

3. Politicized affirmative action: Independence in 1970 to the 1987 military coup

By the time of independence in 1970, Fiji was faced with a number of dilemmas. The first was how to create a collective national identity while maintaining distinctive cultural identities; the second was how to address indigenous Fijian development while ensuring an open market economy; and the third was how to consolidate a pluralistic parliamentary democracy while maintaining distinctive ethnic political rights through communally reserved parliamentary seats. Negotiating these sets of seemingly dichotomous variables required a political process which was ethno-politically sensitive, ideologically balanced and able to accommodate and ameliorate diverse and often antagonistic interests.

Perhaps the most pressing issue was the question of indigenous Fijian development; and, in particular, how to articulate preferential development policies for indigenous Fijians while pursuing a multi-ethnic ideological stance and free market economy at the same time. The colonial economy had locked indigenous Fijians into the subsistence sector under the native policy and, in the process, had kept them outside mainstream commercial activities and higher education. By the time the rigid system was liberalized and indigenous Fijians were freed from the confinements of the native policies, they were suddenly awakened to the fact that economic and educational opportunities were being lost and other ethnic groups had done relatively well in relation to participation in the modern market economy. This bred multiple sentiments: the desire to fast track indigenous Fijian development and education, envy of other ethnic groups' commercial success, demand for political empowerment to balance Indo-Fijian prowess in commerce and high expectation for the Alliance Party's ability to drive indigenous Fijian development. This required not only strong and decisive leadership but also flexibility to be able to accommodate tension and negotiate differences. These were the major dilemmas faced by the Alliance Party under Mara after independence. To understand the complex dilemmas facing the Alliance and the contradictions of Alliance policies, a good place to start is to examine the party's own structure and ideology.

The post-independence dominance of the Alliance Party

While on the surface independent Fiji appeared peaceful, there were underlying fissures, which the leaders of the two major ethnic groups tried very hard to keep under wraps. A way of doing this was a consociational agreement to have a constitution which provided political balance between the ethnic groups. Apart from this the British had carefully nurtured an indigenous Fijian elite within the Alliance Party to take over political power upon independence. But the transition was not a simple matter. There were socio-economic and political complexities derived from the past that had to be addressed, in particular the ethnically divisive strategy of the colonial state as well as the issue of socio-economic inequality and grievances.

Dealing with the issue of economic redistribution would be a challenge for two reasons. Firstly, a culture of ethno-political competition over control of state power had been established, encouraged by an ethnically based party system in response to the constitutional provisions for communally reserved seats. Given this ethnicized political environment, any attempt to put in place pro-indigenous preferential policies was going to be met with stiff resistance, particularly by Indo-Fijians. The Alliance Party had to convince Indo-Fijians that affirmative action was good for ethnic relations. Secondly, the powerful European and Indo-Fijian business supporters of the Alliance Party needed to be convinced that redistributive policies through affirmative action were complementary and not adversarial to the ideology of multiracialism and would not threaten their economic and political interests.

For the European, Chinese and Indo-Fijian business elites, the Alliance Party provided the political stability and security they needed. They saw the Alliance as the only political force to keep the agitating Indo-Fijian farmers and disgruntled indigenous nationalists under control. To the ordinary indigenous Fijians the Alliance Party, whose leadership was dominated by chiefs, encapsulated their socio-cultural and political identity as well as their socio-economic interests. To many ordinary Indo-Fijians, it was just another “Fijian” Party supported by only a few members of the Indian elite in the same way that the National Federation Party (NFP) was perceived by ordinary indigenous Fijians as just another “Indian” party supported by a handful of misplaced Fijians. Some more moderate Indo-Fijians saw the Alliance as the only political force which could run and sustain a multi-ethnic Fiji and protect Indo-Fijian interest in the face of competing ethno-political demands.

The Alliance Party’s multiracial philosophy was the brainchild of Mara, whose propensity towards racial inclusiveness was nurtured during his student days

at the Marist Brothers High School, a Catholic school and the first multi-racial school in Fiji. Most of the leading ethnic leaders of the Alliance government, consisting of indigenous Fijians, Indo-Fijians, Chinese and part-Europeans were old boys of the school. The “Marist Old Boy network” became a powerful political, social and economic force in Fiji over the years after independence.

