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The great turning

Burning down the house

The new Labour Coalition survived its first test. It did not disintegrate into warring factions as the National Federation Party (NFP) had in 1977. Instead it moved quickly to form the country's most ethnically representative cabinet. Dejected Alliance members retired to nurse their wounded egos, lamenting their loss of free ministerial homes and ministerial salaries.¹ Ratu Sir Kamisese Mara, bitter at his loss of leadership, felt rejected by both Fijians and IndoFijians. 'If only the Indian community had kept faith with me,' he reflected, 'Fiji would have run more smoothly and made greater progress socially, economically and politically.'² He hinted that, with the change in government, 'matters of race and religion in Fiji might assume new emphasis over the democratic process'.³ He was right.

Immediately a faction of Alliance members and supporters formed a shadowy Taukei Movement to test (in their words) 'how Dr Bavadra's Coalition could handle the situation when in power' and 'to force a change in government'.⁴ Its leaders included Ratu Inoke Kubuabola, a former head of the Bible Society, Alliance campaign manager in Cakaudrove and originator of the movement's name;⁵ Alliance secretary Jone Veisamasama,

1 Ahmed Ali in *New Zealand Listener*, 6 June 1987.

2 *Far Eastern Economic Review*, 28 June 1990.

3 *Fiji Times*, 28 May 1987; *Age* (Melbourne), 18 May 1987.

4 D Robie, 'Taukei plotters split forces', *Dominion*, 7 January 1988.

5 J Sharpham, *Rabuka of Fiji*. Rockhampton: Central Queensland University Press, 2000, p. 98.

also from Cakaudrove, who famously declared that the movement shared the same dedication to its people as Nazis had to Germans;⁶ and Mara's son, Ratu Finau.

The Taukei Movement organised roadblocks, rallies and meetings in mid-April and early May, and gathered a petition calling on the governor-general to change the Constitution and protect Fijian leadership. 'National politics and the traditional status of both the Prime Minister and the [Governor-General] cannot be separated,' Kubuabola argued: 'They are inseparable in the Fijian tradition.'⁷ Multiracialism had been wrong because it did not give Fijians the predominance they were entitled to as indigenous people. Fijian paramountcy had always been the unwritten agreement since independence:

We ... took the process of 1970 as an understanding that our special political position and status would be permitted to prevail and we would be allowed to govern our heritage. That understanding was discarded in April 1987 ... hence the need for us to reassert ourselves and regain what must remain ours.⁸

Apisai Tora, now firmly in the ranks of the Taukeists, agreed: 'Upon us is imposed a new colonialism, not from outside but from within our own country by those who arrived here with no rights and were given full rights by us, the Taukei.'⁹

When its tactics failed to rally widespread support, the Taukei Movement began a firebombing campaign to destabilise the new government. It too failed and the momentum appeared to swing away from the terrorists. The new government coped. But, from the very start, Kubuabola had developed an alternative strategy in the person of Lieutenant Colonel Sitiveni Rabuka, the 38-year-old Cakaudrove-born Staff Officer for Operations and Training for the Royal Fiji Military Forces (RFMF), a man desperately in need of a new purpose in life.

6 *Auckland Star*, 24 August 1987.

7 *Fiji Times*, 11 April 1991.

8 *Fiji Times*, 27 September 1989.

9 *Fiji Sun*, 21 & 22 April 1987.

Since independence, the 2,600-strong RFMF had grown from a symbolic force of 200 soldiers¹⁰ into a predominantly Fijian force, devoted to international peacekeeping duties and nationally useful both as an employer and trainer of otherwise idle Fijian labour and as a foreign currency earner. Fiji's military had grown in tandem with UN peacekeeping duties, first in Lebanon from 1978 and later in Sinai. By 1987, half of the RFMF served in two infantry battalions overseas. In addition, it possessed 5,000 reservists. Rabuka entered the RFMF as a trainee officer in 1968, and – despite problems with women and managing money – established himself as a potential leader on the eve of the force's rapid growth.¹¹ That potential bore fruit after 1978 when he served in Lebanon and received an OBE for his service as a commanding officer and, later, the French Legion of Honour. Then came his first setback. Notwithstanding promotion to lieutenant colonel in 1982, he lost his acting role as chief of staff to Jim Sanday. Both men joined the military at the same time. A second setback came in 1985 while Rabuka commanded Fiji troops in the Sinai. Instead of returning in glory, he faced possible disciplinary action for disobeying orders.¹² The incident put his future in doubt; his chances of succeeding the Bauan chief, Brigadier General Ratu Epeli Nailatikau, as commander or replacing his immediate senior, Chief of Staff Col Jim Sanday, now seemed remote. As a commoner he might always play second fiddle to a chief and his record of insubordination could be held against him. Against the advice of his protector, Ratu Penaia Ganilau – both the governor-general and Rabuka's high chief – Rabuka cast around for civil service positions, and even sought to be Police Commissioner in early 1987. Kubuabola's offer created an opportunity he could not resist. He immediately began secretly training some 60 soldiers for 'close-quarter combat'.¹³

10 Britain generally only stationed troops in its colonies (except India) if they were required to suppress resistance. Military forces – like Fiji's – were usually small in size, poorly equipped and led by colonial officers.

11 Sharpham, *Rabuka of Fiji*, 2000, pp. 46–55.

12 *Islands Business*, May 1988. He permitted Major Ratu George Kadavulevu Cakobau to return to Fiji for his father's funeral against the army's wishes. Sharpham suggests that Rabuka had been a contender for RFMF Commander, but Mara chose his son-in-law and chief, Ratu Epeli Nailatikau, instead (*Rabuka of Fiji*, 2000, pp. 79–81).

13 E Dean & S Ritova, *Rabuka: No Other Way*. Sydney: Doubleday, 1988, p. 51; see also Sharpham, *Rabuka of Fiji*, 2000, pp. 73–87, 94–106.

While awaiting the final word from the Taukeists, Rabuka arranged a meeting with Mara on a golf course, coming away convinced of his support.¹⁴ With his Commander overseas during the second week of May, Rabuka prepared to arrest all government ministers and MPs at the parliament. Early on Thursday morning, 14 May, he drew up an operations order for the 'Neutralisation of the Coalition Government of Fiji', declaring that 'Our mission is to overthrow the government and install a new regime that will ensure that the RFMF and national interests are protected'.¹⁵ Rabuka had been told by the Taukei Movement leaders that the Coalition planned a wholesale restructuring of the public service and diplomatic corps, and that it would move sideways all senior Alliance-appointed officials. In addition to this radical attack on the Fijian elite, the Coalition intended to adopt a socialist foreign policy, aligning Fiji with Russia, Libya and Cuba, ending the RFMF's roles in UN missions in West Asia, and transforming the military into a multiracial institution. Whether Rabuka believed all this did not really matter; it provided welcome ammunition that could be used nationally and internationally to garner support or weaken opposition. In any case, Rabuka had long distrusted India because of its close links with Russia. Would an IndoFijian-dominated government in Fiji be any different? Conveniently, Rabuka did not think so.¹⁶

Later that morning Rabuka discreetly entered the parliamentary chamber in civilian clothes. To prevent complications at military headquarters during the next couple of hours, he had sent his immediate superior, Sanday, to an unscheduled meeting with Governor-General Ganilau, well away from the Queen Elizabeth Barracks (QEB) in Nabua. As Rabuka took a seat in the public gallery, former waterside worker union boss, member of the Taukei Movement and new Alliance MP, Taniela Veitata, neared the end of his repetition of a long statement that he had used in

14 Sharpham, *Rabuka of Fiji*, 2000, pp. 105–06. Mara always denied this interpretation of their meeting but sometimes sent conflicting messages. He praised Rabuka, telling an Australian journalist: 'I must take my hat off to him, to the courage of the man, I would never have done it myself if I was a soldier. Because I would think I know many of the complications that perhaps will flow. I am thinking of the sugar markets I have established in various parts of the world, the economy built over 20 years and more, and the peace and stability that I built' (*Bulletin*, 26 May 1987). Rabuka also claimed that, on the eve of the coup, Ratu Finau travelled to the Fijian Hotel outside Sigatoka to warn his father of the impending coup (*Daily Post*, 27 December 1991).

15 Dean & Ritova, *Rabuka*, 1988, pp. 60–63.

16 Sharpham, *Rabuka of Fiji*, 2000, p. 74. Long confined within ethnocentric institutions (Queen Victoria School and the RFMF), Rabuka retained a highly dichotomised view of Fiji, despite his military training in Australia, New Zealand and India, and his service in West Asia.

the past to advertise his views. As long as chiefs were in control, he told his fellow parliamentarians in the only novel section of his address, power would never grow from the barrel of a gun. Precisely at 10 am, Ratu Finau opened the chamber doors to a squad of 10 armed and masked soldiers. A back-up team stood outside in the corridor. Other teams fanned out across the city to seize control of telecommunication and power authorities, media outlets and the Government Buildings. Government House, with Sanday and Ganilau deep in conversation, was also secured. By the time Rabuka addressed the media in the afternoon to say that the coup had been designed to prevent the Taukei Movement causing bloodshed,¹⁷ he was confident it had succeeded. All Coalition ministers and MPs in the parliament were arrested and detained at the RFMF's QEB. True, the governor-general – while privately accepting of the situation – initially refused on the advice of Chief Justice Sir Timoci Tuivaga, to endorse the coup publically. Nonetheless, as that public response hit the evening news, Rabuka had already replaced the senior police leadership with officers loyal to him, gained the support of most Alliance politicians, and learned that over 1,000 reservists had arrived at the QEB following a preplanned general call out. And, in the early hours of the next morning, Mara – attending a conference in Sigatoka – agreed to join a Council of Ministers, later telling his fellow chiefs that ‘with my house on fire’ he had no choice.¹⁸ Everything was going according to plan ... well, nearly everything.

The military spectre

Part of Rabuka's confidence lay in the precision of his operation. He had achieved a bloodless coup. A coup d'état is, by its nature, a surgical strike and, therefore, a cheap and potentially decisive way to overthrow the government of a state. This is not to suggest that a coup comes without cost. Economist Paul Collier has estimated that, on average, coups immediately result in a 7 per cent annual loss in national income¹⁹ and Fiji's coup just surpassed that proportion. There would be other ongoing costs but, compared with rebellions or civil war, coups have a decidedly strategic, let alone economic and social advantage.

17 *Fiji Times*, 15 May 1987.

18 *Islands Business*, June 1987.

19 Collier, *Wars, Guns & Votes*, 2009, p. 143.

Coups or putsches have a long history around the world, and famous examples during the past 200 years exist in European countries as diverse as France, Germany, Russia and Turkey. However, since the Second World War, the vast majority have occurred in developing countries, a shift that has prompted greater attention to their causes. During the 1960s, when Sub-Saharan Africa joined North Africa, West Asia and Latin America as the leading centres for coups, many modernisationists argued that coups should be regarded positively. This was a time when the United States belatedly sought to justify its support for the military takeover of South Vietnam, then its shining example of modernisation. Of course coups were entirely undemocratic, but it was possible – they argued – that by imposing order and efficiency on chaotic societies the military could in fact make democracy more possible in the future. After all, as disciplined neutral institutions that looked askance at corrupt or ineffective civilian administrations, militaries were prime examples of modernity.²⁰ The modernising Young Turks and Kemal Atatürk, who eventually prevented the dismemberment of Turkey after the First World War, were an obvious early example, and that image they carefully nurtured and used to good effect in at least four subsequent coups.

But, for reviewers like Nicole Ball, these arguments left many questions unanswered. Who actually makes the decision that the military should intervene? The military themselves, or are strings pulled by other social forces, as we noted in Fiji's first coup? The answer to those questions might vary from country to country; certainly in the case of Turkey the military has been politicised ever since it founded the republic and has portrayed itself as its country's guardian and constitutional guarantor. But strong militaries rarely act alone, as has been demonstrated in recent coups in Thailand, where urban forces allied with the royal family have been the principal beneficiaries of military intervention.²¹

We should also question whether militaries deserve to be labelled modern and efficient. In all likelihood we would never know their effectiveness until they are put to the test in battle, the role they are principally trained and equipped to undertake. Defeat in the Falklands War in 1982 certainly doomed Argentina's junta. Fiji's military prided itself on

20 This argument is well analysed in N Ball, 'The military in politics: Who benefits & how?', *World Development*, 9: 6, 1981, pp. 569–82; see also N Ball, *Security and Economy in the Third World*. Princeton University Press, 1988.

21 'A right royal mess', *Economist*, 4 December 2008.

its professionalism, derived in large part from its engagement in trouble spots across West Asia. This was no idle army, poorly paid and brawling drunkenly in public, as occasionally happened in the Philippines or West Africa. But, then again, 1987 was not a war but an unbalanced exercise in might.

Africa provides an interesting comparison. Like Fiji's military, its forces at the time of independence were colonial in origin, small and poorly equipped, dominated by what colonial authorities referred to as 'martial' tribes, with few commissioned officers, and invariably treated with suspicion by independence leaders. Independence necessitated that they be nationalised, and the political intervention this dictated came to be deeply resented. One Kenyan military officer wrote:

As the military was struggling to attain a national character in order to gain national acceptance, the politicians were becoming more self-seeking, power-hungry and ambitious. Some were out seeking instant wealth for themselves, their friends and relatives. Nepotism became rampant, commonplace and a norm. Others were out experimenting on new and foreign ideologies in the name of African socialism. These were ideologies that had no bearing or relevance to the improvement of the lives of the ordinary man. Some of these governments started openly courting the Eastern bloc for advice and guidance. It did not take the ordinary citizens long to realise that these so-called progressive governments were not delivering the goods fast enough. Corruption had become an accepted way of life. Mismanagement of the economy coupled with sheer incompetence had led to runaway inflation and unaffordable prices. Unemployment and crime rates were on the increase. Yet the greedy get-rich-quick politicians continued getting richer ... In the majority of the coups that have occurred, the military has deemed it a national and patriotic obligation to rescue the country from total collapse and thereby restore lost national prestige.²²

Major Jimmi Wangome's account above suggests a number of common causes for coups and these too have been examined in detail by Collier and other economists. Economic causes are, in many respects, the most important factors contributing to unease within societies, especially during immediate postcolonial years. Where standards of living and growth rates are both low, the likelihood of coups increases. With regard

22 J Wangome, 'The African "neocolonialism" that is self-inflicted'. MA Thesis, Marine Corps University Command and Staff College. Quantico, Virginia, 1985, www.globalsecurity.org/military/library/report/1985/WJ.htm.

to living standards, Collier believes that the threshold is US\$2,700 annual per capita income, roughly US\$7 per day. Fiji today has a per capita GDP of around US\$5,500 but, in 1987, its position was similar in real terms. Growth rates for the 1980s only averaged 1.7 per cent until 1987.²³ Fiji was clearly at risk on the basis of these indices. Contentiously, Collier argues that the distribution of wealth is not a factor, at least not in Africa;²⁴ nor the nature of governments affected. Democracies and autocracies are all susceptible, with anocracies (chaotic autocratic democracies) most susceptible.

It is low growth and low incomes that are the stand-out features enabling coups to become 'proxies for lack of opportunity other than control of the state'. It is poverty that makes the wealth that can be extracted from minerals and other natural resources (including forests and land) or aid so attractive.²⁵ Fear that the Coalition would exclude former Alliance cronies from the state trough certainly influenced the thinking of many coup plotters, although Fiji had none of the huge natural resource riches that coup plotters in Africa found so attractive. Nor was Fiji heavily reliant on aid, which in Africa could provide the same attraction as diamonds and make government a target for greed. Aid often comprises as much as 9.9 per cent of African national income, indirectly contributing as much as 40 per cent to all military spending²⁶ and one third of government expenditures. In Fiji, aid comprised only 4 per cent of GDP in 1986.

Access to natural resource wealth and aid enables governments to avoid taxing their citizens. Taxed incomes in many African countries are as low as 12 per cent of GDP, which has the unfortunate consequence of being 'too low to provoke citizens into demanding accountability', an essential component for establishing democracy and a state capable

23 Fiji's per capita GDP stood at US\$1,606 in 1986. When adjusted by purchasing power parity, its GDP per capita has averaged from US\$6,642 in 1990 to US\$8,236 in 2016.

24 This contrasts with D Acemoglu, D Ticchi & A Vindigni in 'A theory of military dictatorships', (*American Economic Journal: Macroeconomics*, 2: 1, January 2010, pp. 1–42, www.voxeu.org/index.php?q=node/1227). They argue that '[g]reater inequality increases the conflict between the elite and the citizens and encourages oligarchic regimes to maintain power by using stronger militaries'.

25 P Collier & A Hoeffler, 'Coups traps: Why does Africa have so many coups d'état?', paper presented at the annual meeting of the American Political Science Association, Marriott Wardman Park, Omni Shoreham, Washington Hilton, Washington, DC, 1 September 2005, p. 19, ora.ox.ac.uk/objects/uuid:49097086-8505-4eb2-8174-314ce1aa3ebb.

26 P Collier & A Hoeffler, 'Grand extortion: Coup risk & the military as a protection racket', Paper presented at the Second Workshop on Political Institutions, Development And a Domestic Civil Peace (PIDDCP), 19–20 June 2006, ora.ox.ac.uk/objects/uuid:f727e54-408e-4288-a202-cf46a61d7187.

of supplying much needed public goods.²⁷ Fiji, it should be noted, did possess reasonably well-managed accounts, and taxation represented over 20 per cent of GDP in 1986.²⁸ Its supply of public goods had extended considerably since 1970. It is worth remembering, also, that Fiji was not so vulnerable that it succumbed to a coup culture immediately after independence.

