

## CHAPTER XI

### FINANCING EDUCATION

#### Introduction

Children are a nation's most valuable asset. Equal educational opportunities must be accorded to all ensuring their development to the fullest possible extent. The amount of education accessible to a child should not depend upon accident of birth and upon the economic circumstances of his family. It is a recognised fact that education as an investment produces dividends in social and individual well-being and increases industrial efficiency on which depends the standards of living. The recognition of education as a national investment that yields dividends has stimulated many a country to devote an increasingly higher proportion of its general revenue on primary and secondary education and to provide substantial scholarships and bursaries to deserving students to execute further education in institutions of higher learning. Fiji too must provide from its general revenue for free compulsory education to its children of the age-group 6-14 years, and when revenue permits it should assume complete responsibility for post-primary education. Besides, Fiji should contribute generously towards the establishment of the University College of Fiji.

In order to successfully implement the proposals for educational reconstruction which are envisaged in this study, Fiji will probably have to invest twice the amount of money that it now expends on education. Unless productivity rises and/or additional

taxation is imposed, this can only be done at the expense of other services rendered by the government on behalf of the community. The purpose of this chapter is to suggest ways and means of raising additional finance for education. We shall discuss this under the following headings: education expenditure, education as an investment, possible sources of revenue for education, financing the several categories of education, and role of philanthropy and local corporations.

#### Education Expenditure

Educational expenditure in Fiji is shared between the government and the people. The government pays the salaries of all civil servant teachers whether employed in the government schools or privately managed schools. In addition, the government is responsible for training teachers, for appointing and transferring them, and for inspecting all schools throughout the Colony.

Primary Education. In 1960, there were 26 government primary schools and they were maintained from the general revenue. Pupils attending these schools are required to pay tuition fees which are calculated to recover 25 percent of the costs.<sup>1</sup>

Privately managed primary schools in 1960 numbered 508 and of these 483 were aided schools and the remaining 25 were unaided schools. Salaries and allowances paid to the civil servant teachers in the aided schools were met by the government but the school managements employing these government teachers were required<sup>to</sup> reimburse the government 25 percent of all the money the government expended on them. The 25 unaided primary schools

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<sup>1</sup> Department of Education. Annual Report for the year 1960.  
Op.cit. Para. 46.

received no financial assistance from the government; the various school managements had to meet all the expenses. Both aided and unaided primary schools charge school fees and they are usually much higher than the fees charged in the government primary schools.

The government also gives financial assistance towards capital expenditure, that is, for erecting approved school buildings. Building grants are not given to all schools, but those fortunate ones that receive get half of the costs of the buildings.

Secondary Education. There were 45 secondary schools in Fiji in 1960 and of these 8 were government schools, 13 aided privately managed schools and the remaining 24 unaided privately managed schools. The government schools were financed by the government. Pupils attending government secondary schools pay tuition fees, and, as in government primary schools, fees are calculated to recover 25 percent of all tuition costs.

Government subvention to aided secondary schools amounts to "half the approved salary bill".<sup>1</sup> The school fees in aided secondary schools are usually higher than obtained in government secondary schools, because the managements are required "to meet the other half of the salary bill as well as the other expenses which are not covered in full by the government grant".<sup>2</sup>

The managements of the unaided privately managed secondary schools meet all the expenses on their own. Fees in these schools are usually much higher than in the aided secondary schools.

The government gave 50 percent of the building costs to a few selected secondary schools. In a number of aided and unaided secondary schools pupils in addition to school fees are required

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<sup>1</sup> Hansard. Sessions of September-October 1960. Op.cit. P.192.

<sup>2</sup> Loc.cit.

to pay exorbitant "building funds".

Technical and Vocational Education. Of the 7 technical and vocational centres in 1960, two were managed and financed by the government and five received financial assistance from the government. The basis of government assistance to these privately managed technical and vocational centres was similar to that obtained for aided secondary schools.

Boarding Establishments. The government maintains boarding establishments at the Boys' and Girls' Grammar Schools for European children; Adi Cakobau School (a girls' secondary school), Ratu Kandavulevu School, Queen Victoria School, Kandavu Provincial School, Northern Provincial School for Fijian children; and Natabua Secondary School for Indian children.<sup>1</sup> Boarders are required to pay hostel fees, but the revenue thus received does not square the money expended on them. A number of privately managed schools also maintain boarding establishments and they are run entirely on hostel fees paid by the boarders.

From the above it is evident that the private school managements also spend a large sum of money on both primary and secondary education. But unfortunately no exact figures are available of the substantial sums spent by these non-governmental agencies.

The government expenditure on education in 1960 amounted to £1,198,818 and the sources of expenditure were from the general revenue £1,174,142 and from the United Kingdom Colonial Development and Welfare Funds £24,676.<sup>2</sup> A full analysis of the government

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<sup>1</sup> Education Ordinance. No.24 of 1960. Op.cit. P.26.

<sup>2</sup> Expenditure on Medical and Education Services. C.P.No.38 of 1961. Suva, Government Printer, 1961. Para. 21.

expenditure on education for the year ended 31st December, 1960, is shown in the appendix.<sup>1</sup>

Government gross expenditure on education over the last fifteen years has risen from £144,901, or 11s. 2d. per head of the population, in 1946 to £1,198,818, or £2 19s. 9d. per head of the population, in 1960. During the same period the total full-time school roll has risen by 123 per cent, compared with a 54.4 per cent increase in total population.<sup>2</sup> The budget of the Department of Education for the year 1960 was 16.8 per cent of the total budget of the Colony. The following table shows government expenditure on education as compared with total government expenditure for the period 1950-1960:

TABLE 28

Education Expenditure as Percentage of Total Expenditure\*

Year	Total Colony Recurrent Expenditure £000's	Percentage Increase Yearly	Recurrent and Special Education Expenditure £000's	Percentage Increase Yearly	Percentage of Total Colony Recurrent Expenditure
1950	2595.3	....	318.5	....	12.3
1951	2964.2	14.2	390.5	20.5	12.9
1952	3581.8	20.8	479.9	24.8	13.4
1953	3833.5	7.0	475.6	2.9	12.1
1954	4107.6	7.2	583.5	25.4	14.2
1955	4573.5	11.3	668.7	14.6	14.6
1956	5177.6	13.2	729.5	9.1	14.1
1957	5584.3	7.5	829.7	13.7	14.9
1958	6134.5	10.2	926.9	12.4	15.2
1959	6146.0	0.2	1014.7	8.9	16.5
1960	6718.0	9.3	1127.8	11.0	16.8

\* Expenditure on Medical and Education Services. Op.cit. Para.32

The sum expended on education from the general revenue is

<sup>1</sup> Infra. Appendix D.

