The development of accounting in Samoa:  
The long and winding road

Presented at the  
Samoa Conference II: Tracing Footprints of Tomorrow:  
Past lessons, present stories, future lives

4-8 July 2011  
National University of Samoa, Apia, Samoa

By Agnes Catriona Masoe and Semisi Prescott

ABSTRACT

The development of accounting in Samoa is an important part of its present and future economic wellbeing. This paper traces the development of accounting in Samoa from the 1950s through to the present day. In particular, it brings to the forefront the challenges that have shaped its development and highlight the issues that are likely to influence its future. The study is based on a series of talanoa sessions (semi-structured interviews) with accountants, entrepreneurs, auditors and members of the business community in Samoa.

The study was qualitative and used the embeddedness theory as the framework of analysis. The findings suggest that the current status of the accounting profession is a product of influences both external and internal to Samoa. The external influences, including international trade, foreign direct investments and globalisation, have introduced practices that were foreign to Samoan society. The internal influences, which characterise Samoan culture and society, play an equally significant role in the development of accounting in terms of the regulatory framework and the practice of accounting.

The development of accounting in Samoa has not always been straightforward, as local collective cultural paradigms have clashed with the individualistic philosophies of the West. Its future development is likely to continue to resemble the past: a long and winding road. The findings of this study are expected to assist in the development of policy relating to the profession and to benefit practitioners who are confronted with these challenges on a daily basis.

Key Words: Accounting, Accounting Profession, Samoa

1 AUT University, Auckland, New Zealand. Email agnes.masoe@aut.ac.nz and james.prescott@aut.ac.nz ; Tel: +6499219999 and +6499219999
INTRODUCTION

This paper aims to explore the development of accounting in Samoa. In particular, this paper aims to exemplify the challenges and issues that have shaped the adoption of accounting principles and, most importantly, the practice of accounting in Samoa. The study described in this paper was a qualitative effort employing a naturalistic inquiry approach discussed by Lincoln and Guba (1985) and also employ Polanyi’s (1944) embeddedness theory to provide a conceptual framework in which the findings of this study may be discussed and interpreted.

The study acknowledges the view highlighted by the extant literature that Samoa maintains a collectivist social ideology. This collectivism characteristic of Samoa is contrary to the individualistic paradigm that characterises Western countries and, in particular, typifies the concept of accounting. This study will highlight, in its findings and discussion section, the challenges encountered in the development of accounting in Samoa as a result of the co-existence of these contrasting paradigms in Samoa.

The first section of this paper highlights the research design and theoretical framework adopted by this study. This is followed by a literature review on accounting that illustrates studies extant on the transfer of accounting from western countries into developing countries, particularly Pacific Island nations. The section to follow examines Samoa’s background, with an emphasis on its culture, referred to as fa’aSamoa, to provide a context for this study. The final section discusses the study findings in relation to both the theoretical framework and the contextual framework of fa’aSamoa.

RESEARCH DESIGN: METHOD

The study was qualitative and followed the naturalistic inquiry approach discussed by Lincoln and Guba (1985). This approach studies participants in the context of their natural
surroundings or environment. In this approach, a research design consists of a method that includes identifying ontology (nature of reality) and epistemology, thus providing a framework in which the research is conducted and in which data may be interpreted (Denzin and Lincoln, 2008). The ontology associated with a naturalistic inquiry is determined by the type and purpose of the inquiry (Lincoln and Guba, 1985). This ontology therefore suggests that the nature of reality is a construct of the experiences, both individual and collective of the members of a society.

Accordingly, the study described in this paper involved conducting a series of talanoa sessions (semi-structured interviews) in Samoa, in July and December 2009 and in January 2010. A total of 17 sessions were with members of the Samoa Institute of Accountants, including accountants and auditors (Prescott, 2008; Vaioleti, 2003). Other talanoa sessions were held with Samoa’s entrepreneurs, business consultants and members of the wider community and matais. Due to the nature of a naturalistic inquiry approach, the talanoa sessions were the only appropriate means of capturing information on the research topic. The experiences of these participants were the ontological perspectives that were captured by this study and were used to identify and analyse the development of accounting in Samoa.

