Governmentality and Accounting in the Corporatisation and Privatisation of a Fijian Telecommunications Company

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Abstract
The aim of this paper is to examine the Fijian Telecommunication Company from 1970. The paper emphasises the role of accounting in post-independence administration and then later in new public management (NPM) in the Fijian telecommunication sector from a governmentality perspective. We illustrate how the use of NPM concepts replaced traditional social relations with the disciplinary technologies of modern capitalism. Prior to the introduction of NPM, Fijian chiefs exercised unquestioned authority over their subjects. The paper argues that Chiefly sovereign power was replaced with capitalist disciplinary technologies such as accrual accounting, performance measurement and investment decision making during the introduction of NPM from 1989. Fijian cultural, social and political issues are presented in their historical context as Fiji was subjected to the new colonising influences of disciplinary technologies.

Key words: New Public Management, Governmentality, Fijian Public Sector, Corporatisation, Privatisation.
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1. Introduction
This year marks the 100th anniversary of the founding of Telecom in Fiji. By 1909, Fijian people began to realise the usefulness of telephones as a means of communication. This public demand prompted the authorities to install a telephone system which went into service in 1910. By 1929 there were 350 subscribers in Suva and about 100 in Levuka, with telephone services being administered by a government department. In 1963, a manual exchange was opened and in 1965, the Suva-Lautoka microwave link was brought into service. A number of telephone exchanges including the Suva link were extended in 1983 to provide new telephone services to waiting applicants. The company was corporatized in 1990. At that time, Fiji Post and Telecommunications Limited had over 50,000 subscribers which by 1995 had grown to 64,742 (Fiji Post & Telecommunication, 1996a). The company was finally privatised in 2002.

The aim of this paper is to examine the Fijian Telecommunication Company from 1970 when Fiji became independent until the company was privatised (2002-05). In particular, the paper emphasises the use of new public management in the Fijian Telecommunication sector through a governmentality perspective. By contrasting the reform of telecom sector (from 1990) with early independence when traditional chiefly (sovereign) power was exercised (1970 onwards); we illustrate how the use of NPM concepts replaced traditional social relations with the disciplinary technologies of modern capitalism. Fijian cultural, social and political issues are presented in their historical context as Fiji was subjected to the new colonising influences of disciplinary technologies. Post reform, various commercial accounting practices were followed at the new Fijian telecommunication entities. These accounting practices encompassed accrual accounting, performance measurement, external reporting and investment decision making. This research aim is achieved by focusing on historical archival documents and interviews with those involved in Fijian telecommunications in the later periods. In doing so, it may “offer some indicators of precedents and previous experiences that may affect future actions and polices” (Parker 1997, p.112).
Prior research has emphasised the positioning of accounting within the process of colonisation and imperialism, suggesting that accounting technologies have been used to influence and control indigenous people and manage local populations (Davie, 2005; Neu and Graham, 2006). The work of Said (1979) and Bhabha (1994) reflect how representations of European superiority and indigenous inferiority sustained relations of domination and control, and how these representations ensured that the authority of colonial governments went virtually unchallenged. The ability of colonial rulers to know, judge and control indigenous peoples depended on a variety of accounting techniques. It is this aspect of government of indigenous people that forms the basis of many accounting studies (Neu and Graham, 2006; Davie, 2005). However, very little thought has been given to the relationship between indigenous government, independence from colonial rule and the NPM reforms. Hence, the focus of this research paper is to extend the literature on colonisation of NPM practices through a governmentality perspective in a Fijian setting where cultural and political forces are somewhat different from those that persist in industrialised nations.

The paper is structured as follows. The next three sections discuss the theoretical framework, provide the research method used and outlines the background to the case study. This is followed by an investigation of Fiji telecommunications precorporatisation and after independence (1970-1989) including a discussion of the impact of the 1987 military coup. The paper then focuses on the NPM period. First, it investigates corporatisation (1990-2002) including the introduction of performance management system and then privatisation (2002-2005). The final section discusses the results and draws conclusions.

2. **Theoretical Framework: A Governmentality Perspective**

 Accounting has incentive properties, which encourage action at a distance via incentive schemes and funding mechanisms (Preston, Chua and Neu, 1997; Sewell and Wilkinson, 1992). This conception of accounting aligns itself with the notion of governmentality developed by Foucault (1991). Government, according to Foucault, refers to the general and specific “ensemble of institutions, calculations and tactics” (p.102) deployed to arrange things in a way that certain ends are met. Government is intended towards populations: towards ensuring that “the greatest possible quantity of wealth is produced, that the people are provided with sufficient means of subsistence, that the population is enabled to multiply”
Nonetheless, the target of government may not necessarily be bodily persons. Foucault comments that “the things with which government is to be concerned with are in fact men, but men in their relation to that other kind of things, customs, habits, ways of acting and thinking” (p.93). According to Neu and Graham (2006), government seeks to manage a complex of people-and-things, a complex that must first be constructed by the technologies with which government represents the objects of governance.

According to Miller and Rose (1990), technologies of government such as accounting are among the mechanisms “through which authorities of various sorts have sought to shape, normalise and instrumentalise the conduct, thought, decisions and aspirations of others in order to achieve the objectives they consider desirable” (Miller and Rose, 1990, p.3). Miller and Rose (1990) emphasise that governmentality is a discursive mentality – a way of defining problems and proposing solutions that is constituted in and through language. Neu and Graham (2006) argue that if governance is about encouraging action at a distance, then accounting as a technology of government attempts to minimise these distances. Miller and Rose (1990, p.7) state that “the specificity of governmentality, as it has taken shape in ‘the west’ over the last two centuries, lies in this complex interweaving of procedures for representing and intervening.”

Neu and Graham (2006) emphasise that accounting technologies act as a carrier of new practices, transferring these practices from the centre to peripheral sites as it defines what and how numerical traces will be collected. For example, the transferral of budgeting and planning processes, cost accounting techniques and financial accounting reporting practices serves to standardise practices across sites and to impose a particular way of thinking and acting upon field participants (Oaks, Townley and Cooper, 1998).

Numbers are integral to the problematizations that shape what is to be governed, to the programmes that seek to give effect to governments and to the unrelenting evaluation of the performance of government that characterises modern political culture (Rose, 1991, p.675).

Miller and Rose (1990) suggest that such technologies are often convenient solutions to the problems of government, in that techniques such as accounting offer “ready-made” solutions. As the subsequent case demonstrates, the reform of the Fijian telecom sector was done through re-presentation and intervention via accounting, which were crucial components of
governance processes. Further, it is argued that Fijian society illustrated the importance of accounting in the practices of government. While the Fijian government used accounting discourse to rationalise its corporatisation and privatisation policies, accounting techniques and calculations helped to constitute these policies as well as translate policies into practice. In effect, policy ideas depended on practices such as accounting and these practices in turn shaped the possibilities of policy, and helped construct the decision set of policy makers (Neu and Graham, 2006, p.51).