<sup>2</sup> Expenditure on Medical and Education Services. Op.cit. Para.13

viewed with considerable alarm. The 1954 Fiscal Review Committee recommended that "any tendency towards their (medical and educational services) extension should be resisted with the greatest possible <sup>vigour</sup>".<sup>1</sup> Paragraph 68 of the Committee's Report reads:

As regards education, we are aware that the present education system and its concomitant of charges are the outcome of the Policy set out in the 1946 Education Plan as adopted by the Legislature. We have no quarrel with the plan in so far as it aimed at establishing a well integrated structure of education in the Colony but we believe the accretion of practically the whole teaching profession to the Civil Service to have been both unwise and unnecessary and the strain it has put on the Treasury has had serious repercussions. We consider that the financial implications are such that a smaller proportion of the cost of the services should in future be met from the public purse. How far the balance of the cost should be met by increased fees, and how far from local government revenues (financed by land rates or otherwise) is a matter for careful consideration. The latter alternative, by which local government bodies would take the strain of the increased cost of expanding services, and local ratepayers would in fact largely decide the rate at which such services should expand in their areas, has obvious attractions. For the time being, however, any substantial extension of the local government system was rejected by Legislative Council in November, 1953.<sup>2</sup>

And yet the same Committee at paragraph 17 says:

We wish to stress our view that the Colony needs more "local" human material of every kind above the level of general labour... We feel that there must be a greater output from the post-primary levels of the system (whether technical, agricultural or academic) and that, to effect this, some adjustment of the proportions indicated by the 1952 figures is necessary.<sup>3</sup>

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<sup>1</sup> Report of the Fiscal Review Committee, 1954. C.P.No.17 of 1954. Suva, Government Printer, 1954. Para. 13.

<sup>2</sup> Ibid. Para. 68.

<sup>3</sup> Ibid. Para. 17.

The 1954 Fiscal Review Committee recommended that new scales of fees be calculated in respect of each government school so that a considerably greater direct return was received. "One way of achieving this would be," the 1954 Fiscal Review Committee in its report at paragraph 77 says, "to prescribe fees to produce the following results:

- (a) the whole cost of the boarding establishment to be returned to the revenue;
- (b) twenty-five percent of the cost of teaching to be returned to the revenue."<sup>1</sup>

The 1958 Fiscal Review Committee reiterated the above views expressed by the 1954 Fiscal Review Committee, and goes on to say:

We consider that the percentage of recurrent expenditure on medical and educational services in proportion to total recurrent expenditure should not be permitted to increase until such time as a much greater direct return to the revenue is made or until the taxable capacity of the Colony is greatly increased.<sup>2</sup>

Even the Burns Commission in its report at paragraph 667, says:

We do not consider that the Colony can afford at present to provide facilities for a higher standard of general education. It must be borne in mind that the educational expenditure in 1958 represented 14.14 percent of the total recurrent expenditure of the Colony. We are, therefore, of opinion that the time has not yet come for the introduction of free and compulsory education throughout the Colony.<sup>3</sup>

But the Commission offers a very valuable suggestion with which this study is in complete agreement. Paragraph 668 of the Commission's report reads:

We consider that some economies could be effected by the amalgamation of various schools, now catering for the

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<sup>1</sup> Ibid. Para. 77.

<sup>2</sup> Report of the Fiscal Review Committee, 1958. C.P.No.27 of 1958. Suva, Government Printer, 1958. Para. 12.

<sup>3</sup> Burns Commission Report - 1959. Op.cit. Para. 667.

children of different races, in close proximity to one another, and we recommend that the Government should refuse financial assistance to any school opening in an area already adequately served by another school.<sup>1</sup>

If we study the analysis of government expenditure, we see that almost one-third of the general revenue is eaten up by the "Administration".<sup>2</sup> One could conveniently describe it as being "top heavy". Almost all <sup>the</sup> key positions in the government are held by people recruited from the United Kingdom and each department of the administration employs a large number of sub-ordinate 'officers'. These overseas recruits enjoy high salaries; once in every three years they are given overseas leave. The government stands their passages to and from the United Kingdom. This is a constant drain on the public purse. The only way to economise the administration is to man it with the locals. Therefore, at the present juncture every effort must be made to train the locals to take up administrative posts. Meanwhile it is suggested that the government should effect economy by reducing the numerical strength of the administrative machinery. The idea is not new, for the 1954 Fiscal Review Committee in its report at paragraph 52 raised this issue:

We are satisfied, however, that much can be accomplished by way of economies in and improvement to the Government administrative machine... We repeat our view that not only should efforts be directed towards making better use of existing staff and introducing more economical methods but there should be a positive drive aimed at the reduction of establishment, with emphasis on quality rather than quantity.<sup>3</sup>

Fiji is not overspending on education, in fact it could well afford to spend more on education by effecting economies in other

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<sup>1</sup> Ibid. Para. 668.

<sup>2</sup> Infra. Appendix E.

<sup>3</sup> Report of the Fiscal Review Committee, 1954. Op.cit. Para.52.



categories of government expenditure. Nor is there an cause for alarm over the yearly increments of Fiji's education budget. Let us compare Fiji's education expenditure with other similar countries. The following table shows the percentage of total government revenue devoted to expenditure on education in the following countries listed in the table; the figures refer to 1958 unless otherwise stated:

TABLE 29

Education Expenditure as Percentage of Total Government Revenues\*

<u>Countries</u>				<u>Percentage</u>
Eastern Nigeria	...	...	...	38 (1959)
Western Nigeria	...	...	...	31 (1959)
Singapore	...	...	...	25
Uganda	...	...	...	22
Northern Nigeria	...	...	...	20
Fiji	..	...	...	16.8 (1960)
Basutoland	...	...	...	16
Kenya	...	...	...	14

\* Expenditure on Medical and Education Services. Op.cit. P.9.

The above figures must be treated with considerable reserve because the method of charging varies from country to country. Nevertheless, they are a guide to the general level of expenditure on education in the territories concerned. They reveal that the expenditure on education in Fiji is low compared with other territories of comparable population, economic structure and size.

As regards yearly increases on education expenditure in Fiji, there is nothing very startling. From Table 28 above, we get the following figures for the period 1957 to 1960:

1957	1958	1959	1960
13.7%	12.4%	8.9%	11.0%

The 1961 International Yearbook of Education has this to say about the trends in financing of education:

Soundings made this year cover sixty-six countries. Except for two countries, which report a decrease of 4.62% and 6.63% respectively, all record an increase in the sums allocated for education. The average rate of increase is 15.9%. It is interesting to compare this average with those given in previous Yearbooks:<sup>1</sup>

1957	1958	1959	1960	1961
15.0%	15.65%	16.12%	13.2%	15.9%

It is estimated that in 1965 the government would be spending about £1,643,600 from the general revenue on education, and this would be 19.4 percent of the total government expenditure for that year.<sup>2</sup> If the suggestions contained in this study are to be implemented in full, the estimated expenditure on education will be as follows:

<u>Recurrent Expenditure</u>				<u>£</u>
Pre-Primary Education	....	....	....	150,000
Primary Education - Compulsory	....	....	....	1,000,000
Post-Primary Education	....	....	....	650,000
Teacher Education	....	....	....	65,000
University Education	....	....	....	150,000
Adult Education	....	....	....	50,000
Miscellaneous (i.e. Research, Broadcasts, etc.)				25,000
Administration	...	....	....	50,000
Non-Recurrent Expenditure on Education				250,000
Total				2,390,000
Less Government Expenditure ...				1,643,600
Expenditure to be raised				746,400
Say				750,000

<sup>1</sup> International Yearbook of Education, 1961. Op.cit. P. XX.

<sup>2</sup> Expenditure on Medical and Education Services. Op.cit. Para.32.

From the above calculation, it would appear that approximately three-quarters of a million pounds will have to be raised from other sources, that is, by imposing special education tax and by charging tuition fees from the students.

