveyed over great distances (e.g. within Kiribati, and between it and Suva, London, Manila and Washington), includes incentive schemes and financing relations, and plays distributive and ideological roles. People involved in interactions from which accounting usages arise, or which these usages cause, derive various meanings from these interactions, ones not limited to rationality as portrayed in neo-classical economic rhetoric. All these aspects are dynamic, making accounting's composition forever changing.

Accounting Usage in Kiribati

Reports are made below of various usages in their contexts. The purpose of the reports is genealogical, explaining why and how antecedent usages arose and then evolved and mutated into contemporary usages. The usages are arranged and analysed around themes that emerged as the data were interpreted, as follows:

- *I-Kiribati* were not to be a financial burden on *I-Matang* in the form of the British Government and postcolonial bodies; accounting was used to calculate financial burden or otherwise
- *I-Kiribati* participation in governance of *I-Kiribati* has been overseen by these *I-Matang* in situ and from a great distance; accounting has figured in this governance and oversight
- the above accountings were about *I-Kiribati*, and originated from these *I-Matang* and has been renewed by them; *I-Kiribati* have performed technical accounting tasks according to instructions from these *I-Matang*

- governmentalities in which these accountings have figured were fashioned by these *I-Matang* at a distance and applied globally, and mediated and applied by them locally; these governmentalities can be illuminated through analysing these accountings.

Although the rest of the section is not a descriptive chronology, some chronological order is provided by how the themes are arranged and by the examples chosen. However, the section is characterised by flashbacks and flash-forwards, as alerted in subheadings and other signals.

The *I-Matang* referred to in the theme subsection headings are those associated with the British colonial authorities and postcolonial bodies.

I-Kiribati are not to be a financial burden on I-Matang

In the first decade of the GEIP, RCs Swayne (1893-95) and Campbell (1896-1908), established policies, principles of administration, structures and processes, as described by Macdonald (1971, 1982a). How they were obliged to do this, the accounting technology they incorporated, and the economic and social matters in which their governments intervened and services they provided, reflected three inter-related policies of the British Government:

1. that lands should not be annexed if they were likely to be a financial burden on the British Exchequer; and if a colony was created, it would become a separate accounting entity whose revenues must at least cover its costs (dated from at least 1862)
2. that a colonial government should avoid the risk of a colony becoming a financial burden on the British Exchequer
- 3a. with regard to nonprofit services and social development, that private enterprise, preferably British, should determine the need for these and generate the finance to provide them independent of government agencies (lasted up to at least the Colonial Development Act 1929).

The three policies continued to affect GEIC Government activities either side of the evacuation-restoration, except that policy 3a gave way to the following:

3b. with regard to nonprofit services and social development (and economic development and infrastructure), that colonial governments had a role in providing these, with support from Britain, including through appropriations voted in the Colonial Development and Welfare Acts of 1940 and thereafter (Morgan, 1980).

When the prospect of decolonisation arose, the British Government required the GEIC Government to ensure the would-be Republic of Kiribati would not become a financial burden on Britain (Morgan, 1980). That imperative has been adopted worldwide in how the postcolonial bodies behind structural adjustment policies influence the sovereign governments of Kiribati and other former colonies (O’Hearn, 1999).

Prelude to Annexation

The first policy is high in explaining why annexation of the Gilbert Islands only happened in 1892 and not at some time in the previous thirty years; and relates to accounting calculations, albeit more surmised than actual. The policy had affected other parts of the Pacific at various times (e.g. Fiji – see Davie, 2000). It explains the British (and others) exercising colonial influence informally, including among the different political units in the Gilbert Islands, through traders (Maude, 1968), missionaries (Sabatier, 1977), patrolling warships and, from 1877, the British High Commission for the Western Pacific. The warships in particular worked under the presumption of Pacific islands being occupied by “various tribes of savages who are subject to no laws” (Wilson to British ships operating from the Australia Station cited by Macdonald, 1982a, p. 65) and, among other things, enforced the Pacific Islanders Protection Act 1872. Informal colonialism might have continued in the case of the Gilbert Islands but for the prospect of them being a financial burden on Britain being less important than international imperial politics. The trigger for annexation was German pressure on

Britain to honour a provision in the Declaration between Great Britain and Germany 1886[2]. However, Britain was still wary of the GEIP being a financial burden and instructed High Commissioner Thurston accordingly. Thus, he became intent on the GEIP being very indirect to keep administration expenditures very low, and he seconded Swayne as the lone GEIP official (Macdonald, 1982a; Morgan, 1980; Scarr, 1980).

Accounting Outturns 1892 to 2000s

The parsimony of Swayne's activities resulted in the expenditures of the GEIP Government accounting entity being less than its revenues as early as 1895. It repeated this accounting outturn consistently until the evacuation in 1941 and was able to anticipate it in its official annual estimates, which were soon central to its public finance and control practices. Thus, the GEIP Government demonstrated compliance with the second policy. Consequences were that not only was the likelihood reduced of intervention from Suva or London on accounting grounds, but also that officials there delegated authority to approve the GEIP Government's annual estimates to RC Campbell and his successors (Macdonald, 1982a).

For the six years following the restoration, expenditures exceeded revenues. The collection systems for the latter had collapsed and the GEIC Government was intent on carrying out much physical and administrative rehabilitation work. During this period, the Treasury in London exercised detailed controls over the GEIC Government's finances, along with those of other colonies. Morgan (1980) reports these controls to have been drawn out, ineffective and disruptive across the Empire, and the GEIC was no exception[3]. These controls were relinquished in 1955 and RCs regained their delegated authority. This was five years after revenues had again begun to exceed expenditures consistently, which outturn was maintained until the end of the GEIC (Macdonald, 1982a).

The creation of the Republic coincided with the end of BPC mining and of the revenues from this source. To cover the anticipated deficits, Britain reluctantly agreed to make annual grants to the Republic Government as part of the independence agreement. However, earlier than anticipated, the Republic Government of Ieremia Tabai, egged on by the World Bank, had deliberately thrown off this dependence by both finding new forms of revenue (e.g. licences to catch tuna in Kiribati's vast Extended Economic Zone (EEZ)) and containing expenditures (Macdonald, 1982a, 1996a). Successor Republic Governments have generally maintained this record of surpluses, in the process building up the Revenue Equalisation Reserve Fund (RERF) (see below) and increasing the investment income it could generate (Kiribati National Statistics Office, 2007).

Methods to Achieve Accounting Outturns 1892-1941

Reverting to 1892, Thurston instructed Swayne to give priority to arranging the settlement of bitterly disputed debts of native landowners to traders on Butaritari arising under the so-called *clip system*. Swayne established the Butaritari Native Government and persuaded it to accept responsibility for servicing and repaying the debts, enacting Native Laws 1894 in the process. He also intervened incidentally on the other self-governing island, island district or cluster of islands, and again applied these Laws to recast their extant forms of governance into ones that could sit between the GEIP Government and the inhabitants of each island (Macdonald, 1971, 1982a; Scarr, 1980).

At the time of annexation, fines were a significant revenue because of the many laws promoted by Protestant missions, chiefs and councils of *unimane* (i.e. wise and respected old men), but most of them were going into mission accounts (Sabatier, 1977). Fines were redirected into the account of the *I-Kiribati* government[4] of each island under Native Laws 1894 and subsequent regulations. They were applied to contributions that Swayne persuaded *I-Kiribati* governments to make to the RC's salary and the incidental costs of his

administration. Otherwise, because of the absence of employees, Swayne's indirect, low intervention and decentralised form of governance was also low spending, and so did not place much of a financial burden on *I-Kiribati* governments (Macdonald, 1971, 1982a).

The accounting outturns obtained by RC Campbell and most of his successors were achieved despite departing from Swayne's low-key approach. Their various more direct and interventionist approaches – ostensibly aimed at eliminating savagery, instilling peace and public order, bringing about good government and building civilisation – involved higher expenditures, including on *I-Matang* staff, and *I-Kiribati* and Ellice Islander waged employees. Thus, they needed to raise taxes and other revenues for both the GEIP Government and its agency *I-Kiribati* governments (Macdonald, 1971, 1982a).

Campbell initiated several changes in this direction. The status of *I-Kiribati* governments' contributions to the RC's salary, etc. was converted into the Queen's (later, King's) Tax, which, according to Grimble (1957), many *I-Kiribati* came to believe was literally received by their imperial sovereign. The yield from this tax and fines was improved by involving a few *I-Matang* traders (e.g. George Murdoch – see Grimble, 1952; Horwood, 1994) in their collection. They could utilise knowledge of *I-Kiribati* and *te taetae ni Kiribati*. Initially, Campbell persuaded and coerced the *I-Kiribati* governments to appoint these *I-Matang* as their agents, and so their cost did not appear among GEIP Government expenditures. This avoided upsetting the high commissioner, who had been unwilling to take the financial risk. Campbell used the regular proceeds to transfer these appointees onto the GEIP Government payroll with the title *government agent, interpreter and collector of revenue*. These posts were re-designated as *district magistrates* in 1908, and then as *district officers* when the GEIC came into being. Campbell also started the practice of obliging adults to perform a regular weekly quota of communal workdays and introduced a tax based on landholdings. The former was always controversial but persisted for a few decades. The latter foreran

similar taxes that were ascendant until the 1960s and that still have a significant place on Outer Islands. The success of such taxes was despite successive failures of the GEIP-GEIC Government to compile a written land register, in contrast to long-established oral records possessed by *unimane* (Lundsgaarde, 1974; Macdonald, 1971, 1982a; Pole, 1995; Roniti, 1985).