From an epistemology perspective, which refers to the relationship between the researcher and the participant, this study took advantage of the pre-existing relationship between the research and many of the participants. This pre-existing relationship enabled both the researcher and the participants to freely exchange ideas and opinions about the research topic (Bishop, 2005) during the talanoa sessions. The naturalistic paradigm adopted in this study supports the notion that the researcher and the participant are inseparably linked (Lincoln and Guba, 1985).
Samoa, as with other Pacific Island nations, is characterised by a community identity, where relationships and relationship-building are integral parts of the social norm. The naturalistic inquiry approach adopted as a framework for this study is consistent with Samoa’s collectivist society.

The findings from the *talanoa* sessions are outlined and discussed in the findings and discussion section to provide insights on the case in Samoa in relation to its embedded culture and the adoption of accounting, and how the local culture has contributed to the way accounting developed in Samoa. For reasons of confidentiality, the participants are not named, but are merely referred to as Participant 1 (P1), Participant 2(P2), etc.

**THEORETICAL FRAMEWORK: EMBEDDEDNESS THEORY**

This study uses embeddedness theory as its theoretical framework and suggests that the entrenched customs that characterise and make up Samoan society stand resilient against the introduction of Western ideologies that were spread via commerce.

Embeddedness is the process that captures the impact of social relations on economic activity that is not otherwise explained by mainstream economic theory. Here, mainstream economic theory refers to the traditional economic model based on rational self interest. Polanyi (1944) introduced the notion of embeddedness as a defence against the growing popularity of Western capitalistic market structures. These capitalistic structures were based on Adam Smith’s rational self interest model and provided a cold and clinical explanation for the development of the market economy. Summarizing over 300 years of economic development, Polanyi argues that the regulatory environment created through the development of a market economy becomes suffocating. Actors in such a controlled social environment are deprived of the opportunity to develop social relations in favour of performing to a prescribed role of economic self interest. Faced with such an environment,
Polanyi argues that people revert back to an embedded form of society, based on social relations. This is, however, not a case of individuals fighting a system or regime as a result of a knee-jerk sense of rebellion, but rather a noble crusade in defence of human interaction and social relations.

Polanyi (1944) argues that social relations are not an outcome of economic activity, but that economic activity is shaped by our social relations. He writes:

> The outstanding discovery of recent historical and anthropological research is that man’s economy, as a rule, is submerged in his social relationships. He does not act so as to safeguard his own individual interest in the possession of material goods; he acts so as to safeguard his social standing, his social claims, his social assets. He values material goods only in so far as they serve this end. Neither the process of production nor that of distribution is linked to specific economic interests attached to the possession of goods; but every single step in that process is geared to a number of social interests which eventually ensure that the required step be taken. These interests will be very different in a small hunting community from those of a vast despotic society, but in either case the economic system will be run on non-economic motives (p. 48).

**BACKGROUND: ACCOUNTING AND SAMOA**

This section aims to first highlight literature extant on accounting and focuses on the introduction of accounting into many developing countries and, in particular, Pacific Island nations including Fiji and the Solomon Islands. The manner in which accounting was introduced in these countries has been argued by Foreman (2001) to be a “complex process” (p.35). The following section illustrates that, as suggested by the extant literature, the accounting system that is now embedded within these countries was transferred from former colonial powers, including United Kingdom (UK) and the United States of America (USA). The second part of this section provides a historical background on Samoa and a
discussion of Samoan culture, known as fa’aSamoa. The values entrenched within fa’aSamoa and those that characterise the people of Samoa are discussed here, to provide a context in which findings of this study may be interpreted.

**ACCOUNTING: THE INTRODUCTION OF ACCOUNTING**

The development of accounting has been studied in various countries. These countries include Australia (Chua and Poullaos, 2002; Gibson, 2000; Greer and Patel, 2000), Canada (Baylin, MacDonald, and Richardson, 1996; Neu, 2000a, 2000b; Neu and Graham, 2006), Fiji (Chand, 2005a, 2005b; Chand & White, 2007; Davie, 2000, 2001), Malaysia (Haniffa, 2006; Haniffa and Cooke, 2002; Susela, 1999), Philippines (Dyball, 1993; Dyball, Chua and Poullaos, 2006; Dyball, Poullaos and Chua, 2007; Dyball and Valcarcel, 1999), Solomon Islands (Hauriasi and Davey, 2009) and Trinidad and Tobago (Annisette, 1999, 2000, 2003). These studies illustrate that accounting was introduced into these countries, initially during colonial times and then through foreign investments and the establishment of multinational companies in these formerly colonized countries.