The structure of the Alliance Party was based on the post-independence Malaysian Alliance Party, which was a consociationalist arrangement incorporating three major political groups, the United Malays National Organisation (UMNO), the Malaysian Indian Congress (MIC) and the Malaysian Chinese Association (MCA). In a similar configuration, the Alliance Party consisted of the Fijian Association, Indian Alliance and General Electors Association (representing Europeans, part-Europeans, Chinese and Pacific Islanders).¹ Ideologically, the Alliance Party advanced two seemingly contradictory principles: multi-racialism and communalism. While the notion of multi-racialism embraced pluralism, communalism emphasised ethnic compartmentalisation and the paramountcy of Fijian interests. Paradoxically, the two seemed mutually linked because multi-racialism itself implied ethnic diversity, but this diversity was conceptualised in terms of ethnic distinctiveness. It was based on the ethnic pluralist notion of co-existence but distinctiveness and separation of cultures.

The main political power base of the Alliance Party was the Fijian Association, which was intimately linked with the institutions of the Fijian Administration, such as the Fijian Affairs Board, Native Land Trust Board and Great Council of Chiefs, and also the predominantly indigenous Fijian military. In other words, the Alliance Party was not only a political party in the ‘normal’ sense, but more than that, it acted as the ‘political arm’ of the chiefly establishment and indigenous Fijian communalism in the sphere of liberal democratic power politics. Through this, Alliance Party hegemony permeated various levels of the indigenous Fijian community, from the national parliamentary structure to the village level. It was a re-adaptation of the native policy, but now, instead of the colonial state, the Alliance government itself was the centripetal political force. This schema largely defined and reproduced the boundaries of indigenous Fijian political identity and loyalty both in the ‘traditional’ and liberal democratic sense.

The Alliance cleverly used chiefly authority as an instrumentalist and ideological tool to legitimise and consolidate political leadership in the modern

1 Although the Alliance Party proper was formed in 1966, the Fijian Association, the dominant group in the Alliance, was formed in 1956 to mobilise indigenous Fijian political support for the chiefly system and indigenous Fijian privileges. Ascribed chiefly leadership was regarded as legitimate and sacrosanct and could not be opposed. The Indian Alliance was started by small groups opposed to the National Federation Party. These were the Fiji National Congress, the Muslim Political Front, and the Muslim-based Fiji Minority Party. The General Electors Association was formed in 1966 to ensure greater effective participation of other minorities.

context. The convergence of traditional and modern politics was personified by the Alliance leader himself, Mara, who was groomed by Sukuna and the colonial state to take over political leadership upon independence. Mara, like Sukuna, was an Oxford graduate and a high chief. His colourful political career was characterised by his astute ability to utilise both his manoeuvring skills in modern power politics and the mythical *mana* of chiefly authority. His aloof and authoritarian style of leadership was resented by many, but to many indigenous Fijians it was a mark of divinely ordained chiefly rule. Mara was a complex leader who operated at the level of intellectual idealism and the pragmatism of *realpolitik* simultaneously. Despite his commitment to the ideals of multi-racialism, he was also a great advocate of communalism because that was where his real political power base lay. The Alliance's political ideology was based on this contradictory dualism; on the one hand the Alliance adhered to multi-racialism to portray a universally acceptable political image and on the other hand it was pragmatically committed to the communalistic agenda, to mobilise indigenous Fijian support (Norton 1994).

The Alliance fought and won the first post-independence General Election in 1972 on the basis of this apparently contradictory philosophy by mobilising indigenous Fijian support using communal leverage and appealing to other ethnic groups through multi-racial rhetoric. The Alliance Party won a total of 33 seats. This included all the indigenous Fijian and General Electors' communal seats. The tally included 83 per cent of all indigenous Fijian votes, 79 per cent of General Elector votes and 24 per cent of Indo-Fijian votes. The NFP on the other hand won 19 seats, winning 75 per cent of all Indo-Fijian votes and two per cent of indigenous Fijian votes. Six of their indigenous Fijian candidates lost their deposits (Norton 1994).