Notwithstanding phosphate mining as an obvious source of additional local revenue, neither Campbell nor his successors over the next 40 or so years were successful in that direction. Indeed, up to the evacuation, not only were RCs resident on Banaba somewhat beholden to the phosphate staff there but also phosphate mine executives used their influence with London on several occasions to have the RC eliminate items from the GEIP-GEIC annual estimates, and so reduce total annual expenditures and their contributions towards them. Part of the rhetoric was that revenues from Banaba should not be applied to finance activities in the Gilbert or Ellice Islands. The BPC in particular, despite the “British” in its title, acted primarily in the interests of those with stakes in the Australian and New Zealand agricultural fertiliser industry. Thus, it gave tacit support to RC Grimble’s (1926-32) *museum* policy for the Gilbert Islands of conserving for *I-Kiribati* a simple life, without further detrimental *I-Matang* mission and trading influences (Lundsgaarde, 1974; Maude, 1977a). But its support was for measly financial reasons, not cultural-anthropological ones. The BPC seemed oblivious to criticism from High Commissioner Sir Arthur Richards (1936-38), among others, for its “campaign of Government economy” (quoted in Macdonald, 1982a, p. 122) (Macdonald, 1982b; Williams and Macdonald, 1985).

Methods to Achieve Accounting Outturns since 1943

The difference between policies 3a and 3b above distinguished the period covered here from the previous subsection. Roughly, the two versions applied in the Gilberts Islands before and after the restoration, respectively. Although taking distinct approaches, RCs Maude (1946-

48) (a de-central, culturally sensitive, yet still hegemonic approach) and Bernacchi (1952-61) (a central, instrumental, imperial approach) planned development activities, anticipating capital that might be available under the Colonial Development and Welfare Acts of 1940 and thereafter. But they did so conservatively because a colonial government was expected to meet recurrent expenditures arising from these projects from taxes and other revenues raised in its colony. Thus, they limited projects in order to contain annual recurrent GEIC Government expenditure within the level that they thought could be financed in the long term, without subventions from the British exchequer. They allowed for some revenues from the (wasting) phosphate asset but did not envisage the much higher contributions from the BPC to the GEIC Government that eventuated from the late 1960s until 1979. Bernacchi and RC Andersen (1962-69) successfully negotiated for slightly higher contributions but the major change only occurred after Nauru's independence, after which the BPC was obliged to base its contributions on the world market price for phosphate, rather than sometimes-cosy negotiations between it and the GEIC Government. Nor did the RCs in question envisage anything like the United Nations Convention on the Law of the Sea 1982 to enable a government to levy licence fees for catching fish in a country's EEZ (GEIC, 1946; King and Sigrah, 2004; Macdonald, 1982a; Williams and Macdonald, 1985).

Alongside a conservative approach to developmental projects, Bernacchi established the RERF, possibly inspired by a similar idea in Nigeria c.1950 (Morgan, 1980). It comprised a perpetual portfolio of investments, to generate income to offset GEIC Government budget deficits expected to arise after phosphate mining ceased. Initial capital for the fund comprised AU\$0.5 million from GEIC Government sources (GEIC, 1957). Increased contributions dragooned from the BPC were used to build up the fund was during the 1970s. It continued intact during the years following independence because the GEIC Government had persuaded the British Government to include a provision in the independence settlement to meet deficits

that were imminent because mining was ceasing. Subsequently, the RERF has been enlarged using surpluses arising in exceptional years for fishing and by re-investing investment income. Its value rose above AU\$600m c. 2000 (Pretes and Petersen, 2004). Consultants supplied by the postcolonial bodies behind structural adjustment have encouraged the Republic Government to pursue policies of not only accumulating the RERF, and budgeting for surpluses to do so, but also of situating all the RERF investments outside the Republic. They have used the rhetoric of maintaining the RERF's per capita market value. Only in the 2000s has RERF investment income been applied to financing Republic Government activities, which has attracted chagrin and dire warnings from the postcolonial bodies in question (Purfield, 2005). Ironically, it has been the profuse activities of other aid agencies and their desire to finance projects that have fuelled further growth of recurrent Republic Government expenditure and led to these so-called "drawdowns" from the RERF.

Kiribati has felt the effects of the significant growth during the second half of the 20th century of the need felt by postcolonial bodies and their "developed country" backers to aid "developing countries" to develop welfare services and for economic development (for global statistics, see Burall *et al.*, 2006, and Organisation for Economic Development and Cooperation (OECD), 2007). Much infrastructure and other public facilities have accumulated on Tarawa (see Castalia Strategic Advisors, 2005), but other islands have been neglected. Most aid is bi-lateral, being channelled through the Republic Government, and largely in kind (e.g. consultants, aid-project workers, construction materials, plant and equipment). Thus, as with Colonial Development and Welfare Fund grants (see Abbot, 1971), the aid benefits not only the Republic but also the economy of the donor country. Another similarity to GEIC days is that the operating and maintenance expenditure consequences of this aid fall on the taxes and other revenues raised by the Republic Government, hence the growth of its recurrent expenditures. Incidentally, the Republic Government has acquired very few debts,

mostly soft-loans that seem to have been difficult to refuse from enthusiastic staff of postcolonial bodies, who seem to believe that all “developing countries” must be advanced such loans.

I-Kiribati* participation in governance of *I-Kiribati* is overseen by *I-Matang

This subsection builds on several matters referred to above, including:

- native forms of governance being recast into ones that would sit between the inhabitants of each island and the GEIP-GEIC Government
- the district officer positions in the GEIC Government and their precursors in the GEIP Government
- the GEIP and GEIC Governments’ public finance and control practices, including annual estimates, forms of taxation and other local revenue, including community work days
- the advent of development projects, and how their capital was provided and their recurrent expenditure consequences addressed
- effects of structural adjustment policies on Republic Government finance, and public finance and control practices.

The contrast between the approaches to governance of RCs Swayne and Campbell are alluded to above. Perceiving from the LMS Samoan pastors that personal presence affected *I-Kiribati* behaviour much more than written words from a distance (Sabatier, 1977), Campbell visited islands frequently and appointed resident agents. His financial achievements, among other things, were symbolised by his making the Residency on Tarawa “one of the show places of the central Pacific” (Maude and Doran, 1966, p. 281). Of greater significance is how the tight control structures and processes he established have had a lasting influence (Macdonald, 1971, 1982a).

Formal Structure of Governmental Bodies and Offices 1908-67

The functions of GEIP-GEIC administration were expanded for various rational and institutional reasons and more *I-Matang* positions were established. Local recruitment, for example, from among traders and phosphate company staff, gave way to recruitment from Britain, often of people with experience in other colonies and, after 1930, from within the unified Colonial Service (Bevington, 1990; Grimble, 1952; Macdonald, 1982a; Morgan, 1980).

From 1908 to 1941, many of these were based on Banaba and their incumbents were increasingly absorbed with mining issues (e.g. Banaban grievances, labour recruitment from rest of the GEIP-GEIC and elsewhere, labour unrest and racial clashes, financial arrangements with mining interests) (King and Sigrah, 2004; Macdonald, 1982a; Williams and Macdonald, 1985). A contingent of medical and education staff was based adjacent to the wharfing facilities of Burns-Philp (South Seas) Ltd on Tarawa (see Maude and Doran, 1966). Otherwise, the Gilbert Islands were administered as three districts (the Ellice Islands made a fourth) and a lone *I-Matang* district magistrate/district officer position was established in each with an extended range of responsibilities. However, it was 1918 before the last of these positions was filled permanently; namely, the post in the Southern Gilberts, which up until then had continued more or less under the informal colonial rule of the Samoan pastors (1870s-1900) and Revd William Goward (1900-17) of the London Missionary Society (LMS) (Grimble, 1952; Macdonald, 1971; Sabatier, 1977).

The previously dissimilar and autonomous *I-Kiribati* Governments became increasingly subservient to GEIP-GEIC Government officials from Campbell's time onwards. RCs laid down their official structures and procedures. He forfeited much of their legislative independence. Their remits, authorities and accountabilities became increasingly similar. In conjunction with the RC, district officers appointed their senior officials and, for some

periods, their members (for other periods, some members were elected). Their senior officials initially came from among *I-Kiribati* who performed well at mission schools on their own islands but, from the 1920s, an additional source of recruits was the young men graduating from King George V School (KGVS) on Tarawa (Macdonald, 1971, 1982a).

The events just analysed led by about 1930 to GEIC governance being configured as shown in Figure 1. The diagram is derived from descriptions in Grimble (1952, 1957), Macdonald (1971, 1982a) and Grimble and Clarke (1929), who say that “[T]he aim of the British Administration [is] to teach native races to govern themselves” (p. 7). Nikunau Island is used to exemplify the set up below *I-Matang* district officer level. Tabomatang was formerly made up of traditional extended family hamlets that compromised one of the half dozen autonomous gerontocracies on the island but was transformed into a typical model village, complying with GEIP regulations about design of dwelling areas and using community workdays to construct it (Macdonald, 1982a; Maude, 1963).

[INSERT FIGURE 1 ABOUT HERE]

Accounting, Public Finance and Control between the Residency and I-Kiribati Governments

From Macdonald’s (1971, 1972, 1982a, 1996a) detailed analysis, it is apparent that the GEIC administration shown in Figure 1, and its equivalent from the 1900s to the 1970s, subsumed the closely aligned concepts of responsibility centres and responsibility accounting such that higher placed officials held sway over lower level ones. In particular, *I-Kiribati* officials of *I-Kiribati* Government gave accounts about its governed persons, its activities and its finances to *I-Matang* district officers, who processed these for his district and gave them to the Residency, and so on to Suva and to London. Following on from RC Campbell’s agency arrangements for raising revenue, GEIP-GEIC Government officials used accounting, among other technologies, to further envelop and retain *I-Kiribati* Governments as part of their

administration. At first, they set up each *I-Kiribati* Government as a profit centre, allowing it to retain an Island Fund (i.e. the *I-Kiribati* Government's accumulated net surplus), but requiring its *I-Kiribati* scribe to account for it to the *I-Matang* district magistrate. However, the cash representing the fund balances was in the GEIP-GEIC Government's supposed safekeeping. Using various pretexts between 1914 and 1917, the GEIP-GEIC Government sequestered this cash as its revenue, and abolished the right of *I-Kiribati* Governments to maintain Island Funds. For the next 40 years, all revenues collected by *I-Kiribati* Governments were deemed to belong to the GEIC Government; and *I-Kiribati* Governments were only allowed to incur expenditures from appropriations allotted as part of GEIC Government annual estimates by the RC (Macdonald, 1971, 1982a).