As indicated earlier, for Foucault (1991, p.102), government refers to the “ensemble of institutions, calculations and tactics” deployed to achieve the proper ends and means of government. Among the list of technologies available to government are techniques and practices of accounting that help make government possible: computation and calculation, surveys and tables. This Fijian-based research case study documents how initially after independence government authorities used accounting technologies to institute government, while maintaining the existing social relations based on a chiefly hierarchy, and then how, as part of NPM reforms accounting became a disciplinary power in its own right. Effectively chiefly sovereign power was replaced by self-governance of subjects constructed through disciplinary power, in which social relations were reduced to economic relationships. Accounting thus as a technology of government elucidates the salience of accounting language and techniques to imagine policies and to translate them into practice. The next section discusses the research method for the study.

3. Research Method

Historical research needs to use methods that are “…appropriate to the facts being sought and the issues being investigated” (Previts, Parker & Coffman, 1990, p.144). The method used is a historical case study allowing the detailed examination of accounting technologies in Fijian telecommunications entities from 1970 to 2005.

Historical information on TFL was gathered by visiting National Archives of Fiji in Suva. Data collection for the case study took place over a 6 year period from 2002 to 2007. As well as historical archives, documents were obtained through Telecom Fiji, such as annual reports and internal proprietary documents. Further, a series of interviews with past and existing employees provided information on the historical development of Fiji telecommunications: a
A total of 47 interviews were undertaken in the 6 year period. Those interviewed were considered to be the ones most involved with the change process such as the Chief Executive, Strategic Manager, Quality Manager, Chief Financial Officer, Accountants, General Manager- Access, Branch managers and Operational staff. All interviews except one were taped and transcribed. Interview transcripts were given back to the participants to obtain a clear understanding of the issues involved. Interviews lasted between an hour and two, and the researchers made brief notes during and after each interview.

All case studies represent interpretations by the researcher as to the nature of social reality (Humphrey and Scapens, 1996). Documentary sources and interviews can be interpreted by different people in many ways, suggesting researchers can reach diverse interpretations, each of them equally defensible but potentially biased (Tosh, 1991; Fleischman et al., 1996). Further, the interviews were based on historical recollection of interviewees when the events unfolded earlier. The interviewees had to reflect on past events. This poses certain challenges as they might rationalise the events that took place earlier in terms of later experience. Their response may have been different if they were interviewed at the time of the event. Case study research also has limitations in regard to the generalisation of its results (Yin, 1994). However, tentative generalisation with respect to a theoretical framework is possible. If further research into governmentality and NPM indicates the same theoretical support then generalisations may be made (Yin 1994; Tosh 1991).

Ansari and Euske (1987) and Creswell (1994) note that the evidence gathered from interviews and document studies can be analysed for patterns and themes. Tables that listed issues frequently raised in interviews, such as new practices of performance management system, precorporatisation, corporatisation and resistance to change, were drawn from the responses and the data representing these issues were clustered together to represent themes. The archival and other documentary evidence collected was also subsequently matched with the themes as advocated by such authors as Tsamenyi, Cullen and Gonzalez. (2006). This research method allows us to tell the story of a Fijian telecom company post independence. The next section introduces the case study site.
4. The Case Company: Telecom Fiji Limited

Telecom Fiji Limited (TFL), formed in 1996 after the separation of post from Fiji Post and Telecommunications Limited (FPTL), is the sole provider of local and national (trunk) landline telephone services in Fiji [1]. The company owns the only public switched telephone network in Fiji. TFL’s network constitutes 55 telephone exchanges throughout Fiji, connecting more than 101,000 customers (Telecom Fiji Website, 2004). With regards to international telecommunication services, these were in the hands of the British owned Cable and Wireless Limited until 1976 (Commerce Commission, 2005). The Fijian government acquired 51 percent of shares in the international telecommunication service company (FINTEL) which falls under Amalgamated Telecom Holdings Limited (ATH) as the parent company.

In 2002, the Fiji government floated its stock in ATH to the general public at an initial public offering of $1.06 per share. The general public owns almost 7.2% of shares in the ATH, while the Fiji government holds 34.6% shares. The Fiji National Provident Fund has increased its shareholding to 58.2% [2]. ATH was formally listed on the South Pacific Stock Exchange in Fiji on 18 April, 2002 (Telecom Fiji Website, 2004). ATH fully owns TFL. TFL describes its vision as: “Telecom Fiji, bringing the best of telecommunications to the Pacific” (TFL Website, 2004). The mission of the company is to:

- provide telecommunication products and services that our customers value;
- strive for excellence in everything we do;
- develop a capable workforce by rewarding superior performance and
- grow shareholder value

(ATH annual report, 2006)

In April 2002, Internet Services Fiji Limited (operating as Connect) was set up to take over internet service provision at the retail level from TFL. Transtel Limited was formed on April 2003 to market and sell prepaid calling and internet cards and manage all public booths on behalf of TFL. At the end of 2007, TFL had a total of 849 staff including salaried, contract and casual employees. Its average annual turnover is approximately F$130 million with an average net profit after tax of F$19 million (ATH annual report, 2007). The next section presents evidence about Fijian Telecom company prior to corporatisation.
5. Fijian Telecommunications Precorporatisation

Before considering accounting and accountability in the Department of Post and Telecommunications, it is necessary to provide a political, social and economic background to the precorporatisation period, as well as outlining the role accounting and accountability played pre-independence.

5.1 Accounting and Accountability in Fiji in the colonial era (1910–1969)

Fiji was a British colony from 1874 to 1970. The imperialistic activities and policies enacted in Fiji were distinctive. Britain’s expansion into Fiji during late nineteenth century depended on the collaboration and cooperation of the existing hierarchy of chiefs, rather than traditional colonial practices of exclusion of indigenous population (Davie, 2005). What was unique in the case of Fiji was that Cakobau, the generally acknowledged paramount chief, actually ceded Fiji to Britain. Collaboration or cooperation with the chiefly caste was therefore easy to pursue. Davie (2000, p.355) highlights that the chiefly-based structure of control and power permeated virtually every aspect of Indigenous society resulting in the perpetration of colonial institutional and structural practices within state-owned and controlled organisations and in Fijian society generally (Achary, 1997).

