

Coalition government in New Caledonia collapses

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The coalition government led by President Thierry Santa in the French Pacific territory of New Caledonia has collapsed after pro-independence politicians resigned, citing persistent economic issues and unrest over the sale of nickel assets.

Five members representing the pro-independence groups—UC-FLNKS and the Union Nationale pour L'Indépendance (UNI)—resigned on 2 February. Both groups are members of the Front de Libération Nationale Kanak et Socialiste (FLNKS), which campaigns for independence from France.

Santa's conservative anti-independence coalition, L'Avenir en Confiance (LAC), has led the current government for just 18 months. The LAC issued a statement accusing the separatists of “causing a political crisis” in the middle of the COVID-19 pandemic and rising economic and social tensions.

The FLNKS resignations came as the government debated its budget and the future of the country's nickel industry. The islands hold nearly a quarter of the world's reserves of the strategic mineral, with the industry hit hard by a collapse in the world price in the wake of the global financial crisis.

New Caledonia's 54-member Congress has two weeks to choose 11 new members from the four main parliamentary groups. Under the Noumea Accord, a 1998 agreement between the French state and supporters of independence, New Caledonia is administered by a multi-party government. Any minister who resigns must be replaced by a member of the same parliamentary group. If no successor is nominated the government loses office and congress must choose the new members who, in turn, elect a new president.

In their resignation statements, Louis Mapou (UNI) and Pierre Chanel Tein Tutugoro (UC-FLNKS) said

that throughout 2020, New Caledonia had “traversed a deep internal crisis.” They cited social and economic conditions that had “built up over many years,” uncertainty over preparations for the next independence referendum and the COVID-19 pandemic which has had “significant impacts” since last March.

The rupture between the pro-and anti-independence factions of the ruling elite has shattered the fragile political arrangement established under the current parliament to suppress growing anger among the working class.

The FLNKS represents the interests of a relatively privileged layer of Kanaks who are seeking a larger slice of the economic pie and greater political say. Its statement declared that the multi-party government “found it difficult to work in collegiality” and concluded: “The institutional process has broken down, and consensus has become less and less the norm. Discussions between New Caledonia's political groups and the French state [over independence] have been interrupted.”

Santa in turn expressed alarm about destabilisation of New Caledonia's economy and politics in the coming weeks, and condemned the “scorched earth policy” of the independence movement. By triggering a political crisis “in the midst of managing the health crisis, a possible budgetary crisis and severe economic and social tensions,” the independents posed “an immense risk to all of New Caledonia,” he declared.

The crisis follows protest riots in recent months over the sale of Brazilian mining giant Vale's Goro Nickel plant, which threatens the jobs of some 3,000 workers after years of financial losses and conflict with indigenous Kanak communities over land degradation.

During protests in Noumea on November 8 and 9, cars were torched, shops vandalised and people injured

in clashes with police, who used tear gas. French riot police were deployed in several areas while an elite squad was sent to the plant, which was damaged and forced to shut.

Vale has signed a binding sale agreement with an international consortium involving Prony Resources and Swiss financier Trafigura. However, Kanak leaders and pro-independence parties, backed by the trade unions, have sought to steer growing anger behind a bid led by local company Sofinor, arguing that majority ownership of the mine should rest with New Caledonians. Sofinor is the financial arm of the pro-independence Northern Province.

The dispute over the Goro sale erupted alongside last year's independence referendum, the second of three planned plebiscites. In October, the territory voted by a 53.3 to 46.7 percent majority in favour of remaining a part of France. Support for independence, however, appears to be growing, with a third and final referendum due in two years.

Fuelling these developments are intensifying social and class conflicts. Miners, processing workers, truck drivers, airport workers and others have engaged over recent years in militant struggles to defend jobs and conditions, bringing them into conflict with the entire ruling class.

Invariably, these struggles have been sold out by the trade unions, leaving many workers angry and frustrated. Noumea remains a polarised capital, where many low-paid workers live in slum conditions. The Kanaks, who make up 44 percent of the territory's 270,000 population, are socially disenfranchised, with many still living in primitive, subsistence circumstances in rural villages.

The simmering crisis has been exacerbated by the COVID-19 pandemic. The isolated archipelago has registered just 47 cases from the virus and no deaths. However, it faces an unprecedented budget crunch due to the impact of border closures on the tourism-dependent economy.

In November the government was forced to extend travel restrictions in and out of the territory until the end of July 2021, because of the worsening global pandemic. With enormous pressure on the economy, a vote on the 2021 budget has been pushed back to March, a decision opposed by the pro-independence parties and cited as one of the reasons for their

resignations.

The budget impasse follows a dispute last September over a \$US270 million loan from the French Development Agency (FDA) to cope with the impact of the pandemic. The loan was accepted by Santa as the territory's social security system experienced severe problems. The anti-independence Caledonia Together (CT) party accused Santa of abandoning New Caledonia's "sovereignty" in terms of fiscal, health and social matters.

CT warned that to repay the debt over 25 years the government would need to levy \$US165 million in additional taxes by 2021 which they said would kill the economy and increase the social divide. The 2020 budget, totalling \$US 600 million, was only finally approved after being increased to cover the costs of health crisis management, along with the FDA loan.

Political tensions have been deepening for some time. Although on the same side on the independence question, CT and the anti-independence parties, calling themselves the Loyalists, have been at loggerheads since last year. In the 2019 elections, the once dominant CT suffered a severe electoral setback, being left with only one minister in the 11-strong collegial government.

The small Eveil Océanien (EO), with three seats in Congress and a minister in the outgoing government, may hold the key to any forthcoming parliamentary regroup. The EO draws support from the Wallisian, Futunan and Tahitian communities, which have historically supported anti-independence parties. However, last year the EO Congress members formally joined the UC-FLNKS parliamentary group. EO's leaders have been holding discussions with the FLNKS this weekend to determine their next steps.



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