

Commentaries and Applied Research for  
Practitioners and Educators

4. Tertiary Education Strategies for  
Accounting in Developing Societies -  
The South-West Pacific as a Case Study.

M WHITE  
R JUCHAU  
R HOPKINS



4. Tertiary Education Strategies for  
Accounting in Developing Societies -  
The South-West Pacific as a Case Study.

M WHITE  
R JUCHAU  
R HOPKINS

LINCOLN COLLEGE  
1987

ISBN 0-86476-016-7

The Lincoln series of papers are designed to inform professionals and educators of developments and issues in finance and accounting today. The papers cover both commentaries and applied research. Professionals and educators who would like to share their views and research findings are welcome to contribute to the series.

TERTIARY EDUCATION STRATEGIES FOR ACCOUNTING IN DEVELOPING

SOCIETIES - THE SOUTH-WEST PACIFIC AS A CASE STUDY

Mick White, Roger Juchau & Roger Hopkins.\*

\* Mick White is on the staff of the University of the South Pacific and is currently the senior lecturer in Accounting.

Roger Juchau took up a Commonwealth Foundation Grant in 1971-1974 to develop and conduct accounting courses at the University of the South Pacific. He currently holds the foundation Chair in Finance and Accounting, Lincoln College, University of Canterbury, New Zealand.

Roger Hopkins held the foundation chair in Accounting at the University of the South Pacific from 1975-1981. Formerly Professor, and Dean of Management Studies at the University of Waikato, Hamilton, New Zealand, he now holds a Chair in Accounting at the University of Singapore.

TERTIARY EDUCATION STRATEGIES FOR ACCOUNTING IN DEVELOPING  
SOCIETIES - THE SOUTH-WEST PACIFIC AS A CASE STUDY

INTRODUCTION

All societies face constraints imposed upon their development by the limited availability of economic resources. The development that a society achieves depends, in large part, upon the efficient utilisation of its economic resources. The resource allocation exercise is therefore crucial to all economies, but particularly so in the low per capita income countries of the third world, where scarcity of resources persists and can be particularly acute.

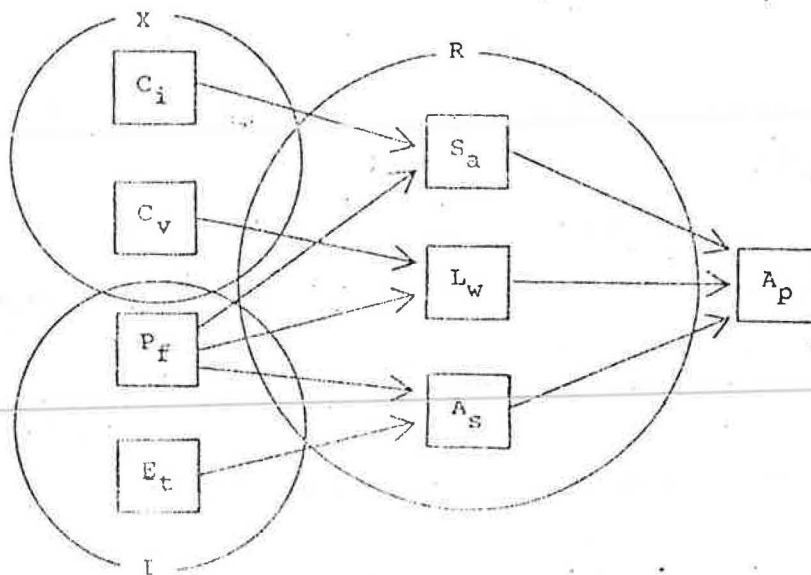
In allocating scarce resources it is not surprising to find third world countries placing a high priority on activities like medical programmes, public services, and developing new technology and industrial bases. Where countries allocate resources to such priorities it is hardly surprising to find that such countries have inadequate resources to develop many of the administrative systems that are necessary to make the allocation decisions efficient. So third world countries find themselves caught in a vicious circle. The greater the scarcity of resources, the greater the support required for information systems that will provide the information necessary for good allocation decisions. As shown in the case studies conducted by Enthoven<sup>1</sup> third world countries seriously lack adequate accounting information systems, particularly at the macro-economic decision level. These systems are the prime source of information upon which economic decisions are made. The building of sound infrastructures for accounting systems clearly has priority in the ranking of national investment alternatives in low per capita income economies.