For many of these countries, accounting, both as a profession and a practice, was introduced during colonial eras, either by the United Kingdom or the Unites States of America (Annisette, 1999; Dyball et al., 2006; Brown and Tower 2002). During these colonial periods, accounting principles, along with other Western systems, governance and forms of regulations, were imposed upon the colonies (Gray, 1988). In many of these countries accounting was introduced during the 1800s and early 1900s. In the case of Trinidad and Tobago, accounting was introduced during the British colonial periods between 1834 and 1844 (Annisette, 1999). For other British colonies, including Malaysia (Ali, Haniffa and Hudaib, 2006), Fiji (Chand, 2005a) and the Solomon Islands (Hauriasi and Davey, 2009), accounting was introduced in the early 1900s. Accounting was also introduced in Philippines in around the same period, specifically between 1898 and 1924, by the USA.
Dyball et al., 2006). The accounting systems that now exist in these countries are products of these colonial periods. This is consistent with Hauriasi and Harvey’s (2009) study on Solomon Islands, which stated that:

One of the common features of the accounting systems of developing countries, including the Solomon Islands, is that their systems are merely extensions of those that existed historically in western capitalistic countries, in particular, the UK, the USA and Australia. Typically these systems have been introduced either through colonial influences and/or powerful investors (p. 229).

Foreign investments and multinational companies also contributed to the transfer of accounting from Western countries (colonial powers) into the colonies (Brown and Tower, 2002). Upon the establishment of multinational companies, they imported their Western accounting systems too. This is evident in British former colonies, including Trinidad and Tobago (Annisette, 1999), Fiji (Chand, 2001, 2005a) and Malaysia (Ali et al., 2006). In Trinidad and Tobago, the discovery of oil in 1907, and the sugar plantations attracted many international investors. In the case of Malaysia, the foreigners dominated the rubber and tin mining sectors, which by 1953 were were run by approximately 700 European-owned estates. These Europeans-owned estates continued to dominate Malaysia’s capital markets for another 15 years after independence (from the British) in 1957 (Ali et al., 2006). The dominating presence of these corporations in the economy of these two countries resulted in the colonies adopting the accounting systems that these corporations practiced. This is consistent with that found in studies on Fiji (Chand, 2001, 2005a). Chand (2005a) notes:

The absence of any concrete form of accounting legislation and the fact that these subsidiaries had to disclose financial information as required by their parent entities led Fiji to adopt accounting principles prescribed by the former power, where the parent entities were domiciled…colonies in general were thus obliged to adopt a system even though it may not have been appropriate; almost all former colonies continue to follow accounting practices of their former rules…(p. 274).
These findings are consistent with Hove’s study, as cited in (Chand, 2001), where it was stated that there are two circumstances in which accounting technology had been transferred from the head of the colony to its colonies. These include, colonies having no organised body of accounting policies in the first place, and that large amounts of capital of the colony were invested in businesses in the colonies, with the consequent ability of the investor to impose their own accounting practices on the business (Chand, 2001).

The above-mentioned studies illustrate the spread of accounting from either the UK or USA. In particular, these studies suggest that the accounting systems that are now a central part of former colonies, including the Pacific Island countries, were and are influenced by colonizing nations and also by foreign investors and multinational companies.

**ACCOUNTING AND CULTURE: THE INFLUENCE OF CULTURE ON ACCOUNTING**

Accounting is not culture-free. The accounting profession and the practice of accounting are vulnerable to effects of culture. The basis of many of the studies exploring the link between culture and accounting originate from Hofstede’s (1984) work on cross-cultural research (Perera, 1994). Hofstede (1984) identified four main dimensions of culture: individualism versus collectivism; large versus small power distance; strong versus weak uncertainty avoidance; and masculinity versus femininity. Gray (1988) expands on the application of these dimensions by discussing them in an accounting context. Specifically, Gray (1988) proposed a framework that comprises four main value dimensions: professionalism versus statutory control; uniformity versus flexibility; conservatism versus optimism; and secrecy versus transparency. Gray acknowledges that further research is needed in terms of empirically testing the impact of culture on accounting, but theorized that, among the many influences, uncertainty avoidance and individualism are at the forefront. Using Gray’s (1988) terminology, the impact of culture on accounting is largely explained by conservatism versus...
optimism (uncertainty avoidance) and professionalism versus statutory control (individualism).