Nonetheless, there is one important feature that Fiji shared with many African countries: ethnic diversity trumped national identity. Sub-Saharan Africa possesses some 2,000 ethnicities and, while diversity in itself is not a problem, it can be where states have been unable to develop the checks and balances required for a functioning democracy and to foster strong loyalty to the nation among its citizens. Ethnic politics simply deprives electoral competition of its potential to hold governments to account and ensure that governments deliver the national public goods that their citizens desire.²⁹ Ethnic politics also deprives governments of legitimacy in the eyes of those citizens who are not part of the ethnic community that captures power. And, once in power, governments need only play to their own community in order to survive; thus the nation is weakened further and democracy made ineffective, even dangerous if its outcome is greater confrontation. In fact, from this point, it is only a small step to dictatorship, with the same patronage base and the same temptation to retain power by transferring increasing amounts of wealth to that base.³⁰

As Wangome notes, the transference of power to dictators changed nothing: ‘more often than not, military regimes have turned out to be more corrupt, oppressive and downright inefficient than the civilian governments they deposed’.³¹ Herein lay the real test of modernisationist arguments. Did regime change have positive economic, social and democratic consequences? Except perhaps in the case of the less polarised Costa Rica, where rebels seized power after contested elections in 1948, enacted a democratic constitution and abolished the military, the vast majority of military interventions have been far from benign in their

27 Collier, *Wars, Guns & Votes*, 2009, pp. 179, 182.

28 W Narsey (‘Just wages & coup impacts’, *Fiji Times*, 15 April 2009) claims taxes now comprise 27 per cent of GDP.

29 Collier, *Wars, Guns & Votes*, 2009, p. 73.

30 Collier, *Wars, Guns & Votes*, 2009, p. 61.

31 Wangome, ‘The African “neocolonialism”’, 1985.

consequences.³² In Fiji's case, the military coup set the country on a new postcolonial trajectory, although how radical that transformation would be was not immediately apparent, in part because it cloaked itself in Fijian conservatism.

Undoubtedly the most radical and obvious innovation of Fiji's May 1987 coup was the insertion of a new, non-political and non-traditional actor into the political process. The military had not prepared for this role, hence it did not seek to dominate the political process it had transformed, at least not at first. Even when it later did, it could never overcome its own administrative and leadership deficiencies. Consequently, for five years after the first coup, Fiji endured an uneasy standoff between the army and the Fijian elite, who had most benefited from the coup. That standoff ended only when Rabuka seized control of the political process and ruled in his own right. The following eight years of Rabuka government demonstrated once more the dangers of ethnic politics. A tale of electoral manipulation and patronage politics quickly followed, robbing Fiji of transparent and accountable governance and leaving the majority of its people poorer, even those that it claimed held special privileges as indigenous people. Fiji didn't collapse; it simply surrendered to impoverishment in the widest sense of the word.

The insertion of the military into Fiji's politics also had other consequences. It sought financial independence, attempting to model itself on Suharto's Indonesian forces. Economic planners began a fresh push to establish a new urban-industrial base by boosting the infant clothing industry, the success of which depended wholly on preferential access to foreign markets. But, of equal importance for reformers riding an indigenous 'revolution', multiracialism had to go. Affirmative action became the new mantra, but it heralded no revolutionary approach to perceived gaps between Fijians and IndoFijians. Rather, it reinforced the failed strategies of the past – the promotion of a Fijian business class and the reassertion of chiefly control.

32 Many coups were conducted under the influence also of the Cold War, such as Park Chung-hee's 1961 coup in South Korea. Unusually for a military-backed leader, Park successfully grew South Korea's economy and, in time, the military withdrew in favour of civilian rule.

There were, however, some differences. Sociologist Steven Ratuva argues that, for Fijians, a focus on specifically commercial activities now increasingly took precedence over communal resource exploitation.³³ Avowedly Fijian post-coup regimes desperately needed to create a sense of difference in order to demonstrate legitimacy and the programs they pursued had of urgent necessity to demonstrate rapid success. Their goose would deliver the golden eggs. With few instruments of accountability untainted by the 'revolution', all the ingredients for economic disaster and frustrated ambitions were being rapidly assembled for future consumption.

There were other unpleasant legacies also. The abuse of human rights, which occurred shockingly during and after the coup, put any return to normality out of reach for a long time. The wounds of 1987 would take a decade to heal and, even then, some wounds continued to fester. Certainly they ended the lingering dream harboured by some citizens of creating a nation out of Fiji. Not surprisingly, increasing numbers of citizens, particularly IndoFijians, emigrated to countries where multiculturalism more effectively provided security and a future. They did not, as Sakeasi Butadroka urged, return to the land of their ancestors. Instead they journeyed to Australia, North America and New Zealand, no doubt where relatives already lived and could provide support. A comparative trickle of a 1,000 emigrants per year in the 1970s settled into a standard 5,000 during the 1990s.³⁴ In the longer term, emigration profoundly transformed Fiji such that, by 2005, 148,355 citizens or former citizens – 17.5 per cent of its population – lived abroad.³⁵ Undoubtedly, emigration slowed population growth, helping to minimise some of the more disastrous economic impacts of 1987. But it also drained the country of much needed skills and capital,³⁶ and ensured that Fiji's bourgeoisie were not so much missing as living elsewhere.

33 S Ratuva, 'Addressing inequality? Economic affirmative action and communal capitalism in post-coup Fiji', in H Akram-Lodhi (ed.), *Confronting Fiji Futures*. Canberra: Asia Pacific Press, 2000, pp. 227, 234.

34 These averages disguise considerable spikes: 18,359 emigrants in 1987 and 10,674 in 1988 (D Forsyth, 'Fiji at the crossroads', *Pacific Economic Bulletin*, 11: 1, May 1996).

35 D Ratha & Z Xu (eds), *Migration and Remittances Factbook 2008*. Washington: World Bank, 2008, siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1199807908806/Fiji.pdf.

36 Between 1987 and 1992, Fiji lost 9 per cent of its professional stock, 24 per cent of its administrators and managers, and 11 per cent of its clerical workers of whom 72 per cent were IndoFijians (Walsh, *Fiji*, 2006, p. 56).

The long-term impact of emigration also had political consequences. Dramatically falling IndoFijian proportions meant that the threat of IndoFijian dominance, which Fijian nationalists had exploited to great effect, no longer carried the same weight as before. IndoFijian proportions peaked in 1976 and, by 1986, they were well on their way to losing their near majority status. The coup hastened the process: 48.7 per cent of the population in 1986 became 37.5 per cent by 2007.³⁷ And, as hundreds of poor IndoFijian farmers lost land leases and flocked to urban settlements, another nationalist myth also crumbled visibly, the myth of Indian wealth. Thus, in the space of a single generation, Fiji moved from a racially diverse or plural society to one fast comprising a single dominant ethnicity. The dynamics of politics began to shift accordingly, subtly at first because the political behaviour of past generations continued as if nothing had changed. But, by 2006, the shift could no longer be concealed, even if political denial continued.

There is one final legacy to be referred to as a guide to reading post-1987 events: successful military coups invariably result in higher spending on military forces. In 1986, the RFMF received \$16 million as its operating budget; by 1995, this had increased to \$41 million. Admittedly, the military had grown 74 per cent in size by 1995, but the comparison with the \$25 million meted out to the police in that year is stark. And it did not take into account the military's failure to live within its budget. In fact, between 1986 and 1996, it annually overspent its budget by an average \$23.5 million.³⁸ Such excessive expenditure impacted on the state's provision of public goods, on state indebtedness and most assuredly on economic growth. Together they contributed to further discontent and instability, with damaging human consequences, although just how damaging would not become apparent in Fiji's case until much later.

Three long-term consequences of Fiji's troubled postcolonial development strategies give some indication exactly where dangers lay. First, Fiji's failure to break free of racialised and elite-oriented economic strategies meant that it increasingly possessed a large pool of disaffected youth. In 1986 youth (15 to 24 years) comprised 8 per cent of the population; by 2007 19 per cent.³⁹ Why were they disaffected? Wadan Narsey provides one

37 Walsh, *Fiji*, 2006, p. 101; www.statsfiji.gov.fj/.

38 *Fiji Times*, 30 October 1996. The military expanded from 2,100 troops to 3,650 during this period.

39 Fiji Bureau of Statistics, *2007 and 2009 Population Census of Fiji*. Suva: Fiji Island Bureau of Statistics, June 2012.

possible answer. Child dependency ratios are much higher for Fijians than for IndoFijians; only 4 per cent higher in 1976, but 62 per cent higher by 2007. Larger families mean, among other things, a poorer lifestyle, fewer resources for education per child, higher school dropout rates and fewer skilled entrants into the workforce.⁴⁰

Second, under-employment and unemployment – especially in long-neglected rural areas – resulted in unprecedented urbanisation (from 39 per cent in 1986 to 51 per cent by 2007), much of it centred on the capital, Suva, where there were also insufficient jobs and houses to go around. This created a new political risk which Alan Beattie sees as a direct consequence of urbanisation:

When it comes to exerting political power, those within rioting distance of [government] have a better means of making their grievances known than do equally disgruntled peasantry muttering into their gruel as they go about their miserable rural lives ... miles from the capital.⁴¹

At 24 per cent, Suva's proportion of the country's population was no more than that of many other capital cities, but it is growing rapidly and as it does 'the incentive for rural flight towards the city increases, and so does the political imperative to keep the urbanites happy'.⁴²

The third consequence derived specifically from the politicisation of the military. Having engaged in a coup once, the military could more easily take the step on subsequent occasions; first blood, as it were. Indeed, the successful outcome of a first strike might well create the expectation that future strikes would produce similar responses. In other words, the nature of the first political response to military action sets the scene for future action. Importantly when those political reactions are favourable, they essentially legitimise violence as a means for change, with consequences that go far beyond the military, especially if political violence is civilianised among growing numbers of disaffected urban youth. This is the coup trap and its reality hit Fiji very quickly after the overthrow of the Bavadra government.

40 W Narsey, 'Fiji's far reaching population revolution', 21 March 2010, www.usp.ac.fj/fileadmin/files/schools/ssed/economics/Wadan_Narsey/Media_articles/2010_C____Fiji_s_population_revolution.pdf.

41 Beattie, *False Economy*, 2009, pp. 50–51.

42 Beattie, *False Economy*, 2009, pp. 50–51. By 2007, Greater Suva encompassed one third of Fiji's population and by 2016 produced 40 per cent of Fiji's GDP, according to the Asian Development Bank (*Fiji Times*, 15 December 2016).

The coup trap

After 14 May 1987 the army became the obvious elephant in Fiji's political space, although it was not seen this way at first. Rabuka's coup appeared less a military coup than an elite coup and, very quickly, the governor-general tried to put his own stamp on it. He was not going to accept whatever Rabuka instructed him to do. This was the start of a remarkable showdown between the old elite and the new faction within politics. The showdown would continue for the next five years until Rabuka emerged triumphant as leader of a new establishment party endorsed by the chiefs.

Rabuka delivered the governor-general a list of mostly Alliance personnel who would form a Council of Ministers. Ganilau appeared to accept this, and swore in Rabuka as head of government on the Sunday after the coup, but changed his mind on the advice of the Chief Justice. Rabuka attempted unsuccessfully to prevent further meetings between the governor-general and the justices, and retreated to his barracks to rally his troops. He released his Coalition hostages. But the governor-general was only one man; on Tuesday 19 May, the Great Council of Chiefs (GCC) met to deliberate on the political crisis facing the country. The Taukei Movement organised a riot during its second day of deliberations, using waterside workers to demonstrate 'Fijian' anger at the governor-general's position. In fact, sporadic acts of violence continued during much of the week; buildings were burnt, homes broken into and people assaulted. On the third day, the movement presented a petition to the GCC calling for Fijian political paramountcy or the declaration of a republic.⁴³ As Ganilau arrived to address the GCC, crowds outside the Civic Centre booed. It was not an auspicious moment for the governor-general, who had come with a compromise: he would provide amnesty for the coup makers, dissolve parliament, select a council of advisors, investigate constitutional change, and take the country back to elections. The GCC agreed.

Rabuka told the crowds, 'I will not accept any solution to the political problems facing the country that will destroy the aim of the coup'. Later he told journalists, 'I will remain in control so as to stop rioting, the very thing I tried to avoid by staging the coup'. The governor-general 'will be serving my purpose if he remains in office although he is powerless to

43 Draft, 'Portions of the Constitution to be amended', GCC submission.

enforce his office'.⁴⁴ The 19 members of the new Council of Advisors were mostly from the Alliance Party but nine were also members of the Taukei Movement.⁴⁵ Ganilau was in an invidious position and Brij Lal argues, 'Had he resisted the pressure to endorse the coup, he might have been isolated, his candidature for the title of Tui Cakau [the highest title within the Tovata confederacy] placed in jeopardy, and the Fijian polity possibly split. This was the price of loyalty to the Crown, and Ganilau was not prepared to pay it'.⁴⁶

Ganilau now took Fiji on an uncertain journey. While its economy sharply contracted and trade sanctions bit hard, the military and the Taukei Movement ran amok. Ganilau had promoted Rabuka to colonel at the same time that he assumed authority, but the reward brought no compliance from the army. Rabuka claimed to possess his own 'revolutionary' committee and promised to declare a republic if he did not get his way.⁴⁷ He developed a new relationship with sympathisers within the Methodist Church hierarchy, certain that they could provide a wider support base than the Taukei Movement if such support was needed in the future.

The RFMF now also rapidly expanded; Rabuka aspired to build an 8,000-strong standing force.⁴⁸ He sent officers overseas to seek new training facilities and to purchase weapons and helicopters. Two patrol boats were purchased for the naval squadron and key military personnel entered senior positions within the public service. A campaign of arrests harassed political opponents and unionists, and intimidated the populace. The entire staff of Morris Hedstrom, a large department store in Suva's CBD, was threatened with arrest when the wife of the new Police Commissioner complained of discrimination when given a smaller plastic bag (they were being rationed) for her purchases than other customers. The intimidation coincided with a massive increase in crime. Gangs of youths terrorised families and isolated communities. Shops and homes were looted, sometimes by thieves dressed as military personnel. Such

44 *Fiji Times*, 22 May 1987.

45 It also included three civil servants, one former military commander, one IndoFijian Methodist, and Bavadra and his deputy. The last three refused to join.

46 Lal, *Broken Waves*, 1992, p. 278. A journalist later argued that Ganilau's initial resistance nearly caused a rebellion in Cakaudrove (*Evening Post*, Wellington, 19 May 1988).

47 *Fiji Times*, 13 June 1987.

48 Sharpham, *Rabuka of Fiji*, 2000, p. 142. The RFMF stood at 5,000 by the end of 1987, a near doubling of size.

incidents became increasingly violent. A 10-year-old girl had her arm partially severed when she was attacked with a machete outside her school. A Lautoka shopkeeper was stabbed to death during a robbery. Soldiers beat a detained man unconscious at their barracks and, after two weeks in a coma, he had to be sent to New Zealand for urgent treatment.

Fiji's season of madness continued unabated until August, by which time economic realities demanded more reasoned responses. Hotel occupancy rates fell to 20 per cent. Garment exports lay on the wharves, the industry crippled by trade bans enforced by Australasian unions. Cane farmers protested by delaying the harvest. The Fiji Sugar Corporation (FSC) called their bluff and shut all mills until mid-July. In late June, the Fiji dollar devalued 17.75 per cent. Government departments were directed to cut expenditure by 20 per cent and civil servants received a 15 per cent salary cut, although the military ignored the rulings. By August its expenditure already exceeded its budget by 42 per cent and it laid plans to develop its own farms, to fish, and to engage in inter-island trade. It would become self-reliant.

Post-coup politics were equally challenging. The GCC met again in July and flexed its muscles. It rejected Mara's proposal for minimal changes to the Constitution, arguing instead for a parliament dominated by Fijians (at least 56 per cent of seats), with all Fijian seats filled by nominees of provincial councils. By the time a Constitutional Review Committee reported in August, this proposal had been amended to allow Fijians the vote, but only on the basis of provincial constituencies. There would be no urban constituencies for Fijians, a move that appeared to deny the Taukei Movement future influence. They protested, threatening to burn Suva and declare a republic. Unexpectedly, Rabuka rebuked them.⁴⁹ The path he trod had suddenly become more unpredictable. Political hostility to the coup increased. Newspapers became more daring in their opposition to the chaos generated by both the military and the Taukei Movement. The Coalition, partially recovered from the shock of May, began an improbable campaign to win the hearts and minds of Fijian villagers in Viti Levu.⁵⁰

49 *Fiji Sun*, 20 July 1987.

50 Labour stalwart Simone Durutalo observed of Labour's Operation Sunrise: 'Indigenous Fijians are not fooled by such gimmicks'. Its very existence is 'an unspoken admission that the party sponsoring them treats commoner Fijian interests and aspirations as merely an appendix to their main concern elsewhere' (*Fiji Times*, 9 February 1992).

The real game changer, however, came with a High Court ruling in August. It agreed that the governor-general's dismissal of parliament might be illegal and declared that the matter be heard in court. In response, Ganilau announced that he would form a new caretaker government and urged the Alliance Party and Coalition to reach accommodation. Talks were held for three weeks during September, amidst a Taukeist firebombing campaign in Suva that ended with the mass breakout of prisoners from Naboro prison. The Coalition knew that court action might not ultimately produce the political outcome it wanted. The Alliance, for its part, feared losing control to extremists. Compromise now seemed the best way forward for the two political parties. A final meeting was held, safely outside of Suva at Deuba (Pacific Harbour) on 23 September 1987, which decided on a caretaker government, derived equally from the two parties and led by Ganilau. The ensuing Deuba Accord intended for the government to tackle both the economic crisis and constitutional review in the spirit of bipartisanship and begin a process of national reconciliation.

On the eve of the accord's implementation, Rabuka decided 'to resume executive authority'. His second coup on 25 September overthrew the governor-general and established a military government composed largely of Taukeists and nationalists. To prevent legal complexities, he declared Fiji a republic on 7 October and sacked the judiciary. To deny his opponents a forum, he closed all media outlets (except Radio Fiji). To consolidate his support among Methodists, he introduced a Sunday Observance Decree which banned sport and trading on Sundays. To help with security he introduced a night curfew. Precision is the hallmark of a military leader and Rabuka prided himself on his organisational skills. But, as Mara had noted earlier, Rabuka always had a tendency to overlook the long-term consequences of his actions. He had told the governor-general that he would support the Deuba compromise,⁵¹ but fell under the sway of the Taukeists who had set up their own intelligence operation in the Ministry of Information. His exclusion from the Deuba talks annoyed him and its outcome mocked his coup. Having done the deed for a second time, however, Rabuka wavered. He wanted the chiefs on side again. The Taukeists found it difficult to get Rabuka to focus on a republic.⁵²

51 P Thomson, *Kava in the Blood: A Personal & Political Memoir from the Heart of Fiji*. Auckland: Tandem Press, 1999, p. 179.