This two-part, revenue centre and expenditure centre arrangement entailed *I-Kiribati* Governments being involved in the GEIC Government's annual accounting cycle of compiling and authorising annual estimates, and related accounting, internal control, audit and reporting processes. When he visited an island (commercial or mission shipping permitting), the district officer conferred with the *I-Kiribati* Government scribe (later called island executive officer, then treasurer) and other officials. The scribe was responsible for collecting revenues in accordance with the estimates and for keeping these intact. The district officer allotted him an imprest from which to pay authorised expenditures. The scribe provided accounts and supporting records of transactions to the district officer for audit. The district officer recorded data in his travelling account books, replenished the imprest and took away the balance of the revenue in a chest he carried while touring. He fitted this work in among many other tasks he was required to perform during a visit (e.g. participating in courts, visiting prisons, recruiting labourers for the BPC) (Bevington, 1990; Grimble, 1952, 1957; Grimble and Clarke, 1929; Macdonald, 1971).

At his district headquarters, the district officer compiled estimates for the *I-Kiribati* Governments in his district and those for votes under his direct control, and sent them to the RC for consideration and approval. He maintained several books of account and records (e.g. a cashbook, capitation tax register and departmental vote book) into which he wrote data collected on tours of islands. He also incurred expenditures authorised in the estimates for his district vote, taking care of not incurring anything that was *ultra vires*, for fear of being surcharged personally. Every few months (again, commercial or mission shipping permitting), he sent money and financial returns (e.g. monthly cash returns, quarterly capitation tax returns) to the GEIC Government treasury at the Residency a few hundred miles distant on Banaba or Tarawa (Bevington, 1990; GEIC, 1957, 1968; Grimble, 1952, 1957; Grimble and Clarke, 1929; Macdonald, 1971, 1972, 1982a).

However, the accounting made some amends for the logistic and economic impossibility of alternative, more direct controls.

Logistics, economics and higher priorities meant that visits by Residency-based staff to the Gilberts became increasingly infrequent after RC Campbell departed (Maude and Doran, 1966). Although increasingly infrequent transport also impaired accounting arrangements and related exchanges between district officers and Residency-based staff, the accounting made some amends for the lack of visits and was encouraged in instructions (Grimble and Clarke, 1929) that RC Grimble and GEIC Treasurer Clarke issued to their subordinate officials generally:

The written word is vital to the ultimate success of the individual [colonial official] and his work. (p. 29)

Regularity in the submission of all periodical returns to headquarters is vital. These returns summarise statistically the life and condition of the Colony . . . for the

preparation of the Colonial Annual Report and for the information of the High Commissioner [in Suva] and Secretary of State [in London] on special subjects. (p. 28)

The keystone of enduring organisation is an efficient system of records. (p. 29)

Be aware that Grimble and Clarke's (1929) statement regarding Suva and London may have been more rhetoric to coerce district officers to submit returns than reality about practical dealings with these places. Up to the 1960s, it would have taken several months for routine messages to travel from Tabomatang to London and obtain a response. Even the round trip time along the intervening leg between Banaba or Tarawa and Suva or Honiara made routine interaction similarly impractical (Bevington, 1990; Grimble 1952, 1957). Thus, GEIP-GEIC administrations were left mostly to their own devices, especially as the RC was able consistently to report a favourable accounting outturn and the territory administered was rarely significant in the greater scheme of the British Empire[5], hence being dubbed "Cinderellas" by the Colonial Office's J. F. N. Green (Grimble, 1957), hence the title of Macdonald (1982a).

The above quote from Grimble and Clarke (1929) also indicates that the accounts were primarily about *I-Kiribati* but were directed primarily at *I-Matang*. Apart from an anecdote in Grimble (1952) about public discussions among *unimane* to decide how much copra each household should collect in order to meet an island's tax assessment, the author has not unearthed any data to indicate that *I-Kiribati* Governments might have used the official accounts to report to islanders, except that. The practices that *I-Kiribati* Governments were obliged to use by *I-Matang* officials were generally unfamiliar to islanders, involving the unusual technology of writing and sometimes conducted in oral English. They almost certainly contributed to a growing and enduring perception among *I-Kiribati* that these *I-Kiribati* Governments did not represent them but were extensions of *Te Tautaeka*, as the GEIC Government was known[6]. Macdonald observed, "The practice of governance, with

its authoritarian structure and insistence on conformity was steadily eroding the indigenous capacity for self-rule” (1982a, p. 137). That accounts were primarily about *I-Kiribati* and directed primarily at *I-Matang* is also exemplified by biennial (and later annual) reports about the GEIP and GEIC for the years from 1896 to 1974 being published not in oral (or even written) *te taetae ni Kiribati* but in written English and in faraway London.

Unsurprisingly, Davie reports similar findings in Fiji, which was also a territory covered by the British High Commission for the Western Pacific. There existing governmental structures were also drawn into units of local colonial administration and European district officials oversaw them. Accounting and other data were used for “observing the native activities in economic-financial terms” (Davie, 2000, p. 343).

Island Funds were re-introduced in 1958, but by this time, *I-Kiribati* Governments had been made responsible for paying primary teachers and medical orderlies employed by the GEIC Government. As local revenues were insufficient, the *I-Kiribati* Governments had become dependant on the GEIC Government for subventions, which entailed financial supervision by *I-Matang* officials (Macdonald, 1972, 1982a). The re-introduction of Island Funds was part of one of the occasional attempts from Tarawa during the 1950s and 1960s to revitalise *I-Kiribati* Governments (Macdonald, 1972, 1982a). These governments soon ceased to operate after the evacuation but were restored by 1948[7]. Although this was under the Native Government Ordinance 1941, which Macdonald (1971, 1982a) found to be more empathetic with *I-Kiribati* culture than the previous legislation, the form of accounting and control between the *I-Kiribati* Governments and the GEIC Government was reintroduced largely unchanged. However, with district officials residing on Tarawa and only visiting the other islands infrequently (Maude and Doran, 1966), they had a great propensity to run down. Besides, the GEIC Government’s priorities lay with modernising Tarawa and it was creaming

off those *I-Kiribati* with the greatest administrative potential for education at KGVS and recruitment for its own staff (Macdonald, 1982a).

Formal Structure of Governmental Bodies and Offices 1967-2000

Obviously many events between the 1900s and 1960s changed aspects of the governance structure presented above, how it performed and its routine consequences. Two examples are the variation of the district structure, with the relevant officials residing on Tarawa rather than in their districts (until 1973, when the structure reverted to its 1930 form more or less); and Ellice Islanders and *I-Kiribati* being increasingly recruited as clerks and to low-level jobs within the GEIC Government's establishment. However, as regards the structure's fundamentals, these only began to evolve when, with Britain under pressure to decolonise (Morgan, 1980; United Nations General Assembly, 1960), RC Andersen instituted internal *I-Kiribati*-rule from 1967, and this led to the constituting of the Republic of Kiribati in 1979. Macdonald (1982a, 1996a) analyses the succession of representative and executive bodies comprising *I-Matang* officials and *I-Kiribati* members that transpired, and the various bodies and officials established under the Constitution of Kiribati 1979. These bodies and officials have prevailed without any formal fundamental changes (for a recent description, see MacKenzie, 2004). They are shown in Figure 2, with emphasis on the accounting and finance areas, as the author perceived them in 1998.

[INSERT FIGURE 2 ABOUT HERE]

Two obvious differences between Figure 1 and Figure 2 can be clarified. First, in Figure 2, *I-Kiribati* Governments (i.e. Island Councils) appear as a single box appendage. They could have been elaborated to give something similar to how the Nikunau example appeared in Figure 1. But now that so much *I-Kiribati* governance activity is situated on Tarawa, each of

these bodies seems of lesser importance. However, this is not so, if considered from the perspective of *I-Kiribati* on a particular island.

The second is the absence in the latter of any bodies outside of the Republic. However, participant observation and official literature infers that postcolonial bodies are influential through their advice, supply of experts and capital for construction, etc. These are included in the diagram is Figure 3.

[INSERT FIGURE 3 ABOUT HERE]

In contrast to the imperial/hierarchical format of Figure 1, Figure 3 is drawn in a way to infer that the relationships are hegemonical, with some bodies exerting more influence than others do. The giving of aid, including soft loans, even though the Republic Government has its own substantial capital and revenues, gives donors hegemonic influence with the Republic Government, especially if the aid is in the form of consultants and aid-project workers nominated by donors. The aid is not always suited to *I-Kiribati* socio-cultural and economic ways. Interpreting this as a problem, Macdonald calls for “greater donor recognition of the realities of the *I-Kiribati* world and a demonstrated willingness to recognise the policies and priorities of the government of Kiribati” (1996a, p. iii). Burt and Clerk (1997) make a similar point about relations between postcolonial bodies and other Pacific countries, that activities reflect economic priorities of these bodies and their sponsoring governments for Pacific countries, rather than cultural, social, political, environmental and domestic economic priorities of the peoples living there.