This framework provided by Gray (1988) has been found incompatible with Baydoun and Willett’s (1995) study, however. Baydoun and Willett (1995) argue that Gray’s framework fails to capture the cultural characteristics found in many developing nations. In particular, they argue that the values captured in Gray’s framework are those of Western individualistic societies, where the profession of accounting originated and contrast with the values found in many developing countries. Studies of the values in developing countries have been conducted in the Philippines (Dyball et al., 2006; Dyball and Valcarcel, 1999), Australia (Chew and Greer, 1997; Gibson, 2000), Fiji (Chand, 2001) and the Solomon Islands (Hauriasai and Davey, 2009). Those values embedded in accounting are defined by Chand (2001) as values that,

... include a preference for independent professional judgment as opposed to statutory control. A preference for exercising professional judgement is consistent with a preference for individualism and subjectivity. This is what is found in the accounting systems of countries listed under the British-American model (p. 10).

With reference to Hofstede (1984), it is suggested that accounting is associated with an individualistic approach, yet many developing countries, particularly Pacific Island nations, tend to have a preference for collectivism instead.

Modern accounting notions are argued to encompass values including wealth, assets and income distribution, and accumulation of economic goods. This notion upholds a preference for individualism. In contrast, the societal values that characterise Pacific Island countries include sharing within their closely knit society, a higher regard for maintaining relationships and familial networks and redistribution of wealth (Cave, 2009) and a leaning towards a
more collectivist paradigm. Dyball and Valcarel’s (1999) study supports this view and notes that in the Philippines the adoption of accounting has not always been a straightforward process. In particular, challenges were encountered in the Philippines due to the fact that their traditional values, which include bonds between individuals through their families and familial networks, a preference for relationships and a high regard for reciprocity and support (Dyball et al., 2006; Dyball & Valcarcel, 1999) contrasted with the concepts underlying accounting.

A similar theme can be found in Australian Aboriginal societies, where indigenous individuals also encounter difficulties with the concepts underlying accounting and were somewhat disadvantaged with the introduction of accounting. This was because notions such as wisdom and kinship are regarded as wealth in the Aboriginal society, and the need for shelter, food, social contract and spiritual enrichment are all provided for by their land. There is also a high regard for reciprocal relationships through familial networks among Aboriginals in Australia (Chew and Greer, 1997; Gibson, 2000).

Accounting, as suggested by the literature, is influenced by culture and the context in which it is practiced. As discussed above, a culture embodying traditional values is vastly different and irreconcilable with those values on which accounting principles are based. It is suggested that the development of accounting over time in developing countries, particularly Pacific Island nations, has not been a smooth process. Instead, the development of the accounting profession has encountered many challenges and difficulties, which have contributed towards shaping the profession, into its current form in these countries. In particular, it is suggested that the introduction of Western accounting systems to some countries, including Australia (Chew and Greer, 1997; Gibson, 2000), Philippines (Dyball et al., 2006; Dyball and Valcarcel, 1999), Fiji (Davie, 2000) and Canada (Neu, 2000a, 2000b; Neu and Graham, 2006), has not always had positive results. More specifically, these studies argue that the introduction of accounting has resulted in the disempowerment and
alienation of indigenous people of these countries. Gibson (2000) study on Australia Aboriginals, presents this view, stating that:

Accounting has been, and continues to be, an effective weapon in the disempowerment and dispossession of Australian Aboriginal people (p. 291).

This is also evident in Canada and Fiji (Davie, 2000; Neu, 2000a, 2000b; Neu and Graham, 2006), where the British using accounting techniques to perpetuate colonial policies in these countries. Gibson (2000) further argues that accounting is a technique that is mainly intended to achieve economic growth through introducing notions of financial wealth, assets, transactions and economic goods. These values were foreign and unfamiliar to Australian Aboriginals, whose society was traditionally based on transactions that were not financial, but were largely a process of trade and exchange of gifts. In this society relationships were built upon caring for each other, and on the principles of reciprocity. These social values are not accommodated for within the (Western) accounting paradigm (Gibson, 2000).

Despite these issues associated with the values underlying accounting, many non-Western nations have adopted accounting; along with its embedded values and have, one way or another, reconciled these values with the traditional societal values entrenched in their culture. The accounting system that now exists in many formerly colonial nations is a combined product encompassing both the principles of accounting and traditional values.