---

<sup>1</sup> A. Enthoven, Accounting Systems in Third World Economies, (New York: North Holland, 1977), pp. 117-343.

## INFLUENCES ON ACCOUNTING PRACTICE

Economic factors, while being important, are not the only determinants of the development accounting information system in a country. Parker<sup>2</sup> has identified a number of variables and relationships that can influence the development of accounting practices. The variables and relationships identified are represented in Parker's contingency model in Figure 1 below.



- C<sub>i</sub> = "Colonial" influences
- C<sub>v</sub> = Cultural variables
- P<sub>f</sub> = Fledgling accounting profession
- E<sub>t</sub> = Education and training
- S<sub>a</sub> = Lack of local accounting standards
- L<sub>w</sub> = Legislation
- A<sub>s</sub> = Shortage of accountants
- A<sub>p</sub> = Accounting practice
- R = The regulatory environment
- X = The external professional environment
- I = The internal professional environment

FIGURE I

A Contingency Model of Developing  
Country Accounting Practice

---

<sup>2</sup> L.D. Parker, "A Contingency Model of Accounting Practices in Developing Countries", Accounting Forum, (March, 1984), pp. 19-33.

India for example, despite its low per capita G.N.P. has a strong accounting profession providing a full range of services due largely to (Cv), cultural variables, which have also been affected by "colonial" influences (Ci).

The overlapping circles in Parker's model reflect the possibility that the external professional, the internal professional and the regulatory environments may all interact upon each other. Further relationships may, and probably do, exist beyond those specifically identified by Parker. For example, continuing education programmes can serve to strengthen the accounting professions (Et influences Pf).

From the factors identified, it would appear that action through the 'Internal Professional Environment' offers the best opportunity to promote sound accounting practice in the third world countries. To this end professional bodies have been encouraged to devise short, medium and long term plans for their development by agencies such as the Asian Development Bank. There appears little opportunity to affect past colonial influences and extant cultural variables.

Colonial influences have been significant. Nations acquiring independence in the twentieth century have largely retained the accounting systems of the colonial power; a factor reinforced by current trade patterns which are largely determined by past colonial affiliations. While the accounting systems meet the needs of the first world countries that developed them, it is open to question whether or not such systems can be adopted carte-blanche by other societies without there being certain dysfunctional effects.<sup>3</sup>

---

<sup>3</sup> see R. Briston, "Accounting Evolution in Developing Countries", International Journal of Accounting Education and Research, (Fall, 1978), pp. 105-120.

Cultural variables no doubt have a mediating influence on the development of accounting systems. In some cases this may be reflected by the indifference shown towards formal reporting which impedes rather than promotes accounting development, particularly in societies with a strong oral tradition in their culture.

Development of accounting systems may be stimulated by help from the accounting profession in the third world, directly or indirectly through education programmes. Education programmes in the third world almost invariably depend on first world materials (e.g. texts, correspondence course materials, etc) and expatriate staff. There is a danger that these programmes unwittingly help to perpetuate colonial influences that may be inappropriate to third world value systems.

While the importance of help to foster the fledgling professional accounting bodies has been recognised by their first world counterparts provision of help has, to date, been modest. There are two possible reasons for this.

The first is that many third world communities, while aware of their own economic and social aspirations, are unable to perceive how accounting systems can help them frame the appropriate decision bases necessary to achieve their aims. The experience of accounting systems in these communities is one where reports are made to colonial type authorities and supranational trading organisations, who often have goals incongruent with and, in some cases, at odds with those of the local society. Their experience is limited largely to the reporting function. Utilisation of information provided through such output of the accounting system is, for internal decision making, a dimension virtually unknown to them. The seriousness of this problem is reflected not merely by the inability to use information effectively in areas of planning and decision making but even with regard to routine control of such areas as cash management. The

problem is perpetuated by the fact that very few nationals of third world societies hold internationally recognised accounting qualifications, and many of those who do are attracted to emigrate to the first world by pay and conditions beyond that which their own countries can offer.

The second reason is that the first world professional bodies have been reluctant to offer help, perhaps feeling that to provide such help would appear to be arrogant, and would perhaps serve to reinforce the old colonial influences that the third world countries seek to discard.