In the 1970s some of the contradictions mentioned earlier began to surface. Some nationalistic indigenous Fijians began to criticise Mara for being too pro-business, even pro-Indian, in order to maintain their support even at the cost of undermining indigenous interests. One of the critics of Mara was Sakeasi Butadroka, the then Assistant Minister for Commerce, Industry and Co-operatives, who had spent time working in rural indigenous Fijian communities as a cooperative officer, and who accused the Alliance leaders of favouring Indo-Fijians and undermining indigenous Fijian interests. Butadroka's fury was invoked by the revelation that an Indo-Fijian bus company was granted a licence ahead of the communally-owned bus company he was running in the Rewa Province. Butadroka was expelled by Mara from the Alliance Party in 1974 for his criticisms, and a year later in October 1975, he moved a motion in the House of Representatives that Indo-Fijians "be repatriated back to India and that their travelling expenses back home and compensation for their properties in the country be met by the British government" (Fiji, House of Representatives,

9 October 1975: 1104). The motion was not passed in its original form, as it was subsequently amended by Mara and the part relating to repatriation was deleted. The main thrust of the amended version thanked the Indo-Fijians for their contribution to Fiji. But the issue raised the fundamental question of socio-economic parity, a central focus of this book.² While the Alliance was fully aware of the issue of ethnic disparity, its approach was cautious, as it feared that an all-out affirmative action policy could antagonize both its Indo-Fijian supporters and the business community.

Butadroka was to haunt Mara in the next five years when, during the 1977 election, Butadroka polled an unprecedented 25% of the Fijian vote while the Indo-Fijian vote for the Alliance declined by 16%. The National Federation Party (NFP) won with a small majority and, for the first time, there was the possibility of an Indo-Fijian becoming Prime Minister. Of the total 52 seats, 24 were won by the Alliance Party, 26 by the NFP, 1 by Butadroka's Fijian Nationalist Party (FNP) and 1 by an independent. Interestingly, prior to this election, the Alliance government took a risk by implementing its 50-50 scholarship scheme, the first major educational affirmative action since independence. This meant that for all the government scholarships to the University of the South Pacific, 50% were to be for indigenous Fijians and 50% for other ethnic groups. This was strongly opposed by the Indo-Fijian community, who made up more than 50% of the Fiji population, and consequently that policy could have contributed to the decline in Indo-Fijian support for the Alliance Party.

Nevertheless, the educational affirmative action policy turned out to be one of the most successful development strategies of the Alliance government because it opened the floodgates for hundreds of indigenous students who otherwise would not have been able to go to university because of their socio-economic position and because they had lower grades than their Indo-Fijian counterparts. This led to the expansion of a Fijian professional and middle class in a significant way within a span of ten to twenty years.

From 1977 onwards the Alliance Party was targeted from both sides – from the indigenous Fijian nationalists, who thought that it was not doing enough for the indigenous people; and from the Indo-Fijians, who argued that it was biased against them. Moreover, the defeat of the Alliance Party during the first 1977 election was a direct challenge to its multiracial ideology and its claim to be the guardian of indigenous Fijian interest. However, a few days after the defeat of the Alliance Party the Governor General, Ratu Sir George Cakobau (an indigenous Fijian high chief) re-appointed Mara as Prime Minister, despite his party controlling a minority of seats in parliament. This was done in the interest

² Butadroka, as a civil servant, had worked in the Co-operative Department and through his job he had first-hand experience of the socio-economic situation of indigenous Fijians in the rural areas.

of security and also because Mara commanded the respect of the house more than did Siddiq Koya, a Muslim and disputed leader of the NFP. The NFP was embroiled in an internal leadership crisis between Hindu-led and Muslim-led factions.³

Mara's minority government ruled for a mere five months before it was brought down by a vote of no confidence and fresh elections were called in September. The power struggle within the NFP had factionalised the party, and the Alliance Party won a resounding victory, taking 36 seats to the NFP's 15. The FNP failed to win a seat this time around and an independent candidate managed to win one seat. The FNP's significant losses were partly due to the imprisonment of its leader, Sakeasi Butadroka, for making statements "which were likely to incite racial antagonism and were therefore likely to prejudice public peace" (*Fiji Sun*, 16 September 1977). It could also be deduced that indigenous Fijians had "learnt" from the loss of the Alliance Party during the 1977 election, and were not prepared to see another politically costly split within their ranks that would lead to Indo-Fijians coming to power.