52 Robbie Robertson, Interview with Ratu Meli Vesikula, Melbourne, 9 August 1989.

The second coup was psychologically more difficult for Rabuka. His first coup had been against what he saw as foreign control of the country by people who did not respect Fijian custom. 'I am a commoner and to see my high chief being accused of corruption with no proof,' he complained in May: '[T]he language used against [Mara] I will never accept nor would any right thinking Fijian.'⁵³ By October his views were more tempered. 'A lot of people say that chiefs should not participate in politics because in politics you might be subjected to some adverse comments that are unbecoming to your status,' he now argued: 'This is the same sort of thing here.'⁵⁴ Better to have commoners ruling; he could speak with them on the same level.

Nonetheless, Rabuka was no revolutionary. It disturbed him that few chiefs had congratulated him on his second coup. They had always opposed breaking links with the Crown, even if the Taukeists, who dominated the reformed GCC, sometimes swayed them otherwise. As a result, Rabuka tried once more to get Ganilau and Mara on side. He met with the Deuba parties to get their agreement, but Timoci Bavadra refused to play ball.

Mara disagreed with Rabuka's assessment of the role of chiefs. Chiefs have always been involved in politics, he argued; they could not remain aloof from it.⁵⁵ Mara flew to England to have the Queen sanction his and Ganilau's continued role, hoping this might be sufficient to pull Fiji back from the abyss, but without success. He was denied an audience with the Queen and, to make matters worse, against his own advice, Ganilau gave up the fight and resigned his office just as the Commonwealth met. No reason now existed for the Commonwealth not to suspend Fiji's membership. The chiefs had lost control, twice in the space of one year. Mara's wife had called Rabuka their 'brave hearted champion';⁵⁶ no longer. They saw themselves as moderates; they regarded their self-interest as altruism. When Ratu Meli Vesikula, an ex-British army major from Verata who served as spokesperson for the Taukei Movement, had delivered copies of his Movement's constitutional proposals to Mara and Ganilau, they looked on him with contempt and said there was no way he was going to get away with such a proposal.⁵⁷ Now it looked like he might.

53 *NZ Herald*, 19 May 1987.

54 *Islands Business*, October 1987.

55 *Fiji Times*, 3 October 1991.

56 *Fiji Times*, 2 November 1995.

57 Robertson, Interview with Vesikula, 9 August 1989.

Rabuka formed his own Council of Ministers in which 17 of its 24 ministers were from the Taukei Movement. Vesikula was one of them. He had served in Ireland and Cyprus and had firm ideas about what needed to be done: 'What we have to do is apply a force that will stun the people ... That force will have to be applied by the military or a hardline civilian government. In my experience the military option is nearly always the best ... That is the set piece I hope to have played out in Fiji.'⁵⁸ The abolition of trade union rights marked a first step in this direction. Butadroka was also there as Minister for Lands, a ghost from Mara's past, wanting above all to make up for lost time. Crown land would immediately return to Fijians and Fijians would receive first option on the sale of freehold land. If such radicalism helped doom the Council of Ministers, then its inability to turn the country around economically sealed its fate. The economy continued its spiral downwards: a further devaluation (15.25 per cent), looming bans on flights to Fiji, and even threats to deny Fiji sugar export rights.

Rabuka had left the positions of president and prime minister vacant, claiming he would withdraw once the positions were filled.⁵⁹ Some on the Council, like Butadroka and Vesikula, were suspicious of his intentions and objected to Mara's return; but Rabuka insisted that Mara would restore Tovata's prominence.⁶⁰ Rabuka began to undo the more draconian aspects of his military government, restoring union rights, allowing newspapers to operate freely, ending the curfew, re-establishing a judiciary, and promising to reduce the size of his forces. The scene was set for fresh meetings with Mara and Ganilau and, on 5 December, the now self-promoted Brigadier Rabuka returned power to them as prime minister and president respectively.

In effect, Rabuka restored the Alliance government but in a very different and potentially unstable form. Had its leaders learned wisely from the events of the past year? Had they finally understood that, for all the anti-IndoFijian venom of their supporters, they actually faced a people deeply unhappy with the consequences of development for them under Alliance rule, a people now perhaps with a new champion in the military? Rabuka later argued that 'Fiji had not become a fully independent country between 1970 and 1987 ... until I took over the government, declared Fiji

58 *Far Eastern Economic Review*, 8 October 1987.

59 *NZ Herald*, 14 November 1987.

60 Robertson, Interview with Vesikula, 9 August 1989.

a Republic and handed the leadership over to the Bose Levu Vakaturaga (Great Council of Chiefs).⁶¹ How would post-coup Fiji differentiate itself from the immediate postcolonial era that had ended so suddenly and sharply?

A new trajectory for Fiji?

In February 1990, Navitalai Naisoro, one of the self-proclaimed 'New Fijian' economic managers appointed after the coups, told students at the University of the South Pacific: 'My hope is that one day instead of seeing the greenery of sugar cane fields, we see the greenery of well-engineered factory complexes.'⁶² As permanent secretary for trade and commerce, Naisoro was the public face of a self-declared radical redirection in Fiji's economic policies. Given the rapid contraction in Fiji's economy (nearly 8 per cent in 1987), Naisoro understood that Fiji had to do something dramatic to attract the attention of foreign investors: 'We realised that if we were to survive in the long term, the solution lay with the export sector.'⁶³ That signal came in December 1987 in the form of tax free zones (TFZs), a policy lifted from the Alliance Party's aborted Ninth Development Plan (1986–90).

The idea had been mooted first in 1981 but, with the rise in garment production during the 1980s from small local tailoring businesses that tapped into the protected home market and survived on the basis of family labour and low wages, it quickly developed traction.⁶⁴ By the mid-1980s, standards of production had improved sufficiently for garment producers to attract the interest of Australasian distributors. Fiji's lower wages provided Australasian manufacturers who were prepared to move offshore or contract work out an opportunity to compete with Asian exporters who now entered their formerly protected markets. Australasian governments were determined to make manufacturing internationally competitive, and slashing import duties or ending import licensing became important

61 *Fiji Times*, 28 April 1992.

62 'Reflecting on the Fiji experience and USP', *University of the South Pacific Bulletin*, 23: 4, 2 March 1990, p. 2. This section draws in part on R Robertson, "'The greenery of well-engineered factory complexes': Fiji's garment-led export industrialization strategy', *Bulletin of Concerned Asian Scholars*, 25: 2, 1993, pp. 31–41.

63 R Callick, 'Fiji grasps for a bonanza', *Australian Financial Review*, 30 November 1988, p. 13.

64 Chandra, 'The political crisis and the manufacturing sector in Fiji', 1989, p. 48; production rose 81 per cent during 1986 alone.

means to that end. Fiji's wages were not low compared with most Asian wages, but Fiji's advantage lay in its ability to gain duty-free entry into Australia and New Zealand through the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA). Australia had also created a special sampling quota for the Pacific during the early 1980s and, in 1991, added an Import Credit Scheme that enabled Australian companies to source textiles from Asia, dye and print them in Australia, export the cloth to Fiji to be assembled into finished clothing, reimport them duty free, and then use the import credits gained to finance more purchases from China.⁶⁵ Protectionism was not yet dead.

During 1986 the garment industry employed 1,500 workers, twice as many as during the previous decade, which comprised 11 per cent of all manufacturing workers, although only 2 per cent of the national work force. Exports were worth nearly \$5 million, only 1.6 per cent of all exports, but growth had been achieved rapidly. Nonetheless, the garment sector remained difficult for the government to promote, particularly in the run-up to an election. It generated controversy because of its poor conditions of employment. Wages, at an average of 74 cents an hour, were half those in other manufacturing industries.⁶⁶ Employers warned that higher wages would cripple the industry before it could expand. The government agreed. It twice lowered the minimum wage for garment workers. During the 1987 election campaign, Labour had alleged that garment manufacturers made donations to the Alliance Party to secure the enforcement of these lower-than-minimum wages.⁶⁷ The post-coup government, desperate to make a difference, promoted the industry with much greater vigour.

Since TFZs were costly to introduce and could not be established quickly, the government permitted individual workshops to be declared tax-free factories (TFFs). Workshops that exported 95 per cent of their production (later reduced to 70 per cent) received 13-year exemptions from company tax, as well as duty-free entry of raw materials and equipment. The results were impressive. By early 1991, 104 TFFs employed 9,327 persons (10 per cent of total paid employment), 78 per cent being in garment

65 P Cawthorne, 'Fiji's garment export industry: An economic and political analysis of its long term viability', Faculty of Economics & Business Working Paper, University of Sydney, 2000, p. 4.

66 C Slatter, 'Women factory workers in Fiji: The "half a loaf syndrome"', *Journal of Pacific Studies*, 13, 1987, pp. 55–56; W Narsey, 'What's the plight of women garment workers', *Fiji Sun*, 10 November 1985.

67 *Fiji Times*, 27 March 1987.

and footwear factories, the remainder in food and related industries. Garments alone earned \$130 million in 1991 and, at 20 per cent of exports, became the second highest earner of foreign exchange after sugar, representing over 7 per cent of GDP. Little wonder Naisoro described the rate of change as 'breathless':

Now people are thinking of takeoff again. But the really important ingredient is devaluation plus the fact that we don't have a democratic government ... Businessmen don't care about the voting structure.⁶⁸

Devaluation, deregulation, privatisation and foreign investment quickly became the catchwords of the post-coup regime. According to the new Minister for Finance, former Native Land Trust Board (NLTB)-technocrat Josevata Kamikamica, Fiji had become too reliant on state-oriented development. The coups permitted Fiji to 'sever the apron strings which tied us to inherited colonial characteristics'.⁶⁹ By means of the corporatisation of selected government enterprises (pine, fisheries, shipping, shipyards, post and telecommunications), the abolition of import licensing, tariff and excise reductions, and the expansion in TFFs, Kamikamica hoped to transform Fiji into a new entrepôt, the South Pacific's version of Singapore, South Korea and Taiwan.

Such hope was never based on realities. The success of East Asia's 'little tigers', in particular South Korea and Taiwan, grew out of the experiences of war. They suffered unprecedented destruction, including that of their traditional leadership structures. This opened the way for stronger states, reformed bureaucracies, and for change that was fuelled in large part by massive Cold War military expenditures and aid that continued for more than two decades. In their wake came Japanese investment. Thus South Korea and Taiwan were able to sustain growth rates of 10 to 12 per cent during the 1960s and 1970s and, by the 1980s, begin investing their surpluses into the regional economies of East Asia. Much of the wealth generated also came to be reinvested back into communities, resulting in growth with equity, sustained over several decades and boosting the capacity of East Asia's economies to plan and develop.⁷⁰ Growth with equity is democratisation. It channels resources into infrastructure, education and health. It enables greater popular participation in economic growth, and it raises the quality of life for its

68 *Islands Business*, February 1989.

69 *Fiji Times*, 3 June 1989.

70 R Stubbs, *Rethinking Asia's Economic Miracle*. London: Palgrave Macmillan, 2005.

citizens. This democratisation began to spill over into the political sphere by the end of the 1980s, perhaps demonstrating economist Amartya Sen's claim that democratisation represented the most important universal commitment of the 20th century, the only way to widen circles of social capital, bridge divides, and develop modern societies.⁷¹

Nothing similar happened in Fiji. The 'Fijian revolution' by 'New Fijians'⁷² did not place Fiji on such a trajectory. It did not mark a fundamental break with colonial or postcolonial characteristics. Despite all the hype of heralding a new era of prosperity, TFFs offered labour little more than poor wages under less-than-perfect working conditions. The government refused to pressure employers to provide greater national benefits from its hastily prepared scheme. Since no local value-added preconditions were stipulated and little in the way of local raw materials utilised, much-needed linkages back into economy were never developed. No textile industry emerged to stimulate growth, as happened in Mauritius. Certainly it provided many women, the bulk of the workforce, an alternative to domestic employment, but its poor remuneration ensured that few benefits spilt over into the community beyond the injection of subsistence wages. While the government created a special training school to up-skill garment workers, it gave insufficient funds for it to be effective. Consequently many employers simply imported skilled Asian labour instead, which came, at one time, to comprise over 10 per cent of the garment labour force.

Accordingly, TFF success needs to be highly qualified. It managed to continue expanding for most of the 1990s, using temporary access to US and European markets to reduce its overwhelming dependence on Australasia. By 2000, garment exports had risen to \$333 million, an astonishing 33 per cent of exports and nearly 12 per cent of GDP. The industry employed close to 20,000 employees. But Fiji possessed none of the aid or market access advantages that proved so important for East Asian growth. Neither was it as galvanised by external threat and domestic transformation. TFFs were highly market vulnerable. Access depended on preferential agreements that were constantly revised as countries like Australia and New Zealand ended import licensing and reduced tariffs

71 A Sen, *Development as Freedom*. Oxford University Press, 1999.

72 *Islands Business*, February 1989.

while seeking ways to soften the blow for its own manufacturers.⁷³ As tariffs fell, so did Fiji's cost advantage against cheaper and more competitive Asian countries. Its factories were comparatively small and lacked the scale economies of its competitors. Its less productive labour force remained largely unskilled and, as a consequence, poorly paid. Thus Fiji neglected the very base required for moving into better paying, high-end niche markets based on design and brand, and – as we shall see later – neglected opportunities to exploit the international linkages tourism brought, as Fiji Water did so successfully after 1997. The garment industry never became anything more than an export industry designed to soak up surplus labour.

Part of the problem also lay in the nature of investment within the industry. In 1999, Pamela Cawthorne found that 64 per cent of 110 garment factories were partially or wholly foreign owned.⁷⁴ Of them, 21 per cent were owned by Asian companies that came to Fiji simply to get around American quota restrictions on their own countries. They were highly mobile minimalist operators, often bringing their own labour with them, and demonstrated little interest in diversification or establishing linkages with the rest of the economy. Australian and New Zealand producers made up 34 per cent of foreign ownership, and set up in Fiji also only as long as trade preferences made it worthwhile. The majority of foreign producers brought no sophisticated technology with them. If anything, SPARTECA discouraged such investment, first because its 50 per cent rule of origin forced manufacturers to source capital goods and raw materials from Australasia rather than from cheaper Asian suppliers and, second, because its 50 per cent local content rule could only be met by maximising labour costs. It made no sense to become more technologically efficient. Thus the very scheme designed to assist Pacific countries to grow manufacturing capacity conspired to frustrate its development within the Fiji economy. It never escaped its dependency on trade preferences and, to Cawthorne, bore all the hallmarks of maquiladora industries along the US–Mexican border. Without investment in new technology, productivity remained low, wages failed to rise, living standards stagnated or declined, and

73 Thus, SPARTECA could be seen as a strategy more for the benefit of Australasian manufacturers than for Pacific producers. In this respect, SPARTECA is similar to the EU Lomé Convention's Sugar Protocol, created in 1975 to ensure a steady supply of sugar to Tate & Lyle's refineries in Britain (R Grynberg, 'The WTO incompatibility of the Lomé Convention trade provisions', Working Paper 98/3. Canberra: Asia Pacific Press, 1998, p. 13).

74 Cawthorne, 'Fiji's garment export industry', 2000, pp. 5–14; this section draws heavily on Cawthorne's analysis.

a rejuvenated manufacturing sector within Fiji failed to burn brightly. With changes to SPARTECA and an end to quota access into the United States early in the next century, the garment flame dimmed.

TFFs may have replaced the postcolonial emphasis on import substitution but, as enclaves within the domestic economy, they shared features all too similar with colonial strategies. Both sheltered and protected industries linked with export demand and both frustrated value-adding capabilities and industrial sophistication. With an education system reeling from cutbacks and with a growth strategy intent on denying skills and creativity, Fiji seemed stubbornly intent on excluding long-term growth factors such as human capital. In addition, labour-intensive industrialisation failed to promote capital-intensive growth. Not surprisingly, Fiji's leaders divided on the value of TFFs. Apisai Tora reportedly bragged to an Australian businessman at the start of the strategy, 'This place is ripe for carpetbaggers. You had better get your guys over here if you want a slice of the action'.⁷⁵ Some members of the Fijian elite did invest in garment factories, but others were less enthusiastic. Rabuka worried about its political consequences. 'Who needs overseas investors?' he quipped in 1993.⁷⁶ Foreign investment of this kind invariably meant greater urbanisation and expanding working classes. These classes were less trusted after the 1987 elections. They and the capitalism they drew strength from created loyalties and aspirations that did not coincide with those of traditionalists. 'The political logic,' economist Roman Grynberg wrote, 'is that a nation of barmen and chambermaids is to be preferred over that of factory workers.'⁷⁷

Something of the same logic applied also to new economic strategies for Fijians although, in the post-coup atmosphere, they were never so described. Fijian development strategies had been largely passive, replicating existing lines of authority, and using communal activities to raise funds invested in provincial companies controlled by chiefs. Sociologist Steven Ratuva has described this as communal capitalism, and it drained rural communities of valuable resources for which there were no returns at the community level. The beneficiaries were chiefs and the bureaucrats who staffed Fijian institutions.⁷⁸ One might have thought that, after 1987, this disconnect

75 SL Malcomson, *Tuturani: A Political Journey in the Pacific Islands*. New York: Poseidon Press, 1990, p. 129.

76 *Fiji Times*, 3 June 1993.

77 *Fiji Times*, 27 August 1994.

78 Ratuva, 'Addressing inequality?', 2000, pp. 230–31, 245.

with communities would have been better appreciated. It was not, with the result that the only change after 1987 lay in the intensification of a strategy already found wanting.

Ordinary Fijians might have expected more. After all, the coups had been launched in their name, and perceived socio-economic disparities were always high on the list of official justifications. Indeed, the post-coup regimes did seek to create the impression that they were now addressing disadvantage with both urgency and determination. Affirmative action became the new mantra and, in 1988, a Fijian Initiative Group comprised of senior Fijian technocrats (including the head of the Fiji Development Bank (FDB) and future prime minister, Laisenia Qarase) released a nine-point plan for advancing Fijian economic development. But, instead of addressing disadvantage directly, the plan proposed revitalising communal capitalism and its associated Fijian bourgeoisie. It proposed loaning \$20 million to Fijian Holdings Company Ltd (FHL), an investment company begun in 1984 to invest provincial and Fijian institutional funds into established companies such as Basic Industries (a cement manufacturer), Carlton Brewery, and Burns Philp. The plan also proposed a unit trust and a compulsory savings scheme for Fijians. It called for enhanced government concessions to Fijian businesses (21 years tax free), minimum levels of Fijian ownership in resource-based industries and Fijian ownership of a daily newspaper. It requested administrative reform and innovation within the Fijian Affairs Board (FAB), which was responsible to the GCC for the performance of the Ministry of Fijian Affairs.⁷⁹ Aside from the establishment of a Unit Trust, a management advisory service within the FAB, and government ownership of the *Daily Post* newspaper, the most dramatic outcome of the nine-point plan concerned FHL.

