

Race-based regime clings to power in Fiji

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Since elections nearly three months ago, the racially-based Fiji government of Prime Minister Laisenia Qarase has consolidated its hold over the country, primarily due to the role played by the Labour Party, led by ousted prime minister Mahendra Chaudhry.

Together with the trade unions, the Labour leaders have stifled opposition to the regime, which the military initially installed in May last year following the seizure of parliament by soldiers and thugs led by businessman George Speight.

Qarase's government of ethnic Fijian businessmen, senior bureaucrats and landed chiefs has been able to cling to power, implementing many of the policies demanded by Speight and his backers to discriminate against Indo-Fijians, who make up nearly half the population.

In a series of twists and turns since the September elections, Chaudhry has made several bids to join the forces who deposed him. Immediately after the election, he sought a coalition with Speight's racist Conservative Alliance Matanitu Vanua (CA), which obtained six seats. With Labour's 27 seats, the partnership would have held the majority in the 71-seat parliament.

Speight's group, however, preferred to strike a deal with Qarase's Soqosoqo Duavata ni Lewenivanua (SDL or United Fiji Party), which won 32 seats. Finding himself out in the cold, Chaudhry first claimed voting irregularities and then demanded inclusion in Qarase's government. He sought to rely upon a clause in the 1997 Constitution, which provides that any party with more than 10 percent of the vote must be offered a proportional share of cabinet positions.

This seemingly bizarre provision is part of a so-called power-sharing scheme that allocates most parliamentary seats along racial lines, dividing them between ethnic Fijian MPs and representatives of Indo-Fijian voters. The scheme keeps working people divided along communal lines, while providing for coalition deals between ethnically-based leaders.

Qarase rejected Chaudhry's approach, declaring that his government could not function with Labour representatives in the cabinet, because the "two parties hold diametrically opposed views on quite a few important issues for the country". Nevertheless, Chaudhry persisted, insisting that the parties could reconcile their policies.

Qarase rebuffed him, bluntly brushing aside the constitution. He advised President Ratu Josefa Iloilo—also installed as a

result of Speight's coup—to appoint Chaudhry as Opposition leader. Chaudhry refused the position and, after quickly dropping plans for protest rallies, filed a writ in the High Court challenging his exclusion from the ministry. While indulging in anti-government rhetoric at public meetings, he appealed to the courts to install him as a member of the same government.

Qarase instructed Iloilo to appoint Prem Singh, the sole parliamentary representative of the National Federation Party, an Indo-Fijian business party, as Opposition leader—even though Singh gained only 19 percent of the primary vote in his Nadi Open electorate, winning the seat on preferences from the SDL.

As Opposition leader, Singh has appointed some of the opposition Senators in the upper house—a decision that has also been challenged by Chaudhry in the High Court. Labour Senators declared a boycott of the Senate until the courts hand down a decision. Both Labour's cases are likely to be transferred to the Court of Appeal, which may not sit until February, leaving the legality of the government's moves undetermined.

But Qarase and Iloilo have previously made it plain that they are quite prepared to defy or evade legal rulings. They remained in office for months last year despite a High Court declaration that their government was illegal. Under pressure from Australia and other Western powers to legitimise their regime, they eventually called elections in response to a Court of Appeal ruling, which allowed them to continue to hold power until a poll was conducted.

While issuing legal writs, Chaudhry has continued to express his readiness to facilitate Qarase's policies of favouring ethnic Fijian businesses and re-drafting the constitution to exclude Indo-Fijians from high political office. On November 4, he signed a communiqué with Qarase, agreeing on the need for "affirmative action" for indigenous Fijians and changes to the constitution. "There are some differences of opinion with respect to some provisions of the Constitution and these are being resolved in the court," the communiqué said.

Chaudhry's main concern is to stabilise the political and economic situation in the interests of business and investors. The Labour Party and trade union leaders have a consistent record of shoring up the Fijian establishment. Chaudhry's actions are in line with the role that he and other labour leaders played after the 1987 military coups led by Major General

Sitiveni Rabuka. Rabuka overthrew the previous Labour prime minister Timoci Bavadra, but the Labour and union leaders, notably Chaudhry, bowed to Rabuka and worked with him to legitimise his regime during the 1990s.