Possible Methods of Reducing Education Expenditure. There are a few possible ways in which the Department of Education can substantially control its expenditure on education. It was suggested elsewhere in this study that where the different races mixed one school should be required to serve the children of all races.<sup>1</sup> This would mean that separate small schools now being maintained in close proximity to one another for the different races would have to be amalgamated. There are advantages in this move. Firstly, much better work can be done in a consolidated school where children could be easily grouped according to age, ability and aptitude. Secondly, the teaching personnel could be concentrated. Thirdly, the different races would be accorded equal educational opportunities and thus the Education Department would be spared the criticism that each race does not get its proper quota from the educational budget. Fourthly, the efforts of the Education Department could be concentrated in maintaining one integrated system of schools instead of three different systems as at present. Fifthly, it would help to wipe out race distinction and instead foster friendly feelings and happy co-existence amongst the different races. And finally, there would be considerable savings on buildings, equipment and teachers' salaries.

There is no need for erecting costly buildings. The parents could erect Fijian-type bures with local materials. This would be a co-operative effort and should be encouraged.

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<sup>1</sup> Supra. Pp. 146-151.

Students living in government<sup>hostels</sup> should be required to pay hostel fees so that the whole cost of the boarding establishment is recovered. Hostels attached to privately managed schools are run entirely on fees the boarders are required to pay, and there is no reason why government boarding establishments should not be so operated.

There is yet another possible way in which the Department of Education could save on expenditure. In a number of countries the primary school course lasts for seven years. Perhaps the present eight-year primary school course in Fiji could be reduced to a seven-year course. This suggestion is contained in the report on Expenditure on Medical and Education Services at paragraph 38:

By "cutting out the frills" and deliberately providing a utilitarian as opposed to a cultural education there is little doubt that the primary school course could be reduced by one year. The objection that the majority of children - i.e. those who do not go on to secondary school - would be "thrown on the streets" a year earlier than they are now could be met by starting the 7-year course at the age of 7 instead of 6. There is little doubt that a child starting school at 7 readily "catches up" - provided he is of normal ability - with one who starts his formal education at the age of 6.<sup>1</sup>

Perhaps it is not clearly appreciated in Fiji that its greatest wealth lies in its children. But like minerals hidden in the earth, till it is developed that wealth is only potential. To develop that wealth thoroughly requires education in its broadest, richest and fullest measure. It is therefore necessary to review very briefly how rewarding it is to invest money on education.

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<sup>1</sup> Expenditure on Medical and Education Services. Op.cit. Para.38.

Education as an Investment

I.L.Kandel in Raising the School-Leaving Age writes:

The recognition that expenditure on education is an investment that brings large dividends, is becoming widespread and is playing an important part in developing public opinion in favour of a further extension of compulsory education. This recognition is having the further consequence of promoting a realization that education is a continuous process and that each stage must be linked to the following one - a realization which provides yet another reason for abolishing the traditional social caste distinction between elementary and secondary education.<sup>1</sup>

During the World War II one of the chief concerns of the allies was the reorganisation of the education system in their respective countries. The reform of education was regarded as one of the most important elements in a general programme of social progress. Sir William H. Beveridge in his book entitled Full Employment in a Free Society wrote thus:

Though development of education is not the most urgent of reconstruction tasks, it is ultimately the most important. One cannot teach children who are hungry or ailing, and children who return to squalid homes each night may lose there much that they have gained in schools; the foundation of learning must be laid in physical well-being. But the foundation comes first in time only, not in value. Expenditure on education is the communal investment which in the end may bring the best return. It does more than any other expenditure to make material progress both possible and worthwhile. Improvement of the standards of life should not and does not mean solely an increase of material satisfactions. It has meant in the past growth of leisure; it should mean that still more so in the future. Education needs to grow with leisure.<sup>2</sup>

Beveridge went on to say that "for that purpose adult education should rank with school education as an essential interest of

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<sup>1</sup> I.L.Kandel. Raising the School-Leaving Age. Paris Unesco, 1951, P. 22.

<sup>2</sup> William H. Beveridge. Full Employment in a Free Society. London, George Allan & Unwin Ltd., 1944. P.163.

the community". There are thus underlined in this statement the importance of education, the relation between education and the standards of living, the money expended on education as an investment, and education as a continuous life-long process. Ignorance is regarded by Beveridge as a social evil, like poverty, disease and squalor, and that no true democracy can tolerate ignorance amongst its citizens. Ignorance - and lack of education is as much an evil as complete ignorance - carries in it the germs of destruction of human capital as do poverty, disease and squalor.

In 1925 Spurley Hey, an English administrator of a local education system, while discussing Value for Money wrote thus: "whilst the outlay can be stated in cash only, the return can be stated in almost any other terms than cash".<sup>1</sup> That is to say that the returns are both material and spiritual. And if expenditure on education does not yield quick return because in the words of R.H.Tawney, "human beings are a crop which is slow to mature". Tawney in *Some Thoughts on the Economics of Public Education* pleaded for increased expenditure on education. He argued as follows:

Given a reasonably intelligent policy, the materials for which are now available, we are still far from the period of diminishing returns; that the existing defects, qualitative and quantitative, in our educational provision, are a serious impediment to the mobilization of national energies for all purposes whatever; and that, other things being equal, we should, on a long view, be certainly more prosperous and probably more equable, if at the end of 10 years we were spending through public channels on education and welfare of the young not £95,000,000 or some 2.1 percent of our aggregate annual output of wealth, but £150,000,000 or roughly 3.3%.<sup>2</sup>

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<sup>1</sup> As quoted in I.L.Kandel. Op.cit. P. 23.

<sup>2</sup> R.H.Tawney. Some Thoughts on the Economics of Public Education. London, G.Bell And Sons Ltd., 1938. P. 29.

Hadow Report on the Education of the Adolescent emphasised the idea of human being as the most precious part of a nation's capital: "There is no capital more productive than the energies of human beings. There is no investment more remunerative than expenditure devoted to developing them."<sup>1</sup>

The relationship between education and industrial efficiency has been discussed by many leading economists. Thus Alfred Marshall in his *Principles of Economics* which was first published (1890) even before elementary education and an adequate system of compulsory school attendance were established in the United Kingdom, wrote:

It is true that there are many kinds of work that can be done as efficiently by an uneducated as by an educated workman; and that the higher branches of education are of little direct use except to employers and foremen and to a comparatively small number of artisans. But a good education confers great indirect benefits even on the ordinary workman. It stimulates his mental activity; it fosters in him a habit of wise inquisitiveness; it makes him more intelligent, more ready, more trustworthy in his ordinary work; it raises the tone of his life in working hours and out of working hours; it is thus an important means towards the production of material wealth.<sup>2</sup>

F.W.Taussig, the famous American economist, is more precise in his discussion of the bearing of education on industrial efficiency, in his *Principle of Economics*:

Many of the improvements in the arts depend for their application on a good degree of intelligence... In many factory operations of modern times, the human worker is hardly more than another steady and dependable automaton.

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<sup>1</sup> Hadow report on the Education of the Adolescent. Op.cit. P.145.

<sup>2</sup> Alfred Marshall. Principles of Economics. London, Macmillan & Co. Ltd., (eighth edition), 1947. P. 211.

Along with labour of this sort, however, there must always be some proportion of labour more flexible, more observing, more highly trained. This is the quality of the mechanic's work, as distinguished from that of the 'labourer' in the narrower sense. Here accuracy, watchfulness, skill, intelligence, are called for; and here these qualities are indispensable for efficiency.