Scope for development in accounting practices appears to be largely limited to the initiatives that can be taken through the education system. In order to demonstrate the effect the education system might have on such development an area of the third world, where accounting education has only recently been introduced, is taken as a case study. The independent island communities of the South-West Pacific offer an appropriate area to study, as prior to 1972 there was no formal provision of post secondary school education in accounting in this region. Up to this point in time the view was taken that full qualifications in accounting could be suitably obtained by individual students taking up study outside the region, and the small number requiring such training warranted no special provision in the tertiary education provisions of the countries in the region. This view was challenged and refuted by a manpower study undertaken in 1973.<sup>4</sup>

#### ACCOUNTING EDUCATION PROVISIONS

Since 1972 four institutions of tertiary education in this region have introduced courses in accounting. These are Atenisi University (Tonga),

---

<sup>4</sup> see R. Juchau, "Accounting and the Island Economies of the South Pacific", The Australian Accountant, (November, 1973), pp. 582-589.



the Fiji Institute of Technology, (formerly Derrick Technical Institute), Honiara Technical College (the Solomon Islands), and the University of the South Pacific (main campus located in Fiji, but serving all the independent island communities of the region). Atenisi and Honiara Technical College offer courses at the accounting technical level, Atenisi offering its own qualification and Honiara preparing students for examinations conducted by external examination bodies in the U.K. The Fiji Institute of Technology (F.I.T.) operates its own courses and confers its own qualifications. The courses range from the Certificate in Accounting, a technical level course, to the Diploma in Business Studies, a course programme designed initially to provide a broad based practical education in functional management skills but which has to date been biased towards accounting and financial options. The University of the South Pacific (U.S.P.) offers internationally recognised degree programmes with a full accounting major option available from 1975. U.S.P. also offers Certificate and Diploma in Accounting Studies qualifications. The Certificate qualification is at the technical level, while the Diploma is comparable in academic standard to the Diploma in Business Studies offered at F.I.T. U.S.P. offers such courses as response to its role as the sole tertiary educational institution serving a region of nine island nations.

Most of the island communities have no post-secondary school education facilities of their own, and consequently look to U.S.P. to meet most of their tertiary education needs. In reviewing the impact of accounting education in the South West Pacific it is therefore useful to focus primarily on the work undertaken at U.S.P., and the environment in which it operates.

It is instructive to note that the accounting degree programme was developed before the certificate and diploma qualifications were set up at U.S.P.; the latter not being introduced until 1981. The accounting major [its development flowing from recommendations made to the Commonwealth

Foundation in 1974], a full degree programme, was designed to provide an education that could lead to membership of the Fiji Institute of Accountants (F.I.A.). The F.I.T.'s Business Studies Diploma qualification allows for entry into the University degree programme with standing, - currently five cross-credits are granted, providing an indirect path to full institute membership, and in itself permits diplomates to take affiliate membership of the F.I.A.

The Western Samoan Society of Accountants (W.S.S.A.), the only other established body of accountants in the region conducts its own courses and examinations for membership. These are less demanding than the University degree programme. Members of the W.S.S.A. can obtain limited cross-credits to the University degree programme. Samoans with an accounting major from U.S.P. can secure membership of their society on graduating. The embryonic Vanuatu Accountants Association has still to identify their educational requirements for membership, though early indications suggest that they will be somewhat less demanding than those of F.I.A. With regard to the other island nations, attempts to establish an Institute of Solomon Island Accountants have proved unsuccessful. Moves are currently afoot to establish an Institute in Tonga though the criteria for membership have yet to be determined.

Refinements in the course structure of both the University degree and the F.I.T.'s diploma programmes have been made largely with the evolving needs of the F.I.A. in mind. While some 70% of all students entering U.S.P. are Fiji nationals, 87% of the accounting major graduates come from Fiji. The 'others' category relates to students from countries outside the region served by U.S.P. The one student graduating in 1978 came from Australia, the four students in this category graduating in 1981 came from Zimbabwe.

TABLE I : GRADUATES OF U.S.P. WITH ACCOUNTING MAJORS BY COUNTRY

	1977	1978	1979	1980	1981	1982	1983
Cook Islands	1						
Fiji	4	9	13	13	22	20	35
Kiribati			1	1	1		
Tonga		1		2		1	2
W. Samoa				1			
Others		1			4		

Source U.S.P. Academic Office.