It is suggested here that formerly colonized nations have had to compromise their traditional values to some extent so that accounting principles and standards can be adhered to and foreign investors are satisfied. This current study builds on the extant literature with a focus on exploring the development of accounting in Samoa and aims to determine whether Samoa encountered challenges similar to those found by indigenous populations in Australia, Philippines, Trinidad and Tobago and Fiji.
SAMOA

Samoa, formerly known as Western Samoa, is a product of its traditional culture, the *fa’aSamoa*, as well as the significant contribution from former colonial nations (the UK, Germany, the USA and New Zealand). This section will discuss both the traditional authority referred to as *fa’a matai* and also the traditional societal values of Samoa underpinning *fa’aSamoa* (Samoan culture). This section aims to provide a context in which findings may be interpreted.

RECORDED HISTORY OF SAMOA

A written record of Samoa’s history exists only as far back as 1722, when a Dutch navigator named Jacob Roggeveen landed on one of the islands. A French explorer, Louis de Bougainville visited the islands of Samoa (Field, 2006; Meti, 2002) several years later. In 1787, two more French ships visited the islands, and as the years went by the people of Samoa saw an increasing number of Europeans settling on their land and gradually starting to influence their way of life. The most distinct Western influence on Samoa came with the arrival of an English missionary, Rev. John Williams, from the London Missionary Society. He settled in Samoa, along with eight teachers from Tahiti and Rarotonga, in August 1830 (Field, 2006; Meleisea, 1987a).

Between 1847 and 1861, Great Britain, Germany and the United States of America (the three powers) started arriving at the ports of Apia on the island of Upolu and established their agencies there. By 1899, the three powers had full authority over Samoa. In 1900 Great Britain withdrew all interests in Samoa, and left Germany and the United States of America (USA) to divide up Samoa. The islands of Samoa were then divided into western islands and eastern islands. The western islands became a colony of Germany, and were known as Western Samoa. The eastern islands were allocated to the USA, and are known as
American Samoa. Western Samoa achieved independence in 1960 but American Samoa remains a territory of the USA.

**The German Administration (1900-1914)**

The German administration over the western islands of Samoa lasted until the First World War in 1914 (Kerslake, 2010; Meti, 2002). During the German administration a district level system of government was established. This system comprises a Samoan political organisation that represents Samoa’s eleven districts that is made up of 41 constituencies (Le Tagaloa, 1992; So'o, 2007). This district level system of government was referred to as *Fono-o-Faipule* (Council of District Representatives). The establishing of this system suggests an acknowledgment by the Germans of the traditional authority system of Samoa, referred to as *fa’a matai*, and the authority of Samoan chiefs (*matais*) to govern their people.

It was found, however, that setting up this system was merely an autocratic strategy by the Germans to gain cooperation from the *matais* and, ultimately, from the people of Samoa. The system did not last. In 1905 the *matais* and the people of Samoa formed a movement, led by chief Namulauulu, known as “Mau a Pule” (the Mau Movement), against the German administration (Meti, 2002). The Mau Movement was an attempt by the people of Samoa to regain authority and control over their country. The Mau Movement did not succeed in its objectives, however, as although the Germans were ousted, the colonial period continued for another five decades.

**New Zealand Military Occupation (1914-1920) and League of Nations Mandate (1920-1946)**

During World War I, Germany was forced out of Samoa and the country was placed under military rule and New Zealand was responsible for the country’s administration. In 1919 Samoa was placed under a League of Nations Mandate, with New Zealand to administer this ruling. The administration lasted until 1946. Over the 32 years of its colonial rule in Samoa, New Zealand introduced many Western ideas and governance mechanisms, which
effectively changed many traditional facets of the Samoan way of life. These changes included a ban on travelling by canoe and on migration from one village to another. Furthermore, curfews were also imposed and enforced from 10 o’clock at night until 6 in the morning. During this administration, New Zealand demanded the provision of raw materials, and took over land for use as plantations. In return, the people of Samoa were promised benefits, including wealth and overall development of the nation. These actions were perceived as serving only the needs of the New Zealand administration rather than the interests of Samoan people. The Mau Movement was therefore reignited from 1938, as a means of opposing the the imposed Western policies and the administration as a whole (Kerslake, 2010).

