

# Fijian crisis drags on as military delays formation of interim administration

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More than two weeks after the Fijian military overthrew the government of Prime Minister Laisenia Qarase, no administration or junta has been formed. Power remains concentrated solely in the hands of Commodore Frank Bainimarama and his appointed interim prime minister, 77-year-old army doctor Jona Senilagakali.

Neither figure has announced any program or policies to address Fiji's severe economic and social crisis. Their statements on the political situation have been marked by a series of contradictions, retractions, and zigzags.

The strange state of affairs reflects the inherent contradictions of Bainimarama's stance. He seized power on December 5 after a protracted standoff between the military and the government, which saw Qarase refuse to comply with military demands for the withdrawal of contentious legislation pitched to the government's ethnic Fijian chauvinist constituency. Bainimarama accused the government of threatening economic growth and deterring international investment by extending tribal land rights over coastal areas and by granting amnesty to those involved in the 2000 coup that toppled the Labour-led government of Mahendra Chaudhry, the country's first Indo-Fijian prime minister.

Having toppled Qarase in the name of preserving economic stability, Bainimarama now faces the reality of a worsening crisis caused by falling tourist numbers and the threat of international sanctions. His decision to place notices in local newspapers advertising vacant cabinet positions evoked open ridicule in the international media.

Bainimarama has repeatedly pledged to protect the interests of international capital. "If anything, the clean-up campaign we have embarked upon is meant to be of benefit to investors because it is aimed at weeding out corruption, mismanagement and in return create a more conducive business environment," he declared on Tuesday.

The military commander is reluctant to scrap the 1997

constitution and insists that his "clean-up campaign" is constitutionally valid. On December 18, Radio New Zealand reported that the military leader told the local press that "if the constitution is removed, other countries will move quickly to put in place more restrictive trade measures". But the attempt to achieve constitutional legitimacy for the coup has led to a situation marked by apparent confusion, hesitation and vacillation on Bainimarama's part.

Many of the manoeuvres have focused on the military's attitude toward the Great Council of Chiefs (GCC). The country's communalist constitution allows the GCC—an unelected body representing the landowning indigenous Fijian elite—to appoint the president. Shortly after seizing power and assuming the presidency, Bainimarama declared that he intended to convene a GCC meeting in order to re-install President Josefa Iloilo, who would in turn announce the formation of a civilian interim government selected by the military.

However, the GCC and its chairman, Ovini Bokini, refused to go along with the military's demands and maintained that Qarase remained the legitimate prime minister. Bainimarama responded by threatening to maintain military rule for 50 years if the chiefs held off appointing a president. This was nothing more than an empty threat. Bainimarama quickly back-pedalled, declaring that a resolution to the crisis must include legal amnesty for those involved in overthrowing Qarase. Contradicting his earlier statements, Bainimarama said he would only junk the 1997 constitution if amnesty could not otherwise be ensured.

The GCC finally convened on Wednesday. The meeting concluded earlier today amid deep divisions among the ethnic Fijian elite. A significant layer of the GCC, grouped around chairman Bokini and 1987 coup leader Sitiveni Rabuka, remains hostile to the military takeover. Many chiefs had a direct material interest in the former

government's ethnic Fijian "affirmative action" program. Qarase's policies have enriched a tiny stratum of indigenous businesspeople through public subsidies, interest free loans, and reserved shares in privatised public services and industries. Bainimarama's anti-corruption drive is centrally directed at investigating these dubious arrangements. Many chiefs also backed Qarase's coastal land rights legislation, which would have allowed them to issue rent and compensation claims against the country's major hotel and tourist resort operators.

Other layers of the chiefly elite have urged the GCC to comply with Bainimarama's demands. Epeli Ganilau, GCC chairman from 2001 to 2004, said on Wednesday that the chiefs were "failing to accept that the military are calling the shots" and had "run the risk of being sidelined". Ganilau has long been critical of many aspects of Qarase's communalist policies for undermining international investor confidence. According to *Time* magazine, Ganilau's unsuccessful attempt to win a parliamentary seat in elections held in May was bankrolled by Richard Evanson, owner of the exclusive Turtle Island resort. A number of other chiefs enjoy close connections with international investors, and consider working with Bainimarama as the best means of maintaining these ties and encouraging new investment.

At the time of writing, the GCC had passed a resolution on the country's political impasse, that was due to be publicly released, following talks between senior chiefs and the military.

Whatever emerges from the three-day conference, Bainimarama clearly hopes to win the tacit support of Australia and New Zealand, the two regional powers, as well as the US. All three countries condemned the military coup and have imposed targeted sanctions aimed at military and other non-humanitarian aid. Their concern is not for the democratic rights of ordinary Fijians but over the implications of the military's actions for stability in Fiji and across the South Pacific. Bainimarama calculates that an orderly transition to a civilian government installed by the military within the nominal framework of the existing constitution will present Australia, New Zealand and the US with an amenable solution.

Clearly, the regime is facing a deepening economic and social crisis. Mereani Korovavala, head of Fiji's tourism association, announced this week that the country stood to lose an estimated \$US239 million in foreign exchange as a result of the coup, and said more than 1,000 jobs in the tourism sector had already gone. Fiji's Reserve Bank

released a statement yesterday which warned that "this shut-down [in tourism employment] is anticipated to cause further rural-urban migration and a rise in squatter settlements in the main town areas of Suva, Lautoka and Nadi".

Tourism has been one of the few growth industries in Fiji in recent years, with established sugar and garment industries in terminal decline. Garment exports fell from a peak of \$A230 million to just \$A68 million this year, while sugar production has plummeted from 4.3 million tonnes to 2.8 million tonnes. Remittances—largely made up of Fijian soldiers working in the British army or as UN peacekeepers or mercenaries—are now a greater source of foreign exchange than either garments or sugar. Unemployment, poverty, and social inequality have all increased sharply.

The Fijian political establishment has long been under pressure from the International Monetary Fund to make further inroads into the wages and living conditions of the working class and rural poor. A major IMF report in 2003 called for government spending to be slashed by the equivalent of 1 percent of gross domestic product every year for a period of 6 to 7 years, and for "far-reaching reforms to the public service and the public enterprise sector, including through privatisation".

Shortly before its overthrow, the Qarase government drafted an austerity budget aimed at narrowing the country's large trade and budget deficits by imposing higher regressive taxes and tariffs. The military regime last week cancelled the scheduled increase in value added tax and granted public sector workers a 2 percent pay rise. These measures were nothing but a desperate move to garner public support. The military's contempt for the interests of the working class has already been demonstrated in its suppression of democratic rights, and force will inevitably be used to suppress demands for better wages and conditions. In a revealing incident, the army last week intervened in bank workers industrial dispute, telling National Provident Fund employees that it was not an "appropriate time" to go on strike over a pay rise.



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