Comments in reports made by past external assessors of the accounting discipline indicate that the standard of the accounting degree programme is comparable to those of Australian Universities. In general terms such a favourable evaluation on academic standards is both welcome to the University and assuring to the communities it serves. Any University should clearly seek to establish and maintain high academic standards. These comments clearly reflect on the programme content as well as its quality. Some writers have questioned whether accounting curricula in third world universities should follow those of the first world. Sensitive curriculum design, with the special needs of the third world communities accommodated, is argued to be a more defensible strategy than slavishly adopting curriculum approaches and standards of advanced economies<sup>5</sup>.

---

<sup>5</sup> see R. Briston "Accounting Evolution", pp. 107-120.

The University's accounting staff have, with the exception of two associate lecturers, been drawn from developed economies outside the University's region. They have devised the degree programme and its constituent courses. In doing so they have drawn on their prior curriculum experience in Australia, New Zealand and the U.K.

ACCOUNTING AND OTHER DEVELOPMENT ISSUES

The following statistics show that Fiji is by far the largest and most developed of the communities served by U.S.P.

TABLE 2 : PACIFIC ISLAND STATES AND TERRITORIES: BASIC INDICATORS<sup>6</sup>

State	Land area Km <sup>2</sup>	Sea area(a) ( '000 Km <sup>2</sup> )	Popu- lation ( '000)	Density (people/ Km <sup>2</sup> )	1980 Total GNP (US\$M)	1980 GNP per capita (US\$)	1980 Adult liter- acy%
Cook Islands	240	1830	17.9	75	20	1360	91.8
Fiji	18,272	1290	634.1	35	1160	1850	75.0
Kiribati	690	3550	58.6	86	50	770	95.0
Nauru	21	320	7.3	348	70	9091	N/A
Niue	259	390	3.4	13	3	1080	100.0
Solomon Islands	28,530	1340	225.2	8	110	460	51.0
Tonga	699	700	97.4	139	50	520	99.6
Tuvalu	26	900	7.5	288	4	570	98.0
Vanuatu	11,880	680	117.5	10	60	531	N/A
Western Samoa	2,935	120	156.4	53	119	770	97.8

(a) Sea areas based on 200 mile exclusive economic zone.

<sup>6</sup> Source: Report of the Committee to Review, The Australian Overseas Aid Program, (Canberra, Australian Government Publishing Service, 1984). p. 170.

The level of accounting services and their regulation that gives optimum benefit to the community will be the level that equates marginal benefits of accounting information with marginal costs. This depends not merely on the extent of the economy's development but also on the community's size and standard of education. It is not surprising to find therefore that Fiji is the only island state among the island nations that has corporate regulation, although the disclosure requirements and general provisions of this legislation have met with certain reservations, having been regarded by some practitioners as unworkable<sup>7</sup>

Local accounting standards have been issued by both the F.I.A. and the W.S.S.A., but these are no more than straight forward adoptions of International Accounting Standards, or of those promulgated by the Australian professional bodies.

The factors in Parker's model provide a framework within which it is possible to evaluate whether degree level studies in accounting serves Fiji's interests better than those of other islands in the region. While the island states in the region have been exposed to similar colonial influences, their societies have reacted differently towards these influences since gaining independence. In Fiji, the British Commonwealth's economic influence is regarded, at least in general terms, as benign. This has made it easy for Fiji to retain the administrative and commercial patterns that were established towards the end of the pre-independence period, by what has been regarded as an enlightened colonial administration.<sup>8</sup> This has been less true of the other countries in the region, particularly Vanuatu.

---

<sup>7</sup> see M. White, "Accounting Practice Problems in Fiji - Six Years On", The Fiji Accountant, (June 1984), pp. 12-16.

<sup>8</sup> See J. Michener, Return to Paradise, (Secker & Warburg, 1956).