In the 1982 election the ethnic electoral pattern became more explicit, with 84.1% of Indo-Fijians voting for the NFP, and 85.6% of indigenous-Fijians voting for the Alliance.⁴ But the economic conditions of the 1980s and the hard-line Alliance response to those conditions increasingly brought into question the legitimacy of Alliance hegemony. In the 1987 election the Alliance Party was defeated.

Alliance Party affirmative action policies

As a party which espoused multiracialism, the Alliance Party was faced with a number of obstacles as far as its affirmative action policies were concerned. First was political opposition from the Indo-Fijian community, which felt that the

3 With hindsight, it had been suggested by some that the action of the Governor General, in choosing Mara as Prime Minister, probably diffused a potential coup. Later in 1987, General Rabuka, who staged the 1987 military coups, said that when the Alliance Party lost the election in 1977, he was anticipating a possible military coup attempt.

4 The 1982 election was marred by allegations of foreign intervention and dirty politics. Desperate to win the election and avoid a repetition of the 1977 scenario, the Alliance Party hired Australian consultants to do research on the political situation in Fiji and to make recommendations as to the best election strategy. Two strategies in particular caused political controversy, leading to an official inquiry. These were: "to bribe the leader of one opposing political party; and to manipulate the criminal justice system to prevent the leader of another party from going forward as a candidate" (Wilkinson 1983: 9). The preoccupation with ethnic politics from independence to the 1980s had two interrelated effects; first, it helped to undermine the significance of class politics; and second, it increasingly caused "ethnicity fatigue" amongst grassroots voters. The ethnic hegemonic veil was beginning to wear thin as socio-economic conditions worsened. The Alliance Party was increasingly been seen as the party of the chiefs and the rich. This class opposition was to later emerge and make historical inroads into national politics, via the formation of the Fiji Labour Party.

preferential program was unfair to them. Second was the tactical and ideological problem of projecting affirmative action as a political necessity to address ethnic tension and hopefully tone down opposition. The third problem was whether indigenous Fijians were adaptable enough and ready to take full advantage of new opportunities, given that it was only as recently as 1966 that they were, for the first time, given full freedom of movement after being locked into the subsistence sector through the Native Regulations for much of the colonial period. The fourth obstacle was the logistical problems of implementing affirmative action.

The leaders of the Alliance Party were high officials in the colonial state, including Economic Development Officers, as we saw in the last chapter. They transferred the development thinking and practice they were used to during the colonial era as the basis for the post-independence indigenous development paradigm. As part of its developmental strategy, the Alliance government helped to perpetuate in the minds of indigenous Fijians a number of colonially-nurtured modernist ideologies that were to define the future trajectories of thinking on the subject of development for indigenous Fijians. These ideologies were *toso ki liu* (to move forward or progress) and *veivakatorocaketaki* (to uplift or develop). Both were based on the modernizationist ideological assumption that village life represented the old and archaic past and western economic values embedded in *veivakatorocaketaki* were to be embraced. The British were seen as agents of cultural enlightenment and British civilization, through the *vosa vakavalagi* (English language) and *i tovo vakavavalagi* (British or European culture), was perceived as the standard by which *toso ki liu* must be measured. Affirmative action for indigenous Fijians was articulated under the notion of *veivakatorocaketake ni i taukei* (Fijian development).

