Tongan public servants threaten to strike against government restructuring

John Braddock
17 March 2006

Tongan public sector workers, who fought a bitter six-week strike last September, have voted to walk out over new moves to restructure the Pacific island's services. A general meeting of the Tongan Public Servants Association (PSA) late last month voted to oppose proposals to halve the number of government departments; a move the government blames on the 2005 strike settlement. The workers are also insisting that the balance of salary increases and back pay be paid by July as promised.

Last year's strike by 3,000 public servants ended after the government promised pay increases of between 60 and 80 percent. The strike was shut down when it began to assume the character of a popular rebellion against the monarchy and its government. There were daily gatherings of workers and their supporters in the capital Nuku'alofa as well as large protests elsewhere in Tonga and as far afield as the Tongan community in New Zealand.

The government and the PSA reached a settlement as the dispute entered its seventh week and threatened to break out of the union's control. In addition to the pay rise, the PSA sought the establishment of a royal commission on constitutional reform as a means of containing the increasingly political demands of the strikers.

A royal commission was briefly considered by the cabinet but never established. Nevertheless, under pressure from Australia, New Zealand and the Commonwealth Secretariat, the monarchy attempted to appease the opposition. In mid-February, a "pro-democracy" MP and cabinet minister, Fred Sevele, was appointed as acting prime minister following the resignation of the king's youngest son, Prince Ulukalala Lavaka Ata.

Sevele's elevation was hailed in Australia and New Zealand as a welcome "first step" along the road to democracy. Praising Sevele's close links with the pro-democracy movement, the *Dominion Post* in New Zealand described the appointment as "overdue recognition" by the Tongan royal family that "they cannot carry on business as usual". If Sevele's appointment is made permanent, he will be the first elected MP and the first Tongan "commoner" to become head of government—a position previously reserved for the hereditary "nobles" or royalty.

The Australian and New Zealand governments, which have backed the autocratic Tongan monarchy for decades, are not concerned about the democratic rights of ordinary Tongans. Rather "democracy" is a convenient pretext for undermining the control for the king, his family and government over the economy and opening the island up to foreign investment.

Canberra and Wellington have announced funding for a "reform" movement chaired by another of the king's sons, Prince Tu'ipelehake. In February, a Commonwealth fact-finding delegation headed by former New Zealand cabinet minister Doug Graham noted that since the civil servants' strike, the "momentum for change" had become "quite clear". A Commonwealth legal expert is to be dispatched to Tonga this month to oversee proposed constitutional changes.

Sevele's appointment has nothing to do with establishing democracy in the kingdom. In the first place, Sevele is widely regarded as a puppet of the royals because of his close business associations with the increasingly unpopular Crown Prince Tupouto'a and his political connections with the king.

Sevele entered parliament in 1999 as one of the minority of popularly elected MPs and was subsequently elevated into the cabinet by the king, who personally selects all senior ministers. He is one of only two commoner ministers, the remainder being nobles. Sevele has already warned Tongans not to expect rapid change, saying: “Some people may think it’s too slow but let’s take it in a structured and measured way—at a pace that Tonga can handle”.

According to the *Dominion Post*, Sevele has two advantages. As a commoner MP he can claim “some sort of mandate through the ballot box”. Secondly, he has a “reputation as a man who wants to tame Tonga’s public service”—an aim the New Zealand political elite regards as necessary to further its own economic interests.

Last November, Finance Minister Siosiua ‘Utoikamanu issued a grim economic forecast for the coming 18 months, blaming the salary increase granted to striking public servants. He was speaking at a press conference where three Asian Development Bank (ADB) analysts delivered the findings of a six-week government-sponsored investigation into the consequences of the pay deal for government workers.

According to the ADB analysts, even after stringent measures to raise revenues and cut costs, the government still has to find up to 31.7 million pa’anga ($US15.8 million) to meet a shortfall in the 2006-7 financial year to pay for salaries, leaving a “huge hole” in a 150 million pa’anga ($US75 million) budget. The ADB representatives lambasted this as “totally untenable” and demanded the shortfall be met through cost cutting and new revenue generating measures.

The ADB’s prescription included the sale of government assets, further restructuring and redundancies. According to the analysts, the government will have “to choose between some not very nice options”. All their prescriptions will make further inroads into the social position of ordinary people under conditions where some 23 percent of Tongan households live on less than $US2 per day.

In January, the Reserve Bank imposed a credit ceiling on banks in a move to control lending and stop a marked fall in foreign reserves. The official foreign reserve at the end of November was equivalent to 4.3 months of imports, a drop from 5.4 months a year earlier. The bank forecast a continuing decline in reserves this year and, as a result of the pay settlement, continued growth in credit leading to further pressure on reserves and higher inflation.

The Tongan government is also under pressure following the island’s recent admission to the World Trade Organisation. The onerous WTO terms require the slashing of government spending, the removal of tariffs and economic protection and the privatisation of public assets. Concerned at the extent of popular opposition to the WTO, the secretary of the Ministry of Labour, Commerce and Industry recently announced a program to “educate” the population about the benefits of WTO membership during the present six-month ratification phase.

On March 3 the cabinet approved measures to downsize the public service. As well as slashing the number of departments, these included: the deferral of all new appointments, the freezing of all existing vacancies, the deferral of all incremental awards, an end to acting appointments, a review of overtime payments and their replacement with “non-monetary” compensation, the setting of the retirement age at 60, and the establishment of a redundancy task force. Many government staff vacancies had already been frozen following the strike settlement—as a result 25 percent of doctors’ positions and 20 percent of nursing positions are vacant and cannot be filled.

The PSA immediately protested against the cabinet decision, saying that virtually all the measures contravened the memorandum of understanding signed by the union and the government to end the strike. The ADB advisors, however, have called for the government-union agreement to be renegotiated or annulled on the spurious grounds that it contains “human rights violations” and “illegal demands”. The pro-democracy *Matangi Tonga* newspaper promptly declared that the memorandum had become “irrelevant” and an “obstacle to progress”—thus approving the assault on the public sector.

The PSA leadership, which has close connections to the so-called democracy movement, has announced no campaign against the government’s breaches of the memorandum and is yet to indicate whether it will proceed with industrial action. As it did last year, the PSA is seeking to defuse what threatens to become a broad popular movement for democratic rights and decent living standards.