During the colonial period, accounting and accountability processes played a central role with the administrators using accounting explanations to justify their imperialist programme and to authorise changes to programmes on the grounds of efficiency and cost minimisation (Davie, 2000). Although accounting enabled the representation of indigenous concepts into forms that had financial significance, Davie (2000) argues that indigenous Fijian did not acquiesce to these imposed concepts and managed to maintain their social customs, despite the intentions of the colonial administrators. Others suggest that the Governor General, Gordon, as matter of policy sought to keep indigenous Fijians apart from participation in the colonial economy so that their social custom and traditions were not compromised (Derrick, 1950). Tensions certainly existed between colonial administrators and indigenous Fijians arising from the levying of taxes, which were paid in kind or labour and levied by the chiefs in some instances inequitably. Alam, Lawrence and Nandan (2004) point out that rather than displacement from their lands and culture, the collusion of the colonisers and the Fijian chiefs ensured the protection of the indigenous peoples from such alienation.
The social, cultural and political dimensions of the Fijian economy that exist today are products of imperial governance through indigenous collaborations. As such, accounting could be seen as a technology of government consistent with the notion of governmentality developed by Foucault (Neu and Graham, 2006; Greer, 2006). Further, the legacy of colonisation and sugar in Fiji has produced a racial mosaic comprising indigenous Fijians and Indo-Fijians (descendants of Indian indentured labourers) and a host of others including Chinese, Pacific Islanders and Europeans. The population of Fiji is approximately 827,900 (Fiji Islands Bureau of Statistics, 2008). Of this Fijians comprise 57% of the total population whilst Indians make up 38 per cent and other races (Europeans, Chinese, Part-Europeans, Rotumans and others) comprise the remaining 5 percent. The focus of this historical accounting study on Fiji concentrates on the use of accounting in affirmative action programmes that privilege ethnic Fijians over Indo-Fijians.

Davie (2005) and Nandan and Alam (2005) note that affirmative actions are targeted at ethnic Fijians. Race, indigenous privileging and protectionism govern almost every aspect of life in Fiji. For example, it is evident in the constitutionally enshrined land tenure systems that ensure that most of the country’s land is owned by ethnic Fijians. In many instances accounting is called upon to adjudicate the racial contests that often arise. Thus, accounting has initiated a new way of expressing ethnic difference that continued after independence as will be examined in section 5.3. Before considering this it is important to provide the social, political and economic context, this accounting existed within.

5.2 The Social, Political and Economic Background

In October, 1970, Fiji became an independent sovereign democratic state within the British Commonwealth (Lloyd, 1982). This amounted to the restoration of political status which had previously been surrendered and the reinforcement of chiefly authority. Many of the provisions of the 1970 and the post-coup 1990 constitutions and administrative process bear a resemblance to those which prevailed in pre-ceSSION Fiji and during the colonial era. Of particular significance are the provisions in the constitution which confer preferential status to Fijians on and for matters relating to land ownership and for the conduct of administrative affairs within the Fijian community. This facilitated the basis for a communal electoral system that encouraged racialism and segregation along ethnic lines.
The Great Council of Chiefs is the apex of the Fijian administration system while the Fijian Affairs Board is its main executive arm that forms part of the central government. Fijian society is stratified and exemplifies accountability by grass root people to higher authorities such as chiefs. At the apex of Fijian social structure is the *vanua*, formed of the agnatic descendants of a common ancestor living in the same general area. Each *vanua* would have one or more *yavusa*, the member’s again agnatically related (Alam et al., 2004). The *yavusa* is composed of several *mataqali* whose members are, in turn, the agnatic descendants of a son of the yavusa founder. Within each mataqali are one or more extended families.

Even though Fiji society is stratified, a Westminster style of legislature was established by the 1970 constitution. The House of Representatives consisted of 52 members of which, 22 were Fijians, 22 Indians, and eight General Electors[3]. After independence, a Fijian-dominated government under the Alliance Party led by a chief, Ratu Sir Kamisese Mara ruled the country for 17 years. The opposition was the predominately ethnic Indian National Federation Party. In 1985 the multi-racial Labour Party was formed and claimed to represent the workers, the unemployed and poor. The Labour Party in coalition with the National Federation Party won the 1987 election. Doctor Timoci Bavadra (an indigenous Fijian, but unlike the previous Prime Minister, not a chief) was elected the new Prime Minister. Nonetheless, many indigenous Fijians saw this as the erosion of their political control (Lodhia, 2003) as the government was composed of majority Indo-Fijians[4].

The 1987 military coup was led by Major Sitiveni Rabuka, a high ranking military officer. As a result, the 1970 constitution was abrogated and a totally new 1990 constitution which introduced an electoral system that compartmentalised voters on ethnic lines was developed. Indigenous Fijians could now only vote for ethnic Fijians while Indo-Fijians could only vote for Indo-Fijian candidates. The 70 communal seat parliament had 37 seats for the Fijians, 27 for Indians, 5 for General Electors and 1 for Rotumans[5]. This ensured that indigenous Fijians had political supremacy over all other races in Fiji, although the indigenous Fijian and Indo-Fijian population were almost the same size at that time. Further, the indigenous Fijians retained control of natural and material aspects of the environment, including ownership of land, forests and fishing rights.
Due to this public unrest, the economy was on the verge of collapse (Lal, 1992). There was a massive outflow of capital, suspension of the tourist industry and a decline in sugar production stemming from droughts, hurricanes, and delayed harvesting, with a sharp fall in the country’s foreign reserve. As a result, in 1987 the Reserve Bank devalued the currency twice giving a cumulative devaluation of 28 per cent, imposed exchange controls, cut salaries in the public service and reduced grants to the public sector (Lal, 1992). These financially-driven measures helped ease the economic situation, but more was needed to revitalise the depressed economy. To achieve this, the interim government implemented a number of policies such as the Tax-Free Factory/ Tax Free Zone schemes, deregulation policies and the corporatisation of public sector entities. The above measures led to a strong recovery with a growth rate of 11.8% in 1989 as against 1% in 1988 (Nandan, 1997), with continued moderate growth in subsequent years (Reserve Bank of Fiji, Annual Report, 1996). It was within this post independence political environment that the government department for post and telecommunications had to operate.

5.3 Accounting in the Fijian Department of Post and Telecommunication: The Precorporatisation Experience.

In the precorporatisation period, finishing in 1989, Fijian telecommunication services were provided according to need; an alignment which fitted well with Fijian culture. As outlined above (section 5.2), the communitarian culture is pervasive in Fiji with chiefs heading each village and having the authority to make decisions for the village. Fijians are conservative people with strong reliance on their village chiefs and adverse to change. As noted by Nayacakalou (1975):

One of the most powerful reasons why they [the ethnic Fijian] have been wary of “change” is the threat of Indian domination. As long as this threat remains, it will be difficult for them to wholly accept the idea of change even though they may be completely convinced of the necessity for it. For they hold the view that their only answer to the threat is unity among themselves and that the only way to preserve this unity is to rally behind the chiefs and the Fijian Administration, united by a common heritage of which they are proud. (p.138).

The Fijian administration and chiefly power was part of colonization. During colonization, the British collaborated with chiefs to govern Fiji (section 5.1). The
chiefly power was a form of sovereign power aimed at constructing obedient and docile subjects.

The accounting and accountability system used by the Fijian administration was cash based during the time Fiji telecommunication were operated by a government department. All transactions were recorded on cash-basis and the department lacked a balance sheet and an asset register. A manager commented:

> In those days, we were providing telecom services as a social service and money mattered little then.