The concept of Fijian development encapsulated the *vakasama vou* (new or western ideas) which required *vuli vakavalagi* (western education) and *vakasama vakavalagi* (European thinking). The paternalistic British colonial hegemony had constructed an epistemological stratification which elevated British and European thinking and marginalized the indigenous Fijian world view in a way which undermined the sense of self-worth of indigenous Fijians. Whereas Indo-Fijians had a negative perception of the British, the British were seen by indigenous Fijians not as colonial oppressors but as agents of cultural enlightenment and political guarantors that would keep potential Indo-Fijian political ambitions in check. This reinforced British hegemony as well as strengthening the power of chiefs, who acted as the comprador class and as mediators of British hegemony. By the time of independence, unlike in other former colonies, there was no celebratory spirit but rather a sense of sadness amongst indigenous Fijians as the Union Jack was lowered. However, indigenous

Fijians had to come to terms with the new reality and the new buzzword was *veivakatorocaketaki*, which was believed to be the vehicle to catapult indigenous Fijians into the future.

Over time the meaning of *veivakatorocaketaki* was enlarged to include a number of variables such as the transformation of village life towards self-help, the building of infrastructure such as roads, seawalls, bridges and wharves and even the building of community halls, churches, chiefs' houses and church ministers' houses. It also included migration from rural to urban life and acquisition of European goods and various cultural traits. The degree of Europeaness defined the degree of *tosokokiliu*. Unfortunately, this unilinear developmental thinking, reinforced and encouraged by both the colonial and post-colonial states and embedded in post-colonial thinking about affirmative action, failed to capture the complexities of Fijian society in the global context; nor did it capture the complex cultural dynamics of the indigenous Fijian community and its basic needs. This led to failure of many post-colonial affirmative action policies, as we shall see later.

The term *veivakatorocaketaki* also embodied the indigenous Fijian perception of other ethnic groups. They saw themselves as located at the bottom of the economic heap compared to Indo-Fijian, Chinese and Europeans, who were seen as *vutuniyau* (affluent) and *torocake vakailavo* (developed). The perceived driving force for the *torocake* (progress) of other ethnic groups was based on both negative and positive stereotypes relating to assumed primordial ethno-cultural characteristics. For instance, at one level Indo-Fijians were perceived as *viavia levu* (disrespectful) and *kocokoco* (selfish), yet at another level they were considered *daucakacaka* (hardworking) and *gugumatua* (full of perseverance). The Chinese were often associated with business and were perceived as *mamaqi* (miserly) and *lawakica* (cunning), yet intelligent and more trustworthy than Indo-Fijians. The Europeans were perceived as *dau ni veivakararamataki* or bearers of civilization, development and modernity but were also capable of incalculable evil through their *vuku* (intelligence).

Understanding these epistemological realities is important in examining perceptions of development amongst indigenous Fijians and how these views shaped affirmative action policies before and after independence. However, let us not forget that the Alliance Party had been in power since the election under the first universal suffrage in 1966, even before independence in 1970; and many Alliance Party affirmative action policies since independence were a continuation of policies from the pre-independence era. Mara, as a senior civil servant during the colonial era who had worked in many rural areas, was passionate about indigenous Fijian development. To him, future political harmony and stability in Fiji lay in getting indigenous Fijians on the path to economic development.

In 1960 the government put into place a development plan for the coming five years, with a heavy emphasis on communications and agriculture. The underlying intention “was clearly to boost economic growth in the Fijian sector of the economy, as a means of reducing racial tensions and as a necessary condition for ultimate political independence” (Bayliss-Smith and Haynes 1988: 129). In 1965 Development Plan 5, 1966-1970 (DP5) was put in place. Its focus was on growth, with a shift from the emphasis on public sector capital as in previous years. At the same time, there was a relaxation of the rigid Fijian regulations, and the *galala* plantation system was enthusiastically encouraged in order to create a new society of indigenous Fijian peasants who were market oriented and free from restrictive communal obligations. Earlier in 1961 the Land Development Authority (LDA) was established to administer and finance a new land development scheme (Burns 1963).⁵ This scheme was described by Watters thus:

Here clearly, is the type of institution needed to promote the settlement of interior pockets of land by Fijians and others as independent farmers on secure tenancies. If such institutions can avoid the twin dangers of excessive paternalism and bureaucracy and their planning is technically sound, they could play a crucial role in rural development and accelerate the rate of social change in Fijian society (Watters 1969: 274).