Following the collapse of Speight's coup last year, Chaudhry travelled to Australia, New Zealand, India and Britain seeking Western support for his reinstatement, but was largely rebuffed. Instead, the major powers decided to work with Qarase, while pushing for elections to provide the regime with a democratic façade.

Qarase has since sought to serve the interests of the ethnic Fijian racialists and their business backers, while meeting the demands of Western investors and tourism operators for open markets and an end to unrest.

His government rests on an alliance with Speight's party, which recently threatened to quit the coalition if all its key policies were not fully implemented within a year. Despite having busted up the previous parliament and taken MPs hostage, Speight was permitted to stand for election, whereupon he won a seat. The regime has kept Speight on a prison island, facing charges of treason, but his trial has been continually delayed.

Qarase remains committed to a "Blueprint for the Protection of Fijian and Rotuman Rights and Interests," which provides for subsidies and tax handouts to companies owned by ethnic Fijians. His government's 2002 budget, handed down last week, allocated \$10 million to a trust fund to assist indigenous Fijian businesses. It also increased the duty on imported meat and poultry from 3 percent to 27 percent to appease local producers. This is a departure from the IMF-dictated program of Chaudhry's government.

At the same time, Qarase is desperate to attract foreign investment. The budget proposed to cut the top personal and corporate tax rates from 34 to 30 percent over two years. Delivering the budget, Finance Minister Jone Kubuabola said the government was looking to the tourist industry to take a leading role in Fiji's economic recovery.

Qarase told a Fiji Australia Business Council Business Forum meeting a few days later that his government had established a cabinet sub-committee to fast-track decisions on investment proposals. He said the forum was vital to Fiji because Australia was Fiji's largest export market, worth \$245 million annually, and the greatest source of investment.

Last year's coup devastated the economy. In 1999 the Fiji economy grew by nearly 7 percent but in 2000 it contracted by 12.5 percent. Of the 20,000 workers employed in the garment industry, 8,000 were retrenched. According to the Fiji Bureau of Statistics, 6,000 Indo-Fijians and 600 indigenous Fijians have left the country. Most were professionals, managers, technicians, and clerical workers, including 400 teachers.

By June 2001, tourist arrivals had recovered to 87 percent of the June 1999 figure, but the global impact of the September 11 events in the United States has further set back the prospects of

a tourism-led revival. Kubuabola admitted that foreign exchange reserves stood at just \$830 million, only enough to cover imports for 4.4 months.

While ethnic Fijian businessmen stand to gain from Qarase's policies, social conditions remain extremely poor for the vast majority of ordinary people, ethnic Fijian and Indo-Fijian alike. The official poverty rate stands at 35 percent, with the situation exacerbated by the displacement of Indo-Fijian sugar cane farmers following Speight's takeover attempt. In urban centres, garment workers are paid wages of \$45 to \$60 a week, which is well below the poverty line.

This social polarisation is beginning to generate renewed class tensions, which the Labour and union leaders are working to contain. The government has declared illegal a strike by teachers at the Fiji Institute of Technology, who are demanding a 13 percent pay rise, while nurses, teachers and other civil servants were due to strike for a 6 percent wage increase. Union officials struck an agreement with the government to send the dispute to voluntary arbitration.

On October 5, the Australian government provided Qarase's regime with much-needed international legitimacy by lifting its limited economic sanctions, originally imposed after Speight's coup. The decision allows Fijian military personnel to recommence training in Australia. Two weeks later, the US government lifted its travel warning against Fiji.

New Zealand and the Commonwealth (former British colonies) have thus far refused to lift their sanctions, saying it is premature to do so, given the legal uncertainty. But this week a Commonwealth observer team endorsed the September election voting processes as credible, clearing the way for Fiji to be re-admitted to the Commonwealth at a heads of government meeting in Brisbane next year.

Having previously rejected Chaudhry's appeals for reinstatement, Australia and the other Western powers have increasingly drawn the conclusion that Qarase offers their best hope of stabilising the situation in Fiji. Chaudhry has recognised that message and is offering his services at every opportunity.



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