**THE INDEPENDENT STATE OF SAMOA: 1962 TO PRESENT DAY**

Following 61 years of colonial rule, Samoa gained independence on 1 June 1962. Samoa’s independence was a result of years of protest through the Mau Movement and a constant drive to return control to the people of Samoa. This drive for self-government was led by the high chiefs, including Tupua Tamasese Lealofi III and others. Vaai (1999) noted that:

> …attainment of independence for Samoa was the culmination of a struggle for recognition of indigenous authority that was nourished by a nationalist ideology of “Samoa mo Samoa” or “Samoa for the Samoans” (p. 5).

One of the strongest impacts of the German and New Zealand administrative periods was the introduction of Western rules of law. These rules were imposed upon Samoa with little regard for the fa’aSamoa and the fa’a matai system. During the colonial period, Western rule of law became an entrenched part of Samoan society. These rules were so embedded in Samoa’s legislative framework that following independence they were simply adopted without question. Meleisea (1987b) captured the inherent conflict between fa’aSamoa and the adoption of Western rules as follows:
In such conflicts the fundamental question is the extent to which fa’aSamoa is compatible with the basic tenets of the ‘rational-legal’ authority on to which it has been grafted over the past eighty-six years...The Constitution, which was produced and adopted in 1962, left these issues to the Samoans to resolve but by accepting their constitution the Samoans also uncritically accepted the coexistence of a written body of Western law and unwritten uncodified body of customary procedures (Introduction, p. xiii).

The adoption of written Western rule of law contrasted with many of the “un-codified” customary protocols associated with fa’aSamoa (Meleisea, 1987b). Meleisea (1987b) argues, that despite the fact that the Land and Titles Court was created to settle land disputes “in accordance with fa’aSamoa principles” (Introduction, p. xiii) the outcome was to disregard these principles in favour of Western principles. Vaai (1999) highlights the conflict between Western rule of law and customary protocols in the context of land and title disputes. In particular, he points out that the Land and Titles Court is in need of review to better reflect the traditional value-base on which the matai system operates. The sections to follow will briefly discuss fa’aSamoa and Samoa’s traditional system known as fa’a matai (chiefs) to provide a contextual framework in which findings of this study may be interpreted.

**Samoan culture: Fa’aSamoa**

Samoa’s culture and traditions are known as the fa’aSamoa, which encompasses the values and beliefs of Samoans. Taisi, as cited in Field’s (2006) study, writes that fa’aSamoa is:

…a mental attitude to God…It is a distinctive lifestyle. It is not the physical make-up, the mood or passion of one man. It is the collection of spiritual and cultural values that motivates people…it is the heritage of people (p. 16).

Fa’aSamoa comprises a social structure based on the fa’a matai system and relationships built on notions of fa’aaloalo (respect) and alofa (love). Fa’a matai is Samoa’s traditional chiefly system that characterises Samoa’s society, which is led by chiefs (matais) their
associates and orators in a network of hierarchical ranks in accordance with customary law. *Matais*, at the head of this social hierarchical system (Fairbairn-Dunlop, 1998; Le Tagaloa, 1992), are responsible for acting in the best interests of the people of Samoa. *Matais* are appointed by the extended family and are regarded as representatives of their families, not only in the village *fono* (council of chiefs at the village) but also in the wider society. *Matais* are the traditional authority that serves to maintain the values of *fa’aSamoa* embedded within Samoan society.

These values include maintaining relationships, *le va fealoa‘i*, through notions of *fa’aaloalo* (respect) and *alofa* (love). Taisi (2009) writes, “*alofa* and *fa’aaloalo* are the two critical values of our Samoan culture that are enacted in conversations that help to save or keep face” (p. 71). Samoa is characterised by a closely-knit society, with a collective social ideology, whereby individuals are part of a network. Therefore, preserving relationships, through *fa’aaloalo* and *alofa*, is vital. The strength of these relationships in turn supports the collectivism paradigm that characterises Samoa’s society and encourages individuals to identify themselves as part of the extended family or community. In effect, individuals act in the best interest of the extended family and wider community rather than serving their own individual interests.