The effect of education on the productiveness of labour is not simple. In some respects, a wider diffusion of education is conducive to greater efficiency of the population at large.... The wide diffusion of education is a most effective means towards productiveness. It is effective particularly towards propagating new kinds of efficiency.... But the rapid spread and utilization of improvements are immensely promoted by the ease of intellectual communication. The ability to read and write opens at once a whole new world.<sup>1</sup>

The same general concept was succinctly stated by another American economist, Nassau W. Senior, in these words:

No country is so poor as to be unable to bear the expense of good elementary schools. Strictly speaking it is not an expense. The money so employed is much more than repaid by the superiority and diligence, in skill, in economy, in health - in short in, all the qualities that fit men to produce and preserve wealth of an educated over an uneducated community.<sup>2</sup>

The provision of educational opportunities to all would not only have an important influence on efficiency in industry, but would also greatly help towards the gradual reduction of social and economic differences. On this subject Taussig, comments as follows:

As between individuals, the wide diffusion of educational opportunities has simply an equalizing effect. For the community it tends to raise general efficiency; but it is not likely to raise general efficiency in the same degree as it raises the earnings of some individuals. It tends to break

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<sup>1</sup> F.W. Taussig. Principles of Economics. New York, The MacMillan Co., 1912. Vol. 1, P. 101.

<sup>2</sup> As quoted in I.L. Kandel. Op.cit. P. 25.



down any privileged position which may exist among those who now possess technical and professional skill. It may tend to lower their earnings. On the other hand it tends to raise the earnings of those who are enabled more easily to acquire such skill.<sup>1</sup>

Perhaps in no other country in the world has the close relationship between education and national and individual well-being and advancement been so clearly recognised as in the United States of America. As I.L.Kandel says:

It is generally assumed that the United States is able to spend the money that it does on education because it is wealthy. The argument might well be inverted and made to read that the United States is wealthy because it spends money on education. The latter is certainly the assumption that prevails nowadays. While most arguments in favour of extending the length of education are based on the assumption that a more intelligent worker is likely to produce more, in the United States the arguments go further. They assume not only that an intelligent worker will produce more, but that he will earn more and therefore consume more of the increased goods that are produced. The arguments do not stop with the improvement of the material aspect of life, but emphasize the fact that a rise in the standards of living is accompanied also by a desire for higher spiritual values....

In the United States, perhaps more successfully than in any other country, it has been possible to show, if not the direct influence of education on economic progress, at any rate the advancement of both *pari pasu*. It is possible to demonstrate here, more clearly than in any other country, the gradual change from a rural to an urban society or from an agricultural to an industrial economy. This change has been accompanied by the emergence of a highly integrated society, the growth of a more complex civilization, the rapid expansion of means and methods of transport and communication, and an increase in national and individual wealth. Owing to the rise in the standard of living, the change from a rural to an urban organization, the improvement of public health systems, and other causes, there has been a decline in the birth-rate and a decrease in the death-rate. The cost of education has not decreased because the number of children to be educated has diminished. On the contrary, the improvement in methods and

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<sup>1</sup> F.W.Taussig Op.cit. P. 104.

content of instruction, in training and salaries of teachers, and the prolongation of the period of both compulsory and voluntary school attendance, have led to a steady rise in costs. One other concomitant of the higher standards of living and the decline in the birth-rate has been the ambition of parents to give their children, through education, the best possible preparation for life and for a career. At the same time, the increasing mechanization of industry has had two consequences, the first being the unemployability of young adolescents in occupations that are not blind alleys, and the second a certain reluctance to employ young people, even though competent to operate machines as well as adults, at small wages until they become sufficiently mature to have a sense of responsibility. For it is generally agreed that, although industrial occupations have become so mechanized as to leave room for little more than routine operations, the operators need to possess a certain amount of skill and intelligence.<sup>1</sup>

It is a mere platitude to say that the era in which we live is dominated by the amazing advances of science, by the increasingly rapid succession of discoveries and inventions which are being made, by the application of these inventions to the various sectors of industry and in the life of individuals and communities, and by the daily use of new techniques to improve man's living conditions. The industrial revolution is bringing about radical changes in our ways of thinking, acting and feeling.

The most striking of these changes, and those which make the most immediate impact, are due to the invention and use of machine assemblies with automatic control and checking devices which perform the normal industrial operations either alone or nearly so. In every sector of production, automation and electronics are changing the conditions in which work is done, and will go on changing them more and more. The first result of automation at the human level is that it greatly reduces the amount of man

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<sup>1</sup> I.L.Kandel. Op.cit. Pp. 28, 31-32.

power required; the first person affected is the unskilled worker. The worker in a modern factory requires a new type of training which would enable him to tackle delicate and complex operations. Robert Dottrens in his book entitled *The Primary School Curriculum* which was published in 1962, comments on the issue under discussion as follows:

The general trend in trades and occupations at present is clear enough - machines are taking over from men, tasks, whose performance in the past made it possible to judge of the quality of the manual worker. On the basis of what is already going on in automated factories, the workman of tomorrow will be responsible for the supervision, operation and repair of delicate, complicated machinery, and this will call for concentration, understanding and good judgment.

These machines must be invented, constructed and serviced; hence the world-wide need to train technicians, engineers, research workers and specialists. There is no place for the unskilled worker in the modern factory. The workman is becoming a technician, with responsibilities not unlike those of today's managerial staff. An increasing number of occupations, therefore, are coming to involve not only the actual work to be done, but also a sense of responsibility and a devotion to duty by which the whole personality is engaged. This breaking down of the divisions between the manual and the intellectual worker, the labour and the clerk, is a feature of man's working life today.<sup>1</sup>

The modern economy requires a skilled hand, because jobs are changing so rapidly in nature, a more flexible labour force. The economy does not need more apprentices to a particular trade; it needs more people who are sufficiently highly educated to learn quite complicated new methods some years later. What matters now is not to learn a trade, but to develop the ability to adapt oneself to constantly changing tasks, which demand from the worker a sort of professional ethic or deontology hitherto limited, as an express requirement, to members of the professions and those holding posts of responsibility.

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<sup>1</sup> Robert Dottrens. Op.cit. P. 24.

These facts are already exerting considerable influence in the development of the countries where rapid industrialisation is taking place; they are beginning to make their appearance elsewhere, so that all forward planning, in education as in other fields, must be done with due regard to this rapidly approaching future. It is these changing circumstances, for instance, which have led the USSR to adapt its educational system to the requirements of modern economy:

The rapid economic, social and cultural progress being made in the USSR, together with scientific and technical advances, the accelerated development of mechanization and automation and the application of chemical processes in production, the introduction of electronics and computers on a wide scale, the maximum development of electrification and other highly efficient methods are radically changing the nature of work. The labour of workers and collective farmers is drawing ever nearer in essence to the work of technicians, engineers, agronomists and other agricultural specialists. What is now being required of the workers is the ability to operate improved machine tools and the finest precision instruments and devices for measurement and control, and an understanding of intricate technical calculations and blueprints. The immediate and long-term prospects for the Soviet Union's technical and economic development are thus making ever greater demands on all the working people of our society. An all-round education is becoming a vital necessity for them.... In the interests of the national economy it is necessary (and the need will become more and more pressing) for workers and collective farmers to have a more advanced general and specialized education at the secondary level. The general secondary school must therefore give its pupils the training they need to enable them not only to proceed to higher education, but also to begin productive work in the national economy immediately.

