

Fiji: Union leaders end strike against military regime's austerity measures

Terry Cook**22 August 2007**

The Fiji Islands Council of Trade Unions (FICTU) has called off a six-day nationwide strike involving 10,000 public sector workers. It is a betrayal that will inevitably rebound on other sections of workers.

The Public Employees Union (PEU), Viti National Union of Taukei Workers (NUTW) and Fijian Teachers Association (FTA) had joined members of the Fiji Nursing Association (FNA) in demanding the country's military-led regime reverse a 5 percent pay cut and other austerity measures.

The FICTU directed the return to work of the PEU and NUTW on August 7, despite the refusal of the interim government of coup leader Commodore Frank Bainimarama to grant any of the unions' demands. The FTA had already "suspended" its strike after the government brought school holidays forward.

The restoration of the pay cut was the main demand of striking workers, along with opposition to the reduction of the retirement age from 60 to 55 years—a mechanism to cut jobs via early retirement. The measures were imposed in March in a revised budget drawn up by Finance Minister and Labour Party leader Mahendra Chaudhry.

FICTU secretary Attar Singh declared that continued industrial action was "useless" because Bainimarama and interim Labour Minister Bernadette Rounds-Ganilau had refused to refer the dispute to arbitration.

Singh said FICTU affiliates had "rejected" the government's offer to restore just 1 percent of the pay cut and to "provide" for the remaining 4 percent in the 2008 budget to be tabled sometime in November. He declared that the unions would now pursue the full restoration of pay through the High Court.

In a sop to the unions, the High Court has ordered a "stay" on the lowering of the retirement age. But to place any faith in a decision in favour of workers is a fraud. Even if the court were to grant any concessions, Bainimarama, who seized power in a coup last December in open breach of the constitution, is quite capable of ignoring the outcome.

The FICTU's "rejection" of the 1 percent pay rise is simply posturing. PEU general secretary Pita Delana has admitted his union had already accepted the offer while NUTW general secretary Taniela Tabu declared his officials were finalising a similar agreement. Tabu also pledged to prevail on the FTA to

accept a similar deal and abandon any threat to resume its "suspended" strike.

By ending the strike, the FICTU deliberately isolated the 1,600 nurses who walked out on July 24. The sellout allowed the nursing union FNA, whose leaders had only called the strike under rank and file pressure, to direct a return to work by August 11. Like other union leaders, FNA general secretary Kuini Lutua complained about the regime's failure to consult or negotiate over the pay cuts and other measures.

The refusal of the unions to conduct a political struggle against the military regime is a continuation of their role in propping it up from the outset. While it has not hesitated to use physical force against its opponents, the military has relied heavily on the Labour Party and the party's connections with the unions to stifle opposition to the regime among workers.

Labour Party leaders Mahendra Chaudhry and Poseci Bune took the key posts of finance minister and public service minister in Bainimarama's unelected cabinet and have played a critical role in imposing the economic restructuring measures demanded by international investors. When he brought down a revised budget in March, Chaudhry depended on the unions to suppress widespread demands for industrial action.

Union leaders wore down their members by engaging in a long drawn-out process of taking strike ballots. Even when the ballots overwhelmingly supported strike action, Fiji's two public sector peak union bodies—the Confederation of Public Sector Unions and FICTU—rushed to accept a government offer to restore just 1 percent and the remainder "over time". Having been compelled by their members to take strike action, the union leaders have shut it down as quickly as possible.

This betrayal is a graphic demonstration that the working class cannot defend its basic rights and living standards through the unions or the Labour Party. From its very inception, Labour has been a party of class compromise, which accepts the framework of capitalist rule and has, at every major turning point, capitulated shamelessly to the demands of the ruling elite.

The Labour Party was founded by the trade unions in 1985 amid widespread hostility to the right-wing Alliance government and the failure of the National Federation Party (NFP) to defend working people. Significantly, however, the

country's largest union, the Fiji Public Service Association (FPSA), pressed for the formation of the Labour Party, not as part of an industrial campaign, but as the means for avoiding calling a national strike against the government's wage freeze announced in November 1984.

The depth of feeling against the Alliance government soon became apparent at the 1987 elections when the Labour Party combined with the NFP to form a new government headed by Labour leader Timoci Bavadra. Chaudhry, who had been the FPSA general secretary, became the finance minister. Barely a month later, the military led by General Sitiveni Rabuka ousted the Labour government, imprisoned Bavadra, Chaudhry and other ministers and shut down the trade unions.

Rabuka claimed that the privileges of the Fijian chiefly elite were being undermined by the island's substantial Indian population—the descendants of indentured Indian labourers brought to work on sugar farms early last century under British colonial rule. Far from challenging the coup leaders, Labour and the unions helped suppress strikes and protests, and collaborated with the regime in imposing a new communal constitution biased in favour of ethnic Fijians.

Again in 2000, the Labour Party did not oppose the outcome of a second coup, nominally led by businessman and ethnic Fijian chauvinist George Speight, but backed by significant sections of the Fijian ruling class. Speight's foul racist denunciations were particularly directed against Chaudhry, the first ethnic Indian prime minister, who along with the rest of the cabinet was held at gunpoint for weeks in parliament house until Bainimarama stepped in to assume power and broker an end to the standoff.

As part of the deal, Chaudhry, the elected prime minister, was replaced by Qarase, a banker, who was known for his sympathy for Speight's demands. Bainimarama's removal of Qarase last year was above all driven by the failure of his government to arrest the continued economic decline, in part because of its communal measures aimed at bolstering a section of the Fijian elite. Chaudhry had no reservations in joining the cabinet of the same military commander who had ensured his removal from power in 2000.

In the midst of a deepening economic crisis, the Labour ministers have been the chief advocates of austerity measures that have hit working people, and the urban and rural poor.

According to a recent Asian Development Bank study, the earnings of 61 percent of all formally employed people in Fiji fall below the urban poverty line level of \$F138.63 per week. Over the past two decades, the share of the national income going to wages has drastically declined. In 1986, wages and salaries comprised 48.4 percent of national income. By 2001, it was just 33.8 percent.

The main burden of taxation has been progressively loaded onto the backs of working people with the introduction of a value-added tax in 1992. Taxes on consumption rose from just 2 percent of total tax revenues in the 1980s to 46 percent by the

late 1990s.

At the same time, the ADB study showed that government allocations for social services have been totally inadequate. Currently, there is no government assistance for the unemployed or the elderly, who are compelled to rely on their family and friends to survive.

This week, Bainimarama acknowledged his political debt to the Labour Party. In announcing his intention to shuffle the interim cabinet, the coup leader quickly dismissed suggestions that he might replace the finance minister, declaring he was "happy with Chaudhry's performance".

Further attacks on public sector workers have already been mooted. Within three days of the FICTU ending strike action, Public Service Commission chairman Rishi Ram declared that "only the 1 percent pay restoration still stands as agreed". He warned that if the economy did not improve, further pay cuts could be "an option" for the government.

There are already indications that the country's economic crisis is worsening. University of the South Pacific economist Dr Mahendra Reddy declared that Fiji continued to face a major deficit problem and forecast that the export sector would not pick up within the next five months. Tourism, a major foreign exchange earner, has been seriously affected by the political turmoil.

The Fiji Islands Bureau of Statistics stated that the current account deficit for first quarter of 2007 had risen to \$285.3 million, compared with \$212.9 million for the same period last year. Inflation still stands at over 7 percent, the highest in recent history, and is growing.

There is no doubt that the Labour leaders, with the support of the trade unions, will continue to impose the brunt of the economic problems on working people and the country's growing numbers of urban and rural poor.



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