For the Department of Post and Telecommunication (P&T), the postal and telecommunication services were considered a public service (P&T report, 1985). According to an interviewee, in the production and reproduction of telecommunications system by the engineering dominated management, money, cost and profit was not the prime concern and appeared to play a minimal role in making sense of what was the purpose and meaning of daily life. An acceptance of government’s moral obligation to provide basic postal and telecommunication services to its citizens legitimated the creation and continued existence of nationalised monopoly utility. Public accountability was important given that P&T management should be seen to be morally accountable for acting in the public interest. Systems of accountability were set up to ensure P&T management were publicly accountable via the Minister of Telecommunication to Parliament. According to an interviewee, management was secure in its conviction that an engineering discourse was a legitimate one and that they were acting in the interests of the public as a whole. The demand for telephone services outstripped supply (Fiji Post & Telecommunication, 1996b), and at that time, there were many applicants who were connected based on kerekere or social duty (Coulter (1942). This social construct was based on the principle that if “you scratch my back and I’ll connect the phone for you!” resulting in the privileging of social connections over the economic rationale for telephone provision. Sometimes customers had to give celebratory food and drinks to engineers and technicians before they could get telephone connections. This was done as connections came after years of waiting by customers. Politicians also intervened as to who gets connected and who does not depending on political patronage. That is, those areas that support the ruling political party would get priority over telephone connections.
Most capital projects were funded during government days by government loans and the P&T Trust account. Although a government department, the assistance provided by the government entailed offshore loan guarantees from the Asian Development Bank and World Bank and free rentals of all property (FPTL annual report, 1990). The P&T Trust Account Act 1973 provided for the establishment of the Post and Telecommunications Trust Account to which all receipts from postal and telecommunications services were credited and all expenditure, both a recurrent and capital nature were paid (P&T Department Report, 1974). A legal restraint was imposed by the ACT (ibid, 1974) where the Minister responsible for finance may determine the maximum amount out of the Trust account in any year for capital works.

The Trust Account Act required the P&T to make a contribution to Government. The amount of the contribution took into consideration the Department’s funding requirements in relation to recurrent and capital expenditure and the repayment of interest charges on long term debt. A sum of F$650,000 for each year was included as a contribution to government and this was accounted for in the trading results statement (P&T report, 1985). For example, financing for capital works programmes in 1986 stemmed from a Fiji government loan of F$350,000 and P&T Trust account of F$6,642,000 (P&T report, 1985).

Performance assessment was personal and informal with appraisal forms being used to evaluate employees’ performance. This evaluation was completed by the top management and sent to the government’s Public Service Commission Division. There was no transparency and the evaluation exercise was a confidential one. As one manager stated:

Those days we completed those confidential forms. We filled some details. The comments on our performance are done by top-management which was confidential and we never got a chance to view that. The only way you know you did not get a good report is when you are not given an increment in your salary.

Hence, management knew what they had written for each employee, but the only way the latter would discover a bad report was when they were not given any merit increment on their pay as the increment was based on confidential performance report. Accounting therefore, in this instance in Fiji Telecom’s history had incentive properties, encouraged action at a
distance via incentive schemes through performance appraisal (Preston et al., 1997). Whether this continued or changed once the department was corporatised is examined next.


Political and social upheavals continued in Fiji in the 1990s. The 1990 Constitution was found to be unworkable and a new constitution based on democratic lines (as required by the international community) was passed in 1997 under Rabuka government. Under this constitution, the Labour Party won most seats in the 1999 elections and, together with other minority parties formed a People’s Coalition Government, headed by an Indo-Fijian. After being in office for a year, it was overthrown on 19 May 2000 by a coup led by businessman, George Speight with the backing of the Fiji military’s Counter Revolutionary Warfare Unit. The Speight government was replaced by an interim regime, the head of which, Laisenia Qarase was elected Prime Minister in the 2001 elections, continuing the indigenous Fijian political dominance. It was within this unstable political environment that the government corporatized Fijian Post and Telecommunication services.

6.1 Corporatized Fijian Post and Telecom Services

In the midst of this social and political turmoil, forces of modernization and rationalization were brought to bear on large parts of the public services in Fiji. The pressure came from outside – from the World Bank and ADB as well as others. They insisted on new forms of governance (referred to as NPM) which had been a feature of the ‘modernisation’ of public services in the west and now were to be used by the Fijian government to reform its government departments and corporatize them. This corporatization involved new technologies which were intended to transform troublesome union members into self-governing subjects; the self-government revolving around economically rational concepts of customer consciousness and wealth creation. How this was achieved or not achieved is described below, within the discussion of reform of the P & T Department in 1990, to become Fiji Post and Telecom Limited (FPTL).

The World Bank and ADB were lenders to the Fiji government and their (World Bank and ADB’s) general ideology was that the public sector ought to be efficient and responsive to the needs of customers. The reform of Post and Telecommunications was considered by some
employees at FPTL as part of the harshness of government policies emanating from pressure from donor agencies like the World Bank and ADB. Corporatization meant FPTL’s members were governed to be more concerned with profit seeking which resulted in increased prices for postal and telecommunication services. For FPTL members, money as an end became more important after the reform. However, with the introduction of NPM principles, the technologies of accounting began to replace engineering technologies. Previously, during pre-corporatization, engineers and their scientific-focused discipline governed people within the department. Employees (including managers) were subjects of an engineering technology, with all its rationale for efficiency and production.

After the reforms, management rationalized the public sector as less efficient than the private sector. The corporatization of FPTL shaped a “radical change” (Lawrence, Alam, Northcott and Lowe, 1997; Burns & Scapens, 2000) which enabled a shift in actors’ collective consciousness towards business norms. A customer service manager commented:

There was a lack of performance targets in public government days. As a result people did not pay much attention to customers then.

The adoption of business norms imposed by external agents at a distance, suggests that accounting technologies were being reinforced into Fijian society. The accounting technologies were used by government to control from a distance the activities of FPTL agents and were the primary mechanisms used to institutionalize commercial business norms within FPTL agents.

The desire to transform the government department into a business-like organisation necessitated the introduction of managerial habits and routines such as TQM practices and performance management systems; concepts developed within predominantly western manufacturing firms. Within FPTL, changes included the appointment of five general managers of divisions that were renamed as Strategic Business Units in the areas of Customer Services, Marketing, Network Engineering, Support Service and Finance imposing private sector business labels on these once government departments. The position and name of Permanent Secretary for Posts and Telecom was changed to Managing Director and the Private Automatic Branch was renamed Corporate Business and Small Business and Residential. Changes in the importance of accounting and accounting technologies were
noticeable as the restructuring proceeded at FPTL and a mission statement was adopted as a guiding principle for meeting company visions and objectives. The mission stated that:

Fiji Post and Telecommunications Limited is committed to providing its customers with high quality postal and telecommunications services. Our purpose is to meet the needs of our customers by providing efficient, reliable, cost effective and affordable products and services. We will improve our network and facilities by fully utilizing the resources available including the introduction of new technologies. We will promote an organizational climate that will increase productivity through training, team work and innovation among our staff. We will continue to be profitable in our business (FPTL annual report, 1990, p.1).