The Soviet school is called upon to prepare people with an all-round education who have a good knowledge of the fundamentals of science and, at the same time, are capable of systematic manual work, and to foster in the young people a desire to be useful to society and to take an active part in the production of the goods needed by society.<sup>1</sup>

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<sup>1</sup> As quoted in Robert Dottrens. Op.cit. P. 25.

It may be mentioned that the demand for skilled and semi-skilled personnel of all kinds is not only confined to highly industrialized countries, but is gradually affecting all parts of the world. The need for trained personnel is all the more pressing in an under-developed country like Fiji whose future, because of shortage of suitable agricultural land and because of rapidly increasing population, lies in developing all types of industries and improving methods of work. The following two quotations illustrate this point:

The sudden growth of modern industry in a previously non-industrialized society has, of course, direct implications quite apart from the material benefits made possible by a country's increased wealth. The presence of foreign technicians, the employment of local workers and the technical training and welfare amenities provided for them have brought the people into contact with totally new methods, ideas and ways of life. This is particularly the case in the Arabian peninsula where many workers have entered the oil industry straight from the nomadic life of the desert.<sup>1</sup>

The intensified rate of economic expansion in agriculture, mining, industry and trade due to the second world war and post-war situation produced an improvement in the finances of the tropical African States and territories... This economic expansion, and the social and political changes which have occurred in most of the non-self-governing territories of the region, have underscored the need for expansion at all levels of education, especially to meet the demand for trained personnel of all kinds.<sup>2</sup>

It is evident from the above discussion that money spent on education brings important dividends not only in individual well-being and social progress, but also <sup>in</sup> industrial efficiency. Such recognition is unfortunately sadly lacking in the government circle as well as amongst the general public. A determined effort <sup>made to</sup> must be/ educate the general public along these lines so that they come out

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<sup>1</sup> Compulsory Education in the Arab States. Op.cit. P. 15.

<sup>2</sup> As quoted in Robert Dottrens. Op.cit. P. 26.

cheerfully with the necessary moral and financial assistance.

#### Possible Sources of Revenue for Education

From our discussion on expenditure on education, we saw that the demand on public fund has been steadily increasing year by year. In view of the fact that <sup>this</sup> study advocates for an early introduction of free and compulsory education for the age-group 6-14 years and that financial assistance be given to (1) all independently managed post-primary schools, (2) pre-primary education, (3) adult education, and (4) university education, it is clear that if reliance is to be placed on the public funds alone, at the present level, these schemes could hardly be successfully implemented. It is therefore urgent that other independent sources of revenue for education expenditure should be found. In this section an attempt is made to indicate some such independent sources which, if suitably exploited, could provide the necessary revenue for the expansion <sup>of</sup> educational facilities.

It is <sup>a</sup> human characteristic to want more and better things including education - but there is at the same time a reluctance on the part of most people to pay for these increased wants. This is especially true when payment is made in the form of taxes. Paradoxically it is equally true that people appreciate most the value of a service if they pay for it. But it is hoped that the preceding section in this chapter will help educate public opinion to regard education as a sine qua non of social, political and economic well-being of Fiji.

If the wealth of the Colony is to be equitably utilized to promote education of all sections of the community, it is necessary to adopt a system of taxation which will tax wealth wherever it is

and apply the revenues to educate the children wherever they happen to be. And any plan which places an extreme burden on any one race or group of tax-payers or on one area of the Colony and largely relieves other races, groups or areas will certainly be of doubtful equity. Such a tax system is almost inevitably administered best by the government.

But in the matter of finance as in other educational problems, the increased participation of local authorities is considered to be of the utmost importance. It is especially felt that the local communities will show greater willingness to accept higher rates of taxation if they have a hand in controlling the lines of expenditure and if they are given some responsibility in the administration of local schools. Local control involves some degree of local financial responsibility. One of the surest ways to eliminate local control of schools would be to centralize all financial support in the government. The best solution would be a balance between local and government taxation where each District Education Committee pays a share of the costs of the schools according to its financial ability and the government supplements the local contribution according to some agreed formula which attempts to equalize the burden among the various District Education Committees and at the same time taxes wealth which the District Education Committees cannot tax effectively. It therefore follows that the District Education Committees should be empowered to levy rates and taxes to encourage initiative on the part of the individual District Education Committees to exceed, if they desire, the government programme of education. The District Education Committees' taxing powers should be limited, but the limitations imposed by the legislature should not be so severe as to destroy local responsibility and local initiative. The collection of fund on voluntary basis, from individuals and groups is something which should be

encouraged, particularly for the purpose of providing additional services in the schools.

Let us first look at the present sources of the Colony's revenue as this would help us to see what other possible independent sources may conveniently be tapped. Appendix F sets out in detail the sources of the government revenue from 1939 to 1957.<sup>1</sup>

The present sources of Fiji's revenue are:

- Customs (Duties, Port and Customs Service Tax).
- Direct Taxation (Income).
- Port, Wharf and Lighthouse Dues.
- Widows' and Orphans' Pensions.
- Fees of Court, etc.
- Licences, Excise and Internal Revenue.
- Post Office, Rent.
- Interest
- Miscellaneous.

We see from the above that there are a few virgin areas which have not as yet been taxed by the central government. Revenue for education could be raised by levying taxes on property, sales, wages and entertainments, or by levying an education rate. It would be a help at this point to see how education is financed in other countries.

Financing of Education, a comparative study conducted jointly by the Unesco and IBE covering fifty-five countries, reveals the following:

In the fifty-five countries replying to the questionnaire the funds for financing education derive either exclusively from general receipts or from special education taxes or fees (other than enrolment and examination fees) in addition to general receipts.

Such funds appear to derive exclusively from general receipts in over three fifths of the fifty-five countries, and from special education taxes in addition to general receipts in about eighteen countries (Brazil, Canada, Colombia,

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<sup>1</sup> Infra, Appendix F.



Ecuador, France, Guatemala, Haiti, Honduras, Jordon, Lebanon, Pakistan, Persia, Philippines, Spain, Syria, Thailand, United Kingdom, United States, etc.).

The ratio of the revenue from such taxes to general receipts varies from one country to another, but practically never goes so high as to represent the main source of income for educational purposes. One possible exception is constituted by the property taxes levied by certain district school boards (United States), which exceed 50% of the receipts for education in general.

Such taxes are levied on property, liquors, beer, tobacco, public documents, entertainments, sales, lotteries, inheritances, bequests, slaughter houses, etc.

In some of the countries (Brazil, Colombia, Ecuador, France, Guatemala, Persia, Philippines, Spain, Syria) the revenue from such taxes is devoted to the defraying of certain categories of educational expenditure (school building, for example, vocational education, literacy campaigns, higher education, etc.).<sup>1</sup>

Property Rate. This would be the main source of revenue for education. A general form of rate should be levied upon the occupiers of land and property. Four recognised forms of rating are (1) upon the capital value of land and property, (2) upon the unimproved capital value of land, (3) upon the annual letting value of land and property based upon a fixed percentage (usually 5 percent) of the capital value, and (4) upon the annual letting value of land and property based upon fair rent. Any of these methods of rating would require the services of an expert staff of valuers employed for a considerable time. There is no doubt, however, that the valuation will be worth the trouble and that the basis of rating should be upon the unimproved capital value of land. There is the possibility of reducing the work of valuation by adopting as a temporary measure the highest rents charged by the Native Land Trust Board as a guide either to a fair rental value of all rateable land or as a guide to arriving at the

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<sup>1</sup> Financing of Education. Op.cit. Pp. 60-61.

unimproved capital value of native land let out on lease only.