**FINDINGS**

This section discusses the key findings of this study. As noted earlier, the findings were based on discussions with the 17 participants of this study, particularly their experiences as professional accountants and members of Samoa’s society. This section will begin by tracing the development of accounting in Samoa from the 1950s through to the present day; then will discuss the challenges and influences that have contributed to shaping the accounting system throughout the years to its current status.
THE DEVELOPMENT OF ACCOUNTING IN SAMOA: TRACING BACK TO THE 1950s

The development of accounting in Samoa can be traced to the 1950s. During New Zealand’s administration over Samoa, many New Zealand (NZ) qualified professional accountants made Samoa their home and several of these accountants acquired part-time employment at Samoa’s senior high schools, including Samoa College, where they introduced the subject of book-keeping, the name by which accounting practice was known at the time. At the same time, New Zealand priests and ministers introduced book-keeping in the Roman Catholic high schools, including Chanel College, Saint Mary’s College and Saint Joseph’s College. Participants in the study noted that these book-keeping lessons were the formal introduction of accounting. At the time, with a growing economy and with the success of the biggest traders in Samoa, including O.F Nelson and Co. Ltd (since 1918) and I. H. Carruthers (since 1925), there was a high demand for qualified accountants (book-keepers).

In 1959 the NZ accountants, together with a few Samoans, established a group of bookkeepers and named it the Western Samoa Society of Accountants (WSSA). The setting up of this organization was coupled with the introduction of an accounting course, facilitated by WSSA, for individuals interested in joining the accounting profession. This course consisted of eight papers to be completed over a period of four years of study. The course was taught and facilitated by the NZ accountants. This course, offered by accounting professionals, was extended in the 1970s to include four more papers, still to be completed within four years. Graduates of the course were required to have already completed an academic qualification of at least a NZ School Certificate and a NZ University Entrance Certificate and were required to attain a minimum of three years practical experience.

In the early 1980s, one of the largest chartered accounting firms, Price Waterhouse Coopers (PWC) established a branch in Samoa. PWC immediately employed 20 staff and provided them with study workshops, study leave and mentor programmes that assisted the pathways of these individuals in joining the profession.
In 1984 the National University of Samoa (NUS) of Samoa was established, and by 1988 it had launched a Bachelor of Arts programme that took over the facilitation of courses previously conducted by the accounting professionals. Potential members of the accounting profession were now required to enrol in courses offered by NUS.

In the 1990s the WSSA was renamed the Samoa Society of Accountants (SSA). In 2000 the SSA introduced a Final Qualifying Exam (FQE). According to participants of the study, the FQE programme is the New Zealand Institute of Chartered Accountants old system. The FQE was incorporated into the system with the help of NZ qualified chartered accountants.

The history of the accounting profession in Samoa clearly illustrates the dominant influence of New Zealand. The introduction and penetration of accounting into Samoa was predominantly through the work of NZ teachers and NZ Catholic priests and ministers at secondary education level, as well as the work of NZ qualified accountants in Samoa and most of all, the establishment of the PWC in Samoa. New Zealand has played a significant role in introducing a Western accounting system into Samoa.

**EXTERNAL INFLUENCES**

Other external forces that have assisted in the penetration and development of accounting in Samoa include forces of globalisation, demands by foreign investors and the presence of multinational companies in Samoa. Globalisation and the spread of multinational companies have reached the South Pacific including Samoa (Lautensach, 2005). Multinational companies include Digicel Group Ltd, British American Tobacco, McDonalds, Western Union, ANZ Bank and Westpac Bank, have established branches in Samoa. Each of these companies has maintained their Western accounting practices and has thus contributed to introducing the accounting system in Samoa. Furthermore, local companies in Samoa seeking access to international funding channels has aligned their financial reporting to that
of the West, and have thereby also assisted in encouraging the adoption of accounting systems. Another way that accounting systems have been transferred from the West to Samoa is by being attached to investments, as an assurance of accountability for the invested capital. As Nobes (1998) states, investments from other countries lead to “accountants and accounting migrating together with capital” (p. 170).

**CHALLENGES AND ISSUES FACED BY ACCOUNTING PRACTITIONERS IN SAMOA: A COMPROMISE?**

In the background section on Samoa, it was noted that Samoa was traditionally a collectivist society, managed through its own fa’aSamoa and fa’a matai systems, in which people prided themselves on communal living, in which preserving relationships and acting in the best interest of the society as a whole was vital. In contrast, the concept of accounting is founded on an individualistic philosophy associated with embedded notions of economic transactions, wealth accumulation, profit and assets. This therefore posed challenges to the development of accounting in Samoa and also for accounting practitioners in Samoa.