During the transition from a government department to a corporate organization, workers were given a choice: they could choose to remain with government or join the new company. One finance managers commented:

Only at this instance, at the time of separation from government which was from a department to corporate organization, we gave the opportunity to people whether you want to remain in government or be part of team of Post and Telecom Limited. That time option was given to the people. Those who wanted to stay with the government, they stayed with government. They were given jobs in the government departments (Interview, February 26, 2004).

In 1991, further external technologies were considered for introduction into FPTL. An overseas based western consultant (Andersen Consulting Company) was hired to invoke commercial routines within FPTL. The Board felt the consultants could act as catalyst for a change of thinking in the organisation. According to one manager, it had become apparent to the board that after two years of corporatisation, that FPTL’s position had not improved. Profits were being generated by the price hikes granted in 1990 and not improved efficiency (Arthur Andersen Report, 1992). However, according to one interviewee, while implementing the Andersen report as part of technologies of government in relation to commercial norms within FPTL, the board of directors met extensive resistance to change from Naqova (Managing Director) and other managers. The consultant’s report proclaimed that Naqova would not be able to lead the company into corporatisation and had to be given overseas training. The board claimed that Naqova was asked to leave after refusing to accept offers of overseas training following the consultants report. Chaos within the workplace resulted. Workers took two strikes to get Naqova reinstated and also went to the extent of damaging cables. The Minister for Telecommunication got Naqova reinstated as he was from the same tribe as Naqova. Tribal loyalty plays a crucial role in Fijian socio-economic setting.
The board had to acquiesce to the Ministers directive, privileging Fijian social structure over the externally-driven government technology of commercial principles.

People with commercial expertise both locally and overseas were hired to infuse governance-based commercial norms at FPTL. A new chief general manager was appointed in 1993 to effect the necessary changes. The Chief General Manager had worked with several companies in Israel, USA and Europe (The Review, February/March, 1993). The Board also was colonised by those with business backgrounds. For example, Board member Kanti Tappoo was the executive Chairman of the Tappo group of Companies, Mr James Raman was the General Secretary of the National Union of Factory and Commercial Workers, Savenaca Narube was the Governor of the Reserve Bank of Fiji, while Adi Litia Qionibravi was the Deputy Secretary with the Fijian Affairs Board (FPTL annual report, 1995). Erakovic and Wilson (2005) noted that such a change in professional demography encourage new organisational policies where investment decisions were predicated on commercial and financial measures, not on engineering excellence, hence altering the power structure within the organisation. Accountants and their technologies became increasingly more important than engineers and their technologies. Additional accountants with professional qualifications were hired. A person from Sri Lankan Telecommunications Limited, previously a Chief Marketing and Operations Officer, was appointed Chief Finance Manager. The appointee had experience with business plans, budget, variance statements and monthly performance reviews and thus FPTL reinforced traditional western accounting technologies within its operations.

6.2 Accounting in FPTL
After corporatisation, the CEO and chief general manager hired a consultant to switch to commercial accounting practices (accrual accounting). He was seconded from the Australian Telecommunications Commission and advised on the establishment of a commercial accounting system (FPTL annual report, 1990). The consultant also took on similar assignments for Telecommunications in Malaysia (FPTL annual report, 1990). This overseas consultant spent a year overseeing the preparation of the FPTL accounts. Staff from the Finance Strategic Business Unit was also involved in setting up the new accounting system. The FPTL annual report (1990) noted that:
Despite the work involved in changing to a new system and the inevitable problems and difficulties which were encountered, the staff has generally responded well to the new requirements. The new system marks a major step forward in enabling FPTL to conduct its business in more meaningful and purposeful ways (p.2).

In this corporatisation period, the consultant and the Finance team also separated the accounts from the government accounting system and then prepared and presented the accounts in accordance with commercial accounting practices and the Fiji Companies Act 1983. FPTL’s annual report (1990) stated that “the new system introduced the concept of accrual accounting and provides for classification of departmental costs in terms of clearly defined areas of responsibility and functional activities” (p.2). The introduction of accrual accounting-based financial statements followed the lead of other British former colonies, such as New Zealand and Australia who had also corporatized some government department including telecommunications and/or postal services.

FPTL’s annual report (1990) highlighted that the evaluation of assets and liabilities of FPTL involved considerable research and consultation. Schedules of cash receipts and payments in respect of the postal and telecommunication services were taken from Treasury and P&T’s annual reports from 1932 through to 1987 inclusive. The FPTL annual report (1990) noted that where details of capital expenditure were available, these were analysed and depreciation provision schedules built up in conjunction with the asset records. After corporatisation, fixed assets were revalued every five years to show current investment in these assets, which meant that revaluation practice conformed to World Bank requirements (FPTL annual report, 1990). The FPTL annual report (1990) noted that the objective had been to revalue the fixed assets on the basis of their “value to the business” (p.27), defined as the amount the undertaking would lose if it were deprived of the assets concerned. Indices were employed to establish the current gross replacement cost of the assets, that is, the gross cost that would have to be incurred to obtain and install at the date of valuation substantially identical replacement assets in the new conditions or modern equivalent assets. Accumulated depreciation was then adjusted to represent the proportion of the current gross replacement cost that corresponded to the proportion of the assets’ expired service potential since their acquisition. This would mean that the true replacement of an asset would not be a new asset but an asset that had the same remaining useful life.
The introduction of a new accounting system and the production of annual reports were achieved under difficult circumstances including a shortage of trained accounting staff in the finance section (FPTL annual report, 1990). The FPTL annual report (1990) noted:

The accounting system now in operation is an entirely new management involving widespread changes in most of the basic accounting functions. The standards in many respects are more demanding and comprehensive than the requirements of traditional government accounts and there is an urgent need for suitably qualified staff that are capable of appreciating the ramification of the system and ensuring that a satisfactory standard is maintained (p.3).

The FPTL annual report (1990, p.3) further pointed out:

...other sectors of the accounting organisations are badly understaffed and have been for some time. A backlog of uncompleted work continues to accumulate year by year and important reconciliations and control are being neglected. The position overall is serious and if allowed to continue, total breakdown of the accounting function is but a matter of time.

As a consequence, more accountants with private sector background were recruited. An accountant commented:

After corporatisation, workers began to realise they needed the information to manage resources. Our accounting system was computerised. The ultimate aim for TFL employees was to reduce cost and increase revenue so that net profit is maximised and shareholders are satisfied.