The emphasis here was to mainstream affirmative action into the government’s development plan. This was logistically effective because state resources could be easily “diverted” to indigenous Fijian rural projects through a national development framework; and it was politically clever because as part of the national economic plan it would not be seen as a separate indigenous Fijian project which would attract political flak. The idea of mainstreaming also related to the belief that progress involved rural-based indigenous Fijians being assimilated into the mainstream market economy. This notion was based on modernization discourse about the teleological path of development from traditional/rural to market/modern conditions.

About 500 new farmers were resettled by the LDA in 1964, mostly in Lomaivuna, on the main island of Viti Levu. This number doubled in 1965, and in 1967, as Watters (1969) recorded, 5140 new farms were created along new feeder roads, occupying a total area of 40,000 hectares. The Lomaivuna scheme involved commercial banana cultivation, while a scheme on the island of Taveuni targeted cocoa production. In less than a decade after it started, “this ambitious program

⁵ This is very similar to the Federal Land Development Agency (FELDA) in Malaysia to resettle Malays in rural areas for large scale agricultural production as we will see later.

quickly failed and collapsed altogether" (Brookfield 1979: 36). Just before independence in 1970, the LDA was abolished and its responsibilities were taken over by various government departments.

The failure of the LDA scheme was attributed to "falling yields, disease and hurricane damage" (Bayliss-Smith and Hayes 1988: 129).⁶ The reasons for "falling yields" were linked simplistically to "communal obligations" (Bayliss-Smith and Haynes 1988: 130). Relocation from strict communal village life to independent entrepreneurial farming constituted a major social and psychological transition. In most cases, the new settlers recreated new communal kinship, based on families being from the same provinces or on other forms of traditional links.⁷ In addition, many settlers saw their cash income as a way of meeting their communal obligations (communal fund-raising, provincial taxes, church levies, marriages, deaths etc.) back in their villages. This put pressure on many of them and greatly undermined their ability to accumulate wealth.

However, putting the blame purely on "culture" tends to over-simplify the process of transformation from subsistence life to the market economy. The "culture failure" theory prevalent amongst some economists (e.g. Ron Duncan 2007) argues from the neoliberal perspective that indigenous culture and entrepreneurship are incompatible and the former needs to be discarded if the latter is to survive. This view fails to appreciate the vast potential of indigenous culture in promoting entrepreneurial gains, as evident in many case studies in Fiji (Qalo 1997; Kingi 2006). The problem was not so much traditional culture as such but the lack of a process being in place to enhance entrepreneurial interests using both indigenous culture and market values in a mutually innovative way to enhance productivity. It has been proven that the two can co-exist, with one reinforcing rather than undermining the other, and there have been some amazing success stories of indigenous Fijian business which neoliberals have chosen to ignore. A model which revolved around enhancing the human capacity of the community for productivity rather than simply a capacity to serve the market could have worked.

Over the years, some indigenous Fijian businesses have done well by enhancing the capacity for production. To blame culture can unfortunately be interpreted by some as blaming an entire ethno-cultural group; and in the modern multicultural world to blame culture can be construed as dogmatic and ethnocentric. Nevertheless, the collapse of the LDA as an institutional enterprise did not necessarily mean the failure of the entire process because many of the

6 The establishment cost by the government was high, averaging £1,200. This included the cost of land clearance and planting, feeder roads and electricity supply. In addition to this was the cost of personal loans to settlers, most of which were never repaid (Ward 1965: 182-186).

7 Many of the settlers were from distant islands and provinces outside the places where the LDA schemes were located.

farmers, through government encouragement, remained as root crop, vegetable and *yaqona* farmers in a semi-subsistence way. Because many of the farmers were from the small islands such as those of the Lau Group, some of them saw the scheme not primarily as a money-making enterprise but as a chance to migrate from the small islands to Vitilevu, where educational and employment opportunities were available.