While colonial influences on the island states have been similar the cultural variables experienced by Fiji are strikingly different from those of the other countries. This is because Fiji is a multiracial society, its population comprising of Melanesians [the indigenous Fijians (46%)] Indians, (also 46%), the balance being made up of immigrants from other island states, Chinese, and Caucasians. The other islands are populated, apart from small communities of Chinese and Caucasian settlers, exclusively by Polynesians (Cook Islands, Niue, Tonga, Tuvalu, and Western Samoa), Melanesians (Solomon Islands and Vanuatu), and Micronesians (Kiribati). Such communities developed around a closed market economy sustained by localised product exchange [intra island]. Limited trade took place between settlements of the island races, but a high degree of economic independence existed in each settlement. Exposure to the outside world has been relatively recent as is shown by the dates<sup>9</sup> at which these countries obtained colonial or protectorate status.

---

<sup>9</sup> The independent island communities of the South West Pacific comprises the states of Fiji, Kiribati, Nauru, the Solomon Islands, Tonga, Vanuatu, Western Samoa, Tuvalu and the New Zealand protectorates of the Cook Islands and Niue. Fiji, Kiribati [formerly Gilbert Is.], the Solomon Islands, Tonga and Tuvalu [formerly Ellice Is.] were all administered by Britain prior to their independence, the Cook Islands and Niue were the responsibility of New Zealand, and Nauru was administered by Australia. Western Samoa was originally a German colony, but became a trust territory of New Zealand in 1919. Only Vanuatu [formerly New Hebrides] has had colonial experiences of a type not associated with the British Empire having been administered by a Anglo-French condominium.

The dates on which these countries became colonies or protectorates are as follows:-

Cook Islands (1901), Fiji (1876), Kiribati and Tuvalu collectively (1892), Nauru (1919), Niue (1901), Solomon Islands (these became British protectorates individually over the period 1893-1900), Tonga (1900), Vanuatu (Anglo-French condominium 1906), Western Samoa; (German colony 1899, New Zealand trust territory (1919).

Many of the more isolated islands within an archipelago still effectively operate a barter economy. In contrast the Indian, Chinese and Caucasian communities have adopted complex trading systems and have devised sophisticated and contemporary methods of financing them. In the Indian culture particularly, to be engaged in commercial activity affords one a high status in the community. Accounting systems are a vital requisite of such commerce, and in the Indian society, for example, the accountant enjoys a very high status, more so than in other island community groups. The effect of this cultural factor is reflected in the ethnic breakdown of F.I.A. membership which has a predominance of Indian members.

TABLE 3 : ETHNIC BREAKDOWN OF MEMBERSHIP OF THE FIJI INSTITUTE OF

	<u>ACCOUNTANTS</u>		
	<u>Indians</u>	<u>Fijians</u>	<u>Chinese and Caucasians</u>
Holders of Certificate of Public Practice (in practice on their own behalf or in partnership)	20	-	12*
Fully qualified Chartered Accountants	122	8	40
Provisional members	31	5	2
<b>TOTAL</b>	<b>173</b>	<b>13</b>	<b>54</b>

\* Of this number three are partners of firms residing overseas.

Source: Office of the Registrar, Fiji Institute of Accountants July 1984.

Note: Provisional members are those who have completed the formal educational requirements of membership, but have yet to complete the period of practical training necessary for full membership.

ACCOUNTING MANPOWER NEEDS OF THE ISLAND COMMUNITIES

The forces that act on Fiji are far more conducive to the development of sophisticated accounting practice than those that are at work in the other island states. U.S.P. is especially geared through its degree programme to meet the manpower needs of Fiji.

Analysis suggests that the manpower needs of the other countries of the South West Pacific lie largely with accountants trained to sub-degree levels. This has been born out by past and current empirical research undertaken in the region.<sup>10</sup> In general, in the economies outside Fiji, highly trained accountants are only required for strategic posts in the civil service. They are directly involved in the formulation of economic development policies and/or the monitoring and control of the government bureaucracy. Accountants in such posts are best prepared for their work by taking a double major degree in accounting/economics or accounting/administration than by following a specialised programme of study designed for entry to the profession in Fiji.

Graduate accountants are employed by the multinational enterprises that operate in the island communities, even though operations of such firms are limited. Burns Philp, for example, operates its activities in the various islands as branches of its South Pacific subsidiary which has its head office in Suva, Fiji. Such arrangements do much to reduce the demand for graduate accountants outside Fiji.

The need for accountants in public practice outside Fiji is also limited given the small scale and non-complex forms of commercial activity.