Corporatisation resulted in a change in organisational culture to that acceptable under a public sector model. Fijian worker beliefs and norms were reconstructed to western norms regarding the importance of accounting, the need to reduce costs and maximise profit. This also altered the power structure and privileged accounting technology which allowed management at a distance by certain external bodies such as the World Bank and the principle shareholder – the Fijian Government. The introduction of accounting technologies of government was accelerated by employment of more accountants from the private sector. Accountants became more powerful at FPTL; and accounting technologies governed FPTL. The aim was to maximise shareholder value which was somewhat contrary to Fijian culture. As previously mentioned (section 5.2), the people believed in communal lifestyle and system of borrowing “kerekere” was accepted by the culture as a means of showing generosity in the culture. Coulter (1942, p.35) points out:

The social duty, known as kerekere, had a proper place in old time Fijian society; in the old native economy, it was kind of a social security. When a man lost his
crops by flood or hurricane, he went to his relative or neighbour and asked for food or other aid. If his friend had it, he could not refuse to give it.

It is this culture that still exists in Fijian society today. There is an expectation on the part of rural communities that urban as well as overseas based members of extended families will help in providing financial assistance when required. This may include, for example, payment of school fees and material gifts to uplift standards of living in return for board and accommodation when they revisit their roots in rural areas. While visiting extended families or friends to stay overnight, Fijians normally take supplies such as bags of coconuts, kumara and other consumables so that they are not a burden on the host but share the consumables. This also goes in some way to demonstrating the generosity of the culture. However, it is contrary to the philosophy of the market on which the corporatised business model used by FPTL was based.

Before corporatisation (section 5.3), profits were not as important in the telecommunications entities and played no part in making sense of daily activity. There was no need for management accountants in the production and reproduction of the systems and thus engineering dominated organisation decisions. However, after corporatisation, FPTL adopted western management culture and had to operate as a successful business, that is making a profit and maximising shareholder value. As elsewhere, where NPM was introduced, activities were governed for and justified in economic and commercial terms, rather than in terms of physical production.

In 1996, the government decided to separate the Post Fiji from TFL. With effect from 1 July 1996, the postal business was transferred to Post Fiji Limited and the old FPTL changed its name to Telecom Fiji Limited (TFL). The pressure for the split stemmed from the Arthur Andersen’s Consulting Report of 1992 as well as the globalising influence of new public management. One of the key new accounting technologies introduced into TFL, in 1998, was the introduction of a performance management system (PMS).

6.3 The Performance Management System (1998)
Key performance indicators (KPIs) were developed around 1998 by the CEO. The KPIs embodied customer satisfaction indicators for TFL employees. Managers used performance indicators to track the performance of employees against targets. This was a new technology
introduced to make people calculable and encourage action at a distance via incentive schemes (Preston et al., 1997).

In the move towards a PMS, TFL management established in-house and external training programs for all its employees which included commercial awareness courses. The following interview quotes illustrate this:

We develop our staff. We send them for training and further studies at the University of the South Pacific, the Fiji Institute of Technology and the Training and Productivity Authority of Fiji.

We gave our people a lot of in-house training including customer service training which is conducted by external consultants. This makes employees more sort of responsible in the manner they deal with customers. We also depend a lot on information systems that provide reports so that we can give quick answers to our customers.

The above quotes illustrate that the in-house and external training was used to construct both management and workers as ‘governable subjects’. Through the PMS practices, individual performance was evaluated, based on routine tasks and current year work plans which were derived from the company’s broader action plan and the operational KPIs, which were used for staff evaluation. A Strategic Manager commented:

The performance targets we have at workplace are: customer satisfaction, training skills, knowledge/attitude, professional development and motivation. We recognise effort. There is a positive attitude toward subordinates.

The individual workers were assessed by their superiors on a quarterly basis and were allocated marks out of 100 on KPI achievement. The PMS was a much more transparent system than the one used by the P & T Department, further increasing the dominance of accounting in the operation of TFL. The subordinates were given an opportunity to respond to the supervisors’ comments. A manager at a regional office in Nadi commented:

PMS practice is measured on individual accountability. Individual workers are allocated marks out of 100 by their respective supervisors. Some of the key performance measures at the regional centres are: punctuality, maintaining error free work and disputes in terms of customer complaints.

An interviewee stated that amongst some of the common accountability areas in which people were evaluated were profitability and staff development. The staff development encompasses expected versus actual performance in terms of training undertaken. As for the
customer perspective, the key accountability factor was the quality of service in terms of line repairs which, for residential customers, are as follows:

- 80% of customer line repairs to be done in 24 hours after receiving a complaint;
- 95% of customer line repairs are to be done in two working days after receiving a complaint;
- 100% of residential customers’ line repairs are to be done in five working days after the receipt of a complaint.

For corporate customers, 80% of the line repairs were to be done within two hours of receiving complaints. According to an engineer, once a complaint (fault in line) was received, it was logged in the computerised Integrated Customer Management System and had to be cleared within a specified time limit. TFL managers and employees became result-oriented instead of public or socially oriented. The use of new PMS practices allowed employees to be rewarded for bonuses if they exceeded 70% in their quarterly PMS report. TFL employees were encouraged to see themselves as active, pursuing commercial business goals. Through new technology of PMS, power is exercised on employees to influence them in order to achieve commercial results. A Human Resource Manager commented:

There are a number of rewards in the company. If one performs one gets a bonus. If the company performs better than budgeted amounts, you get extras, and also on top of that is the Cost of Living Adjustment rewards.

Another Strategic Manager stated:

On every quarter, assessment is done. Every individual’s assessment is done. Percentage rating is done which measures the amounts of bonuses. If one doesn’t meet target in the first quarter, one can catch up in the second quarter.

A Quality Manager commented:

The KPIs are within the reach of employees and encompass both financial and non-financial indicators and are a fair system.

The feedback from PMS provides information to enhance managers and employees to achieve performance goals; in stark contrast to the informal evaluations pre-corporatisation. As mentioned, employees were rewarded with bonuses on achievement of 70% and above on their quarterly PMS assessment. This bonus reward would be equivalent to a fortnight’s pay
for an employee. The PMS practice regimes create and demand systems of governance/surveillance and trigger discipline amongst TFL employees.

The employees perform to achieve desired outcomes and receive a bonus, which is a motivational instrument. According to an interviewee, PMS practice was used as a form of “discipline”, a way of making TFL workers more efficient, focused and compliant. The PMS relates to the concepts of action at a distance. Through PMS, outputs are measured and acted upon for remedial action. The process of measurement and inscription is not a value-free process. Disciplinary techniques of PMS provide information about a distant domain, which is inscribed and transported to TFL where it forms the basis for action on this domain. The PMS promised to make individuals governable, on the basis of visibility of who is productive and unproductive (Miller & Rose, 1990; Sewell & Wilkinson, 1992).

