

## Confronting Fiji futures

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The outcome of Fiji's May 1999 general elections came as a surprise to many local and international observers. In a vivid repudiation of the legacy of the two 1987 coups, outright victory went to the Fiji Labour Party (FLP), whose former leader, Dr Timoci Bavadra, had been forced out of the Prime Minister's office as a result of the coups. Coup leader Sitiveni Rabuka, who had emerged as Prime Minister in 1992, saw his party, the *Sogosoqo Ni Vakavulewa Ni Taukei* (SVT), rejected by the voters. So too were its allies, the National Federation Party, whose leaders had also been ousted from office as a consequence of the coups but who had, in collaboration with the SVT, helped steer the 1997 constitutional settlement through parliament.

Clearly, the results of the elections demonstrate that Fiji in 1999 is a very different country than that which was traumatised by the coups. In the past, social dissent and conflict have commonly focused on politicising ethnic identity. The victory of the explicitly multiethnic FLP begs the question: has Fiji taken the bold leap into the dark that is needed to move beyond the primacy of the politics of identity? It is unlikely that those who framed the 1997 constitutional settlement envisaged a situation in which one party would achieve an overall majority of

parliamentary seats at this stage in Fiji's political development, garnering limited but nevertheless significant support from across the multiplicity of Fiji's ethnic communities. Nonetheless, the government that has emerged is, in line with the principles of the Constitution and the political processes that it has engendered, a multiparty one, with a greater range of representation than that of any previous government in Fiji.

At the same time, the FLP was elected on a platform of social and economic justice. Such a platform stands in sharp relief to the policies of structural adjustment pursued by successive governments since 1986. However, it is unclear whether the FLP will be able, in the context of multiparty government and in the context of the probable end of the country's preferential market access for most of its exports, to formulate independent policies that address the country's remarkably poor economic performance. Yet the need for fresh, forward-looking economic policy is urgent: Fiji's rate of growth of GDP per capita has fallen from 4.2 per cent per annum between 1965 and 1980 to only 0.5 per cent per annum between 1980 and 1993, and the political consequences of deepening economic insecurity could be significant. This begs a second question:

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will Fiji's new government be able to 'adjust' structural adjustment?

To answer these questions, there is a need for a forward-looking assessment of the broad social, political and economic issues facing Fiji. One assessment is to be published as *Confronting Fiji Futures* edited by A. Haroon Akram-Lodhi and Robbie Robertson and published by Asia Pacific Press.

- Reflecting on the political climate in Fiji at the time of the coups Doornbos and Akram-Lodhi ask whether the coups brought forth a 'necessary' crisis. Certainly, with a near even balance between the two main ethnic groups, with the two groups having largely separate economic spheres, with the two groups governed through institutions which emphasised separateness, and with powerful élites keen to preserve institutionally entrenched positions, colonial rule had left Fiji singularly handicapped to act as a unitary state. In this context, the coups acted as a provocation for segments of Fiji society to try and come to terms with these basic realities—whether from narrowly competitive, even retrogressive, or from more genuinely constructive angles. As a result, the peoples of Fiji have begun to address issues about Fiji's futures in a more direct fashion than they probably had done at any time earlier. If this analysis is accurate, it underscores the imperative, for Fiji's societal development and change, of constructing strategies focused upon helping the country to grow together, rather than grow apart (Chapter 1).
- The process by which the new 1997 Constitution of Fiji Islands was constructed, as well as its objectives is examined by Ghai, focusing on three issues: the electoral system; multi-party government; and accountability. Ghai raises questions concerning how the new Constitution will be implemented, using the word 'implementation' to denote the dynamics of the inner logic of the Constitution, the directions in which it compels, promotes or facilitates change, as well the contradictions within it that may obstruct the achievement of its objectives. Professor Ghai argues that while it is comparatively easy to set up institutions, it is much harder to ensure that such institutions and their office holders follow the norms that have been established. Much depends on the balance between the institutions of the executive and the institutions of control and accountability, and the rules governing relations between the executive and the institutions of control. Nonetheless, the ultimate success of the new Constitution will depend upon the extent to which civil society becomes committed to its norms and values, and on this critical factor, while the prospects appear good, there are as yet no guarantees (Chapter 2).
- Fiji's 1999 general elections were a national referendum on the 1997 Constitution, and as a result of the outcome of the elections the mandate that it has received from the peoples of Fiji is overwhelming. However, Prasad demonstrates that despite this mandate, and despite the objectives of the Constitution in seeking to promote multiethnic politics, it is clear that significant tensions remain between those who would use ethnicity as a primary means of political mobilisation and those who would use class as a primary means of political mobilisation. Prasad suggests it is clear that the alternative vote (AV) system used in the elections has not been able to expunge the recourse to ethnicity as a tool of political mobilisation, and possibly permitted a 'de-ethnicisation' of politics in reserved seats. However, the use of ethnicity may have been reinforced in those seats specifically designed to foster the emergence of a

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multiethnic politics: the open seats. Moreover, where it has fostered cross-community cooperation, this has been amongst élites; it has not occurred amongst people. In this light, Prasad offers two suggestions. The first is that Fiji critically reassesses the suitability of AV system. The second is that the ratio of open to reserved seats must be re-examined and possibly reversed if Fiji is to move decisively towards a less ethnically based system (Chapter 3).