---

<sup>10</sup> L. Lyons, M. White, & A. Naughton, "Accounting: A First World System in a Third World Society", Journal of Pacific Studies (1983), pp. 291. and R. Juchau, "Accounting and the Island Economies", pp. 582-589.



Vanuatu, which is a tax haven, is an exception to the rule. To provide the services necessary to attract finance houses to operate in Vanuatu it has proved necessary to employ fifty practising accountants in Vila, the country's capital. Only three of these are ni-Vanuatu.

While there is only a limited scope for accounting graduates to work in the profession in the island communities, evidence from the profession also indicates that for the foreseeable future the level of knowledge required by a number of accounting processes in the commercial sector will not be extensive. What will be needed is a significant number of people trained in accounting procedures/systems to the extent that they can operate the financial accounting cycle and the related internal control processes for small business. Training would incorporate significant practical experience to give such students exposure to the problems of establishing and maintaining accounting systems in the real world so that on completion of the training the 'accountant' had the knowledge and self confidence to come to terms with practice problems.

At a more advanced level there will be the need for accountants and executives who are able to guide and manage small enterprises. While this will obviously require a clear understanding of how to use accounting information and an ability to discriminate between relevant and irrelevant information, it will not require exposure to some of the esoteric knowledge associated with degree level study of accounting. For example, there will be little need for the study of the economics of capital budgeting because most locally controlled businesses operate with minimal fixed assets and face limited markets. What is necessary, however, is an understanding of how community values will influence business goals and how accounting information can be brought to bear to help attain these goals. Thus a village co-operative that places a high priority on break-even operations, employment and customer services to the local community, will benefit from knowing

how much of its resources can be directed to such activities without jeopardising its financial survival. More important than a high degree of expertise in advanced accounting techniques is the executives' ability to empathise with local value systems. This may require some education in cultural values for expatriate executives. The Pacific islander executive is placed to advantage here providing he can make satisfactory personal accommodations with cultural 'conflict' situations.

A role for accounting advisors also exists within these communities. Such 'accounting advisors' must be aware of local sources of finance and other specialist financial expertise so that ventures that require new equity and debt financing can be appropriately guided and funded. The national development banks operating in these island groups already offer financial advisory services, but these are usually of a restricted nature and are confined largely to the main clients of the bank. This role could however, be expanded to smaller enterprises as a legitimate diversification of a development bank's activity. It is through the national development bank, the registrars of co-operatives and other similar agencies that such 'accounting advisors' might usefully be employed.

#### AN EDUCATIONAL RESPONSE AND SOME DANGERS

The University offers Certificate and Diploma programmes in Accounting catering for the roles that are enumerated above. The certificate programme contains three vocationally oriented course units and two course units drawn from the first year of the degree programme. Students can augment this by taking a further three vocational units and two second year degree units to secure the diploma. The curriculum framework is set out in Table 4 below.

TABLE 4 : CERTIFICATE/DIPLOMA STRUCTURE - U.S.P.

Subject	Program   Certificate in	Diploma in
	Accounting	Accounting
Basic Administrative Techniques	X	X
Project Planning	X	X
Social Survey Method and Data Analysis	X	X
Advanced Administrat- ive Techniques		X
Personnel Management		X
Change & Development		X
Accounting Information: Fundamentals	X	X
Accounting Information: Applications	X	X
Managerial Accounting		X
Financial & Corporate Accounting		X

As is implied by their largely vocational curricula these sub-degree programmes have been designed for students committed to a career in accounting, who, because of their limited formal educational background, or because of heavy personal commitment to their family or local community,

would not undertake a full degree programme. There are also a number of mature students, studying the sub degree programmes through U.S.P., who have a limited secondary school education, but have by dint of service risen to responsible positions in the Civil Service. Without securing any further qualification these people have limited promotion prospects. In these cases they study part-time through the University's distance education programme.

This form of curriculum design has two difficulties. The programmes were designed bearing students aspirations, abilities and circumstances in mind, but without first defining the society's requirements of accounting. Student background data was in fact the best source of information available at the time of establishing these programmes. Some countries, notably Tuvalu and Vanuatu, have recently indicated that their prime need for trained personnel in accounting is at the technical level, but they have not defined the services to be provided to the community. Put simply, it is still only clear in general terms, what kind of accounting information systems should be produced to provide relevant information to a village co-operative for example, as opposed to a first world based multinational corporation.<sup>11</sup> The accounting systems currently available are those inherited from the colonial period and focus primarily on the stewardship function to the virtual exclusion of all else. Providing courses that train people to operate such a system is hardly likely to produce information suitable for the majority of decisions in the context of the island cultures. This is an area that has to be thoroughly researched before relevant and effective curricula can be developed.