During this period it was claimed by a couple of Indo-Fijian employees that indigenous Fijians were somewhat favoured over Indo-Fijian workers at the work place (Interview February, 2003). In 2000, Singh was a lone Indo-Fijian General Manager, and was subsequently demoted at the height of the 2000 coup after protest from indigenous Fijian workers who were supporters of the coup. The indigenous Fijian workers took industrial action to have Singh removed. They also used accounting technologies such as racially-derived performance bonuses to claim that Indo Fijians were favoured by the concerned manager in terms of job advancement and bonus payments. Interview evidence suggests that a few quarterly bonuses were paid to mostly Indo-Fijian workers and to only a few Fijian employees in Singh’s division. Others also exclaimed the political crisis which polarised the two races were to be blamed for the tension at TFL. The CEO hurriedly acted by moving Singh to another position (amidst a lower position) in order to accede to Indigenous Fijian workers demand and subsequently to subside the tension at TFL. Following the action by CEO, the concerned indigenous Fijian workers returned to work. Since then, the five general manager positions and CEO in TFL are headed by indigenous Fijians.

By 2002, and after political upheavals, Fiji’s economic situation had deteriorated and the Fijian Government were forced to deal with this state of affairs. One solution was the privatisation of Government corporations, one of which was TFL.
7. Privatisation of TFL in 2002 and the Changes Thereafter

7.1 TFL and the use of Accounting

In 2002, the Fiji government sold 58% of its stake in TFL to the superannuation fund of Fiji National Provident Fund (FNPF) [6]. Amalgamated Telecom holdings (ATH) was established in 1999 as the holding company for the Fiji Government’s interests in the domestic telecommunications industry. Consequently, ATH secured a 100% shareholding in TFL. The government sold 49% of its holdings to FNPF in 1999 and an additional 2% in 2000. FNPF purchased an additional 7.2% of the equity when government floated 14% of the equity in ATH in 2002. This was sold at an inflated price of around F$250million. Grynberg et al. (2002) claim that the inflated sale was to salvage the government owned National Bank of Fiji which was on brink of bankruptcy because of bad lending to politicians and their supporters. Most of the bad lending was to the Rabuka government supporters [7]. These loans were not repaid and the bank had to write off F$200 million.

People in Fiji were generally happy as TFL was sold locally, although some corrupt practice of past politicians was evident in the sale. There was, however, some uncertainty amongst employees due to privatisation. Some felt that they may lose jobs should the company consider restructuring its business.

Amalgamated Telecom Holdings Limited (ATH) was exposed to the Stock Exchange requirements and governance structures. As a 100% owned subsidiary of ATH, TFL’s annual reports are in the public domain through parent company of ATH. The South Pacific Stock Exchange regulatory framework applies to ATH. Fiji Post and Telecommunications Limited and TFL prior to becoming a subsidiary of ATH were 100% government owned entities. After 1999, ATH became the parent company and TFL its subsidiary. Previously, TFL accountants prepared final reports for the company only. However, ATH as a parent company replaced this accounting technology and prepared consolidated accounts for all its subsidiaries. Further, in 2003, TFL was split into Transtel, Xceed Pacifica and Connect Fiji. The government shareholding in TFL was reduced to 36%. Transtel Limited was formed to market and sell prepaid calling and internet cards and manage all public booths on behalf of TFL. Connect Fiji was set up to take over internet service provision at the retail level from TFL. Xceed Pacifica was formed in April 2003, taking over from TFL all customer premises
equipment and related activities such as cabling. This was instituted to decentralise some of TFL services. Each of the services was thought to be provided more effectively by the subsidiaries. Each subsidiary prepared their own accounts which were consolidated into TFL’s account and then subsequently to ATH accounts. The parent company exercised government from a distance. Accounts were expected to be prepared by the subsidiary and reported on a quarterly basis. Actual versus budgeted results were compared for the subsidiary by parent company and the deviations were investigated. This manifests government of subsidiaries at a distance by ATH.

In 2005, a local restructure was done by an indigenous Fijian local consultant, Joe Mar. He had done a similar restructure at the Fiji Electricity Authority which resulted in substantial cost savings and was brought to TFL to undertake a similar exercise. The strength of the consultant was that he was a businessman and understood Fijian culture well. This was in contrast to the previous changes within FPTL where overseas consultants or personnel were used. The reasons behind this decision were the local consultant’s success in reforming other public enterprises and his sensitivity to the local culture. He had served in various public boards in Fiji, was a successful business man and was well respected. The resistance was from the militant union who made it explicit that no one should be forced into redundancy. The unions stand was that only those who volunteered for redundancy package should be given only. A union secretary mentioned:

We will not tolerate any forced redundancy. We have not done any so far. The management at TFL are well aware of our stance. We are known for the trouble and so management will heed to our request.

The unions were strong and some 300 employees took voluntary redundancy package and were paid a package of F$9million. The management argued using accounting technology as a rationale that in the short-term, voluntary redundancy may be costly, but in the long-term there will be considerable benefits in terms of cost savings that would boost shareholder value. The Commerce Commission controlled prices and the Fiji government were pressured by donor agencies of World Bank and Asian Development Bank to deregulate Fijian telecom market and introduce competition for TFL services. This shaped hiring of consultants and subsequently a reduction in unit costs through redundancy of about 300 employees and sale of vehicles that were in excess of the need for the company.
Colonisation through accounting technologies of ROI, NPV and sound investment decision became vital for the management during the privatisation period. The aim was to operate as a successful business and maximise shareholder value. As part of cost savings, the accountants also recommended that the TFL training centre be leased out. The leasing process started for what had become an underutilised and expensive asset to operate. The accountants advised management of the need for a tender process to select the best lessee. The annual lease for the land and buildings valued at F$3.0 million was set at F$300,000 per annum (TFL annual report, 1998). TFL management sold 39 vehicles in 2005 and another 19 vehicles later (ATH annual report, 2006). Accounting and finance played governmental roles, with accountants continuing to provide vital financial decision-making advice to management. Accounting technologies governed cost-cutting measures at TFL and imposed on employees the need to be financially literate and work towards commercial business routines.

Accounting technologies of EVA and NPV calculations had to accompany any request for capital and be forecasted for the company over the five year period in TFL’s business plan. The TFL Strategic Business Plan (2001- 2006) noted that all capital projects were EVA positive, and that revenue and profitability growth were EVA accretive. EVA indicates whether or not the returns generated exceed the required returns by investors. The positive EVA is meant to show the business is increasing shareholder wealth, an issue that became important to TFL management, employees and shareholders.