*Accounting, Public Finance and Control between I-Kiribati and Staff of the GEIC
Government and Postcolonial Bodies*

The gradually expanding modernisation programme of the 1950s and 1960s was implemented mainly adjacent to the Residency on Tarawa, under the eyeball control of RC

Bernacchi in particular. It was financed with Colonial Development and Welfare Fund grants, with its recurrent costs met from local revenues, including a small but significant increase in the contribution from the BPC (Doran, 1960; GEIC, 1957; Macdonald, 1982a; Maude and Doran, 1966). To supplement this eyeball control, previous appropriation-based accounting arrangements within the GEIC Government were elaborated to accommodate:

- an increasing number of governmental departments, institutions and outposts that comprised the centralised bureaucracy
- several new government trading or similar entities that transpired (e.g. the Government Trade Scheme – Maude 1949; Gilbert and Ellice Islands Development Authority (GEIDA) – Macdonald, 1982a)
- an increasing number of projects funded with specific grants from the Colonial Development and Welfare Fund[8]
- as regards GEIC Government employees, increases in the number of *I-Matang* administrative, professional and technical staff (e.g. teachers, doctors, engineers), and a proliferation of junior administrative jobs held by Tuvaluans and *I-Kiribati*[9].

The elaborated arrangements were to administer GEIC Government annual recurrent expenditures that grew from about AU\$600,000 in the early 1950s to over AU\$6 million in the mid 1970s; and the total of development grants to the GEIC Government that increased from less than AU\$100,000 in 1955 to over AU\$2 million in 1974 (GEIC, 1957, 1976). They encompassed assessing and collecting revenues, purchasing resources, compiling budgets, maintaining budgetary and internal control, conducting audits and reporting within and about accounting entities that varied among governmental, capital project and enterprise. Although *I-Matang* accountants were never more than a handful, the arrangements encompassed many of the other *I-Matang* staff. Systems were paper-based, and so clerk-intensive, giving rise to a

small army of Tuvaluan and *I-Kiribati* clerical staff, many educated and trained like *I-Kiribati* Government scribes before them at King George V School[10]. As elsewhere in the Pacific (see Browne and Scott, 1989; Traynor and Watts, 1992), this accounting was less about informing modernisation and development strategies than about control. In turn, that control seems to have been more about maintaining authority and discipline over staff, labourers and *I-Kiribati* subjects, than about improving efficiency of the GEIC Government. Thus, Macdonald noted that the GEIC Government as, “top heavy . . . [with] considerable duplication of functions” (1972, p. 26), and the GEIDA as inefficient, monopolistic and “an all-consuming monster” (1982a, p. 183).

Furthermore, use of the accounting in question helped senior *I-Matang* officials maintain the upper hand over *I-Kiribati* politicians in the proceedings of the succession of representative and executive bodies during the period of internal self-rule. These bodies gave an appearance of *I-Kiribati* assuming progressively more authority, including for approving annual estimates and having sole power to introduce proposals involving financial appropriations. However, according to Macdonald (1972, 1982a), the reality was somewhat different: GEIC Government officials were reticent to let go of political and administrative authority, and used accounting, among other things, to prevail over *I-Kiribati* representatives, stifle the transfer of authority to them and to deny them from having any real role in policy formulation. For example, budgeting and accounting information was only in the foreign language of English and was usually provided in written form to underpin deliberations largely conducted in English, whereas *I-Kiribati* representatives were used to exclusively oral exchanges and in *te taetae ni Kiribati*[11]. Officials used financial and accounting rhetoric to overcome objections that *I-Kiribati* representatives might have to their decision preferences. *I-Matang* officials absorbed criticism with ruses such as limiting financial information and providing it in a complex fashion, and denying that accounting records existed when they did.

One of these officials was the financial secretary, who held the government finance portfolio through to 1979, even after a Council of Ministers was set up c. 1974 and the several other ministerial portfolios were vested in *I-Kiribati* ministers.

Through continuing to have the upper hand in the 1970s, *I-Matang* officials greatly influenced the accounting provisions underpinning the Republic Government as vested in the Constitution of Kiribati 1979, the Public Finance (Control and Audit) Ordinance 1976, which covers government ministries, and the Companies Ordinance 1979, under which most government enterprises operate and report. Concepts of responsibility centres and responsibility accounting were continued, but tacked onto this in the Constitution to reflect the Westminster-derived canon of *no taxation without representation* was the Executive giving a formal account to the Legislature, and, in turn, it accounting to the citizenry. However, from observations in 1997-99, these formalities were impaired by the mismatch of the accounting's social and political origins and the experiences of the *I-Kiribati* audience. Accounting practices, like other aspects of the inherited structure and process of Republic Government, stifled the discussion of *I-Kiribati* issues and desired actions. They had enmeshed *I-Kiribati*; and were confining them, not expanding their knowledge or empowering them.

Referring to bodies and offices shown in Figure 2, the practicalities were that annual budget preparation was co-ordinated by the National Economic Planning Office [NEPO], with the assistance of *I-Matang* consultants supplied by the postcolonial bodies behind structural adjustment. They had superimposed a form of performance budgeting (see Robinson, 2007), referred to as *output budgeting*, on the estimates part of the accounting cycle carried over from GEIC days. While there was a substantial gap between the rhetoric of output budgeting and its situated practice (budgeting continued to be primarily about inputs, maintaining budget line items amounts and trying to get new posts established – see Dixon, 2004a), it

facilitated continued oversight by and operational involvement of the *I-Matang* consultants, whose brief seemed mainly to scrutinise and contain Republic Government expenditure. Ministries were required by NEPO to submit documents containing, among other things, a description of each output, output production targets and proposed recurrent budgets; and descriptions of development projects[12]. These documents were quite voluminous and formed the basis of budget negotiations. These started at the level of NEPO and ministry staff, and might eventually have reached the level of permanent secretaries and ministers. In the latter stages, the *Kabinet* of ministers considered budget proposals and laid them before the *Maneaba ni Maungatabu* as part of a proposed Appropriation Ordinance, distinguishing the recurrent budget from the development budget.

This Ordinance would give the budget legal authority in accordance with the Constitution, enabling the Minister of Finance to authorise the Chief Accountant to issue warrants to the permanent secretary (*ex officio* accounting officer) of each ministry. These warrants gave their ministries authority to incur expenditure and collect revenue, which they then did following the internal control systems laid down in the Public Finance (Control and Audit) Ordinance 1976. These systems facilitated the gathering and processing of data from which the Accounting Division produced budget control reports, ranging from detailed ones for use by staff in ministries and to aggregated ones for the *Kabinet*. The Kiribati National Audit Office audited these systems and reports on behalf of the Auditor-General. The cycle of control was completed by annual audited reports being the backdrop to lively exchanges among politicians in the *Maneaba* and broadcast to the nation. However, this latter process was more a matter of drama and rhetoric than about accountability, which is not an *I-Matang* concept that *I-Kiribati* are comfortable in exercising as it may have consequences of *kamama* (i.e. shame and dishonour) for both accountee and accountant (Roniti, 1985; Sabatier, 1977) (see Jacobs, 2000, for a review of similar phenomena elsewhere).

Postcolonial body staff were significant users of the quantitative outputs generated by Republic Government accounting practices. They incorporated them and other data about the economy and population in various documents. This included the likes of IMF (2001), which was part of a continuing evaluation of the Republic, following discussions that IMF staff initiated with Republic Government officials. Another example is ADB (2006). A related use was as a signal of what appeared from an *I-Matang* perspective to be problems (e.g. the RERF becoming exhausted – see Purfield, 2005), and so as justifications for postcolonial body presence, for particular policies and actions they advocated, and to reinforce their influence over how *I-Kiribati* were governed. These policies and actions were usually realised as development projects.

Although these projects were mainly provided through aid-in-kind, they still entailed some accounting by staff of various ministries. Compared with a relatively smaller number of projects financed only with grants from the Colonial Development and Welfare Fund in the GEIC period, by 2000, the development budget comprised many more projects, funded by a wide range of organisations, with still more donors arriving, and their policies and practices changing frequently. Republic Government staff were expected to contribute to donors' appraisals of projects. This invariably entailed applying benefit-cost ideas, involving various accounting calculations and criteria, at least as legitimising tools (see Rondinelli, 1993). It also entailed being able to specify various particulars about how financial management and control of proposed projects would be performed[13]. In addition, donors usually had a minimum expenditure floor below which they would not consider projects, and nor were they willing to approve projects that were primarily to repair existing infrastructure (see Traynor and Watts, 1992). These criteria often meant having one large new central facility (on Tarawa), close by the facility it had replaced, instead of a series of small facilities convenient to the 50%+ of the population still dispersed on Outer Islands[14].

When aid-in-kind projects were implemented, although the staff of the aid agency responsible kept the accounting records, Republic Government staff across various units were still involved in practices such as monitoring progress and performance measurement, to help *I-Matang* project staff prepare financial and other reports. These were sent overseas to their line managers and employing agencies, as part of project control and funding conditions. However, be aware that even with satellite telecommunications, the Internet, air transport, etc., routine communication and travel from Tarawa to Manila, Canberra, Wellington, Washington and other cities where postcolonial bodies are headquartered could still take days. Thus, corresponding with GEIP-GEIC times, the small army of postcolonial body and diplomatic staff and consultants present on Tarawa in 2000 were left mostly to their own devices. Thus, the main form of influence by postcolonial bodies on Republic Government staff has come through their staff on the ground.

