Fijian elections could ignite social and political tinderbox

Frank Gaglioti 10 May 2006

Voting commenced in the Fijian elections on May 6 under tight military and police security. The poll is being conducted over a week amid considerable tension, including threats of a coup if the Labour Party emerges as the winner. The campaign has been dominated by appeals to race and ethnic identity to divert attention from the increasing economic and social instability facing the Pacific island state.

There has been nervousness in ruling circles following protests and rioting in the aftermath of the election in the nearby Solomon Islands last month. An editorial on April 21 in the *Fiji Times* commented: "Leading up to our own general election in May, the Solomon Islands experience is an unfortunate but timely warning of what not to allow. We must never again allow thugs and opportunists a chance to loot our cities and towns."

Police Commissioner Andrew Hughes, an Australian police officer, told a press conference on April 27: "The bottom line is that democracy will take its course irrespective of who is elected to form a government. We all must accept that." He has deployed 1,500 officers during the election, while the military conducted manoeuvres outside the capital Suva in the lead up to the elections.

Racial politics, which have been repeatedly whipped up in the past to pit indigenous Fijians against ethnic Indians and others, is enshrined in the Fijian constitution. The electorate of about 400,000 voters in racially segregated; 23 Fijian seats, 19 Indian, one Rotuma and 25 open seats covering mixed race areas. Voters will choose from 13 political parties and 68 independent candidates. The significant number of independents—the largest ever—reveals a widespread alienation with all existing parties.

The 2000 coup has hung like a pall over the entire campaign. In May 2000, Fijian businessman George Speight, along with special forces troops, took over the parliament and held the first ethnic Indian prime minister Mahendra Chaudhry and members of his Labour government at gunpoint for 56 days. The military led by Commander Commodore Voreqe Bainimarama imposed martial law and installed the current prime minister, Laisenia Qarase, as an unelected caretaker, then brokered a deal with Speight to end the standoff at parliament house. The military intervention and imposition of Qarase as prime minister was endorsed by the main regional powers, Australia and New

Zealand, as a return to political stability.

The military's role echoed a 1987 coup led by army chief Sitiveni Rabuka, who ousted the Labour Party-led government of Timoci Bavadra.

Qarase won the 2001 election, giving his government a semblance of legitimacy but he was only able to take power with the support of the Conservative Alliance (CA), allies of Speight. The government has been unable to solve any of the country's intractable social contradictions, however, and has continued to impose Speight's racialist agenda, introducing measures aimed at enriching a narrow layer of the traditional Fijian elite at the expense of working people, both Fijian and Indo-Fijian.

The result has been continuing instability, most graphically highlighted in the ongoing tensions between military commander Bainimarama and the government. In August 2005, Qarase introduced the Reconciliation, Tolerance and Unity Bill aimed at pardoning coup supporters, including Speight, who is currently serving a life sentence for treason. This provoked a storm of protest with Bainimarama threatening to stage a coup if the bill were passed. These tensions have continued to fester.

Much of the early stage of the election campaign was dominated by the jockeying for preferences among the independents and minor parties. Many preferences were directed away from the ruling Soqosoqo Duavata ni Lewe ni Vanua (SDL) Party to the Labour Party. On April 21, a desperate Qarase responded, saying that the "SDL is now fighting a political war on many fronts to return to government and retain leadership of the nation".

On April 28, Qarase menacingly told a party rally that the 1987 and 2000 coups were directed against Labour governments and that if the same party came into power again he could not guarantee that another coup would not happen. He was criticised by National Alliance Party president and former head of the Great Council of Chiefs, Ratu Epeli Ganilau, who declared: "As a national leader, he must not create fear in the lives of the people."

Bainimarama also opposed Qarase's suggestion of a coup, saying he would rather see people vote for parties that did not instill fear. "I am very worried and saddened about people talking about instability if the SDL party does not return to

power," he said. Ganilau and Bainimarama are just as mired in communal politics as Qarase. Their concern is that political instability, particularly talk of another coup, will further damage the country's fragile economy and undermine foreign investment.