Some of the challenges that participants of this study encountered relate to the general practice of accounting in terms of recording economic transactions. Several participants (including P5, P9 & P12) identified difficulties they had encountered relating to accounting for particular expenses. These expenses are regarded, in the fa’aSamoa context, as “alofa” (love) or “lafo” and are gifts offered to certain people as a symbol of respect and to preserve relationships within Samoa. Within the introduced accounting system there is difficulty in recognising such expenses, as these types of expenses are not captured in the Western accounting framework (Molisa, 2011). Two participants captured this, stating:

_Samoan culture … is all about giving. I could also say in there that it is all about love, and how you express your love. So how do you quantify love? You can’t, so I guess that’s why they say, well you can’t account for it (P9)._
Fa’aaloalo, in terms of lafo, in the accounting context how would a professional accountant disclose such information? Therefore disclosure becomes an issue, in regards to accounting for various expenses. For example, is lafo a capital expenditure or a revenue expenditure … do we refer to IAS 16 or IAS 20? (P5).

Thus, key notions underpinning fa’aSamoan are not captured in the accounting context, and accounting principles are also inconsistent with the values underpinning Samoan culture. Other participants expressed their views on the challenges they encounter on a day to day basis, particularly in relation to the practice of an audit (auditing) in Samoa. In particular, participant 12 referred to challenges encountered by junior auditors when conducting audits in Samoa. Participant 12 stated:

…”within the profession in terms of when a young untitled auditor or an accountant deals with a client who is a matai and older too, these youngsters tend to shy away from asking difficult audit questions…”

Another participant concurs with this view and adds that because of these customs, including fa’aaloalo and va-fealoa’i, and given the environment (Samoa) in which accounting is practiced, accountants are cautious when applying principles of accounting. In particular, many participants (including P5, P7, P10 and P12) suggest that practitioners can only comply with accounting principles to the extent that embedded values of fa’aSamoan including fa’aaloalo and va fealoa’i are still maintained and adhered to. This is consistent with theoretical framework provided by Polanyi (1944). Two participants (P5 & P12) captured this notion as follows:

“It is very important to be mindful and cautious of your professional approach, especially within a business environment like Samoa where culture is visible and solid. It is the foundation of how things are done here in Samoa (P5).
The accounting profession here in Samoa is based on the Western accounting profession and ethics. We find that if we follow the ethics and standards that are expected and regulated by the profession, in many cases we can deal with cultural differences. The emphasis is that it is always the ethics and standards (IAS) of the profession take priority when doing business...there is no Samoan accounting, they've all been introduced by a western accounting standard, so most people now appreciate that when it comes to business...that those are the standards that they must adhere to... (matai) title or non-title, all are expected to follow these standards (P12).

These findings suggest that the challenges faced by accountants in Samoa are the result of the co-existence of two conflicting paradigms (individualistic and collectivist) in the practice of accounting in Samoa.

Despite these inconsistencies, it is clear from the findings that Samoa has adopted Western accounting principles and continues to practice accounting in conformity with the International Accounting Standards (IAS) while maintaining customs of fa’aSamoa. In particular, the participants argued that the adoption of accounting in Samoa has not been to the extent that practitioners lose the values of fa’aSamoa that underpins day to day life in Samoa.

**CONCLUSION AND A WAY FORWARD**

This paper concludes that the development of accounting in Samoa has not always been a straightforward process; instead, it has resembled a long and winding road. Accounting was introduced and imposed upon Samoa initially through periods of colonial rule and later through the impact of foreign investments and globalisation. The historical background of accounting in Samoa illustrates the influence of New Zealand and its qualified accountants with introducing accounting firstly into the education syllabus at high school level, and later...
by the influence of Price Waterhouse Coopers when they established a branch in Samoa.

The study has found that unlike in Australia, Trinidad and Tobago, Philippines and Fiji, the imposition of accounting in Samoa has not had a significant negative impact on Samoan society. Instead, this study reveals that Samoa, immediately after the initial introduction, acknowledged accounting and appreciated the essence of its entrenched principles towards the overall practice of accounting. Nevertheless, the practice of accounting in Samoa has, since the beginning, incorporated the values of fa’aaloalo, alofa and va fealoa‘i embedded within fa’aSamoa, and thus has produced a type of accounting that acknowledges the co-existence of the conflicting paradigms.

This paper has described past events that have shaped the development of accounting and has also described how the current status of accounting in Samoa has been shaped by those events. To conclude, this study recommends that accounting practitioners continue to reflect on the current practice (acknowledging both accounting principles and fa’aSamoa) and incorporate formal practices to acknowledge the reality of the influence of fa’aSamoa so as to pave a positive way forward.
REFERENCES