In such situations where some uncertainty as to curriculum direction exists, and for reasons of economy, it is understandable that the certificate and diploma programmes at U.S.P. draw course units from the degree, rather

---

11 see L. Lyons et al "Accounting: A First World System", p. 291.

than provide all units specially designed to meet the needs of a sub degree programme. For example, the diploma programme includes a course from the degree programme in Financial and Corporate accounting, although the corporate sector, in some of the island states is tiny; virtually non existent. On the other hand there is no provision for study of Government accounting - local and national - which is common to all island states regardless of size.

Again, owing to resource limitations at the University, only seven of the ten degree course units can currently be studied through distance education, although it is possible to complete a certificate course in this fashion.

This effectively limits the availability of the diploma qualification to full time students and part time students living in Suva where the University's main campus is located. These latter students already have access to the Diploma in Business Studies offered by the F.I.T. Insofar as the University is producing Diplomates in Accounting Studies it appears to be doing so, at this stage of development, largely by duplicating a service already available.

Given Fiji's position as the largest and dominant state in the island groups served by U.S.P. it may be it was inevitable that programmes evolved as they did. As a regional institution U.S.P. is in a unique position in tertiary education among the South Pacific Island States. However, the history of accounting education at U.S.P. shows that educational agencies, in the third world, will need to operate with imagination and sensitivity if they are to provide programmes appropriate to those societies and to complement the other positive social and economic forces for development. Special attention is required as to the appropriateness and scope of sub degree programmes where economies have restricted commercial and industrial bases.

There is an indication that U.S.P. is focussing away from small island interests in accounting education. A proposal, to add a professional year of study to the accounting degree programme for those who aspire to membership of the F.I.A., may further drain the tertiary education resource. Such a

provision will enable the F.I.A. to bring its requirements into line with those of the professional bodies in Australia, improving the quality, and regulating the quantity of graduates entering the profession in Fiji. At the same time it will release graduates, who do not proceed to the fourth year of study, to seek careers in banking, commerce and government. As most Fiji nationals graduating with an accounting major express a preference for a career in professional practice, the input of skilled accounting manpower has concentrated here at the expense of necessary development in other sectors of Fiji's economy. However, by meeting this need there is a grave possibility that resources will also be drawn away from meeting the curriculum needs of other states served by U.S.P. There could be serious socio-economic and even political consequences if such a shift persisted in the long term.

#### SUMMARY

Parker's model identified a number of the factors that influence a developing country's accounting practices. To an extent these factors are predetermined, e.g. colonial influences, and to an extent they [cultural variables] set the context for appropriate development. Other elements within the model are affected by the way in which these factors impinge upon the development of accounting. It is necessary for professional bodies and educational establishments to resist undertaking roles that imitate those adopted in the first world, and concentrate on roles which positively encourage accounting practices suited to third world conditions.

The situation in the South West Pacific should not necessarily be regarded as unique, and serves to highlight problems faced elsewhere by small economies in the third world.

Providing accounting education appropriate to the needs of the scattered island communities of the South Pacific means that studies at the sub degree level, meeting the scale needs of these small states, is

paramount. The need for distance learning is apparent. The total population is little more than 1.3 million in a region covering an area approaching 30 million square kilometres. The costs involved in leaving home and employment in a location towards the periphery of the region and in attending a centrally located institution of higher education are prohibitive.

Education resources must be used with sensitivity and economy.<sup>12</sup> Universities in the third world must be prepared to operate with more flexibility than their first world counterparts, perhaps taking on work traditionally found in their college sector in the first world, without forfeiting their status as centres of academic excellence.

---

<sup>12</sup> For current statistical data outlining education resource difficulties for accounting manpower development see Asian Development Bank, Survey of Accounting Development and Accounting Education in Twenty Five Countries of the Conference Region, (Asian and Pacific Conference on Accounting Education for Development, Manila, November, 1984)