From the FAB, FHL received \$20 million of government funds as an interest-free loan, enabling it to massively increase its investments in Fiji-based companies such as the Merchant Bank of Fiji, the Denarau tourist project outside Nadi, Fiji Sugar Corporation, Motibhai (a duty-free retailer), Goodman Fielder Watties (food producers principally involved with chicken production), and the Suva Stock Exchange. Total assets increased from around \$5 million in 1987 to over \$36 million in 1994, by which time the company paid dividends of up to 20 per cent from

79 Fijian Initiative Group, *Nine Points Plan*. Suva, 1988.

annual profits of \$3 million. As Ratuva argues, FHL performed well by any stretch of the imagination but, at the end of 1991, it became a private company with the ability to manage funds from private Fijian investors.⁸⁰

That change was not publicised until allegations were made in 1993 that some 26 well-placed bureaucrats and their business associates possessed more shares than institutional investors. Some of those shares had been purchased with government-subsidised loans from the FDB. Accusations of insider trading flew furiously,⁸¹ perhaps unfairly, but the contrast between private and institutional beneficiaries was unavoidable. Of course, unlike private investors, Fijians who contributed to provincial investments did not benefit directly from institutional investments. Most earnings went to pay for provincial bureaucracies. Ratuva notes:

The change in status of the [FHL] was primarily a result of lobbying by the ethnic Fijian elite who dominate its private company share ownership, and who want greater control over their investment and the dividends it paid. Moreover, this emerging ethnic Fijian bourgeois class had found a new ally: with the foreign and local non ethnic Fijian bourgeoisie in whose companies the [FHL] had purchased equity. Thus, the new ethnic Fijian bourgeoisie has been able to use affirmative action policies in order to promote its own interests through state subsidised capital accumulation.⁸²

Success outside the FHL was harder to gauge. Smaller investment companies like the Suva-based Gaunavou Investments tried with less success and capital to emulate the FHL. The FDB began a soft-loan scheme for Fijians in 1989 that, over the next four years, increased funds available to Fijians by over 300 per cent. Unfortunately, Fijians were often encouraged to invest in areas where competition from established companies was stiffest. A classic example was the FDB's attempt to organise small-scale Fijian retail activity through its Equity Investment and Management Company Limited or EIMCOL, which established nine small supermarkets after

80 Ratuva, 'Addressing inequality?', 2000, pp. 240–41. By 2017 the FHL Group held assets worth \$492 million, its pre-tax profits stood at \$19.4 million, and it returned 0.35 cents per share to its investors. Its star performers were Basic Industries, Pacific Cement and the RB Patel Group (*Fiji Times*, 1 February 2017).

81 *Fiji Times*, 19 May 1993; 22 May 1993.

82 Ratuva, 'Addressing inequality?', 2000, p. 246.

1989. All had collapsed by the end of 1993, due in large part to poor location (often close to established supermarkets), inadequate feasibility studies and inappropriate management training.⁸³

Investment in taxis produced a similar outcome. Most prime taxi sites were already allocated, leaving only the less profitable outer urban sites available for Fijian operators. The government attempted to get around these difficulties by denying new permits to IndoFijians, but even this could not prevent unacceptably high arrears on loan repayments. In 1995, funding for taxis ended. At the small business level, where institutional support might have helped most, affirmative action failed Fijians. This complaint had been common before 1987; even Rabuka had argued in 1988 that the FDB only helped well-off people.⁸⁴

The problem with the nine-point plan lay not in its ambition to extend Fijian participation in business but that it was presented as something that would benefit all Fijians when, clearly, it could not. Part of the problem lay with government's refusal to debate policy. Provincial councils never publically complained when government decisions impacted on their businesses or on large employers in their districts as, for example, when Air Pacific shifted its head office from Suva to Nadi or when the government deregulated the dairy industry, cut beef tariffs, and granted licenses for imported chickens. Wadan Narsey lamented a public culture of silence.⁸⁵ Few government ministers appreciated that, if the culture of silence extended also to institutions defending Fijian rights, there was little chance of popular decision-making or accountability in development.

Reliance on modern bureaucratic versions of the Fijian *vanua* as solutions proved equally as deceptive as the nine-point plan. Rabuka believed bureaucracies would lay 'the golden egg' for Fijians but, instead, they seemed only to promote dependence and empty shells. Rabuka attempted to create his own 'golden egg' in late 1987 by making the Army Auxiliary Unit a supplier of essential commodities and a monopoly marketing agent for producers in the outer islands. He seized four Marine Department and two Fisheries vessels (the latter donated by Japan) for the purpose. He claimed that Fijians could not compete without such infrastructure. But the unit did nothing to alter the pattern of trade for outer islanders.

83 *Fiji Times*, 13 November 1992.

84 *Fiji Times*, 25 November 1988.

85 *Fiji Times*, 6 May 1997; 24 December 1996.

Khaki capitalism effectively only substituted one group of traders for another and, in the process, restricted local initiative further. The unit's agricultural activities had a similar effect, undercutting the value of goods produced by villagers for sale in urban markets. Eventually this thinly veiled attempt to develop an independent economic base for the military collapsed under the weight of corruption and incompetence, having achieved little for the people it championed.⁸⁶ Rabuka went back to raiding government coffers instead.

The NLTB, perhaps the most important Fijian institution, encapsulated the bureaucratic mentality after 1987 as much as it had before. It centralised control of all Fijian land and, for the privilege, the 250-strong bureaucracy earned 25 per cent of all rentals (reduced to 15 per cent in 2001), 10 per cent of royalties, as well as regular contributions from government towards a wages bill it never seemed able to constrain. Additionally, it found managing its vast estate (30,000 leases on 42,000 hectares for 16,000 *mataqali*) and transaction records difficult. It failed to publish annual reports for most of the 1990s, and eventually conceded in 1998 that, with accumulated losses of \$4.3 million, it was close to bankruptcy.⁸⁷

Part of the NLTB's problem was the near divine status that many Fijian leaders bestowed on the goose. 'To abolish the NLTB,' declared its former manager Jo Kamikamica, 'would mean the demise of Fijian society and the basic stability we enjoy today.'⁸⁸ Yet many *mataqali* members were dissatisfied with the service they received, in large part due to their inability to mobilise rental proceeds for development purposes. The shares that chiefs received were sometimes utilised for *mataqali* and village development, but often they also became the basis for clashes between *mataqali* over claims to highly lucrative chiefly titles.

Land as a resource bears some similarities with natural resources in terms of its impact on communities. *Mataqali* members were not the only ones who regarded it as their golden egg; increasingly the guardian NLTB leased land or approved logging without consulting land owners. Members of *mataqali* in the catchment area of the Monasavu dam spent

86 Robertson, *Multiculturalism & Reconciliation*, 1998, p. 161. Its Commander, Esala Teleni, would figure prominently again after 2006. See Schumpeter, 'Khaki capitalism' (*Economist*, 3 December 2011) for an analysis of similar military activities globally.

87 Robertson, *Multiculturalism & Reconciliation*, 1998, p. 165.

88 *Fiji Times*, 17 June 1992.

years seeking compensation for the loss of their land and its resources, and eventually resorted to blocking access to the power station in 1998 to get the government to begin negotiations. This was old Colo, the 'bush constituency' that Rabuka reportedly considered too demeaning to visit during a by-election the previous year.⁸⁹ Its anger would be felt in future years but, for many Fijians, such outcomes epitomised the downside of bureaucratic development. It transferred few skills, it removed responsibility and often all knowledge of development, and it denied people direct access to resources or involvement with their investments. Above all it prevented local initiative and produced powerlessness.

Some Fijians sought consolation in religion. By the mid-1990s, 15 per cent of Fijians belonged to Pentecostal religions and cults such as the New Life Centre, the Assemblies of God, the Christian Mission Fellowship and the Apostles Gospel Outreach Fellowship International. At Kalabu, the Kelekeletabua cult collected \$25 and a *tabua* from members and promised them six containers of cash in return. In Ba, the one-time rebels of the 1960s, the Bula Tale or Dra ni Lami, maintained a commune of 300 people dedicated to peace, non-violence and non-competition, and survived by operating small businesses in the west. Other groups like the Spiritual Congregation of the Poor and the Fiji in Every Home movement sought to reconcile people to their poverty.⁹⁰

Frustration also encouraged the ideological quick fix that was promised by ethno-nationalists. Scapegoating IndoFijians received new impetus during the late 1990s as nearly 3,300 of some 11,000 30-year sugar cane leases negotiated under the *Agricultural Landlord and Tenant Act (ALTA)* in 1977 came up for renewal. It provided an ideal opportunity for the NLTB to direct attention away from itself by claiming that Fijians would receive more satisfactory returns if IndoFijian farmers paid higher rents on shorter leases. Rents normally comprised up to 6 per cent of the unimproved capital value of the land, but the actual amount varied according to the quality of the land in question. A review in 2001 quoted rents at \$54 per hectare for marginal land and \$480 per hectare for class I land. This equated to an average 3.4 per cent of the gross value of production, which the NLTB claimed was inadequate and far below

89 *Review*, July 1997.

90 Robertson, *Multiculturalism & Reconciliation*, 1998, p. 166; *Sangharsh* (Suva), October 1995; *Fiji Times*, 5 March 1996; *Daily Post*, 5 June 1993.

international norms.⁹¹ To drive home the point, it advocated that leases not be renewed, hoping to force government to introduce new legislation in its favour. In 2000, it introduced a fee for considering new leases, and encouraged landowners to charge goodwill for new leases equivalent to one year's rent,⁹² perhaps as a way of increasing *mataqali* returns without impacting on its own income. Journalist Jo Nata argued in 1997 that the goodwill of Fijians had not been recognised in the past and that the time had come to share as much as 50 per cent of farmer income with landowners.⁹³

At some point reality had to sink in. Rents were low because much of the land farmed was of low quality, but rents still represented an average 45 per cent of net returns. On high quality land, rents comprised 23 to 27 per cent of net returns. Furthermore, once goodwill payments were accounted for, the real average rent was more like 10 to 14 per cent of the gross value of production, a proportion similar to that in Europe, South Africa, and Australia,⁹⁴ although not the high 60 per cent in parts of India that was sometimes quoted approvingly by critics who conveniently overlooked its impact on Indian productivity and farmer welfare. But, then again, feudalism might have been precisely the intent.

Vitogo villagers near Lautoka rented out 400 hectares for \$30,000 but they believed that the land earned \$540,000 and in 1997 decided that the time had come to engage in farming themselves.⁹⁵ The desire to become commercial farmers or to extend communal gardens to accommodate village populations undoubtedly impacted on decisions not to renew leases. Between 1997 and 1999 only 26 per cent of leases were actually renewed to sitting tenants. But the realities of farming were often forgotten in the heat of debate. Economists Padma Lal and Mahendra Reddy demonstrated that the average net return to sugar cane farmers in 2001 was \$842 per hectare, in total \$3,500 per annum, below Fiji's then average \$3,889 per capita income.⁹⁶ However, economics did not decide the issue.

91 P Lal, H Lim-Applegate & M Reddy, 'Fijian landowners and IndoFijian tenants have their cake and eat it too', *Pacific Economic Bulletin*, 16: 1, November 2001, pp. 109–10.

92 P Lal & M Reddy, 'Old wine in a new bottle: Proposed sugar industry restructuring and land conflict in Fiji', *Pacific Economic Bulletin*, 18: 1, May 2003, pp. 82–85.

93 *Fiji Times*, 28 January 1997.

94 Lal, Lim-Applegate & Reddy, 'Fijian landowners and IndoFijian tenants', 2001, pp. 111, 114.

95 *Fiji Times*, 20 January 1996.

96 Lal & Reddy, 'Old wine in a new bottle', 2003, p. 85.

Back in 1997 the general consensus had politics driving decision-making. There were suggestions that chiefs, not commoners, were 'instigating the non-renewal of leases' in order to take the opportunity to regain control over land.⁹⁷ Mara had equated land ownership with economic power in 1991 and suggested that only the flexing of economic muscle would sustain political power.⁹⁸ Similarly, the then Minister for Primary Industries, Koresi Matatolu, argued in 1993 that 'to ignore the relationship between tenancy and political power would be to misunderstand the 1987 Fiji coup'. He wanted Fijians to take over the sugar industry completely by 2000.⁹⁹

The NLTB drove responses to these pressures after 1987 and created a special taskforce to examine leases under Marika Qarikau, who would later become its general manager. In 1996, he declared that sugar cane farmers should be prepared to lose their leases, but no government before 1999 seriously considered what to do with farmers who lost their livelihoods, or what might happen to the land no longer leased to farmers. The NLTB thought farms should be restructured for Fijians and the industry mechanised to enable large-scale farming, but believed no decision was yet needed since most leases did not expire until the next century.¹⁰⁰ Forward planning was not the NLTB's strength. It did not seem to consider that rents should be used effectively to provide capital for rural Fijians to launch themselves into new commercial activities. Nor did it think the expertise of existing tenants might assist the industry in the future. Instead it envisaged another bureaucracy to train landowners and plan large-scale cane farming. In any case, an indecisive government provided little assistance. Although prepared to let individual *mataqali* decide future land use, it left them tied to the demands of the NLTB.

Such uncertainty had tremendous consequences for the sugar industry. Listening to the comments of Fijian politicians and bureaucrats, you could easily be excused for not appreciating that this was an industry that in 1989 comprised 35 per cent of all merchandise exports by value, contributed 12 per cent of GDP, employed over 23,000 cane growers, directly impacted on the livelihood of at least a quarter of the population, and – because most inputs into the industry were domestic – possessed

97 *Fiji Times*, 3 & 6 March 1997.

98 *Pacific Islands Monthly*, December 1991.

99 *Fiji Times*, 15 May 1993; *Review*, November 1994.

100 *Fiji Times*, 20 January 1996; 26 February 1997.

a multiplier effect greater than most other sectors. Despite fluctuating world prices, the higher EU prices for fixed quotas (often 2.5 times world prices for half Fiji's production or 200,000 tonnes of sugar, the equivalent of 5 per cent of GDP) provided the Fiji economy a degree of certainty that it would otherwise have lacked.

Certainly high sugar prices following the coups enabled its economy to bounce back much faster than expected, not that this was always appreciated. Former senator and Taukeist Jona Qio argued in 1987 that any collapse in the sugar industry would affect only IndoFijians; Fijians could always survive in their villages.¹⁰¹ This was surely prejudice masquerading as economic analysis. After all, many Fijians were deeply involved in the industry, even as farmers. In short the health of the industry affected everyone, directly or indirectly. But such ignorance proved powerful nonetheless. It reinforced ethnic separation and it drove neglect of an industry that would in any case have faced tremendous challenges, not least because a limited waiver of World Trade Organization (WTO) rules for Lomé preferences in the mid-1990s made the future of its European market extremely uncertain. Being predominantly labour-based, a condition perpetuated in order to maximise employment, the sugar industry lacked the efficiencies of mechanised farming. Most farms were small, on average devoting only 4.2 hectares each for cane-growing, of which some 75 per cent was planted with more labour-effective but less productive ratoon crops.¹⁰² Low farmer morale compounded these structural problems. With leases unlikely to be renewed, farmers invested less in their land, further reducing productivity. Low investment impacted on other sections of the industry also. Rail linkages and milling facilities deteriorated. Milling delays added further to declining sugar quality. Drought during 1997 and 1998 reduced output. This was an industry now in serious decline.¹⁰³ By the end of the decade its contribution to GDP had fallen to 7 per cent, its share of exports to 22 per cent.

101 *Fiji Sun*, 19 July 1987.

102 Lal, Lim-Applegate & Reddy, 'Fijian landowners and IndoFijian tenants', 2001, pp. 107–08.

103 Cane sugar content fell 50 per cent during 1970–95 due to cane-burning prior to harvesting, and transportation and milling deficiencies. Ageing mills required greater capital outlay than the industry could afford. A Catch-22 situation existed: in 1997, for example, 62 per cent of cane was deliberately burnt as growers sought priority for milling after a cyclone ravaged the crop. Sugar production subsequently fell 24 per cent and cost the industry \$40 million in lost earnings. Investment in mills, rural road and rail networks, and in farming practices declined (*Review*, June 1998).

Much the same circumstances faced agriculture in general with its share of GDP falling 6 per cent to 16 per cent between 1988 and 2000, despite being the country's main source of employment. Nearly 6.5 per cent of GDP came from subsistence agriculture, which, agricultural economists Paul Barbour and Andrew McGregor argued, was a hidden strength, helping to keep food imports down.¹⁰⁴ Its proportion of agriculture grew from 30 per cent to 40 per cent during this period, reflecting also the difficulties facing most commercial sectors of agriculture. Deregulation clearly impacted on rice, tobacco and meat production, but it also forced producers to take more responsibility for what they produced and how they produced it, if they wished to meet the increasingly exacting standards of importing countries. This was particularly the case for horticultural export crops such as ginger, taro, kava and papaya, which grew rapidly after 1987. Perhaps in recognition of this potential, the government partially reversed deregulation in 1997 with the introduction of a commodity development framework to increase capital expenditure for agriculture over a four-year period, support failing businesses such as Yaqara Beef, upgrade services and research, and subsidise inputs such as seeds, fertilisers and tools. Unfortunately, it also proved an attractive way to buy votes.