Towards the mid-1970s, as the euphoria of independence subsided, the government had to be seen to be committed to both national growth and indigenous development. There was demand for economic growth and import substitution and amongst the indigenous Fijian community the notion of *veivakatorocaketakini i Taukei* (Fijian development) was gaining currency within the rural communities and Fijian institutions. This idea was encapsulated Development Plan 6 (DP6) in 1970, which was strongly influenced by the Malaysian affirmative action plan in the form of the New Economic Policies (NEP), and which aimed to “improve distribution of incomes, including bridging of rural/urban and inter-ethnic disparities.” (Quoted in Fiji Central Planning Office 1980: 4). DP6 emphasised “rural development”, especially industries in which indigenous Fijians were most likely to be involved. By and large, rural development was associated with indigenous development, an approach based on the modernizationist notion of transformation of subsistence life into the market economy. This did not apply strictly to Indo-Fijians because, although most were rural-based, as sugar cane farmers, their lives revolved around the sugar industry and they were thus already mainstreamed into the market economy, although as poor cane producers. The rural development projects included pine planting, the Seaqaqa sugar cane project for indigenous Fijians and cattle projects in Uluisavou and Yalalevu, both on the main island of Viti Levu. These rural development projects were continued by Development Plan 7 (1976-1980) (DP7), which emphasised expansion and redistribution. The affirmative action intent of DP7 is summed up in one of its objectives thus:

The main beneficiaries of policies aimed at achieving more equitable distribution of income and wealth will be the rural population generally and the Fijian population in particular. Powerful economic forces have tended to concentrate economic activity and hence prosperity in the urban centres – especially Suva and Lautoka. This concentration has tended to perpetuate existing business and commercial specialization along ethnic lines. A major objective in the Seventh Plan period and beyond will be to decentralize economic activity by location and broaden involvement by race and to enhance opportunities, material living standards and the social and cultural amenities of the rural areas (Fiji Central Planning Office 1975: 5).

This development strategy, which attempted to change the close structural association between ethnicity and socio-economic status or class, was borrowed

directly from the Malaysian NEP. But unlike the Malaysian NEP, which was a massive social engineering undertaking involving politically-driven structural reconfiguration, the Fiji development strategy was a much softer program that operated purely at the policy level. Development Plan 8, 1981-85 (DP8) toned down the Fijian development strategy and focused more on diversification, generalized equity, self-help and the promotion of national unity. This was an interesting shift because, while the principles of equity and national unity were promoted, the ethnic factor was not made explicit, although it was assumed implicitly in the Plan's objectives. Diversification was to take the risky burden away from the Indo-Fijian-dominated sugar monoculture which, during the five years from 1975 to 1980, increased production by over 55%. Between 1970 and 1980 the contribution of sugar and its by-products to domestic exports rose from 66% to 81%; the share of sugar's contribution to GDP rose from 12% to 16%; and sugar's contribution to employment rose from less than 18% to over 22% of jobs (DP8 1980).⁸ The Plan's emphasis was on primary industries because of the perception that indigenous Fijians were more at home with the land.

There was also the view that, given the preponderance of Indo-Fijians in the sugar cane farming sector, indigenous Fijians could learn agricultural skills and do equally well either in cane or other areas of farming. The idea was to transform the indigenous Fijian culture of communal subsistence into the competitive world of a market economy. This was assumed to be the secret of socio-economic progress and growth. Development Plan 9, 1986-1990 (DP9) totally de-ethnicized the development framework, with the main focus on "real economic growth" (Fiji Central Planning Office 1985: 8). This was the period of global recession caused by the oil shock, and structural adjustment policies (SAPs) were being introduced into Fiji.

Some indigenous Fijian rural development projects

While the Development Plans provided the macro-framework for socio-economic development, there was effort at the ground level to make indigenous Fijian development work, despite overwhelming odds. Some of these efforts

8 Development Plan 8 emphasised the need for more exports, as well as the expansion of domestic production as a part of the import substitution policy. Large-scale agricultural enterprises were encouraged with the direct involvement of a number of actors: private corporations; the Native Land Development Corporation; the government in co-operation with the landowners; groups of small holders, and groups of small holders organised into larger units. A key aspect of this participation was the involvement of the indigenous Fijians to ensure that they were able to 'free up' their land for development purposes. The involvement of the indigenous Fijians was intended to ensure that some of their land would be opened up for cultivation and also to have them directly involved in cultivation and management themselves.

were the Seaqaqa Sugar Cane Scheme (SSCS), the Yalavou Beef Scheme (YBS), the Native Land Development Corporation (NLDC) and the Farm Management Development Co-operative Association (FMCA).

