Signs of social and economic crisis across Pacific Island states

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A wave of political and industrial struggles has broken out in small Pacific Island states during the last quarter of 2005. These clashes are a sign of deepening social tensions throughout the region as global economic uncertainty and the impact of the agenda of market reform buffets Pacific micro-states.

All the island states are heavily dependent on tourism and a narrow range of agricultural and mineral exports and are stagnating economically. Many are depopulating as young people in particular emigrate to seek better lives elsewhere, while remitting money to sustain their extended families left behind.

Reliant on international aid and loans, the Pacific countries are under pressure to carry out the IMF's prescriptions of privatisation, savage cutbacks to social spending and financial incentives for investors. These measures have exacerbated the social gulf between the tiny ruling elites and the majority of islanders who live a semi-subsistence existence in villages without access to basic amenities.

Poverty is rampant. In **Fiji**, for instance, a Household Income and Expenditure Survey released in November showed nearly 28 percent of the 816,000 population on or below $FJ13 ($US7.52) per person per week or about $US1 per day. Rural poverty over the past decade has risen from 24 percent to 35 percent of the population.

These intractable social problems of poverty, social backwardness and inequality, the lingering effects and continuing problems of neo-colonial rule and the "reform" demands of the international financial institutions are propelling different layers of working people across the Pacific into confrontation with the ruling elites.

In **New Caledonia,** a three-week strike by workers at the French nickel company SLN, the main private sector employer, saw blockades of three fuel depots and a main highway, the deployment of riot police to confront pickets outside the Doniambo smelter, occupations of several banks as well as bakeries that provide 80 percent of the bread to the capital Noumea.

The strike began in late November when members of the Confederation of Workers' Union blockaded the SLN plant after two workers were sacked. As hundreds of workers rallied outside the SLN offices, New Caledonia's employers and business leaders marched through the streets of Noumea denouncing the strike as a "blatant breach of the French Constitution's freedom of movement and freedom of work provisions". The strike, which ended with the reinstatement of the sacked workers, cost SLN an estimated $US38 million.

On December 11, the Kanak and Exploited Workers' Union (USTKE) set up blockades at mines and government offices in a campaign for a nickel plant in the Northern Province. The USTKE called for a general strike directed against the French state-owned nickel conglomerate Eramet and its subsidiary mines, which were barricaded.

The action came as Eramet sought a court ruling on the Koniambo nickel ore deposit which is at the centre of negotiations for the construction of a Canadian-owned smelter. The government was accused of stalling on the ore transfer ruling. The issue prompted mass action because a 1998 agreement stipulated that a smelter project had to be started before the end of December in the Northern Province, a semi-autonomous zone controlled by the indigenous Kanaks, in return for the Koniambo ore.

In the kingdom of **Tonga**, opponents and supporters of the feudal monarchy clashed during marches held on a public holiday on December 5. Three competing marches were held as opposition to the ruling monarchy and demands for political reform gather strength. In the first march, 400 civil servants marched in support of constitutional changes to give people the right to elect the parliament. Currently only 9 members of the legislative assembly are elected by the populace, while 9 are elected by the chiefs or so-called "nobles" and 12 are appointed directly by the king, who also nominates the cabinet and the prime minister.

Another crowd of 5,000, led by the 87-year-old king Tau'ahau Tupou IV and other royals, marched through the capital Nuku'alofa to the palace. A number of groups rounded up for the occasion—in particular groups of prisoners and handicapped people—joined various semi-official organisations including youth groups, school brass bands and church groups.

According to Radio New Zealand reports, the pro- and anti-monarchist groups hurled abuse at each other and had to be kept apart by police. A third march saw about 500 people carrying in a traditional manner mats and other gifts for the king to the palace. Earlier in the same week, members of the large expatriate Tongan community in New Zealand demonstrated outside the Tongan king's residence in Auckland, demanding democratic reforms.

The demand for political reforms in Tonga came to a head in September. A bitter 6-week public service strike forced the government to accede to demands for pay rises of between 60 and 80 percent. Protests reached a peak with one demonstration of more than 10,000 calling for changes to the structure of government. The depth of hostility to the privileged royal family was revealed when royal-owned houses were torched, school classrooms wrecked and a petrol bomb thrown at a house owned by business partners of the crown prince.