Like sugar cane, agriculture suffered from uncertainty over leases and farm sizes that made efficiencies difficult to achieve. Barbour and McGregor noted that 60 per cent of farms occupied only 7 per cent of farm land and were usually no bigger than three hectares. Fifty per cent were *mataqali* owned. Just 2 per cent of farms occupied 40 per cent of farm land. Many of these farms also suffered from land degradation due to overgrazing, steep slopes and excessive use of chemicals. Agriculture also suffered from underinvestment. Lending to agriculture declined from 19 per cent of loans in 1989 to 12 per cent in 1996. Despite tax concessions being offered in 1996 for food exporters, few farmers took advantage of them. They faced disincentives: a third currency devaluation in 1997 pushed up input costs (especially for animal feed), high interest rates discouraged lending, and the longstanding poor state of rural education and entrepreneurial skills depressed opportunities further.¹⁰⁵

104 Barbour & McGregor, 'The Fiji agricultural sector', 1998, pp. 65–66. This section derives from their analysis.

105 Barbour & McGregor, 'The Fiji agricultural sector', 1998, pp. 73–78.

Agriculture and manufacturing showed no sign of the dynamism that coup-makers promised after 1987. No new trajectory emerged to boost Fiji's economic wellbeing or to transform the lives of the very people leaders claimed were disadvantaged. Even where opportunities existed to redress past unequal arrangements, they were neglected or sabotaged. In late 1987, the military government secretly supported lower gold royalties for the Vatukoula mine, thereby surrendering much-needed income.¹⁰⁶ Although Fiji's economy appeared to rebound strongly in 1989 with 12 per cent growth, largely on the back of strong sugar production, it never achieved high growth in subsequent years. With poorer sugar production and declining world prices, GDP growth managed 5 per cent in 1990; in 1991 only 0.4 per cent. New investments in manufacturing slowed. Only tourism expanded, with arrivals increasing from 258,000 in 1986 to 287,000 by 1993, mostly from Australia, the United States and New Zealand, but also from Europe, Japan and Korea. This expansion continued throughout the 1990s, reaching 410,000 arrivals during 1999. Accordingly, its share of export receipts – only 25 per cent in 1980 – rose to 30 per cent in 1990 and to 38 per cent in 2001. Its share of GDP followed a similar trajectory, rising from 11 per cent in 1980 to 20 per cent in 1990 and to 25 per cent by 2001.¹⁰⁷

In many respects tourism remained the sole bright spot in the economy, absorbing some 40,000 employees, nearly 12 per cent of the labour market. Maintaining market share, however, was not easy in a highly competitive and volatile market, and seesawing occupancy rates tended to discourage much-needed new investment. Only in the late 1990s did significant investment begin, particularly in large-scale integrated resorts such as Denarau, west of Nadi, although Fiji continued to attract a growing number of five-star resorts for holiday-makers willing to pay for luxurious exclusion. As we will examine later, however, in terms of tourism's multiplier impact on the economy, its notorious leakage rate (approximately 60 per cent) – which no post-coup government seemed willing or able to address – significantly reduced its overall economic value compared with sugar. Garment manufacturing was similarly afflicted.

106 Gold royalties were limited to 2.5 per cent of adjusted chargeable income rather than 5 per cent of actual gold value. This meant, for example, that in 1993 Fiji received only \$1.7 million in royalties instead of \$23 million (*Fiji Times*, 30 October 1996).

107 PK Narayan, 'A tourism demand model for Fiji, 1970–2000', *Pacific Economic Bulletin*, 17: 2, November 2002, pp. 103–04.

Partly because of these difficulties, post-coup governments pushed ahead with more liberal economic policies than their predecessors, deregulating previously protected industries and reducing tariffs by as much as one third by 1995. But strange echoes from the past haunted Fiji's 'new trajectory'. During 1991 Mara drew up plans for a state-owned oil importing company, a Fiji National Petroleum Company, which would purchase crude oil directly from Malaysia, rather than through Australian oil subsidiaries, and refine it in Singapore. The plan reflected Mara's growing hostility towards Australia since 1987: 'The Australians and New Zealanders ... prefer not to understand our minds' unlike Asians, he argued.¹⁰⁸ He wished to 'better control [Fiji's] principal source of energy and also provide potential for further development'.¹⁰⁹ Critics thought one source might not in fact be better than an existing three in terms of security of supply or cost. But Mara seemed determined to return to the state monopoly days of the 1970s and to create in the energy sector a national monopoly similar to that established for the sugar industry. That it could become yet another golden egg for the state (or whoever controlled the state) to harvest certainly worried Pacific leaders whose countries imported their oil from Fiji.

Tax reform did make it through the political morass, in particular a value added tax (VAT) of 10 per cent introduced in mid-1992, but proved impotent to rescue Fiji's economy. Fiji needed investment, but funds for investment were in short supply. In the late 1970s, Fiji invested the equivalent of one quarter of its GDP, over half of which represented private investment, enabling real GDP growth rates over 5 per cent per annum. Following the coups in 1987, investment fell considerably, comprising only 11.4 per cent of GDP during 1996–99, of which only 38 per cent came from private sources. Savings similarly fell from 27 per cent of GDP

108 *Fiji Times*, 4 December 1991.

109 K Mara, *The Pacific Way: A Memoir*. Honolulu: University of Hawai'i Press, 1997, pp. 222–23. He wrote: 'The oil oligopoly's contribution to, or involvement in, the Fiji economy, outside its own immediate infrastructure, is virtually non-existent. There is not a single blending plant, or even a joint move by the oil companies to establish an oil refinery here. It appeared that whatever profits had been made over the years have been regularly repatriated out of the country. Developing countries, when moving into manufacturing and industry to complement their agriculture, find that control of their energy sector becomes more and more crucial in determining the direction and pace of economic advancement.' The scheme, although never implemented, cost Fiji taxpayers some \$12 million.

in 1980 to 10 per cent in 1999. GDP growth rates slumped accordingly, growing only 0.2 per cent on average between 1986–90, 0.8 per cent 1991–95, and 1.5 per cent 1996–2000.¹¹⁰

It was a miserable result for the new trajectory Fiji's post-coup mandarins had declared would transform Fiji; instead a rapid increase in poverty became one of its early consequences. In 1977, 15 per cent of Fiji's population lived in poverty, with rural people recording the highest proportion (21.4 per cent). By 1991 the national poverty rate had nearly doubled to 29 per cent; by 1997 it had climbed further to 34 per cent. In that year, rural households again fared worse at 42 per cent (IndoFijians 47 per cent, Fijians 39 per cent) compared with 24 per cent for urban households (IndoFijians 26 per cent, Fijians 23 per cent).¹¹¹

Fiji's economy failed to grow and poverty escalated. What caused this outcome? Certainly Fiji's economy remained externally dependent as before, although its sources of dependence were more diversified than before, and the potential remained to grow more value-added forms of production. Fiji's relatively high levels of education, its use of English as a working language, and its central position in the Pacific served to reinforce these potentials. Yet this did not happen. Mauritius, whose per-capita GDP had been slightly less than Fiji's in 1980, had more than doubled its per-capita GDP 20 years later; Fiji's increased by only 11 per cent.¹¹² Only two factors accounted for this difference – political instability and the corruption it generated. For this, the coups were almost entirely to blame.

110 Prasad & Kumar, 'Fiji's economic woes', 2002, pp. 2, 13; W. Narsey, 'The struggle for just wages in Fiji: Lessons from the 2009 wages councils and the continuing coups', the Rev. Paula Niukula Lecture, University of the South Pacific, 15 April 2009, p. 8.

111 BC Prasad & J Asafu-Adjay, 'Macroeconomic policy & poverty in Fiji', *Pacific Economic Bulletin*, 13: 1, May 1998, pp. 50–51; W Narsey, 'Truth behind our poverty', *Fiji Times*, 10 June 2007; W Narsey, 'Incidence of poverty & the poverty gap in Fiji: Unpalatable facts for ethnocentric parties', *Pacific Economic Bulletin*, 23: 2, November 2008, p. 72. Narsey argues that the proportion of the population in poverty could have been as high as 36 per cent by 1991 and that rates declined marginally in subsequent years.

112 Narsey, 'The Struggle for Just Wages in Fiji', 2009, p. 9. Fiji's real per capita GDP stood at US\$1,800 in 1980, that of Mauritius US\$1,600; by 2000 Fiji's was US\$2,000 compared with Mauritius's US\$3,800.

Political instability

Mara's restoration as prime minister at the end of 1987 did not restore the status quo ante, nor did it bring stability. This part of Fiji's history is largely forgotten today, overshadowed by more recent events. Undoubtedly Fiji's culture of silence has also meant that these events are effectively lost to those born since 1987, nearly half Fiji's population today. For them, Rabuka is the ageing former politician who for most of the past decade has stood outside of the political system; impotent, discredited and given to repeating shallow apologies. But, in 1987 and in subsequent years, he represented something very different, as Ganilau's then permanent secretary Peter Thomson recounted:

[A] new generation of Fijian leaders ... had tasted power after the first coup and no doubt saw the Deuba Accord as a scotching of their ambitions; it was in the fever of millenarianism that they stood the best chance of advancing their careers. This younger generation had now sat around the same executive tables as the Fijian leaders whom they had previously held in awe, and saw that they could foot it with them. A changing of the guard was underway.¹¹³

Of course, Rabuka represented a lot more than just a younger generation; he represented the insertion of a new actor into the political scene – the military. Often during this period, there were similarities with his later status – the reflective outsider looking in – but the big difference after 1987 lay in his belief that he was now the ultimate king-maker. This belief both shaped and shook Fiji politics for five long years and delivered prolonged instability. It ended only when he decided to assume the crown himself.

Mara's so-called 'interim' regime faced instability from the start. This derived from both the military and remnants of the Taukei Movement. Little over a month after assuming office, Mara faced his first test. Three Taukeists seized Radio Fiji on 22 January 1988 in expectation that the military would help them drive out the Tovata leaders (Mara and Ganilau) and install Bauans instead. Rabuka – a subject of Tovata – not surprisingly declined the invitation but, in February, his officers were again approached by Taukeists unhappy with his decision to return power to Mara. Rabuka, now brigadier general, had attached conditions to his handover, the most

113 Thomson, *Kava in the Blood*, 1999, p. 179.

important being the adoption of a new constitution. To that end the military had proposed a 67-seat parliament with 36 Fijian seats, reserved posts for Fijians, and continued observance of new Sunday laws. Once in office, however, Mara seemed unwilling to acknowledge these demands. Instead he announced plans to reduce the size of the GCC,¹¹⁴ to make the British (and former Fiji) Queen the Tui Viti (the Kubuna title first claimed by Cakobau as part of Bau's designs on the whole of Fiji), and to review the Sunday ban. On Sunday 12 March, Rabuka's soldiers occupied Suva, ostensibly to enforce the ban but, in reality, to demonstrate displeasure at Mara's proposals. In late March, senior military officers wrote to Mara and Ganilau that they were deeply concerned at the delay in producing a new constitution. The 'two elderly gentlemen' had failed to honour their agreement at the time of the handover. 'The only factor left now between the indigenous Fijians and oblivion is the FMF [Fiji Military Forces],' they declared, calling on the chiefs to step aside and allow the military to introduce its preferred constitutional changes.¹¹⁵ The Taukei Movement leaked the document to the press, forcing Rabuka to abort his behind the scenes pressure and publicly pledge full military support for the interim administration.¹¹⁶

A more potent means to influence the course of events fell into Rabuka's lap in May 1988 when Sydney customs officers discovered a container holding 12 tonnes of weapons awaiting shipment to Lautoka. The shipment had been organised by Mohammed Kahan, a Fiji-born British citizen whose contradictory and implausible explanations variously implicated the Coalition, the Taukei Movement, Mara and even Rabuka in his conspiracy. The discovery of an earlier shipment of weapons that actually reached Lautoka undetected in April allowed Rabuka to declare 'a foreign sponsored attempt to destabilise the country' and demand from the government an Internal Security Decree (ISD) with sweeping powers of search and arrest.¹¹⁷ The decree ended any hopes to which Fiji's citizens might have clung that a return to civilian government would restore respect for legal process. Already since the start of 1988, critics such as Bavadra's former spokesperson Richard Naidu and lawyer John Cameron had been ordered out of the country; so had this author.

114 The plan was to reduce the GCC from 154 members to a more manageable 56.

115 Unsigned Military Document, OPS FME, 30 March 1988, pp. 2, 6.

116 *Fiji Times*, 22 April 1988.

117 *Age*, 2 June 1988; *Fiji Times* editor Vijendra Kumar was regularly hosted at the Nabua barracks. For more details on this section, see Robertson, *Multiculturalism & Reconciliation*, 1998, pp. 43–70.

In Suva, protestors at the anniversary of the first coup were arrested and gassed in their cell. When newspapers highlighted police treatment of the 'Democracy 18', they were threatened with closure. In fact journalists and editors regularly found themselves 'questioned' in the early hours of the morning, as did several university academics. Literature academic Som Prakash was assaulted and tortured for 15 days for critically reviewing Rabuka's biography, published earlier that year.¹¹⁸

The ISD now permitted far worse. Raids were conducted on farms and homes in the west to search for missing weapons, often on the basis of anonymous opportunistic tip-offs. Over 40 homes in Suva were raided in August, and supermarkets were also targeted because the military assumed that 'wealthy' IndoFijians had sponsored the arms shipments. Lawyers who protested the treatment of their clients were similarly harassed. Soldiers badly beat an Australian tourist passing the Nabua barracks for acting 'suspiciously'. They detained an accountant from the Ministry of Finance who queried army expenses.

The increasing and bizarre responses of the military accompanied a new wave of attacks on IndoFijians. Temples were burnt or vandalised, homes stoned and vehicles belonging to IndoFijian unionists and former politicians attacked. Many of these attacks were organised by the Taukei Movement, which by this time had split into two factions, one supportive of the Mara government, the other keen to promote communal tensions in order to precipitate another military coup. That latter faction now imploded, literally. One of its prominent members, Jone Veisamasama, a former Alliance general secretary (ironically also a foundation member of the Labour Party), fatally shot himself, by accident, with a pen pistol, one of a number of Lebanese imports circulating among members of his faction. His death resulted in the arrest of colleagues for arms violations and a saga that would continue to resonate for more than five years, with damaging consequences for Rabuka. Vesikula, the former Taukeist spokesperson, chose this moment to renounce the Movement and join forces with his former foe, Bavadra.

While conspiracies abounded and the interim government sought to limit human rights abuses, Rabuka became increasingly frustrated. In August 1988, he attacked the government for failing to produce

118 S Prakash, 'Return to theatrics', in S Prasad, *Coup & Crisis: Fiji – A Year Later*. Melbourne: Arena Publications, 1988, pp. 98–104.

the much-anticipated new constitution. It was 'getting back to the old ways of taking things easy' and acting as if 'they were elected into government'. 'I don't know whether a coup is the answer,' he mused.¹¹⁹ But the government had been discussing a constitution, in fact one very similar to the proposal Mara had earlier submitted to the GCC, only to see it ungraciously rejected. Additionally, in September, the government proposed putting it to a special Constitutional Inquiry and Advisory Committee (CIAC) that would also receive public representations. Undoubtedly this process would push back even further the implementation of a new constitution, but it also had immediate implications for the ISD and the military if public meetings were to be encouraged to discuss constitutional proposals.

Foreign governments clearly thought the ISD should go. Angered at Australasian criticisms, Rabuka refused to meet Australia's Foreign Minister, Gareth Evans, in October 1988 and warned that he would close Australian banks in Fiji if Canberra kept 'poking its nose in our affairs'.¹²⁰ Equally worrying to the interim government was Rabuka's attack on the FDB for failing to do enough for ordinary Fijians. Rabuka drove home his point by sending troops to occupy a chicken farm whose nationalist Fijian owner faced eviction for loan arrears to the FDB. He even visited striking workers at Tropik Woods in the west, although he offered no support. The President sought to placate Rabuka, promoting him to major general, while the cabinet decided that the time had come to confront Rabuka and relax the ISD. An angry Rabuka told his troops on 'Republic Day' that he could not afford to demobilise them until the government stabilised; to others he hinted that another coup might be forthcoming. On 17 November, the interim government finally called his bluff and suspended the ISD. In protest, Rabuka brought 300 soldiers in full combat gear to conduct 'normal security operations' around Suva's Government Buildings.

In practical terms the ISD achieved little. Few illegal weapons were collected, and those found were old and in poor condition. In all likelihood Kahan's shadowy militia was a figment of his imagination¹²¹

119 *Fiji Times*, 11 August 1988.

120 *Australian*, 12 & 18 October 1988.

121 In total, 21 people were arrested and all were either cleared by the courts or discharged after pleading guilty to possessing weapons without a licence. Kahan was arrested in London but escaped extradition because his offence was deemed to be political rather criminal and because he could not be guaranteed a fair trial in Fiji.

but the events convinced the military that, at the very least, it had to improve port security. More importantly, the ISD provided the military with an opportunity to remind the people of Fiji that they should never forget the coups of 1987. It also demonstrated that Rabuka's struggle with the interim government was far from over, although for now it seemed to have the upper hand and sensed that the time was right to pursue constitutional reform through a process of its own choosing.

The cabinet proposed a 71-member single house of parliament, with four members appointed by the Prime Minister, eight nominated by the GCC and the remainder elected from strictly communal constituencies. Its recommendation, which described Fiji as 'a sovereign democratic republic' dedicated to the teachings of Jesus Christ, went in November to the CIAC chaired by a former RFMF Commander, Col Paul Manueli. Over the next few months Manueli's committee received 588 submissions on the cabinet proposal, but the outcome was far from certain. Mara had already told his own Lau Provincial Council that if the process failed, the military would take over.¹²² In May the following year, Rabuka and his chief of staff, Colonel Jioji Konrote, presented Mara and Ganilau a 44-page document recommending a military resumption of power once the interim government's two-year term ended. Konrote allegedly told the leaders, 'This is our country and we are not going to compromise nor settle for anything less than absolute political domination'.¹²³

When the CIAC released its recommendations in August 1989, it had clearly departed from the cabinet's proposal. It restored a bicameral parliament, giving the House of Representatives 69 seats: 37 for Fijians (30 provincial, seven urban), 27 for IndoFijians, one for Rotumans and four for General Electors). The President would appoint a 34-member Senate (24 chiefs, one Rotuman, nine others). In March 1990, the GCC reduced the urban Fijian vote to five seats and took one seat from the western Ba province, giving the three freed-up seats to the eastern strongholds of Lau, Cakaudrove and Tailevu. In July, these amendments were promulgated without further public scrutiny, much to the consternation of the International Commission of Jurists, which slammed

122 *Fiji Times*, 20 October 1988.