The Labour Party has pitched its election campaign to these sections of the Fijian elite, by promoting itself as the best economic manager. At a rally at Kalabu on April 28, Chaudhry pledged to set up a body to explore ways of developing resources for the maximum benefit of landowners. This was a direct appeal to the traditional Fijian chiefly caste that controls 86 percent of the country's land at the expense of the rest of the population.

At a rally in Suva, Chaudhry warned that Fiji was on the verge of being considered "a failed state". He pointed out that foreign reserves were at a critical level—equivalent to less than three months imports. If the reserves continued to dwindle, there was a high risk under an SDL government of the Fiji dollar being devalued as soon as June. "The SDL has not been able to control expenditure—budget deficits have been rising and the national debt has been rising," he said.

Chaudhry said the incoming government would "face difficulties because there is not much left behind to work with," but promised that Labour would "clean up SDL's mess". In line with the demands of the IMF and regional powers, Labour proposes to downsize the public service and to restructure the sugar industry, which is considered insolvent.

Deputy Governor of the Reserve Bank of Fiji Sada Reddy told the *Pacific Magazine* on February 3 that the growth rate last year was 1.7 percent and was projected to be 2 percent this year—a marked downturn from the 4.1 percent in 2004. The overall decline follows the virtual collapse of the sugar and garment industries.

According to an Oxfam report published last year, the sugar industry, previously the mainstay of the Fijian economy, still accounts for the livelihood of about 31 percent of the population. Overall production has dropped 44 percent from a peak of 517,000 tonnes in 1994 to only 287,000 tonnes last year. The industry is no longer considered viable due to the loss of preferential access to European markets.

Under the Sugar Protocol, the European Union (EU) purchased guaranteed quantities of sugar at well above world prices. However, the EU was forced to end this arrangement after a case in the World Trade Organisation (WTO) in April 2005. Sugar prices will be cut by five percent in July 2006 with an overall fall of 36 percent to be phased in by 2010. The Asian Development Bank (ADB) published figures in April projecting a 40 percent decline in the industry over the next four years.

Sugar production in Fiji is considered extremely inefficient. Most farmers are ethnic Indians who cultivate small plots under lease from Fijian landowners. These leases are currently expiring and many are not being renewed. By 2009, 95 percent of all leases will have expired and many tenant farmers will be

driven off the land and into the urban shanties. Squatter settlements around Suva and Nausori are expected to grow to 90,000—equivalent to 10 percent of the current total population.

The government has borrowed \$F86 million (\$US50 million) to restructure the sugar industry. However, Qarase admitted in a statement to parliament last August: "It has become clear that even when reforms and efficiencies are fully implemented, sugar production and milling by itself will not be viable."

In addition, the Fiji Islands Bureau of Statistics revealed on April 5 that production in the garment and footwear industry fell 54.9 percent last year compared to 2004. This is the largest decline since 1997, when the industry was virtually decimated due to the downturn in the Asian economy. The current slump is mostly due to the closure of the nation's biggest garment factory, Ghim Li, and the loss of 3,000 jobs. It was prompted by the end of the Multi Fiber Agreement (MFA) last year and greater international competition.

The Asian Development Bank's most recent figures show that more than 28 percent of the population does not earn an adequate income to meet basic needs. The second biggest earner of foreign exchange is now remittances from overseas Fijians, many of whom fled the country's political instability and widespread poverty. Recently published figures show 24,758 Fijians left the country between 2000 and 2004. According to the Reserve Bank, \$F300 million was sent in remittances in 2004.

None of the parties has any solution to the country's deepening social and economic crisis. Whatever the outcome of the elections, the next government will come under immediate pressure to slash spending and restructure industry in order to attract foreign investment. By stirring up racialist sentiment, the election campaign threatens to ignite what is already a political tinderbox.



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