Once the land and property have been valued, the District Education Committees could levy the rates. The maximum rates that could be levied for educational purposes should be fixed by the legislature. There will be no problem in collecting rates from the people. The people should be required to pay in to the District Commissioner's office in January every year. The sum thus accrued shall from the revenue of the District Education Committee. Stephens in his Report on Education in the Colony of Fiji suggested that property rates should be levied in order to raise revenue for education.<sup>1</sup>

Sales Tax. This would be administered best by the government. The revenue derived from this source should go to the Department of Education. Sales tax can produce large amounts of revenue, but it will fall more heavily upon the poor than upon the rich and therefore has less merit. It is suggested that sales tax be levied on luxuries, liquors, beer, cars and trucks, and graduated sales tax on foodstuffs and clothings.

Wages Tax. This source would also produce large amount of revenue and would be best administered by the Labour Department. Wages tax would be collected quite conveniently by the employers of labourers and office workers. The practice in New Zealand is to collect wages tax from the wages paid to the employees and the employers are required to remit the amount thus collected to the Labour Department. Similar practice may be adopted in Fiji. The Labour Department should remit the wages tax money to the Department of Education.

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<sup>1</sup> F.B.Stephens. Op.cit. Pp. 90-91.

Entertainments Tax. Certain types of entertainments such as cinemas, boxing, wrestling, inter-district sports and athletics should be taxed. This tax is not a bad tax in principle since it is a tax on commodity which the public is free to do without. At any rate the present practice is that the spectators are required to pay admission fees in all the above-mentioned games and there is no reason why a certain portion of the gate money should not be taxed for educational purposes. Revenue thus accrued should go to the District Education Committees funds.

Education Rate. Every witness who went before the 1926 Education Commission said that he would be quite prepared to pay education tax for the education of their children.<sup>1</sup> And even Burns Commission at paragraph 662 says: "A number of witnesses, principally Indians, have recommended that free and compulsory education should be introduced, and that an education rate should be levied to pay for this."<sup>2</sup>

If and when the education<sup>ion</sup> rate is levied, it should be administered by the District Education Committees. It is here where local participation is required and the local initiative can be stimulated. Local communities which will assist in the financing of education will surely be active in promoting education. The revenue derived from levying education rate should go to the District Education Committees' funds.

The above are some possible sources of revenue for education and they are worth exploring. It is not suggested that all these sources should be taxed at once; that would be a very heavy burden

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<sup>1</sup> Hansard. Sessions of 1954. Op.cit. P. 109.

<sup>2</sup> Burns Commission Report - 1959. Op.cit. Para. 662.

on the taxpayer. There is need here for experiment. We need money for education - quickly. We should be prepared to pay for it in the form of taxes and rates.

In Canada, the United Kingdom and the United States of America education is financed as follows:

Canada: Provinces: general receipts. School boards: percentage of property tax. Province of Quebec: "neutral tax" on corporations and limited liability companies (revenue divided between Catholic and Protestant school boards); 1% sales tax yielding 20% of income of urban school boards. Three provinces: special education taxes.

United Kingdom: General receipts (Ministry of Education and Scottish Education Department credits), and local education rates.

United States: Federal and states funds: general receipts. Local boards of education: taxes on property, and in certain states (maximum 1%), salaries, sales, entertainments, production, hotel occupancy, certain commercial activities.<sup>1</sup>

We see therefore that the sources of revenue for education which this study suggested are not unlike the ones obtaining in other countries. Fiji could perhaps begin by levying special education rate and tax on property as these two seem to be the commonest sources of revenue for education elsewhere.

We have so far discussed the various supplementary sources of revenue for education. We have augmented the Education Department's fund and at the same time placed large sums in the hands of the various District Education Committees. How must the financial responsibility to be shared between the Department of Education and the individual District Education Committees?

#### Financing the Several Categories of Education

The distribution of financial responsibilities between the Education Department and the District Education Committees will

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<sup>1</sup> Financing of Education. Op.cit. Pp. 61-62.

performance depend on the funds available at each administrative level. And in view of the fact that the general public are now subjected to special education rate and educational taxes, how much of education are their children entitled to free of cost? These questions are discussed in the ensuing pages. The apportionment of education expenditure at each administrative level and for different levels of education is merely arbitrary and is subject to variations as funds for education increases or decreases.

Pre-Primary Education. Let us see how pre-primary education is financed in a few countries, say Australia, New Zealand, the United Kingdom and the United States of America.

Australia: Many pre-primary schools in Australia are run by private associations and denominational organizations. In many cases they receive a subsidy from the state government, and may also derive revenue from private bequests, fees, donations, and money raised by voluntary efforts. In some states the Department of Education provides facilities for pre-primary education with finance from its own vote. In addition the Federal government finances a special pre-school centre in the capital city of each state. In a few instances local government authorities operate pre-school centres or give them financial assistance from municipal revenue. As a general rule the authority which administers a particular school or group of schools is responsible for providing staff salaries, school buildings, equipment, materials and maintenance from its revenue, from whatever source or sources it is derived.<sup>1</sup>

New Zealand: In the case of pre-primary schools or kindergartens the Department of Education finances the total cost of the salaries of teachers, principals and student-in-training, and makes subsidies of £1 for £1 raised locally for the cost of sites, buildings and equipment. The costs of meals are met from voluntary contributions.<sup>2</sup>

United Kingdom (England and Wales): Expenditure on buildings, equipment, salaries and other expenses of maintenance in

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<sup>1</sup> Ibid. P. 84.

<sup>2</sup> Ibid. P. 206.

connection with nursery schools is met by the local education authority if the school is maintained by the authority, or by voluntary body if it is not so maintained. Some voluntary bodies maintaining nursery schools receive grants directly from the Ministry.<sup>1</sup>

United States of America: In all but one of the 48 states, kindergartens enrolling 4- and 5-year old children are authorized under state school laws. However, only 18 states actually allocate funds to be used for these services. In other states the kindergartens must be financed exclusively from local tax funds or other sources. Nursery schools serve younger children between 3 and 4 years of age. Approximately one-third of the states permit local school authorities to establish and operate nursery schools as an extension of the public school services but the amount of the state funds provided for their operation is negligible. Only one state distributes money to local school districts for nursery school attendance. Generally, the programmes for nursery school children are operated as private schools or laboratories for child study. Financial support comes from parents, organizations, churches, and sometimes from industries as a special service for working mothers. Wherever nursery schools and kindergartens are a part of the public school system they are administered under the same policies as the elementary and secondary schools, and are usually housed in the elementary school buildings. Salaries of teachers and other personnel, and necessary expenditures for supplies and equipment, are paid out of regular school funds.<sup>2</sup>

For Fiji it would be ideal if the entire burden for pre-primary education were shouldered by the Department of Education. But that would come in the fullness of time. For the present, however, it is suggested that the financial responsibility for pre-primary education be shared at three levels. The Department of Education should be responsible for training pre-primary teachers and for paying 25 percent of all trained pre-primary teachers' salaries. The District Education Committee should meet 25 percent of the salaries of teachers and should be responsible for supervising and inspecting pre-primary schools. The parents

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<sup>1</sup> Ibid. P. 255.