- An overview of the evolution of Fiji's macroeconomic structure during the post-independence period emphasises changes occurring during the period between 1987 to 1992, then focuses on assessing the impact of domestic savings, public sector spending and external resources, including Fiji's preferential access to the European Union for its sugar exports, on the growth path of the Fiji economy by specifying a three-gap model of growth in Fiji for the period 1971 to 1996. Once the three-gap model is estimated, the parameters of the model are used to simulate the period between 1997 to 2001 under four alternative growth path scenarios. These scenarios examine the impact of a gradual elimination of Fiji's preferential access to the European Union, and thus a substantial reduction in the availability of foreign resources, which, should it occur, would have a major affect on the growth of the economy. Sepehri and Akram-Lodhi demonstrate that if Fiji's preferential access to the European Union for its sugar exports is removed, the economic impact may be socially destabilising. However, they also demonstrate that it is, in principle, possible for Fiji to achieve a 'socially desirable' rate of economic growth. In order to do this, the challenge for Fiji's policymakers is to intensify export diversification efforts and improve the government savings rate (Chapter 4).
- Prasad and Kumar argue that the key constraints to improved economic performance in Fiji are a set of institutional rigidities. Supply-side structural adjustment policies in Fiji have been based on a neoclassical model which assume institutional structures as given and thus fail to consider their potential role as a constraint. Institutional rigidities pervade the Fiji economy. Long-term growth will only increase if these institutional rigidities are addressed and resolved (Chapter 5).
- Cameron examines the extent of the challenge confronting civil society and the state in Fiji in seeking to redistribute social and economic uncertainty, improve the degree of equality within society, and in so doing build 'social wealth'. Offering a critique of the neo-liberal approach to social inequality, Cameron argues that the new institutional economics offers a countervailing approach rooted in distinctive moral and political perspectives which emphasise the interaction between civil society, state institutions and imperfect markets in facilitating improvements in the degree of equality within a society (Chapter 6).
- Ganesh Chand explores an important source of social inequality, examining labour market deregulation, looking at the background to deregulation policies, the objectives of the deregulation drive, the key mechanisms for deregulating the labour market, and consequences of deregulation, arguing that the process was part of a wider set of structural adjustment policies that Fiji began adopting in the mid 1980s. The military coup and the subsequent collapse of the economy provided the opportunity for Fiji to push ahead with the adjustment program. As the gist of the new policy package was export-oriented industrialisation, deregulation was to align the labour market with this objective (Chapter 7).

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- Leckie explores the ways in which the political economy of post-coup Fiji has profoundly shaped women's lives, expectations and identities. Predicated on the proposition that it is futile to separate work from other component's of women's lives, Leckie argues that change has been a reflection of women's cultures, the legacy of colonialism, the education system, the impact of the post-coup regime, and globalisation (Chapter 8).
  - The idea that social identity is rooted in political and economic processes is explored in more detail in the second section of *Confronting Fiji Futures*. Sutherland is concerned with the impact of post-coup reforms on the 'Fijian' question which, at its most elementary, comes down to a simple question: who is a Fijian? Sutherland argues that up to the early 1990s the state's economic reform agenda was driven primarily by nationalist indigenous Fijian demands but that from the mid 1990s, faced with increasing external pressures for greater liberalisation, the state not only picked up the pace and scope of reform but also increasingly had to distance itself from its nationalist agenda. In so doing the state alienated the political constituency on which it depended most critically. By the late 1990s the level of indigenous Fijian disaffection had grown, and the Fijian question remained unresolved. This then helps explain the outcome of the 1999 general election. However, the new government still faces the same question—how to resolve the Fijian question (Chapter 9).
  - Having defined 'communal capitalism', Ratuva provides an overview of the economic affirmative action policies intended to benefit indigenous Fijians in the wake of the 1987 coups. The new government, argues Ratuva, faces two challenges. The first is how to respond to the climate of globalisation given the obvious conflict between economic affirmative action and economic liberalisation. The second is how to accommodate the claims of the nationalist constituency that has, in design if not in impact, been the target of economic affirmative action (Chapter 10).
  - Holger Korth demonstrates that the main thrust behind ecotourism development in Fiji has been the re-invention of Fiji as a 'destination image' which, in its production and consumption, centers on nature and indigenous Fijian ethnicity. Seemingly progressive in its environmentalist sensitivities, the development of ecotourism in Fiji has been driven by segments of the state apparatus. However, ecotourism development in Fiji has been predicated upon the conservation of the social, cultural and natural ecology (Chapter 11).
  - Robertson notes that despite considerable achievements in the new 1997 Constitution, the nation still has to come to terms with its past, highlighting issues of identity—including ownership of the national name—which remain largely unresolved. Robertson illustrates the complex paradox of identity in Fiji by examining the changing views of Sitiveni Rabuka on inter-community relations. This paradox, Robertson argues, means that despite the outcome of the 1999 general elections the potential remains for powerful but fractious class interests to exploit ethnocentrism in order to maintain advantage, and thereby once more push the country back towards heightened communal division (Chapter 12).
- In covering a range of issues of importance to those working on and/or living in Fiji in a clear and an analytically precise manner, *Confronting Fiji Futures* will be of interest to policymakers, academics, students and concerned individuals in the region.