When aid-in-cash projects were implemented, the Republic Government was expected to keep a separate financial record for each project. Cash was usually received on an instalment basis as expenditures were incurred during the project. At any stage, the separate project record should have shown receipts from the donor, expenditures on project inputs and a balance. The balance should have indicated either how much of a donor's funds remained or how much more money was due from the donor. When the project was completed, the balance should have informed a final settlement, and then led to the project being *acquitted*. It should have been possible to provide interim and final accounting reports about each project. Several impediments were undermining these arrangements. Project records were scattered around the different ministries involved in the projects according to their purposes (e.g. education, health, rural development) and many ministries did not have the necessary accounting knowledge. The knowledge in question was complicated by donors having differing requirements in respect of such matters as charts of accounts, forms of statements,

coverage of non-financial matters and frequencies of reports; and these being subject to frequent changes, caused by such things as international accounting standards and structural adjustment programmes being implemented in donor countries. The acquittals process was falling down, with many projects un-acquitted for several years after they had ended (New Zealand Official Development Assistance, 1999). A significant complication was that all receipts for all projects were deposited in the same special bank account. The Ministry of Finance and Economic Planning was responsible for reconciling this as part of overseeing the separate financial records that other ministries were supposedly maintaining for each project. This reconciling had proved impossible for several years, and there were frequent disputes about funds meant for some projects being spent otherwise. These occurrences were leading to donors being increasingly dissatisfied with Republic Government accounting arrangements and preferring to supply aid in kind rather than in cash.

I-Matang Originate and Renew Accounting about I-Kiribati

The theme dealt with here is of accounting being about *I-Kiribati* but originating from, and being renewed by, *I-Matang*, who also instructed and oversaw *I-Kiribati* as they performed technical accounting tasks. The subsection builds on several matters referred to above, in essence:

- the GEIP-GEIC Government being accounted for by the British Government as an accounting entity separate from the rest of the Empire (and from the BPC); and *I-Kiribati* assuming this mantle of having to govern the Republic Government as a single political entity and account for it accordingly
- various usages have been made of accounting in the evolving hierarchical and hegemonical governance of *I-Kiribati* since RC Swayne, through to the evacuation,

between the restoration and internal self-rule, during the latter, and since the Republic Government was constituted

- the technical composition and economic and socio-political usages of accounting have changed contingently. These changes have been mostly incremental, including those undertaken recently in conjunction with neo-liberal measures (e.g. output budgeting), despite the rhetoric accompanying these measures insinuating the need of fundamental, radical changes
- the alien nature of the accounting, not only for its rationality but also in its extensive detail, has enmeshed *I-Kiribati*, and reduced their propensity to govern and to address *I-Kiribati* issues.

The accounting analysed above has been entirely of *I-Matang* origin, be it to comply with requirements of London and Suva, and later with those of donors and postcolonial bodies generally. It has been shaped by RCs, through their employment of former traders and then recruits from other colonies and from within the Colonial Service; from ideas replicated from other colonies (e.g. district officers, the RERF, the GEIDA); and through being overseen by HM Treasury from London from 1943 until 1955. This *I-Matang* monopoly was because the GEIP was a British venture and that continued well into the GEIC period. *I-Kiribati* were only involved on their particular islands and under the auspices of being officials of *I-Kiribati* Governments, having to follow the official procedures pronounced by RCs and instructed, but not always explained, by district officers. Gradually, further involvement occurred of *I-Kiribati*, for example, as GEIC Government clerks, and then during the last 30 years as middle and high levels officials, and politicians. However, *I-Matang* have continued as the prime shapers of the accounting through the involvement of staff and consultants of postcolonial bodies in the affairs of the Republic Government.

Reasons for this continuing ascendancy of *I-Matang* might be regarded as two-fold. The *I-Matang* rhetoric attributes the ascendancy almost entirely to *I-Kiribati* lacking technical knowledge, understanding and experience not only in accounting but also in related areas of finance, economics and planning (e.g. see International Management Consultants, 1992). Having stepped into shoes vacated by *I-Matang*, as the GEIC Government was superseded by the Republic Government, *I-Kiribati* rarely seemed able or inclined to break out of the confines of the paraphernalia they were left. Few accounting specialists, let alone other *I-Kiribati* staff, had tried to improve accounting practices or develop systems, structures and control procedures, not even adapting them in order to facilitate any *I-Kiribati*-oriented designs they might have. Theory was lacking to instil accounting with much relevance in the context of organisational and management processes. The Public Finance (Control and Audit) Ordinance 1976) had been amended in minor ways only and largely by *I-Matang* staff retained for a while after independence and as consultants since. Most documents were still in English, only some being translated into *te taetae ni Kiribati*.

An additional explanation is that, historically, it had suited GEIC Government officials for accounting usages, and design and control of accounting technologies, to be reserved to *I-Matang*. The main reasons for accounting usages have been to avoid the Gilbert Islands or Kiribati becoming a financial burden on Britain, etc., and to maintain authority and discipline over *I-Kiribati*. Thus, as reported above, although junior accounting staff positions in the GEIC Government were given to *I-Kiribati*, the *I-Matang* financial secretary was in effect Minister of Finance from 1974 to 1978. Although in the inaugural Republic Government, Tiwau Awira became Minister, *I-Matang* staff continued for many years in senior line management and professional positions related to accounting and budgeting/planning, whereas other parts of the public service were localised rapidly. For example, the Republic Government's annual accounting statements were not prepared predominantly by *I-Kiribati*

until the mid-1990s. Even after formal operational handover from *I-Matang* to *I-Kiribati*, a steady stream of *I-Matang* consultants supplied by postcolonial bodies continued to play influential roles, particularly of advising about changes and implementing projects to bring these about.

An analysis of these interventions is relevant. They can be classified into three kinds, as follows.

- *Installing computer hardware and software, and similar hi-tech installations and systems:* consultants have been installing these widely since the 1980s, including as networks across ministries. The technology in question has been donated without much concern for its intended *I-Kiribati* operators and users. Donations have occurred several years apart, making for discrete leaps in technology and sheer learning curves for recipients, especially as it has rarely been possible turn to other *I-Kiribati* operating the same technology elsewhere on Tarawa. This was because wide varieties of systems with similar functions have been donated and, anyway, cultural reasons deter the sharing of secret knowledge (Maude, 1963; Sabatier, 1977). This pattern has applied 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).

Another issue is that in installing the latest technology, consultants do not always uninstall the technology being replaced. Thus, alongside one technology, one finds earlier versions being used, as far back as paper-based technologies from GEIC days, giving rise to a mishmash of often over elaborate and overlapping operating control systems. These duplications of effort infer misunderstanding of the intentions for the new technologies in question. They also infer tendencies of performing procedural tasks for their own sake,

which is a phenomena that Macdonald (1971, 1972, 1982a) found in analysing the GEIC and *I-Kiribati* Governments of the past.

- *Acting as educators, trainers and mentors:* consultants have worked alongside counterparts in middle- and a few upper-level posts, ostensibly to advise and mentor, but have often felt an imperative to actually perform operational tasks and make decisions that counterparts should have been making. Counterparts have observed the consultants doing so with a mixture of acceptance, acquiescence and bewilderment.

Consultants have provided short-courses and similar, often off-the-shelf, specialist education and training for groups of participants on Tarawa. The subjects taught have varied greatly in (ir)relevance within groups, as have the prior knowledge of participants and their abilities to participate (e.g. oral English ability) (about the nature of such courses, see Dixon, 2004b, and Traynor and Watts, 1992). Selected *I-Kiribati* delegates have attended similar courses overseas, their expenses met by the donors sponsoring the courses. Said delegates would likely be among others from a dozen or so other “developing countries”, often with little in common, adding to the doubtful relevance.

A steady trickle of Republic Government staff have received scholarships or other support from donors and their employer to attend established learning programmes leading to degrees and diplomas. Even those available in Kiribati (including distance programmes from offshore) have rarely been about Kiribati. Those offshore (e.g. Fiji and Solomon Islands, New Zealand, Australia and Britain) have rarely featured much about governmental accounting, government enterprise accounting and similar specialities in the countries that provided the contexts of the courses.

- *Proffering influential advice about Structural Adjustment:* consultants have been charged by the postcolonial bodies behind structural adjustment to encourage and facilitate

reductions of governmental activities and expenditures; and making public officials managerially accountable, and making their organisations transparent in an input-output sense and publicly accountable for performance. Output budgeting has been the most widespread practice they have implemented, with results outlined above.

Interventions of whichever kind have been largely carried out piecemeal and, sometimes, discordantly, being in conflict with adjacent interventions (e.g. a new computer system here, perhaps a training programme there, a unilateral initiative somewhere else, a modernisation project with recurrent expenditure implications out of kilter with *structural adjustment*). They have probably increased the technical and social opacity of Republic Government accounting to *I-Kiribati*, further contributing to how restricted are politicians and public servants by this alien technology. Because of this, those renewing the accounting were deriving continuing influence in Republic Government affairs.

***I-Matang* Governmentalities in which Accounting Figured**

This subsection deals with governmentalities in which the accounting analysed above has figured. These governmentalities were fashioned by *I-Matang* at a distance and applied globally, and mediated and applied by them locally. These governmentalities can be illuminated through applying the analyses of accounting above, as per Foucault's advice that "It is a matter of ... undertaking the investigation of the problem of the State starting from practices of governmentality" (2004, p. 79). The subsection also builds on four *I-Matang* images of *I-Kiribati* referred to in the analyses, namely:

- 19th century *I-Kiribati* being a population of savages who were subject to no laws, and so needing to be brought within a civil administration by the *I-Matang* in question
- the early 20th century *I-Kiribati* population not knowing how to govern themselves, and so being taught to do so by the *I-Matang* in question

- the mid 20th century *I-Kiribati* population being entitled to share in *I-Matang* prosperity and having rights of sovereignty, and so being aided and modernised, and given independence by the *I-Matang* in question
- the late 20th century *I-Kiribati* population being over-regulated, ineffectively and inefficiently governed, and lacking the ability to hold politicians and public servants/ service managers accountable, and so the *I-Matang* in question stepping in to aid and liberalise the *I-Kiribati* population.