The justification for expenditure had to be in terms of financial performance to fulfil shareholder expectations. Shareholder value was a pressure for new governance procedures in terms of new accounting technology of return on investment. Proposals for capital expenditure were subjected to discounted cash flow, with project benefits expressed as positive cash flows. The new decision procedures were based on economic and accounting logic rather than physical production criteria. A Finance Manager commented:

We use a combination of measures such as net present value, internal rate of return, payback and EVA to evaluate capital projects. This was not the case prior to corporatisation. Now we need to justify expenditure and tell management what is a sound investment proposal.
Activities in the privatisation period were accounted for by TFL members in economic and commercial terms instead of in terms of physical production while decision about telecommunication services were governed by accounting techniques, including EVA and NPV calculations of the capital replacement decisions. The accounting change shaped people’s perception of running TFL as a successful business. Governance was attempted through such accounting technologies and enacted by the management accountants. Technologies of government such as accounting were the mechanisms through which managers sought to shape, normalise and instrumentalise the thoughts of TFL agents to be more business-oriented. Accounting practices were enlisted to help put into practice idea of financial stewardship amongst TFL managers and employees. Through accounting technologies of PMS, employees at TFL worked in the knowledge that their basic work activity was subject to a constant scrutiny. This invokes a powerful government of workers by management. The PMS created a climate where self-management was assured.

Since the period of privatisation studies (2002-2005), there has been further political unrest in Fiji, which has implications for TFL. In 2006, Bainimarama took over the Qarase-led government in a military coup. Currently, Bainimarama leads the Fijian government and has demonstrated an intolerance of cultural practices (George, 2008). While the Fiji government has an indirect minority ownership of TFL, it is not without its influence because of autocratic nature of government. A proposed industrial action by the unions to curtail further redundancies was averted by the military regime as such action was perceived by the military as destabilisation of the country. The management went ahead with shedding of some senior workers in a unit cost minimisation exercise. The previous CEO had also been removed by the administration who claimed that he was engaged in not acting in the best interest of TFL customers and was subsequently engaged in corrupt practices. This CEO has subsequently been referred by the interim military regime to Fiji Independent Commission against Corruption, an independent organisation established by Bainimarama to investigate corruption practices of the previous Qarase administration and eliminate current corrupt practices in Fiji. The impact of those on accounting and accountability practices within TFL is the subject of future research.
8. Conclusions

The paper aimed to examine the reform of the Fijian Telecommunication Company from 1970, when Fiji became independent through corporatisation and privatisation in 2002. Fiji’s political and social structure makes it different from other countries where NPM has taken root. The paper has emphasised the role of accounting in the form of new public management in the Fijian Telecommunication sector. By contrasting these reforms with early independence when traditional chiefly power was exercised; we have demonstrated how after independence authorities used accounting technologies to institute government, while maintaining the existing social relations based on a chiefly hierarchy, and then as part of the NPM reforms, accounting became a disciplinary power in its own right. Effectively chiefly sovereign power was replaced by self-governance of subjects constructed through disciplinary power, in which social relations were reduced to economic relationships.

Notwithstanding the limitations discussed in the research method section, the paper has emphasised the positioning of accounting within this process of colonisation by NPM accounting technologies, suggesting that they have been used to influence and control indigenous people in TFL especially during the corporatisation and privatisation periods (Neu and Graham, 2006). The social, cultural and political dimension of the Fijian economy that exist today, including TFL’s management control systems are products of governance concepts through indigenous collaborations. Accounting is seen as a technology of government consistent with the notion of governmentality developed by Foucault (Neu & Graham, 2006).

In Fiji, in the late 1980s, the established public sector rules and routines were challenged by the interim government, which started to reform public enterprises under the strictures of the World Bank and ADB. This was in fact a reinforcement of the colonisation, although in the form of new public management. Actors were locked in a public service culture and often there was a barrier between the trade union and management regarding the shedding of workers during reforms. The top-level managers had to assure the trade unions that no redundancies would be made, while slowly introducing organisational changes at FPTL, amidst some overt resistance from employees.
Accounting colonisation through new public management encouraged action at a distance via incentive scheme through performance appraisal (Preston et al., 1997). Various commercial accounting practices were followed at TFL following NPM ideals. These accounting practices encompassed accrual accounting, performance measurement, external reporting and investment decision making. The introduction of accounting practices aided the implanting of commercial mentalities within TFL agents, although it had some clashes with Fijian culture, which had a communitarian way of life against individualistic lifestyle. This has been demonstrated in the case study via clashes against corporatisation by Naqova and other managers. Over time, the resistance was subverted through Total Quality Management and PMS practices. Accounting was an important part of the newly managerial, government practices that became an integral system of accountability within TFL. Accounting made employee governable by creating abstract calculable spaces (Hopper and Macintosh, 1995; Cawton and Dopson, 2002).

At FPTL, the composition of the board changed with private business personalities and consultants brought in to align FPTL with private business techniques. Erakovic and Wilson (2005) note that such change in professional demography encourage new organisational policies where investment decisions are predicated on commercial and financial measures, not on engineering excellence, hence altering the power structure within the organisation. Accountants and their technologies became increasingly more important than engineers.

Additionally, the introduction of an individual-focused PMS relates to the concepts of action at a distance. Workers were assessed by their supervisors on key accountability areas and if they exceeded 70% in PMS appraisal, they were granted a bonus equivalent to a fortnight’s pay. Though 70% may not be considered a particularly onerous target to achieve, the move to individualised assessment of performance through TQM practices emphasised the importance of new accounting technologies. Still, subjective assessments were unavoidable and interview evidence suggests that some workers were favoured over others, which resulted in tensions at TFL. However, assessors are continually being provided in-house training so the assessment becomes more objective over time. Through PMS, outputs are measured and acted upon for remedial action. The process of measurement and inscription is not a value-free process. Disciplinary techniques of PMS provide information about a distant domain, which is inscribed and transported to TFL where it forms the basis for action on this domain.
The PMS promised to make individuals governable, on the basis of visibility of who is productive and unproductive (Miller & Rose, 1990; Sewell & Wilkinson, 1992).

The localised idiosyncratic socio-political influences have been acknowledged as important influences on the outcomes of attempts to effect change. The cultural and political influences were pivotal in the resistance to the accounting change process in a developing country context. Resistance, inevitably, evidences that disciplinary power is being exercised. As in Alam’s (1997) study, this research reveals that culturally specific influences in a developing country are different from those that prevail in Western countries. Future research could be aimed at making a comparative study of accounting changes in public sector organisations in other developing countries.
Notes:

1. FPTL was formed from the corporatisation of the Department of Post and Telecommunications in 1990.

2. The Fiji National Provident Fund is a compulsory superannuation scheme in Fiji. Both the employer and the employee each contribute 8% towards this scheme.

3. General Electors represent the minority groups that reside in Fiji. These include the Chinese, Europeans, part-Europeans, Pacific Islanders and other minority groups.

4. In Fiji, Indo-Fijians refer to people of Indian descent.

5. Rotumans are people who originate from the island of Rotuma in Fiji. Although the island has been politically part of Fiji, Rotuman culture resembles that of the Polynesian islands, to the east, most closely with Tonga and Samoa. Because of their Polynesian appearance and distinctive language, Rotumans constitute a recognisable minority group within Fiji.

6. The Fiji National Provident Fund is a compulsory superannuation fund in Fiji. Both the employer and the employee contribute 8% towards this fund.

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