123 *Fiji Times*, 26 September 1989.

it as ‘a military constitution ... as bad as the apartheid laws in South Africa’ and designed to perpetuate rule by an ‘oligarchy of Fiji chiefs and their associates’.¹²⁴

It worried critics that decisions taken by the Supervisor of Elections could not be challenged in court, that a president could suspend the Constitution for up to six months and govern under emergency rules, that Fijian institutions were no longer subject to scrutiny from the ombudsman and that a simple majority of parliament could overturn the Constitution’s fundamental freedoms. A Group Against Racial Discrimination (GARD), composed mostly of university staff and students, protested at Suva’s Howell Road Sangam temple during Diwali on 18 October 1990 by burning copies of the Constitution. The interim government declared their action treasonous and directed the police to lay charges. But, before police could act, five soldiers from the Special Operations Security Unit abducted physicist and GARD member Dr Anirudh Singh, tortured and beat him for 11 hours, repeatedly smashing his hands with a crowbar.¹²⁵

Elsewhere, criticisms of the proposed Constitution were surprisingly muted. Australian Prime Minister Bob Hawke declared it the best that could be hoped for at the moment,¹²⁶ sentiments that many in Fiji endorsed, no matter how reluctantly. The *Fiji Times* later editorialised that ‘after the traumatic military coups of 1987, the Constitution offers one way out, a path back to parliamentary democracy’.¹²⁷ Only India protested strongly, in part also because Fiji had expelled its ambassador in October 1989 for questioning whether it was religion or Indianness that motivated temple attacks. But parliamentary democracy still seemed a long way off to many journalists, especially after Mara’s attack on them as being out of control and irresponsible. His Information Minister threatened

124 Fiji Independent News Service, *Fiji Situation Report*, Sydney, 13 November 1990.

125 Ultimately, seven protestors, including Singh, were charged with sedition and unlawful assembly, but the charges were eventually dropped in December 1992. The soldiers who attacked Singh were fined and received 12-month suspended sentences. There were, however, other consequences. The soldiers’ leader was forced to return from a stint as a member of a UN observer team in Kuwait in 1991 when Singh protested his involvement to the United Nations. In October 2007, the High Court awarded Singh nearly \$800,000 as compensation for his ordeal. See also Singh’s account in *Silent Warriors* (Suva: FIAS, 1991).

126 *Age*, 3 October 1990.

127 *Fiji Times*, 15 February 1992.

newspapers with a registration system if they did not toe the line.¹²⁸ In fact, even while the CIAC's recommendations were being considered, another coup was in the making, this time within the Methodist Church.

Rabuka had introduced the Sunday Observance Decree as means to draw Methodists to his anti-IndoFijian cause and replace the faded Taukei Movement.¹²⁹ His desire to declare Fiji a Christian state served the same goal, often expressed after 1987 as hostility to the presence of temples and mosques. On 15 October 1989, 17 members of the Lautoka Methodist Youth Fellowship, dressed in their Sunday clothes and clutching bibles, sang hymns while they firebombed mosques and temples in Lautoka.¹³⁰ Members of the cabinet visited Lautoka four days later during a day of protest to try and heal wounds, but clearly they were unprepared to tackle the religious sentiment that lay behind the attacks. After all, the coups had been bathed in religious sentiment. Rev. Tomasi Raikivi had hosted the initial Taukei Movement meeting with Rabuka prior to the first coup. The secretary of the Bible Society, the Baptist Ratu Inoke Kubuabola, acted as the go-between. Rabuka was a lay preacher who, years later, still argued that his coups were divinely ordained.¹³¹ For these men, the Sunday Observance Decree demonstrated a difference around which Fijians could rally to protect the objectives of the coups. Thus, when the interim government relaxed the decree in May 1988 to permit farm work and picnics, Methodists protested in Suva.

But not all Methodists. The former Methodist communications secretary, Rev. Akuila Yabaki, rejected the way in which Taukeists had turned two separate issues – Fijian nationalism and the Sunday ban – into a desire for 'Fijian domination in all aspects'.¹³² The Methodist President, Rev. Josateki Koroi, did all he could to prevent church resources being used to support the goals of the coups. 'The Sunday Decree is not Methodist and

128 *Pacific Islands Monthly*, February 1990.

129 S Tarte, 'Fiji: 1989 in review', *Contemporary Pacific*, Fall 1990, pp. 358–61. The decree remained in force until October 1995.

130 *Islands Business*, November 1989.

131 Rabuka wrote, 'for me 14 May was the only convenient day for my plan in 1987. That the day coincided with Israel's Independence Day, and the first arrival of Indian workers into Fiji – I have often wondered – whether it really was a coincidence and not divine design. I made the Declaration of our Republic at midnight on 6 October 1987 to coincide with the date of the Yom Kippur War and for Fiji to start its new journey on October 7, "7" being the number serious students of theology and God associate with our Creator' (S Rabuka, 'Divine intervention', *Fiji Times*, 26 October 2008).

132 A Dropsy, 'The church & the coup: The Fijian Methodist coup of 1989', *Review* 20, September 1993, p. 50; *Islands Business*, February 1989.

is not Christian,' he declared, 'and is not scripturally sound.'¹³³ But he faced formidable forces within the church led by his own general secretary, Rev. Manasa Lasaro, and the Bauan chief, Rev. Ratu Isireli Caucau. When the interim government further relaxed the ban in October 1988 to permit limited taxi and bus services, Lasaro and the old nationalist Butadroka organised some 70 road blocks around Suva on 18 December in protest. Rabuka intervened and the roadblocks were lifted, but Lasaro remained unrepentant. 'So much has been taken away from us,' he argued, 'and we are now left only with our faith which we will fight to the death to keep.'¹³⁴

Koroi now moved against Lasaro, suspending him from his position as secretary general. It made little difference. On Christmas Day, fresh roadblocks were erected, but this time police arrested 150 protesters, including Lasaro. All were charged with illegal demonstration and conditionally discharged. Lasaro turned on Koroi. With the support of nearly three quarters of the church's divisional superintendents, he suspended the church's constitution on 3 February 1989, barred Koroi from his office, and replaced him with Caucau. Thrice the High Court declared the church's actions illegal and twice the rebels ignored its ruling. 'Any constitution can be amended or added to if there is a need,' Lasaro's lawyer declared.¹³⁵ History was on their side; so too the authorities. Mara, Ganilau and Rabuka visited Lasaro in April to receive a petition protesting the court's ruling and demanding that the Sunday ban be strengthened. Meanwhile church officials plotted their own revenge on Koroi, organising ex-prisoners to rape Koroi's wife in front of her husband at their Deuba house. At the last moment, the church social worker charged with executing the plan backed out.¹³⁶

The rebels hoped to legalise their actions at the next Methodist annual conference, now only months away. In preparation Lasaro apologised to the High Court in mid-April and permitted Koroi to return to his office. Lasaro's next actions, however, nearly prevented him from attending the vital conference. In July, he participated in a protest in Labasa against Sunday cane-harvesting and milling and earned a jail sentence of six months for breaking the terms of his earlier release. Rabuka flew to

133 *Fiji Times*, 21 December 1989.

134 *Age*, 20 December 1988.

135 *Fiji Times*, 30 March 1989.

136 *Review, The News & Business Magazine of Fiji*, August 1996.

Labasa in early August 1989 and released all 57 protestors on compulsory supervision orders. Thus Lasaro was able to attend the conference and retain his position as general secretary. Caucau became president. The Methodist coup had been legitimised.

Rabuka had additional reasons to strengthen his relations with the Methodist Taukeists. In April 1989, Mara hinted that he would resign at the end of his term as interim prime minister and Rabuka saw this opportunity for advancement as his due. 'I'm not an ordinary commander,' he declared, 'I'm not an ordinary servant of the government.'¹³⁷ He saw himself in historic terms: he alone had helped Fijians claim their manifest destiny and made Fiji truly independent.¹³⁸ Mara's announcement now promised an end to the uncertainty that had hung over his future since 1987. His officers quickly drew up a plan for succession, which Rabuka passed on to Ganilau and Mara. The military would institute a 15-year government based on what they called Fijian Democratic Socialism. It would neutralise the Coalition, abolish unions, reintroduce censorship, evict Australian businesses and seek alternate Asian markets, close the Indian embassy, and replace common law with customary law.¹³⁹ When the press obtained copies of the plan in late September, Ganilau moved quickly to quell uncertainty. He requested Mara stay on for a second term, but the Prime Minister made it very clear that he would do so only if Rabuka agreed to certain conditions: 'I cannot carry on with him doing what he is doing now.'¹⁴⁰ Rabuka had to decide whether to return to the barracks as a non-political military commander or leave the military altogether and become one of two deputy prime ministers. A third option existed also – Rabuka could remain in cabinet as military commander but would have no responsibility for police and immigration.

Rabuka chose to leave cabinet and remain Commander. Accordingly, Mara reshuffled his cabinet and reduced its military personnel. Rabuka smarted at having his hand forced. 'Power can only be taken from us,' he reminded government in early 1990, 'when a constitution is approved.'¹⁴¹ If Mara had thought that taking Rabuka out of cabinet would reduce tensions, he was soon disappointed. In late June, the Fiji Nursing Association went on strike, demanding night-time transportation for

137 *Pacific Islands Monthly*, August 1990.

138 *Fiji Times*, 28 April 1992.

139 *Fiji Times*, 26 September 1989.

140 *Australian*, 29 September 1989.

141 *Fiji Times*, 23 January 1990.

members who feared the increased dangers of assault in post-coup Suva. The interim government declared the strike illegal and were about to shut down their pickets when Rabuka unexpectedly joined them. Jubilant public sector unions threatened to broaden the strike nationally, and the government backed off, humiliated. A buoyant Rabuka announced his desire to be prime minister in order 'to finally realise the objectives of the 1987 coups':

The new constitution lays down the machinery for the attainment of the objectives; whether we actually achieve them or not depends on who is running that machinery ... A lot of people are saying 'You started this, you've got to finish it'.¹⁴²

Labour's Mahendra Chaudhry, now head of the National Farmers Union (NFU), saw an opportunity to expand his union's influence among cane farmers. Unless the government suspended its newly imposed growers' award, his members would refuse to harvest cane. After six weeks of intense standoff, the government relented and amended the award, confirming the NFU as the new voice of farmers.

Chaudhry's success impressed Rabuka; perhaps less hostile relations with the unions might gain him advantages. In February 1991, he visited Vatukoula, where miners sought recognition for their union from the Emperor Gold Mine. He sympathised with their plight and hinted that Fiji might not participate in the forthcoming (and ultimately abortive) peacekeeping force on Bougainville if Fiji's workers were similarly treated by multinational mining companies.¹⁴³ Additionally, he supplied tents and food to squatters removed from land set aside for Fiji's new tax-free zone.

Union restlessness provided fresh opportunities for Rabuka during 1991. A national economic summit in May that year proposed sweeping changes to industrial laws, including the removal of union immunity from prosecution for illegal strikes, raising the basis for recognising unions (from 50 to 66 per cent of membership), and abolishing wages councils. The NFU sprung into action, urging its members to strike if they did not receive the exact sugar price forecast the previous year. This was a ruse, designed to force the government to call an election for the Sugar Cane Growers Council, a large and expensive consultative body that the NFU

¹⁴² *Age*, 21 July 1990.

¹⁴³ *Pacific Islands Monthly*, May 1991.

now wished to dominate. Aware that a showdown loomed, Mara sought to neutralise those critics who could do him most damage. In mid-April, he proposed that Rabuka re-enter the interim government as deputy prime minister. Because he wished to weaken further the unpopular Sunday Observance Decree, Mara also proposed that Lasaro join as minister for youth and sport.

At first Rabuka accepted the offer, but when Lasaro refused he reconsidered. He would only enter if he could remain military commander. 'There is no guarantee in politics ... not like the army,' he mused.¹⁴⁴ A cabinet proposal to cut the military budget confirmed his suspicions. Soldiers around the world are similar, Rabuka had earlier told his biographers: 'We belong to a very exclusive club and we all feel that we are just being used by politicians.'¹⁴⁵ Now he sent his own ultimatum, informing Ganilau that he should either become prime minister or deputy prime minister, minister for home affairs and commander. Mara rejected both options, and pushed ahead with two anti-union decrees aimed at the sugar and gold industries. Chaudhry called for dialogue, but the government had already determined its course of action. Ganilau toured Labasa cane fields in June 1991 and declared that the army would be used to assist with the harvest if a strike went ahead. Rabuka contradicted him. His soldiers would not cut cane. 'This government is made up of overpaid people who sit on their laurels and wait for something to happen before they react,' he declared. It should resign. If it failed to, and he assumed control again, he would simply be repossessing the authority he had bestowed on the two chiefs at the end of 1987. It would not be a third coup, merely a restoration.¹⁴⁶ To emphasise his seriousness, Rabuka called up his army reservists.

An angry Ganilau informed him that the new Constitution now superseded any powers he once possessed, and his actions tarnished the reputation of the RFMF. Rabuka lost his nerve. Mara and Ganilau, both chiefs, refused to melt away, and he – the commoner – did not really want another coup. He was simply disillusioned he later told a visiting television crew.¹⁴⁷ Nonetheless, the actions of its one-time foe emboldened the labour movement; it called for a general strike on 16 July.

144 *Fiji Times*, 25 May 1991.

145 Dean & Ritova, *Rabuka*, 1988, p. 83.

146 *Fiji Times*, 8 June 1991.

147 *Fiji Times*, 24 June 1991.

Having defused one crisis, the President had no wish for another to undo his work. Ganilau asked Rabuka to rejoin the government. Sensing the government's weakness and seeking to gain from his back down, Rabuka publicly committed to leaving the military and joining the government but only if the warring parties reconciled. 'This is not the time for childish one-upmanship,' he declared after arranging for Chaudhry and Ganilau to meet.¹⁴⁸

Chaudhry agreed to call off the general strike and the sugar boycott and Ganilau promised to suspend the decrees and convene an all-industry conference to discuss sugar issues. A reluctant government had little choice but to cave in. In the New Year, however, Ganilau was less than gracious, condemning unions for pursuing confrontation and threatening the economy. 'They have often ignored the realities of a multicultural society and attempted to impose their will by coercion and threats,' he argued with no hint of irony, 'Their actions serve only to emphasise the things that divide us and make no contribution towards solving our problems.'¹⁴⁹ Behind the scenes, moves were afoot to expel Chaudhry from the Fiji Trades Union Congress. Of course, the union movement was indelibly associated with the government's old Coalition foe, which many ministers blamed for the mess Fiji was in. Minister for Labour Taniela Veitata had earlier slammed every effort by unions to overturn anti-labour legislation as 'an act of war'. Now he saw it as 'direct interference in the sovereignty of this nation'. His colleague, Kubuabola, believed the labour movement should be treated like a hostile foreign power seeking to overthrow a legitimate government.¹⁵⁰ Undoubtedly they were angry at the power some unions possessed, and were in no mood to assist less powerful unions, even those predominantly Fijian in membership. Hence the interim government refused to cave in to the Vatukoula strikers and to pressure Emperor Gold Mining to attend conciliation talks.

Taukeists were also angry. At a protest march shortly after the back down they declared – also with no apparent sense of irony – that Rabuka's deal represented 'an open invitation for others to break the law of the country and seek presidential reprieve and pardon'. Butadroka claimed that 'the only solution to the problems facing the country was the full repatriation

148 *Fiji Times*, 12 July 1991.

149 *Daily Post*, 1 January 1992.

150 *Fiji Times*, 1 May 1989; 25 June 1991; 5 April 1989.

of Indians to India'.¹⁵¹ But the nationalists and the government were powerless. The union movement had won a major victory and in doing so protected itself from annihilation.

Nonetheless, some Coalition members felt uneasy. 'The FLP will run into trouble sooner or later if it treats the General as a strategic ally,' Simone Durutalo warned his colleagues.¹⁵² His words proved prophetic but, despite the disaster the confrontation seemed to present to the government, it at least emerged with a completed road map for elections in the following year and Rabuka safely out of the army. This brought the government greater security than it had enjoyed since 1987, but only because the road map implied that the mantle had already passed to new aspirants and, in particular, Rabuka. He had bowed finally to pressure, although in a way that saved face and augmented the new image he wished to present, that of the man of action concerned for the welfare of the people, no matter how much the political instability he generated reduced their wellbeing.

Raiding the nest

Rabuka's political career now began in earnest. To secure the future he felt sure was his due, he had to seize control of the new Fijian party, the Soqosoqo ni Vakavulewa ni Taukei (SVT), established by the GCC in early 1991. Success was by no means assured, in part because Mara had other plans. But even Mara misjudged the problems that provincially based electorates could create for Fijian politics. He wanted his Finance Minister, the former NLTB head Josefata Kamikamica, as his successor. To assist his campaign, Kamikamica's Tailevu province proposed on 30 October that the former Alliance politician Ratu William Toganivalu become president of the SVT. But, at the last moment, Rewa province also proposed its paramount chief, Mara's wife, Ro Lady Lala Mara. Between them they inadvertently split the anti-Rabuka vote, allowing him to assume the party's presidency. 'Those defeated in elections should take it in their political stride, accept the defeat and move out gracefully,' he lashed out at his critics.¹⁵³ This was 1991, not 1987.

151 *Fiji Times*, 15 July 1991.

152 *Fiji Times*, 16 August 1991.

153 *Fiji Times*, 6 November 1991.

Rabuka had won round one, but Mara still backed Kamikamica as his preferred successor and forced Rabuka to step down as a minister, claiming that members of political parties were inappropriate in an interim government.¹⁵⁴ Rabuka faced a challenging task, recreating a unified party for Fijians who were now politically divided into rival provinces and aware that the Constitution's majority guarantees excluded the need for Fijian political unity. In many respects he was the right man for the job. He was a commoner. Despite Fijian respect for tradition and for chiefly leadership, Fijian society had changed substantially since independence. Commoner Fijians no longer believed chiefs automatically took precedence, even if many chiefs failed to recognise their shift in thinking. The events of 1987 demonstrated the importance of the transition. Rabuka led his coups to preserve the predominance of Fijians, not just the role of chiefs. He was no radical, but he was a commoner, and that in itself spoke volumes for the kind of society emerging in Fiji, one potentially more transparent and democratic than in the past. This is what made Fiji's politics so interesting in 1992. The post-coup Constitution might have ensured a Fijian majority in parliament, but it did not dictate who would govern. Of course an even more important issue loomed: could a newly elected government provide Fiji the stability it had lacked since 1987 and which it desperately needed in order to recover and prosper?

Not surprisingly, the first post-coup election in late May 1992 proved very different from earlier elections. The Constitution's communalisation of electorates made politicians unresponsive to popular concerns. Communalism effectively meant a separate general election for each community, with only one community having the capacity to rule. IndoFijians lacked that capacity. No longer united within a coalition, they were bitterly divided between Labour and the NFP. In part the coups caused this falling-out. The NFP now regarded its former coalition with Labour as a mistake. Personnel changes contributed also to changing political perspectives. Labour's affable Fijian leader, Bavadra, had died in November 1989 and with him went the party's emphasis on multiculturalism. So too the clarity of focus that Labour displayed during the 1980s when popular issues dominated its political agenda. Social problems might now be far worse, but they were not subjects on which it could challenge the interim government's likely successors.