<sup>2</sup> Ibid. Pp. 264-265.

should be responsible for meeting the balance of the teachers' salaries and for building schools - Fijian-type bures. The school committee may collect the necessary finance from parents as contributions or by charging fees.

Primary Education. Primary education for the age-group 6-14 years should be free and compulsory. The financial responsibility should be shared between the Department of Education and the District Education Committees. The Department of Education should bear 50 percent of teachers' salaries and 50 percent of the costs of new buildings. The District Education Committees should bear the other half of the costs. The school committees should be responsible for the maintenance costs of the buildings and playgrounds, and when meals are provided that should be at the cost of the parents.

In New Zealand the entire cost of primary education is borne by the Education Department and in the United States of America the expenses are shared at three levels: Federal, states and local boards of education.

New Zealand: The Department of Education provides grants to the local Education Boards controlling primary schools, covering the total cost of sites, buildings and equipment; salaries of teachers; transport and board of pupils; maintenance of buildings; and materials supplied free to pupils. School medical and dental services are provided by the Department of Health. School meals, where provided, are a local responsibility.<sup>1</sup>

United States of America (primary and secondary education): Of the 66,000 school districts in the United States, 11,100 operate no schools and send all pupils to schools in neighbouring districts, 40,400 operate only primary schools, 1,300 operate only secondary schools, 13,200 operate both primary and secondary schools.

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<sup>1</sup> Ibid. P. 206.

Procedures for financing all of these schools are similar. Public boards of education have authority to establish school budgets and to secure taxation funds to meet the expenditures listed in the approved budgets. About 3% of the funds come from Federal sources, 40% from state revenues, and 57% from local revenues. State funds are allocated to the local school districts according to flat grants and equalization formulas. The combined funds are used for administration, instruction, pupil transportation, school lunches, health services, plant operation and maintenance, and all other items of current expense.

School facilities including buildings, sites additions, and equipment are also provided by the local boards of education. Most school districts borrow the necessary funds when a new building is needed. In recent years, however, several states have been developing plans under which the state will grant to local school districts a small portion of the funds required for new school buildings, in view of the unusually large demands created by increased birth rates. Expenditures for school housing account for about one seventh of the total expenditures for education. The amount expended for the average individual classroom and related school facilities is approximately equivalent to nine times the annual salary of the teacher. School buildings constructed during recent years have averaged about 14 classrooms per building. New school buildings are of permanent type fire-resistant construction and are expected to be serviceable for school purposes for 40 to 50 years.<sup>1</sup>

Secondary, Technical and Vocational Education. All independent post-primary schools should receive grants-in-aid from the Education Department as well as from the District Education Committees. It is suggested that 50 percent of salaries of trained graduate teachers and 25 percent of cost of new buildings and 50 percent of the costs of workshops and libraries be borne by the Department of Education. The District Education Committees should contribute 25 percent of teachers' salaries and 25 percent of the buildings and 50 percent of the workshops and libraries costs. The

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<sup>1</sup> Ibid. P. 265.



managements of the independent school should meet 25 percent of the teachers' salaries as well as 50 percent of the building costs. The managements should be responsible for all other incidental expenses. It is suggested that the Governor-in-Council prescribe school fees for all independent schools and they should be so calculated as to recoup 25 percent of salaries and leave sufficient fund for maintenance of school premises. No student should be required to pay building funds. Expenditure on boarding accommodation is to be met by the parents.

Government post-primary schools should gradually be handed over to the respective District Education Committees. The Education Department should meet 50 percent of the teachers' salaries and all workshop expenses. The District Education Committees should contribute 25 percent of teachers' salaries and all the maintenance expenses. 25 percent of the teachers' salaries should come from the fees paid by the students. Recurrent expenses on boarding establishments, wherever they exist, are to be met by the hostel fees paid by the boarders.

We find that some such schemes exist in Austria and Ceylon.

Austria: The State finances the construction, repair and maintenance of secondary and technical and vocational schools. Parents are generally required to pay for teaching materials. The communes finance senior primary school building and maintenance and school materials.

The Federal Government defrays the entire cost of the salaries of teachers in general and technical secondary and senior primary schools, while the province and the State share equally the cost in the case of part-time vocational school (apprenticeship schools). The cost of auxiliary staff is defrayed by the State in the case of secondary schools, or by the provinces, and in some cases the communes, in the case of senior primary and part-time vocational schools.

Scholarships are provided by the federal government, the the provinces, the communes, or by private individuals either in the form of special credits listed in the budget, or as income from foundations. Parents are required to pay

boarding charges but necessitous pupils are often exempted.<sup>1</sup>

Ceylon: Government and assisted secondary schools are financed in the same way as the corresponding categories of primary schools. (Government primary schools are financed entirely by the government. Assisted primary schools are entirely financed by the government in regard to teachers' salaries; partly by the government and partly by the managers in regard to equipment and materials; and entirely by the managers in regard to buildings.) The salaries of auxiliary staff in assisted schools are met by the managers. Expenditure on scholarships and boarding accommodation in government schools is met by the government. Expenditure on boarding accommodation in assisted schools is met by the parents.

The government provides a grant for workshops and equipment in the case of assisted (technical and vocational) schools. An interest-free loan, moreover, is available to these schools for constructing and equipping workshops. In the case of government schools the entire cost of providing workshops and equipment is met from the government funds. The salaries of teaching (not auxiliary) staffs of government and assisted schools are met by the government.<sup>2</sup>

University Education. There is no university in Fiji. This study proposed the establishment of the University College of Fiji. A considerable amount of money for the initial capital expenditure must be procured from the United Kingdom Colonial Development and Welfare Funds. The government should contribute generously towards this capital expenditure. The Department of Education should bear a substantial portion of the recurrent expenditure. (In Ceylon "The one university and the technical college are financed entirely by the government."<sup>3</sup>) A portion of the recurrent expenditure could be recouped from fees paid by the students. Donations, contributions, endowments and benefactions to the University College of Fiji should be exempted from income tax.

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<sup>1</sup> Ibid. P. 89.

<sup>2</sup> Ibid. Pp. 116-117.

<sup>3</sup> Ibid. P. 117.

Primary and Post-Primary Teacher Training. This should be the entire responsibility of the Department of Education. Private teacher training college should receive grant to the amount of 50 percent of the total recurrent expenditure. When the University College of Fiji takes up the responsibility of training post-primary teachers, the Education Department should meet 50 percent of the costs.

In Ceylon all expenditures on government training colleges are met by the government. In the case of assisted teacher training colleges, "the government meets expenditures on teachers' salaries, equipment and scholarships, while the managers are financially responsible for buildings".<sup>1</sup>

Adult Education. There will be no problem of capital expenditure as far as buildings are concerned, as the existing committee school buildings could conveniently be utilized for conducting adult education classes. Adult education should be the responsibility of local school committees and the District Education Committees. It is suggested that 25 percent of the teachers' salaries be borne by the Department of Education. If funds permit, the rest of the costs should be evenly shared between the District Education Committees and the local school committees. All incidental expenses are to be borne by the school committees.

Let us see how adult education is financed in other countries, for instance, in Ceylon and in New Zealand.

Ceylon: Buildings, equipment, materials, and teachers' salaries are financed entirely by the government.<sup>2</sup>

New Zealand: Adult education is in the main the responsibility of four regional councils of adult education. These councils

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<sup>1</sup> Loc.cit.