These four images reflect the rhetorics of changing governmentalities, espoused globally by *I-Matang* under the auspices of imperial bodies in the 19th and early 20th century, and of postcolonial bodies since; and applied globally through military and civilian means. The rationalities that are part of these governmentalities are distinguished in development literature (e.g. Morgan, 1980; O'Hearn, 1999; Reymer, 1999; Rist, 1997; Tucker, 1999; Willis, 2005) and aspects of them have crept into accounting literature (e.g. Annisette, 2000, 2004; Bush and Maltby, 2004; Davie, 2000; Jacobs, 2000). Acknowledging dangers of over-simplistic reductionism, one method of classification is using the rhetorical labels *civilising*, *modernising* and *liberalising*. This sequence is summarised in Table 1. *Civilising* was imposed on *I-Kiribati* during the second half of the 19th century until the evacuation, virtually. *Modernising* was imposed on them during the rest of the GEIC period and up to the present. The imposition of *liberalising* started in the 1980s and has competed increasingly since with *modernising*.

[INSERT TABLE 1 ABOUT HERE]

These impositions of governmentalities in sequence have entailed attempts to supplant previous ones, including the separate governmentalities represented by chiefdoms and gerontocracies of the 19th century Gilbert Islands, and then the previous *I-Matang*

governmentalities. The attempts seemed to have varied in success: from the author's experiences, there seem to be more than traces of even the 19th century governmentalities (see also Kazama, 2001), and modernising and liberalising seemed to be proceeding in parallel c. 2000. As is inferred in previous subsections, these impositions have proceeded primarily in a civil way, although Sabatier (1977) reminds readers that gunboats were usually on hand to protect particular interests. Underpinning this civil approach have been *I-Matang* knowledge and power exercised locally and from a distance.

As the analyses in those subsections also demonstrate, usages of accounting originating and renewed by *I-Matang* have figured in various ways during each governmentality and from one governmentality to the next. For example, accounting has been used to:

- define and measure the financial burden of the territory on the imperial body
- raise revenues to defray this financial burden
- measure and control colonial governmental activities (and keep them separate from proceeds of mining by a dominion governmental enterprise[15])
- measure and control native governmental activities
- articulate development plans, obtain development grants and control projects
- constitute the government of a sovereign state, and plan, measure and control its activities, first one way then another
- create and maintain an investment fund to reduce the risk of the native-operated sovereign state becoming an external financial burden (and to provide capital for external parties)
- report externally about natives, and native-operated but externally created institutions, to a series of differently minded and variously located, interested parties.

Unlike many similar countries, Kiribati does not have large external debts and dire economic circumstances. Thus, Republic Government officials have had greater discretion than their counterparts elsewhere about the reporting referred to in the last point. Nevertheless, they have seemed content to comply with what was asked of them, and so despite sovereignty and the provisions in the Constitution about accounting being to *I-Kiribati*, the accounting that has continued in the ascendancy was that developed in the GEIP-GEIC period. As analysed above, this accounting was mostly about *I-Kiribati* and their islands, and to colonial bodies. Now, it was to postcolonial bodies, in forms that suited these bodies. This parallels the accounting that Jacobs (2000) discusses in relation to Maori in New Zealand, of the accounting being about Maori and to government institutions dominated by descendants of fair-skinned settlers and their culture(s). In that situation, structural adjustment had meant a shift towards the accountability of these institutions taking obligations to Maori into consideration. By contrast, in the Republic Government, accounting was sustaining and re-constituting a governmentality(ies) in which its officials were at least as much agents of postcolonial bodies as they were agents of *I-Kiribati*. This is somewhat reminiscent of the agency relationship between the GEIP-GEIC Government and *I-Kiribati* Governments described earlier, with the interests of the imperial body taking precedence.

Apart from any economic advantages that might accrue from performing this reporting to postcolonial bodies, the author gained the impression it reflected longstanding obsequiousness of *I-Kiribati* to *I-Matang* (see Bevington, 1990). This started from first encounters: the fair skins of *I-Matang* led *I-Kiribati* to believe that they had come from Matang, whence came their first ancestor and to where the souls of the dead return (Grimble, 1989; Sabatier, 1977). It was added to through *I-Matang* demeanours of superiority, paternalism (particularly demonstrated by Protestant missionaries, GEIP-GEIC Government officials) and assuredness (particularly demonstrated by GEIC Government officials and

postcolonial body staff and consultants); and through *I-Matang* displays of technological and worldly knowledge. Opining about government in the 1970s, Macdonald observed, “Government was an alien device, created and controlled by Europeans, from which money and a bewildering range of decrees flowed” (1982a, p. 219). It seemed to the author that 20 years on that was still the case, except that the device had also ensnared in a variety of formal positions most of the intellectual talent among *I-Kiribati* from the Republic’s many islands. Probably constrained by socio-cultural expectations of other *I-Kiribati* about who have rights to lead or, indeed, about whether acting as a leader is acceptable (see Macdonald, 1971, 1982a; Maude, 1963), most of these *I-Kiribati* seemed content to be steered in policy and change by postcolonial body staff, and to report to them.

Synthesis and Conclusion

In the previous section, reports of various usages of accounting are separated into four themes. Connections between the themes in the order they were presented are signalled at the beginning of the second and subsequent theme subsections, and so some synthesis is present already. To close the circle, implicit in the foundations of first three subsections were several matters that are not much elaborated until the subsection on *I-Matang governmentalities*. They include that *I-Matang* fashioned three broad governmentalities (see Figure 1). This fashioning took place at a distance from Gilbert Islands/Kiribati and the results were applied globally. They were mediated and applied locally, for example by RCs, and this affected how *I-Matang* in the form of GEIP-GEIC officials and postcolonial body staff rationalised and performed governance roles that they were appointed to undertake in relation to the Gilbert Islands/Kiribati. In each governmentality, there has been an underlying concern for the financial interests (mixed with political interests and changing attitudes) of those whom GEIP-GEIC officials and postcolonial body staff in situ have represented and continue to represent. However, in fairness, as well as at least satisficing distant interests and giving

substance to the governmentalities in question, officials and staff in situ have exercised discretion on a variety of measures, including controls and developments they believed to be beneficial to *I-Kiribati*, although with hindsight, some of the benefits have been dubious or positively harmful.

A persistent characteristic of accounting usages analysed in the theme subsections is that they reflect continuing relationships between *I-Kiribati* and *I-Matang* (and other foreigners) in which the former's behaviour is controlled by or according to the interests of the latter, using means that could be reduced to diagnoses, interactions, boundaries and beliefs, to use Simons's (1995) functional taxonomy. However, it is argued that such reduction has limitations as far as illuminating what has occurred and contemplating what possibilities exist for the future. In contrast, use of governmentality as "a method for analysing government, assuming governing is done in a rational way" (Dean cited in Sanchez-Matamoros, 2005, p. 184) indicates that accountings have been a technology for governing a population, and so have been practices of the governmentalities outlined in the paper. Moreover, the accountings have affected the fashioning of the governmentalities and their implementation. Thus, the accountings in question have helped constitute and then sustain *I-Kiribati* governable persons (à la Miller and O'Leary, 1987) within a colony of the British Empire and then within a Republic within the present-day global identity of nation states. In addition, the use of the method is valuable for generating as many questions as it does answers, and so deters this author at least from jumping to solutions for occurrences and situations that to *I-Matang* may seem to be problems but that to *I-Kiribati* are not issues at all or are only incidental to ones they perceive from their decidedly different cultural perspective(s). In the author's opinion, it would be beneficial to *I-Kiribati* if postcolonial body officials were similarly deterred.

Regarding specific questions posed in the introduction, the analysis suggests to this author that parallels between the usage of accounting practices in colonial situations and their usage

as part of structural adjustment policies are rooted in the governmentalities presented in Table 1. They are linked through whence accountings originate and are renewed, the concern of *I-Matang* for the financial and related interests of their principals, and their inclination to govern people in order to further these interests. The analysis shows continuity from informal colonialism, to formal colonialism and, post independence, to neo-colonialism. As to whether present-day accounting practices are an “inappropriate” technology, some might argue they always were inappropriate. But as far as *I-Matang* have been concerned, they have had their uses, and still do. A more appropriate question is whether the present-day governmentality(ies) is what persons want, and the answer to that question depends on the persons. In other words, being appropriate or inappropriate is contingent on social constructions, not some objective criteria that can be discovered.

Regarding further research, two contexts seem appropriate. First, within Kiribati, there is scope for examining how accounting has contributed to local issues. The author is hesitant to suggest what these might be, although one is the lack of interest among *I-Kiribati* in this subject. Others that he perceives are consequences of accounting in constituting the Outer Islands, in bringing about urban migration to Tarawa, and in political, economic and social changes on Outer Islands and Tarawa. A closer look at BPC accounting and its role in the fate of Banabans (now resident mostly on Rabi in Fiji) would also be relevant to understanding their continuing grievances.

Second, in other places of similar ilk, there seems plenty of scope for following similar longitudinal, genealogical lines of inquiry into former colonies that emerged as states in the second half of the 20th century. Not only would such inquiries illuminate how and why government finance and accounting are as they are but also how and why government is so. They would also help clarify possible changes to both and their consequences. Accounting about aid also seems ripe for inquiry.