In the wake of the strike, two "pro-democracy" groups—one led by Clive Edwards, a former police minister, and the other by a relative of the king—sought to steer the mass opposition into safe channels. Neither group represents the aspirations and interests of ordinary Tongans. Both are oriented towards a thin middle class layer of business leaders, newspaper publishers and "commoner" MPs who are seeking to end the royal family's monopoly on economic and political power.

Under pressure from the Asian Development Bank and the WTO, which Tonga joined on December 15, preparations are being made for a savage onslaught on living standards. Oxfam declared that Tonga was admitted to WTO membership on the worst terms of any country. Oxfam's analysis, based on leaked documents, concluded that Tonga will have to fix its tariffs at below 20 percent—lower than any other country except Armenia—threatening to wipe out many small farmers and businesses.

Using the recent pay settlement as an excuse, the finance minister has already announced that a $US75 million budget shortfall will force the sale of government assets as well as restructuring and redundancies. The result will be a decline in health and education standards, the loss of many public and private sector jobs, the increased emigration of skilled workers, along with high inflation and bankruptcies.

In **Tahiti**, a four-day general strike by public sector workers during the first week of December resulted in the deferment of a controversial new tax plan by the government of longstanding French Polynesian pro-independence leader Oscar Temaru. Temaru assumed office in March, having inflicted an electoral defeat on the right-wing Gaullist government of Gaston Flosse.

The strike was called by a confederation of 16 unions to oppose a tax reform package that would have increased the so-called "solidarity" tax on wages and retirement income. The unions objected to any increase, claiming it would hit workers rather than employers. The plan accompanied a pay rise for all salaried employees of 6,000 French Pacific francs ($US61.22) per month on January 1 and lift the minimum wage from 125,000 to 131,000 FPF.

The tax plan was primarily aimed at French expatriates who dominate the state administration and enjoy a far higher standard of living than most of the indigenous population. Temaru has accentuated divisions between expatriate and indigenous workers, enabling his conservative opponents to exploit the discontent. The general strike was not supported by workers in the private sector, many of whom are indigenous Tahitians and backed Temaru at the election.

The strike began on November 30 with a march by 4,500 public servants—customs officials, teachers, state radio and television broadcasting employees and post and telecommunications workers—through downtown Papeete. A crowd of 1,000 turned out for the opening of the budgetary session of the French Polynesia Assembly and called for Temaru to resign. The strikers set up road blockades, paralysing vehicle access to Papeete and preventing merchandise leaving the port area. Before the strike was called off, Air France crews were preparing to stage a one-day sympathy strike.

Temaru agreed to withdraw the package for 2006 and to further negotiations with the unions. The French High Commissioner was chosen to act as mediator, ensuring that the interests of the French state are protected. The 137.8 billion FPF ($US1.4 billion) budget, minus the tax plan, was approved in the 57-member French Polynesia Assembly on December 15 by a vote of 32 to 18. Flosse's opposition party promptly announced a court challenge—a move Temaru denounced as designed invoke French state intervention.

The government also faced opposition from other quarters. In mid-November, 100 striking social workers protesting over inadequate staffing levels and increasing workloads—the result of rising social problems including violence, underage prostitution and serious drug use. They marched through the streets of the capital Papeete to stage a sit-in before the presidential offices.

On December 12, commercial fishermen used 40 boats to blockade the port of Papeete, accusing the government of cutting assistance to hard pressed commercial fishermen. A spokesman explained that the industry faced a "serious crisis period" which affected some 14,000 people and called for welfare and the restructuring of loans for professional fishermen.

In **Samoa,** around 1,500 people marched through the capital Apia at the end of November in support of 23 government doctors who resigned en masse at the end of an unsuccessful nine-week strike. The doctors, who worked in the main public hospitals, were seeking higher entry-level salaries and improved working conditions. They resigned in the face of threatened reprisals if they defied a government order to return to work.

Prime Minister Tuilaepa publicly threatened that, in addition to instant dismissal, 14 bonded doctors who had studied on government scholarships would be sued for repayment. The doctors were also told they would be prohibited from leaving the country, face charges under the Public Service regulations and those occupying government houses would be forced to vacate within seven days. As the result of the impasse, the health service is severely under-staffed and many patients have been sent to New Zealand for treatment.

While there are obvious differences between each of these struggles, all point to a deepening social and political crisis in these small economically vulnerable Pacific Island states.