154 This was not entirely personal. Mara asked Apisai Tora to leave in June 1991 when Tora formed the western-based All Nationals Congress (ANC), a purportedly multiracial political party designed to fight for a separate Fijian western confederacy.

In fact, communal demarcations minimised such challenges. Without national seats requiring cross-voting by different communities, nothing existed to make multiracial perspectives politically advantageous. Labour would more likely find itself up against the NFP, not the SVT. The SVT was indisputably a Fijian party. The NFP regarded itself an IndoFijian party, its 1987 multiracial experiment having been a failure.¹⁵⁵ Only Labour continued to claim a multiracial face; it appointed Bavadra's widow, Adi Kuini Vuikaba, as his successor to emphasise continuities. But tensions over leadership and election strategies forced Vuikaba out in early 1991. Her replacement, Mahendra Chaudhry, made matters worse. Chaudhry transformed Labour into an avowedly IndoFijian party, with its base in the rural cane belt. Although they never acknowledged the shift in strategy, Chaudhry and his colleagues occasionally let slip their new priorities, declaring Labour 'the representative of the Indian community'. They blamed the Constitution for the transformation: 'In this kind of racial electoral system, how else can you operate,' Chaudhry argued¹⁵⁶ and Labour politician Krishna Datt dismissed Labour's past strategy as a fragile 'facade of multiracialism'.¹⁵⁷ The Constitution made it easy to avoid self-examination.

Consumed by the politics of participation, Labour's transformation was not immediately obvious in 1992. Ever since the new Constitution had been promulgated, Labour agonised over the message it would send if it participated. At first Labour believed it should deny the Constitution legitimacy. It would hold its head high and boycott elections.¹⁵⁸ But a boycott could be disastrous if it surrendered the IndoFijian vote to the NFP, a party that many Labour members characterised as right wing. It would also mean – as the late Simione Durutalo argued – a return to 'the pre 1981 era when ethnic based parties dominated politics in Fiji'.¹⁵⁹ Not surprisingly, he and other Fijians in Labour became increasingly disenchanted at the direction their leaders were taking and resigned in protest at the party's insistence on a boycott.

155 *Pacific Islands Monthly*, March 1991; this was the assessment of Dr Balwant Singh Rakka, NFP President.

156 *Review*, September 1994.

157 *Daily Post*, 28 January 1994; *Review*, February 1994.

158 When the NFP announced its intention to participate, Kubuabola declared it 'tacit recognition of the Constitution' (*Fiji Times*, 30 July 1991).

159 *Fiji Times*, 9 February 1992.

Internal disarray cost Labour dearly. It could easily have accepted both perspectives and maintained its boycott but formed political fronts to fight the elections on its behalf. Instead Chaudhry took Labour to the brink of disintegration before bowing to popular pressure on the eve of the elections by suddenly declaring that Labour would conduct its boycott from within parliament, not outside it. In the subsequent elections it won only 13 seats, all rural NFU strongholds, and lost its urban seats to the NFP, which gained the remaining 14 Indian seats, although with narrow margins. Labour's transformation was now fully exposed.

Of course the real focus of the 1992 elections lay on the 37 Fijian seats. Here Rabuka's SVT won 30 seats, with the remainder going to Ratu Osea Gavidia's Soqosoqo ni Taukei ni Vanua (STV) in Nadroga–Navosa (one seat), Butadroka's Fijian Nationalist Party (three seats), and two independents in Ra.¹⁶⁰ Although Rabuka had overwhelming support from among his own MPs to claim the prime ministership, he still needed coalition partners to secure a parliamentary majority. Behind the scenes, Kamikamica (with the support of only nine SVT MPs) managed to cobble together enough votes from the NFP and General Voters Party (GVP) to mount a serious challenge to Rabuka's ambitions. Rabuka rallied Butadroka's Nationalists and Gavidia to his cause and used them to woo Labour. Chaudhry believed an opportunity now existed to force Rabuka to review the Constitution, revoke the labour decrees, scrap the VAT and begin discussions on land leases. Success would restore Labour's relevance. Rabuka agreed to consider them.

Rabuka's last-minute lobbying won him the position he had for so long coveted. 'This time it's legal,' he told his supporters and although he claimed he was there for all people, not just Fijians, it soon became apparent – as he admitted two years later – that he could not deny his Fijian heritage and 'turn on the universal prime minister picture'.¹⁶¹ 'Rabuka overthrew democracy violently,' one magazine noted. 'He now presides over a facade of democracy.'¹⁶² Opportunities did exist to move beyond authoritarianism but, ironically, it would be Rabuka's backroom manoeuvring that ensured continued political instability. Butadroka expected to be rewarded for his efforts on Rabuka's behalf. Chaudhry

160 The General Voters Party won all five General Elector seats and Paul Manuelli the sole Rotuma seat. Tora's ANC won no seats.

161 *Islands Business*, July 1992; *Review*, September 1994.

162 *Islands Business*, July 1992.

also expected movement on his log of claims, although Rabuka denied conceding anything. Rabuka's problems did not end there. Many of his colleagues made constant comparisons between him and Mara and continued to regard Kamikamica as the rightful heir, particularly as Rabuka quickly stumbled from crisis to crisis and constantly reshuffled his cabinet like a deck of cards.

In part, Rabuka's difference lay in his commoner status; it enabled journalists and parliamentarians to speak more freely than they had under Mara. 'To those who might not appreciate the fact that a commoner is now leading the nation,' Rabuka later remarked, 'all I can say is that they must prepare themselves because in the future there will be more and more like me.'¹⁶³ In fact Rabuka could draw on a long history of commoner activity in politics that went back to Apolosi Ranawai. Bavadra had been a commoner, Kamikamica also. Fiji's substantial postcolonial strategy had been to create a strong middle class, a goal that potentially conflicted with provincialism, tradition and chiefly power, all elements strengthened in the new Constitution. But political instability derived more immediately from two sources, the first being Fijian disunity. MPs owed their allegiance to their province, not their party. To maintain support, Rabuka had either to appease provinces or buy off MPs, sometimes both. Hence his unprecedented 27-member cabinet, which included three GVP members (the price for its support), and two independents. The second source of instability derived from Rabuka's links with the Nationalists.

Butadroka's FNP had helped secure Rabuka the crucial numbers for the prime ministership. In return it wanted seats in cabinet, but the GVP made the Nationalists' exclusion a condition for its support. Consequently, the FNP sought compensation of a different kind. Butadroka's campaign manager, Tony Stephens, had been imprisoned in 1988 for possessing pen pistols. He had been a shareholder in Viti Marketing (Fiji) Ltd, the company established as the economic arm of the Taukei Movement. In jail, he and former politician Fred Caine planned the creation of a vast business in logging and rural banking. By 1991 they had allegedly arranged a loan of US\$200 million from Kuwait to finance their venture, but to obtain it they had first to pay an upfront commission of \$980,000. Stephens had a longstanding compensation claim for \$30 million against the government for his arrest, and saw Rabuka's election as an opportunity

163 *Review*, April 1994.

to fast-track matters. With Butadroka and Gavidi, he pressured Attorney-General Apaitia Seru, to accept an out-of-court settlement of \$980,000 in cash and \$9 million in assets. Rabuka advised his Attorney-General to look seriously at the agreement. Seru signed it. Only when the Finance Minister, Paul Manueli, learnt of the request, did the deal collapse. Three days later, in late September 1992, a copy of the deed fell into the hands of the Opposition and, in the uproar that followed, Seru resigned and the government appointed a commission of inquiry to investigate the affair.

Rabuka attempted to distract the nation from the debacle by suddenly proposing in December the formation of a government of national unity. The Nationalists and many chiefs denounced the proposal, as did Kamikamica's faction within the SVT. Even Chaudhry, who had initially discussed the plan with Rabuka, went cool on the idea, especially after his party lost a by-election to the NFP in May 1993. Chaudhry wrote to Rabuka reminding him of his promises immediately after the election. When Rabuka did not reply, he led his colleagues out of parliament in protest. Labour's disaffection would have mattered little except it followed a cabinet reshuffle designed to reduce its size and drop poorly performing ministers. One of those was Ilai Kuli who, as Minister for Information and Broadcasting, had failed to resolve longstanding problems associated with Fiji Post and Telecommunication's transition to a public enterprise. His province, Naitasiri, promised revenge.

Similar problems confronted the top-heavy Ports Authority, where one of the leaders of the Taukei Movement ran the union and convinced the Minister for Transport to stop privatising stevedoring. Veitata, the former dockworkers' union boss, parliamentarian, and Taukeist became its chairman.¹⁶⁴ Equally damaging were revelations in mid-May that, by using soft loans from the FDB and the National Bank of Fiji (NBF), private Fijian companies owned by cabinet ministers, bank and provincial officials, even senior FHL managers, now owned more shares in Fijian Holdings Ltd than provincial councils or their *tikina*, for whom the company had originally been established. Government supported embourgeoisement, but did not wish to defend a heavily subsidised business against allegations of insider trading, especially since it could never be a vehicle for empowering the mass of Fijians.

¹⁶⁴ PAF's accumulated reserves of \$10 million in 1989 had morphed into a \$22 million deficit by the end of 1993.

The FHL case was not the only Fijian institution to embarrass the post-coup government. Given the greater emphasis on indigeneity after 1987, many part-Fijians sought to change their identity. In some instances there were clear political and economic advantages in doing so, as in the case of businessman and Rabuka ally, Jim Ah Koy. Many nationalists and others disagreed, however, and called for all Fijians to be vetted, effectively for purity. In June 1993, a report commissioned by the GCC recommended the removal of 36 people from the Fijian land register, the *Vola ni Kawa Bula* (VKB),¹⁶⁵ on the basis that they were not Fijian enough.

Fijians had achieved the paramountcy many of their leaders had for so long craved and now, under the leadership of one of the architects of that paramountcy, they seemed suddenly to lack any clear strategy as to how they might achieve their vision of prosperity. If anything paramountcy under Rabuka brought only disgrace and disunity. Butadroka wanted all Fiji's resources on land and sea to be distributed to ordinary Fijians (*tauvanua*), not the state, and he wanted the abolition of all colonial bureaucracies, including the NLTB.¹⁶⁶ He proposed a new Viti Levu Council of Chiefs to offset the influence of Lau and Cakaudrove. The release in July 1993 of the report¹⁶⁷ by former Supreme Court justice, Sir Ronald Kermodé, into the Tony Stephens scandal added further to Rabuka's woes. It condemned ministerial conduct and concluded that, on the basis of available evidence, the Prime Minister among others had committed criminal offences. But, with the Taukei Movement still hovering in the background and the Methodist Church openly supporting Rabuka, opponents felt uncomfortable using issues of propriety to confront his government. Instead they chose the 1994 budget, which did little to compensate producers for lower tariffs, raised government debt, and reduced Fiji's capacity to invest. Dissident backbenchers led by Kamikamica saw their opportunity to bring down the government and joined the opposition to vote against the budget. It was a grave miscalculation.

165 The 1990 Constitution restricted the use of 'Fijian' to people enrolled on the VKB, a colonial register begun in the early 20th century to record land ownership by patrilineal means. In many respects the use of this register contradicted the more flexible practices adopted by *matagali* or *yavusa* when dealing with *vasu* (those with maternal ties). Traditionally ancestry had little to do with determining Fijianess. Fijians tended to be very receptive people. Nonetheless, the VKB continues to record the letter 'B' for 'bastard' alongside the names of children born out of wedlock (*Fiji Sun*, 7 December 2016).

166 *Pacific Islands Monthly*, April 1993.

167 'Report of the Commission of Inquiry into the Deed of Settlement dated 17.09.92 between Anthony Frederick Stephens and the Attorney General of Fiji', Parliamentary Paper 45. Suva: Government Printer, 1993.

Kamikamica thought the President would resolve the issue by appointing a new prime minister. Instead Mara, now acting president as a result of Ganilau's terminal illness,¹⁶⁸ accepted Rabuka's advice to dissolve parliament and call fresh elections. During the campaign that followed, Rabuka portrayed Kamikamica and his supporters as traitors handing Fijian rule to the IndoFijian opposition. 'Are we so lacking in honour and integrity ... to our community,' he asked the GCC in December, 'that we are prepared to be giving away that national control of our future and destroying that which we now have?'¹⁶⁹ Rabuka's appeal to the objectives of 1987 enabled him to contain Kamikamica's rebellion to two provinces and marginally strengthen his hand. Kamikamica's new party, the Fijian Association Party (FAP) won five seats only – in Lau and Naitasiri. Kamikamica lost his own Tailevu seat. Gavidia and the Nationalists were similarly defeated. Rabuka received 61 per cent of the Fijian vote which gave him 31 Fijian seats; with two independents and four GVP members he secured a narrow majority. The GVP did well out of Rabuka's dependence on them. As a recognised minority, General Electors gained access to FDB soft loans, taxi and chicken-import licences, and assistance for small businesses. Their MPs sat in cabinet.

'A saving grace of what has turned out to be a largely failed constitution,' one magazine speculated, 'is that it tends to concentrate tensions within ethnic communities rather than intensifying strains between them.'¹⁷⁰ Again Labour found itself competing with the NFP for the spoils and, on the basis of its failed deals with Rabuka, lost badly, gaining only seven of its former 13 seats. A rejuvenated NFP demanded constitutional talks, but Rabuka was in no mood for change. 'Apartheid here in Fiji is a necessary evil for the moment to try and gain some semblance of balance,' Rabuka told journalists, 'I know Fijians are not willing to compromise much of what they have written into this Constitution.'¹⁷¹

But racial compartmentalism also meant that threats to Rabuka's position would always come from Fijians, not marginalised IndoFijians. Victory brought Rabuka no respite, as he quickly learned upon announcing a new lean cabinet comprising only 12 ministers. Dumped ministers, particularly Taukeists disinclined to allow Rabuka sole ownership of 1987, set about

168 Ganilau died on 16 December 1993. Mara succeeded him in early 1994.

169 *Weekender*, 17 December 1993.

170 *Pacific Islands Monthly*, January 1994.

171 *Review*, April 1994; *Age*, 1 March 1994.

to remind him that he was not invincible. In March 1994, Kubuabola and five former ministers accused Rabuka of being morally unfit for office because he had had an affair with a journalist in late 1993. Again Rabuka outsmarted his detractors. At a SVT caucus he offered his resignation, which was not accepted. Inevitably news of the confrontation leaked.¹⁷² But, unlike Kamikamica, Kubuabola and his colleagues had no intention of bringing down Rabuka's government; they sought only to bargain for a share in the spoils of victory.

Unfortunately, those spoils were little in evidence in the wider community. If anything, the lacklustre performance of the government worsened. Government debt had increased 25 per cent since Rabuka's first election, most of it raised locally, thereby starving the domestic market of investment funds and inflicting low growth and high interest rates on the country. Once thriving economic sectors faced stagnation. The potential loss of preferential markets threatened Fiji's highly uncompetitive sugar industry.¹⁷³ Local content regulations restricted garment-industry growth. Rabuka did nothing to address these issues, claiming that Fijian issues should come first.¹⁷⁴ Accordingly, he decided that local chicken growers and producers should now compete with US imports licensed only to Fijians on a provincial basis.

A flat economy provided no basis for raising Fijian expectations, or for solving problems of crime, unemployment and rapid urbanisation. The army's solution was to extend cadet training to some 20 secondary schools; the government's to establish a rural National Youth Training Scheme based at an expensive farm at Navua purchased from the chairman of the FDB and FHL;¹⁷⁵ and that of Fijian chiefs to reimpose their discipline on villages by resurrecting colonial powers abandoned in 1967. Judicial apartheid would now be added to economic apartheid. 'On the one hand

172 Jo Nata's *Weekender* newspaper hinted at morality issues in Rabuka's cabinet, but gave no names. The news and business *Review* revealed the whole story at the start of April. Not to be outdone, the *Weekender* promised a special issue on the 21 women Rabuka had had affairs with since leaving the military. Police Commissioner Isikia Savua and then Electoral Commissioner Qoriniasi Bale spoke with Nata and the issue never appeared (*Weekender*, 2 April 1994; *Review*, April 1994).

173 Economist Roman Grynberg warned Fiji of the dangers in May 1994. Nearly one third of Fiji's cane farmers produced less than 100 tonnes of cane, and Fiji's harvesting rate equalled half that of Mauritius, and one eighth that of Australia's prior to mechanisation (*Review*, June 1994).

174 *Fiji Times*, 17 September 1994; *Review*, September 1994.

175 The scheme eventually morphed into VitiCorp, but it fared poorly and required a constant injection of government funds. In 2005, it restructured and eventually leased all its land for agricultural purposes, its Navua farm to the Fiji National University (*Fiji Sun*, 1 September 2016).

government encourages individualism through its business incentives,' one journalist noted, 'while on the other it attempts to enforce traditionalism and collectivism through a legal system.'¹⁷⁶ Mara acknowledged that no traditional means existed to assist the urban poor; Rabuka, however, blamed IndoFijians for imbalances in the distribution of wealth: 'As long as this happens I cannot guarantee ... that there will not be another coup in this land [or] bloodless like mine.'¹⁷⁷ Meanwhile, the largesse of the FDB and NBF towards favoured Fijian clients continued until the National Bank collapsed in late 1995 owing over \$220 million or nearly 9 per cent of GDP.

The problems facing the NBF were longstanding. Formed in 1976 from a savings bank, the NBF almost immediately found itself hostage to the fortunes of one of the country's longstanding trading companies, Stinson Pearce Holdings Ltd, when it loaned \$2.7 million to the company in 1978. Not only did the loan lack sufficient security, it breached banking regulations that no more than 25 per cent of a bank's equity be loaned to a single borrower. At the time the NBF possessed only \$500,000 in capital, and the Minister for Finance was none other than the former head of the company, Sir Charles Stinson. In 1984, the NBF gained a formal regulatory exemption, which it apparently understood applied to any subsequent transaction. As Grynberg, Doug Munro and the late Michael White note in their outstanding study of the NBF, 'all the problems of nepotism, corruption and appallingly weak public administration that developed in Fiji and the NBF after the coups were already there well before 14 May 1987'.¹⁷⁸ The coups, however, enabled those problems to escalate out of control.