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Table 1 Summary of (British) Imperial and Postcolonial Body Governmentalities of 19th and 20th centuries

	<i>Problem or Justification of Governing a Population and Remarks</i>	<i>Significant Official Documents</i>	<i>Significant Accounting and Finance Issues</i>	<i>References</i>
Civilising	“Indians”, “savages” and “natives” need to be civilised and shown how to govern themselves. Various social, political and economic ideas and activities used by civilisers (e.g. conversion to Christianity (and end to superstition!), trade, land clearances, human exploitation, genocide, progress, science).	General Act of 1885, League of Nations (1920)	Colonised territories required to generate governmental revenues (including native taxes) to meet expenditures on colonial administration. Reluctance to annex territories expected to require subventions from London. Native local government reports to colonial government.	Bush and Maltby (2004), Davie (2000), Macdonald (1982a), Morgan (1980), Rist (1997), Tucker (1999), Willis (2005)
Modernising	“Populations” of “backward communities” and living in “backward economies” need exposure to modern ideas and to be provided with modern amenities; and will emerge as “citizens” of modern self-ruling colonies and then sovereign states, following the (linear) development pattern pioneered by Europeans in Europe and places of European settlement. Responsibilities transferred to governments of native peoples at the centre of the colonies, and entire colonies become sovereign countries. Various ideas and activities used by modernisers (e.g. laws of the market, the economy, Eurocentric rationality, science, progress and modernity, cultural racism, infrastructure projects, growth of public service democracy, feminism, religious tolerance).	Colonial Development Act 1929, League of Nations Document C.474.M.241 (cited by Rist, 1997), Colonial Development and Welfare Acts of 1940 and subsequently, UN General Assembly (1960)	London provides financial capital and expertise to develop colonies socially and politically, and later to foster economic independence. Financial and human capital grants and loans continue after countries become independent. Bilateral foreign aid escalates and aid industry grows. With aid, come obligations to report about its application and results.	Abbot (1971), Burall <i>et al.</i> (2006), Morgan (1980), OECD (2007), Rist (1997), Tucker (1999), Willis (2005)
Liberalising	Populations of “developing countries” and “emerging economies” need liberalising and so emerge as “customers”, “clients” and “rational economic members” of a neo-liberal society. Structural Adjustment Programmes implemented with aims of increasing private capitalism (including foreign investors), reducing governmental failure, deregulating trade and bringing about “good governance”. Sovereign states following Structural Adjustment Programmes is a condition of them receiving continuing financial support from postcolonial bodies championing the Programmes.	International Bank for Reconstruction and Development (World Bank) 1979 Annual Meeting, Belgrade, Yugoslavia (cited by Wright, 1980)	Independent countries (and their governments) to be economically and financially self-supporting, efficient, transparent and accountable to their publics, and so to postcolonial bodies championing Structural Adjustment Programmes. Government subsidies to producers to be removed. Taxes to be less progressive. Government outputs to be measured in quantity, quality and cost.	Collier and Gunning (1999), Kempa <i>et al.</i> , 2005; O’Hearn (1999), Rist (1997), Tucker (1999), Willis (2005), Wright (1980)

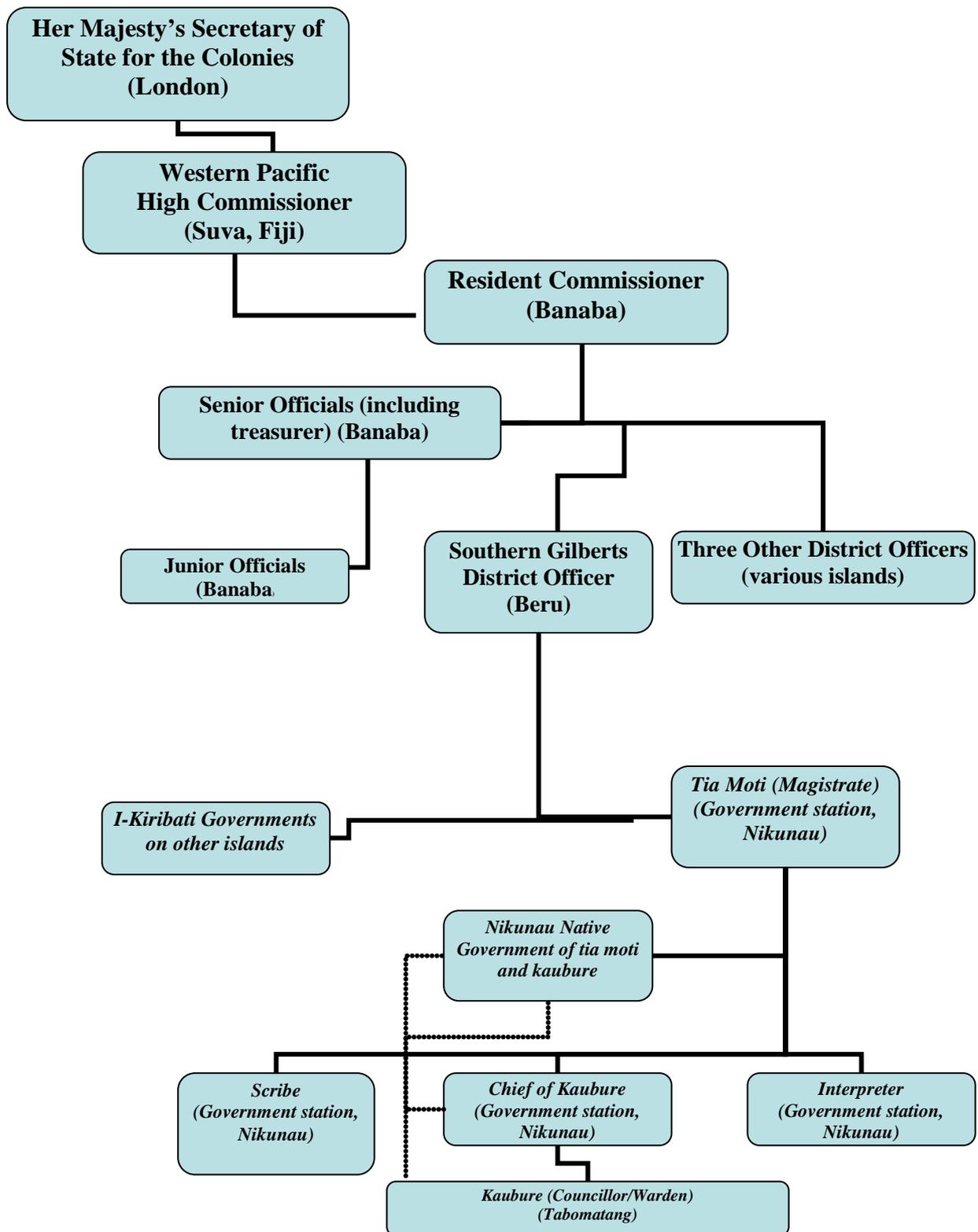


Figure 1 Chain of Colonial Governance Structures from London to Tabomatang c.1930
(I-Kiribati held posts in italics, I-Matang held posts in regular font)

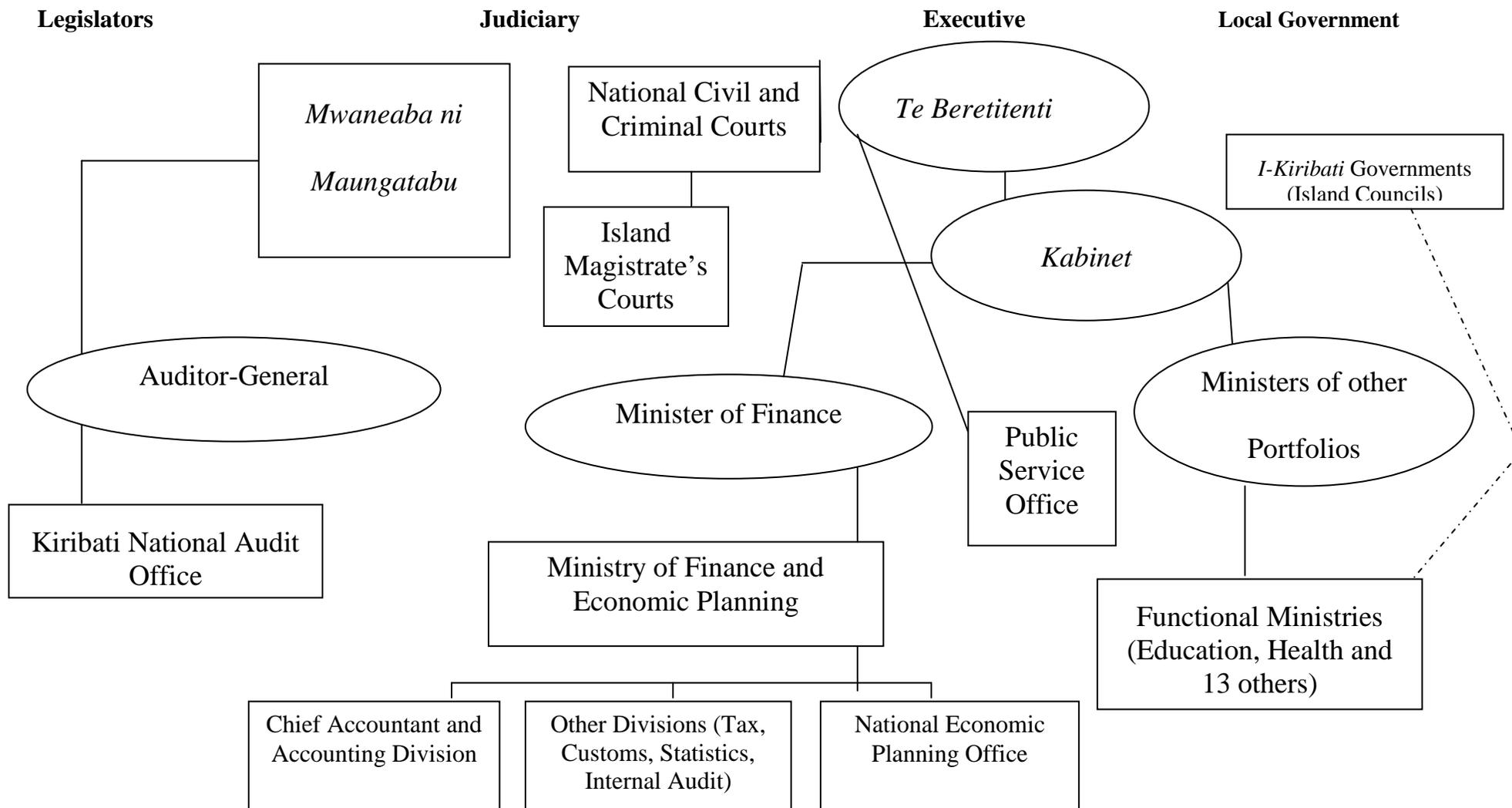


Figure 2 Structure of the Government of Kiribati (with accounting and finance areas elaborated more than others are)