<sup>2</sup> Loc.cit.

receive their funds through the National Council of Adult Education, established by legislation to co-ordinate adult education activities. The finance for adult education, including buildings, is provided by the Department of Education.<sup>1</sup>

### Role of Public Philanthropy and Local Corporations

In every country the world over public philanthropy and local corporations have played notable role in the development of every kind of education. In the United States, for instance, the President's Commission on Higher Education, comments on the role of philanthropy as follows:

The American people, individually, and through corporations and foundations, traditionally have given generously to the support of institutions of higher education. A principal fund of more than \$1,750,000,000, including endowments, annuity, and loan funds, was held by the Nation's colleges and universities in the fiscal year 1940. Earnings on these invested funds in that year brought over \$70,000,000 into the current operating fund of all institutions of higher education. Eighty-eight percent of the endowment and other invested funds were held by institutions under private control. In addition to these invested funds private gifts and grants for the current or undesignated purposes amounted to \$40,000,000 in 1940. In that year private contributions reached a new peak... In 1940 private philanthropy contributed 36 percent of the income of privately controlled institutions and 4 percent of those under public control.<sup>2</sup>

In Fiji too public philanthropy has contributed significantly towards the development of primary and post-primary education. A number of private institutions owed their inception and continued existence to the loyalty and faith of friends and benefactors. But of recent years, the support for education from

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<sup>1</sup> Ibid. P. 206.

<sup>2</sup> President's Commission on Higher Education. Higher Education for American Democracy. New York, Harper & Brothers, 1946. Vol. V. Pp. 28-30.

this source has diminished considerably. And yet the present high and increasing income level of many individuals and corporations offers a fertile field for potentially larger philanthropic contributions for educational purposes.

In order to attract philanthropic aid for educational purposes this study suggests two measures. The first one is that more intensive and better organised appeals should be launched by the leaders of all the communities. If the public opinion is educated along the line as discussed earlier in this chapter under the heading "Education as an Investment" and the general public becomes aware of the importance of education for the well-being of the individuals and the society, there is every reason to believe that the people of Fiji will come out with generous gifts and grants for the promotion of education in the Colony.

The second measure is that philanthropic contributions for educational purposes should be exempted from income tax. This measure obtains in a number of countries. In India, "the Central Government has already passed certain rules under which contributions made to certain institutions like Universities and research institutes are exempted from income-tax upto a prescribed limit".<sup>1</sup> And in the United States, in the words of the President's Commission on Higher Education:

Federal and State tax policies provide liberal exemptions from income taxes for gifts to educational and other non-profit institutions as defined by law. Federal policy includes: (1) exemption of charitable gifts from the gift tax, (2) exemption of charitable bequests from the estate tax, and (3) exemption of as much of the adjusted gross income of the individual, not exceeding 15 percent, and of corporate net income, not exceeding 5 percent, as is contributed for

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<sup>1</sup> Indian Secondary Education Commission Report. Op.cit. P.212.

educational, religious, and charitable purposes.<sup>1</sup>

It is suggested, therefore, that the Government of Fiji make suitable amendments to the current Income Tax Ordinance whereby philanthropic contributions for educational purposes, say upto 15 percent of the gross income of the individual and 5 percent of the net income of corporations may be exempted from income-tax. It is also suggested that the amounts bequeathed to public institutions for educational purposes in the will of a deceased person should be exempted from any duty by the government and that the whole of this amount should be appropriated to the educational purposes for which they are designated. These measures will serve as incentives to attract philanthropic assistance for educational purposes.

Religious and Charitable Endowments. It is suggested that a fair proportion of the surplus income of religious and charitable institutions, after deducting the necessary charges pertaining to the administration of these trusts, should be earmarked for educational purposes. In certain States in India religious and charitable bodies are required by law to contribute a portion of their surplus income for the promotion of general education and the Indian Secondary Education Commission suggested that similar provisions should "be made in other States where such legislation is not already in force".<sup>2</sup>

Whilst it is not suggested that the Government of Fiji should by legislation require these religious and charitable institutions to set aside a fixed portion of their income for educational,

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<sup>1</sup> Report of the President's Commission on Higher Education.  
Op.cit. P. 32.

<sup>2</sup> Indian Secondary Education Commission Report. Op.cit. P.213.

purposes, nonetheless, appeals should be addressed to these organisations, by whose initiative and vision so many of our primary and post-primary schools were founded, still further to enhance the value they derive from education by increasing their support to it.

Support from Trade Unions. Like corporations, trade unions thrive best in a society enlightened by the spirit of a liberal education. In 1960 there were 54 registered trade unions in Fiji and their membership numbered 23,000.<sup>1</sup> Some of these unions are quite rich and can contribute significantly towards the development of education in the Colony.

Labour has a stake in education, especially in the emphasis it gives to the freedom which is essential to the existence of unions and in the opportunities education offers for the individual to chalk out his own career in life. This fact has led to action in some countries. "The Report of the Commission on Financing Higher Education" in the United States of America comments on this issue as follows:

Some unions have shown their particular interest by developing scholarship assistance for deserving young people. This interest has even broadened in some instances to include children of nonunion families. Forward-looking labour leaders are realizing that it is not enough to train the children of working families in the philosophy and technique of labour organization. The labour group has much to gain in the long run from giving the children of its people the same opportunities for advancement that others enjoy.<sup>2</sup>

Trade unions like religious and charitable organisations are in a particularly favourable position to do something about

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<sup>1</sup> Fiji - Report for the year 1960. Op.cit. P. 15.

<sup>2</sup> The Report of the Commission on Financing Higher Education. Nature and Needs of Higher Education. New York. Columbia University Press, 1952, P. 177.

scholarship assistance to deserving children. They are in a position to help find such talents, to encourage young persons to go to college, and to know the circumstances in which scholarship assistance is especially needed. A few of the unions are well launched upon this work. All unions should take the field, and together they can do a lot to stimulate and finance promising young persons to go to college.

### Conclusion

Fiji is rich in natural and human resources which when developed, will permit relatively large increases in the support of all functions of the government including education. It would be a mistake to delay further the development of education until after the public revenue has been increased through the development of the Colony's natural resources. The most important resources of any country are its human resources. Educated and technically trained personnel is a prerequisite to both industrial and agricultural development. This implies that the people of Fiji must make a major effort to develop its human resources at the earliest possible date.

Through radio, press and meetings a determined effort must be made to educate the public opinion along the lines that money expended on education is an investment which produces dividends in social and individual well-being and increases industrial efficiency.

Under the present conditions, relatively large revenues for education could be obtained by levying suitably devised taxes on property, sales, wages and entertainments, and by levying



special education rate. Some of these could be administered best by the government and some by the local District Education Committees. The District Education Committees which are made up of representatives of local communities, should be intimately involved in the administration of local schools. This is essential because the local communities are likely to accept higher rates of taxation if they have a say in the direction of expenditure and are responsible for promoting education in their areas. Local co-operation and participation in all programmes of education must be enlisted and local interest and initiative encouraged.

Fiji philanthropists of both past and present likewise deserve the highest praise. These generous individuals have a great sense of social responsibility and are desirous of ameliorating the lot of the poor people. It is hoped that local corporations, religious and charitable institutions and trade unions will all join the rank and thus swell philanthropic contributions for the support and expansion of educational facilities at all levels, in the Colony of Fiji.