It began with the military appointment of Visanti Makrava, the manager of a small branch, as the NBF chief manager. He began a massive expansion program that saw staff numbers treble to 600 by 1993, market share double to 30 per cent, deposits and loans quadruple to \$420 million and \$287 million respectively, and foreign exchange earnings double to \$3.7 million. By 1993 Makrava had apparently turned a loss of

176 *Fiji Times*, September 1994.

177 *Fiji Times*, July 1994; *Australian*, 17 June 1994.

178 R Grynberg, D Munro & M White, *Crisis: The Collapse of the National Bank of Fiji*. Suva: USP Book Centre, 2002, p. xxiii. The Stinson debt eventually exceeded \$6 million.

\$5.3 million in 1987 into a \$2.2 million profit, and was set to embark on a new range of financial services in a joint venture with the Malaysian National MBF.¹⁷⁹ In reality the bank was insolvent.

A Reserve Bank of Fiji (RBF) report in 1991 estimated that the NBF possessed problem loans worth eight times its paid-up capital of \$9.6 million, not the 50 per cent recommended by the World Bank,¹⁸⁰ and its problems only got worse. In 1993, when the government began domesticating foreign debt, many larger depositors like the national superannuation scheme (Fiji National Provident Fund (FNPF)), shifted their funds out of the NBF into higher yielding government bonds. The resulting liquidity problem, however, did not prevent the bank from increasing its lending and, by 1993, it was wholly dependent on overnight borrowing from the RBF to survive. By 1994 its loans totalled \$332 million, 21 times its paid-up capital of \$15.75 million.¹⁸¹ The RBF, the Auditor-General and cabinet all knew of the NBF's difficulties but did nothing. 'If I open my mouth,' Makrava later said, 'half the government goes, including the leader.'¹⁸² In fact, nothing better illustrated Wadan Narsey's 'culture of silence', as Grynberg, Munro and White explain:

NBF board members were all government appointees, part of Fiji's 'carousel' of financial elite that shifted from the board of one statutory body to another. These are trusted individuals in a small society with a limited number of individuals able to perform such roles. The trust stems from the willingness of these individuals if not to remain silent in the face of malfeasance, at the very least to be consistent in erring on the side of their patrons. A small society generates only a small number of individuals who are technically competent enough to sit on such boards. But the number of such posts is almost as large as would be found in a large society, and appointments to such positions are determined by a handful of politicians. Those unwilling to live by the code of silence and compliance towards those in a position to grant such patronage find themselves excluded from the lucrative carousel of board positions.¹⁸³

179 Grynberg, Munro & White, *Crisis*, 2002, p. 10. The National Mbf MasterCard exposed the NBF through its credit-line facility to a debt of \$25 million (see Robertson, *Multiculturalism & Reconciliation*, 1998, pp. 139–41).

180 Grynberg, Munro & White, *Crisis*, 2002, p. 12. The World Bank also recommends that problem loans should be no more than 10 per cent of all loans.

181 Grynberg, Munro & White, *Crisis*, 2002, p. 75.

182 *Fiji Times*, 2 August 1995.

183 Grynberg, Munro & White, *Crisis*, 2002, pp. 137–38.

The scandal became public when an audit of the NBF leaked to the press. In fact, the press, particularly the *Fiji Times* and the *Review*, were pivotal in exposing the scandal. The *Review* had earlier been threatened with deregistration over its publication of Rabuka's affair in 1994; now both papers were threatened with Malaysian-style licensing laws to ensure that they remained respectful of Pacific cultural sensitivities and did not denigrate Fijian business acumen.¹⁸⁴ Makrava did not help. He declared that his sole purpose had been to 'achieve the goals of the coups for Fijians and Rotumans'.¹⁸⁵ Rabuka remained unrepentant: the media had launched a 'campaign to discredit Fijian leaders, senior Fijian civil servants and Fijians in positions of responsibility [in order to] show us as incapable of governing our own country with any sense of fair play'.¹⁸⁶ More realistically, the *Review* noted, 'The NBF debacle is, if nothing else, symbolic of the failure of racism'.¹⁸⁷

The repercussions of the NBF collapse were immense and, as a way forward, it was split into two banks, with the viable portion eventually sold to the Australian Colonial Group for just under \$10 million in 1998. The bad debts were accumulated into a separate entity and funded by the issue of government bonds. Stabilising and restructuring the NBF in this way created a sudden contraction in money supply in 1996 and a rise in interest rates, which helped precipitate a recession that lasted until 1999, in part because it coincided first with drought and later with the Asian financial crisis. Government debt increased by 41 per cent as a consequence. Most of the funds used in the rescue came from the FNPF, which closed time deposits and decreased lending to businesses in order to raise its government securities holdings by 23 per cent.

But the icing on the cake for the government came in 1998 when it sold the state's 49 per cent stake in Fiji's telecommunications monopoly – the Amalgamated Telecom Holdings Ltd (ATHL) – to the FNPF for \$253 million, nearly four times its estimated commercial value. As Grynberg describes the transaction, the FNPF effectively exchanged assets then earning 8 per cent per annum for assets returning only 2 per cent, with the possibility of even lower returns when ATHL lost its

184 *Review*, December 1995. The government did review media legislation in 1996, but the commissioned report recommended against any restriction on media freedom. For a full account of the media and the NBF, see Grynberg, Munro & White, *Crisis*, 2002, pp. 48–71.

185 *Review*, January 1996.

186 *Fiji Times*, 12 December 1995.

187 *Review*, August 1996.

monopoly status. The Minister for Finance, responsible also for the FNPF, saw no conflict of interest. ATHL was privatised to pay for the NBF debacle and Fiji's pensioners paid the cost. Twenty per cent currency devaluation in early 1998 helped lower the cost of public debt further and enabled the government to increase public expenditure ahead of a general election in the following year.¹⁸⁸ The fiasco would cost Rabuka and his SVT party dearly, but no one was ever convicted over the affair. The director of public prosecutions at the time later conceded that her under-resourced office was subject to intimidation and personal attacks.¹⁸⁹ Makrava retired for the rest of his short life to a new mansion built in Rotuma.

Rabuka might have weathered the storm better had the NBF collapse not been accompanied by so many other scandals. The FDB was itself under the spotlight, with some 20 per cent of loans unrecoverable. Its profit fell 83 per cent in 1996 and required the injection of \$120 million through promissory notes and bonds. Return on equity remained at only 0.72 per cent. Additionally, its EIMCOL supermarket scheme had collapsed owing \$2.7 million. The RBF lost \$18 million in foreign exchange earnings in 1995 and allegations of corruption and mismanagement at the Housing Authority forced its chief executive to resign. The Fiji Broadcasting Commission required an injection of \$1.4 million to stay afloat. Rumours had the secretive NLTB in debt to the tune of \$16 million dollars by 1996 while, on the waterfront, a disastrous post-coup decision to build a large cruise ship for half its actual cost burdened the government with litigation and costs in excess of \$12 million. Senior public servants overdrew on shares in the Fiji Public Service Credit Union at the same time as its travel agency accumulated debts over \$1 million. The Public Trustee illegally lent over \$2 million. The Methodist Church failed to account for over \$1.5 million received from the Poverty Alleviation Fund for squatter resettlement, and itself faced bankruptcy at the start of 1996.¹⁹⁰

188 The NBF's collapse cost taxpayers \$615 million in today's terms (*Fiji Sun*, 12 July 2017). Grynberg, Munro & White, *Crisis*, 2002, pp. 99–126.

189 High Court Judge Justice Nazhat Shameem; *fjilive*, 21 March 2007.

190 Robertson, *Multiculturalism & Reconciliation*, 1998, pp. 141–43.

Reset

By 1998 broken shells littered Fiji's landscape. Fortune seekers were still out there but the eggs they coveted were often damaged or – worse – stripped of their contents. Plans were afoot to exploit new resources, a huge copper mine in Namosi or wealthy Chinese migrants seeking refuge from the Chinese takeover of Hong Kong. Some Fijian politicians coveted land as the ultimate nest egg. If IndoFijian leases were not renewed, Fijians could completely control the sugar industry. Sociologist Ropate Qalo thought Rabuka rode a tiger he could no longer control: 'Everyone had to be paid off and now they are asking for their pay.'¹⁹¹ Grynberg also believed that Fiji's politicians possessed a cargo cult mentality; wealth would simply flow in, all Fiji had to do was sit and wait. No restructuring, no pain, all gain.¹⁹² But, with little to show, the once fiercely Taukeist government looked lost.

The drift had begun early in Rabuka's second term, well before the scandals. Against Methodist protests, Rabuka finally ended the Sunday ban on 12 October 1995 and sought greater authority over his cabinet with regular reshuffles. 'Called by God to lead this nation,' Rabuka brooked no dissent but, increasingly, he ruled from a position of weakness.¹⁹³ Poor oversight resulted in the SVT's Tailevu MP, Adi Samanunu Talakuli, being twice disqualified for failing to meet the new Constitution's citizenship laws. Her terminally ill successor was himself disqualified on a technicality after election. Increasingly sensitive to criticism, the SVT tried unsuccessfully to muzzle an elderly columnist and it still maintained a blacklist of persons banned from Fiji. 'In a situation so politically fluid, nothing seems to be moving in Fiji,' the *Review* reflected:

With an economy that is rapidly going to the cleaners: escalating crime, rising unemployment compounded by the mass exodus of skilled workers and trade union movement looking for a scrap, Fiji is [again] looking down the barrel of a gun.¹⁹⁴

Rabuka retreated into religious symbolism. He prayed for forgiveness before 4,000 people at the National Gymnasium and again on national radio in late 1996. In February 1997, he attended a four-day Festival

191 *Review*, March 1996.

192 *Fiji Times*, 19 January 1995.

193 *Australian*, 1 August 1995.

194 *Review*, June 1996.

of Praise in Suva. It did not save him from criticism. The *Review* accused him of presiding over a 'Lost Decade'¹⁹⁵ during which Malaysia's per-capita GDP had doubled to US\$3,890 and South Korea's trebled to US\$9,700. Fiji's rose only 20 per cent to US\$2,140 and much of that meagre rise came from a statistical aberration caused by the massive outflow of over 40,000 people, many with the skills needed for economic growth.¹⁹⁶

Indeed, Fiji's growth strategies seemed bent on denying skills and creativity, and its preferential market access for garments, sugar and fish failed to generate production efficiencies. Furthermore, poverty escalated with urbanisation, but the government remained unwilling to generate urban jobs for fear of antagonising its rural provincial political base, yet another disastrous consequence of the 1990 Constitution. But it could hardly deny the social costs. Forty per cent of housing estates were overcrowded and had poor sanitation. Seventeen per cent of families were headed by an unemployed person. Crime rates soared but, unlike the military, the police force remained constantly constrained for funds. Fiji's rate of diabetes stood at twice the international rate, while the medical system groaned under the weight of poor infrastructure and planning and the loss of trained staff. Government contributed only 2.9 per cent of GDP to health in 1996 and, yet, the Health Department managed to underspend its budget. Primary school dropout rates increased more than seven-fold during the 'Lost Decade', even after 1992 when school education became progressively free. The quality of education also declined; suggestions that students did better in multicultural environments did not sit easily with the message of Taukeism.¹⁹⁷

In fact, Taukeism sat uncomfortably with just about every economic reality confronting Fiji in the late 1990s. This was no easy conclusion for men like Rabuka to concede. Only in 1993 he had told the GCC that the 1990 Constitution was the ultimate guarantee of a Fijian future.¹⁹⁸ The economic disasters that had followed now suggested otherwise. Perhaps a constitutional review, required by the Constitution, might enable multiracial cooperation to stem the economic haemorrhaging, or at least buy time. The possibility existed because in March 1995, after much delay, a Constitutional Review Committee (CRC) – chaired by

195 The *Review* declared the post-coup decade a 'Lost Decade' in May 1997.

196 *Review*, April 1997.

197 Robertson, *Multiculturalism & Reconciliation*, 1998, pp. 153–61.

198 *Weekender*, 17 December 1993.

New Zealand's former governor-general Sir Paul Reeves and comprising expatriate academic Brij Lal and former parliamentarian Tomasi Vakatora – began its investigations. It toured the country and consulted widely and, in September 1996, submitted a lengthy and detailed report calling for a return to mixed communal and national parliamentary seats, with twice as many national seats.¹⁹⁹ There were many reasoned criticisms of the report, particularly of its reliance on the Australian alternative vote system as a means to promote moderation and cooperation between parties. Wadan Narsey, who had earlier written that constitutional racism was counterproductive to Fijian interests,²⁰⁰ argued that a list (proportional representation) system would most encourage cooperation out of self interest: the more votes, the more seats.²⁰¹

Rabuka urged caution, but his SVT colleagues were livid. Nonetheless, having embarked on the path of reform, it was much more difficult for the SVT to reject the Reeves report than it had been for Mara when the country's first Constitution had been reviewed in 1975 following post-independence growth. The Constitution then was new and the two main ethnically based parties were content to maintain the ethnic status quo. Rabuka however operated in a climate of decline and the mere existence of the CRC raised expectations that something might be done to address a constitution that many non-SVT politicians saw as deeply flawed. Consequently, when the issue came before a parliamentary select committee, it recommended a compromise of sorts: a mix of seats but with twice as many communal seats as the CRC recommended.

Rabuka added his own twist – multi-party government. Parties that received more than 10 per cent of the vote would be entitled to proportional representation in cabinet. Communalism would still exist but it would be tempered by national seats and multi-party government. Possibly only the inclusion of the CRC's social justice and affirmative action provisions

199 P Reeves, T Vakatora & BV Lal, *The Fiji Islands: Towards a United Future*, Report of the Fiji Constitutional Review Commission, Parliamentary Paper 34. Suva: Parliament of Fiji, 1996.

200 These articles were published in the *Fiji Times* on 29 July, 31 July and 1 August 1995. Narsey reminded readers that the 1990 Constitution – with its massive rural bias – discriminated against Fijians as much as IndoFijians. Ethnic constituencies and traditional structures discouraged ability and decision-making in the national interest. No basis for fears of Indian domination now existed. Proportional representation alone would ensure a Fijian majority and avoid international condemnation.

201 *Fiji Times*, 2 November 1996.

swayed the SVT,²⁰² and Rabuka was keen to downplay the novelty of the new Constitution. Fijians were now the country's majority population; they no longer needed racially exclusive constitutional clauses to retain power. Such clauses affected Fiji's international standing and denied it membership of the Commonwealth.²⁰³ Nonetheless, the GCC tried unsuccessfully to reduce the number of national seats further, and baulked at the idea of reducing the voting age from 21 to 18. In the end, it could only deny Vakatora the opportunity to promote to provincial councils – especially those opposing it²⁰⁴ – the new Constitution that would come into effect in mid-1998.

Rabuka was in a hurry to create multi-party governance ahead of the next election, but the NFP refused to share government under the terms of the 1990 Constitution. It accepted, however, the idea of working with Rabuka in the future, and its leader, Jai Ram Reddy, sealed the accommodation by becoming the first IndoFijian to address the GCC in June 1997. He seconded Rabuka's bill to amend the Constitution. 'We want to convert what [has become] a political culture of confrontation into a culture of cooperation,' he declared.²⁰⁵ The next month, Rabuka's 10th cabinet reshuffle created a multi-party cabinet of sorts, with members of the FAP rejoining, albeit briefly.²⁰⁶ It was not quite what Rabuka had wanted, but it added to the atmosphere of change and the expectation of economic benefits that he hoped would offset his party's dismal performance in office.

But Fiji was in no shape to reap an immediate economic dividend from its constitutional amendments. It had dawdled for too long on many fronts, especially land. The onset of the Asian economic meltdown in mid-1997 and a long dry summer exacerbated the pain. Drought destroyed one third of the cane belt and reduced sugar production by 45 per cent, wiping

202 *Fiji Times*, 4 July 1997. This was the view at least of journalist Sophie Foster. The Constitution included a Bill of Rights, a Human Rights Commission, Freedom of Information legislation and a Compact of Understanding incorporating indigenous rights. It provided women equal citizenship rights for the first time and made sexual discrimination illegal. In addition, future parliaments would now contain sector standing committees to provide a form of backbench check on executive power.

203 *Fiji Times*, 15 May 1997.

204 Eight of the 14 provinces opposed the new Constitution.

205 *Australian*, 11 June 1997.

206 Kamikamica saw the opportunity to secure stronger representation for the FAP by standing in opposition to the SVT. Hence he ordered his members out of cabinet, but his Lauan members refused to leave. Provincial representation made unity hard to maintain for all Fijian parties. Kamikamica died shortly after in August 1998.

2.5 per cent from Fiji's GDP. Tourists abandoned Fiji for cheaper Asian destinations; so too did Australasian garment importers. Twenty per cent devaluation in early 1998 to lower the cost of debt received little support, even from tourist operators and garment manufacturers.

Dissident Fijian politicians planned to scuttle Rabuka's new era. Apisai Tora formed a Party of National Unity (PANU) to fight the SVT in Ba province. In Vanua Levu, Lasaro's Methodists formed the Veitokani ni Leweni Vanua Vakaristo Party (VLV) to reintroduce the Sunday ban and declare Fiji a Christian state. A worried Rabuka had his cabinet declare loyalty to the SVT, but ministers remained deeply troubled by the prospect of a new political landscape in 1999. A multi-party cabinet threatened greater competition for cabinet posts and preaching multiculturalism meant surrendering the racial card to Butadroka's nationalists or the VLV.

Had Rabuka taken the country down a false path in 1987? On the eve of new elections, he could hardly concede as much. 'I have never had any regrets,' he declared.²⁰⁷ If fault existed, it lay in the divisive 1970 Constitution or in the Alliance's failure to address Fijian issues after 1977.²⁰⁸ He still believed in communalism, and used support for multi-party governance as a device to provide the semblance of power sharing while maintaining Fijian communal power. Reddy recognised the limitations. 'My great fear here is that we could all again polarise into our separate racial groups,' he cautioned.²⁰⁹ Timoci Bavadra had recognised the problem in the mid-1980s:

Our future political stability rests ... on how well our present past and future leaders lead, accountable to the modern world, not relying on tradition and culture to make their race an exception to the laws of political logic or economic gravity.²¹⁰

The great turning in Fijian politics after 1987 had been ephemeral. In its wake came a new wave of seekers for the golden eggs they believed their birthright and, this time, Rabuka would become one of their early victims.

207 *Fiji Times*, 14 May 1998.

208 *Fiji Times*, 14 May 1997.

209 *Fiji Times*, 24 August 1998.

210 *Fiji Times*, 14 May 1997.

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