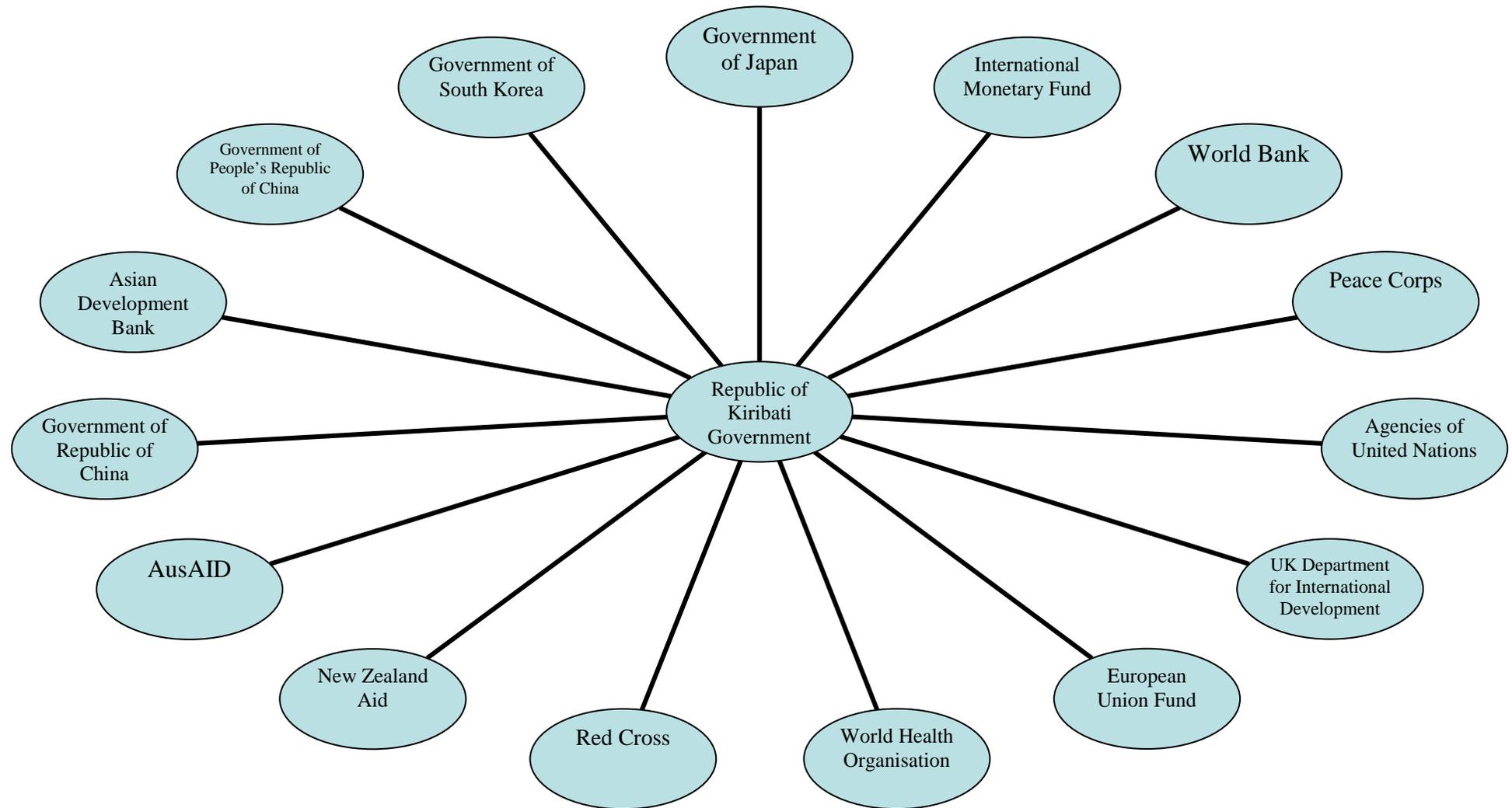


Figure 3 Postcolonial Bodies (a Representative Sample of) Influencing the Republic of Kiribati Government c.2000

(includes data from World Bank, 2005)

Notes

1 In a referendum held in 1976, the people of the Ellice Islands opted for a separate state, and gained independence from Britain in 1978 as the Dominion of Tuvalu (Macdonald, 1982a).

2 This confidential declaration covered several matters in a way that favoured these two imperial bodies at the expense of France and the United States of America.

3 Morgan (1980) reports that supervision methods were cumbersome and untimely. For example, annual estimates took so long to approve that they were not finalised until months after the financial year started, thus causing much uncertainty in the raising of local revenue, the procurement of inputs and the carrying out of activities. Many problems stemmed from inter-departmental politics between HM Treasury staff and staff of the Colonial Office in London and of the Colonial Service in the territories affected.

4 These were known as *native governments* until 1941 and as *island councils* since their restoration in 1948. All are referred to as *I-Kiribati* governments hereafter.

5 Apart from the Declaration between Great Britain and Germany 1886, examples are rare of the GEIP or GEIC being caught up in international affairs. They include the arrangements at Versailles over phosphate in the Nauru Island Agreement 1919 involving Australia, Britain, New Zealand and Japan (Macdonald, 1982b); the 1941 evacuation and subsequent Battle of Tarawa; and post-WWII pressures on Britain and others to disband their empires (Morgan, 1980; United Nations General Assembly, 1960). The same applies to the Republic, significant events being the Republic Government acting contrary to the expectations of Britain and its allies by signing a fishing agreement with the Union of Soviet Socialist Republics during the Cold War; Mirrenium Island enjoying the first sunrise of the third millennium; and current concerns for atoll and reef island habitats stemming from climate change and rising sea levels.

6 Such inherent suspicion on Outer Islands of the Republic Government continues, in the author's experience, although *I-Kiribati* Governments seem now closer than they were to the islanders and their *unimane* (see also Macdonald, 1996a), who have endured as the accepted authorities in *I-Kiribati* society (see Grimble, 1952;

Kazama, 2001; Maude, 1963; Roniti, 1985).

7 That *I-Kiribati* Governments all but ceased operating soon after the evacuation bears out that they had become no more than agents of the GEIC Government: when it went, they ceased. However, some of their officials preserved the account books of their governments for the duration, hiding them from the Japanese. Meanwhile, the roles and responsibilities of local governing were re-assumed by assemblies of *unimane*, which had continued from pre-GEIP times in villages and across whole islands (Macdonald, 1971, 1982a). The copra that had formed the financial basis of *I-Kiribati* Governments was of no use without merchant trade, and otherwise they had little use for *I-Matang*-style accounting.

8 Contrary to the impression that might arise here, at least one such grant was received in the 1930s: to finance the ill-fated attempt to re-settle *I-Kiribati* from various islands in the Gilberts, deemed to be over-populated, to islands in the uninhabited Phoenix Group (Bevington, 1990; Maude, 1968; GEIC, 1957). How the spending of this grant was reported exemplifies how important a favourable accounting outturn was in order for RCs to retain delegated authority over GEIC Government finances: House of Commons (1940) reports that this grant was for “special purposes” and that “it is not proposed to bring the finances of the Dependenc(y) under the control of His Majesty’s Treasury” (p. 85).

9 The number of *I-Matang* staff reached 50 during the 1950s, 80 in the 1960s and over 140 by the 1970s. Junior administrative jobs held by Tuvaluans and *I-Kiribati* rose to 350 permanent civil servants by the mid-1950s and then to 1,000 in the mid-1970s (GEIC, 1957, 1969, 1976).

10 A later project brought about the Elaine Bernacchi School, which opened the way for *I-Kiribati* women to join this workforce.

11 The issue of usage of accounting disenfranchising elected representatives and empowering bureaucrats because of their varying levels of knowledge is one that has been identified in cases where both groups share the same first language, never mind cases where the two categories are distinguished by language, and so culture (Guthrie *et al.*, 1999; Sidebotham, 1966).

12 *I-Kiribati* Governments were only an appendix to this process: their finances were scrutinised by the ministry that oversaw their affairs, and any Republic Government financial assistance they received was included in

various outputs of several ministries.

13 As for the Republic Government appraising these same projects, in the author's experience, although rational ideas were rehearsed in official publications about projects (which were often written by consultants), the situated practice was that political, social and administrative criteria were ascendant in determining which development projects materialised and which only remained under consideration (not many were explicitly rejected).

14 That Tarawa now housed 40%+ of the population was evidence of how infrastructure and other products of aid projects had influenced where and how *I-Kiribati* lived.

15 For many years, the BPC accounts and balance sheet were reported to the British House of Commons as part of the Dominions Office, whereas as the GEIC came under the Colonial Office.