The SSCS project started in 1974 through a loan from the World Bank. Initially it was part of an attempt to integrate smallholders into large projects as a way of improving the distribution of income to rural areas and decreasing the high rate of failure amongst individual farms. Undeveloped native land was opened up and subdivided to settle about 802 farmers, both indigenous Fijians and Indo-Fijians. Because of the government's intention for greater participation by indigenous Fijians in the sugar industry, 448 indigenous Fijians, compared to 339 Indo-Fijians, were selected for the scheme. The Fiji Development Bank (FDB) provided loans to individual farmers. The scheme was under the overall supervision and management of the Fiji Sugar Corporation (FSC), which provided technical support and which set the demanding target of 200,000 tons of cane to be harvested by 1980. This target was surpassed by 50% and the SSCS was hailed as an exemplary success. However, the predominance of sugar as a monoculture was contrary to the World Bank's expectation there would be mixed cropping:

In addition to sugar cane, each farm is being planted with about 1 ac of mixed citrus and 0.1 ac of pineapples for the local market. Subsistence rice, root crops and vegetables would be grown on small plots... (World Bank 1976: 8).

The scale of the Seaqaqa scheme relative to Fiji's economy was indeed a massive undertaking which amounted to at least 10% of all government expenditure on economic services in the late 1970s. The loans by the FDB to the settlers within the same period accounted for 30% of the total agricultural loans portfolio (Fiji Bureau of Statistics 1983: 32).

One of the major concerns about the scheme was the relatively low performance of indigenous Fijian farmers compared to their Indo-Fijian counter-parts (Young and Gunasekera 1985). For instance, in 1981, a higher proportion of indigenous Fijians failed to produce enough cane to cover the credit allowance provided by the Fiji Sugar Corporation at the beginning of the season to cover input costs. The credit allowance, referred to as the Farm Basic Allowance (FBA), was calculated in terms of the amount of land the farmer had prepared and made ready for planting, and was expressed in terms of the anticipated production of cane to be delivered to the sugar mill in Labasa. Of all the Seaqaqa farmers, only 53% managed to meet their FBA repayments. Of the successful farmers, 32% were indigenous Fijians and 78% were Indo-Fijians (Young and Gunasekera 1985). Moreover, the reasons given were:

Native Fijians were less interested participants and had to be actively recruited from the very beginning. They also suffered numerous failures as individuals, and more than two-thirds of all Native Fijians in the project did not meet their production quotas. Relatively poor entrepreneurial performance by Native Fijians is a phenomenon that has been noted consistently for decades. This is related to lack of knowledge about the capitalist economy and the pull of village communal obligations in using up their time and resources (Young and Gunasekera 1985: 10).

Although the observations above tend to be over simplistic, they do raise an important question regarding the inability of policy planners, most of whom were trained in mainstream economics, to create a model which allowed for mutual cross-fertilization between communal culture and entrepreneurship. The major strategy they used was to parachute subsistence indigenous Fijian farmers drawn from villages into the middle of the cash economy and hope that they survived through self-adaptation and even miracle. Indigenous Fijian farmers who settled on Seqaqa maintained strong links with their original communities. They organised themselves into groups along provincial lines and there were expectations by their *koro*, *yasana* and relatives to contribute to communal fund-raising. Often there were psychological sanctions against non-commitment to these obligations in the form of allegations of being anti-*vanua*. Some indigenous Fijian farmers who could not cope sold their farms to Indo-Fijian farmers. To many of these indigenous Fijians, commercial farming life was a mere diversion from their less stressful semi-subsistence life in the village which they could always go back to, while for Indo-Fijian farmers, sugar cane farm life was all they had and they had to work hard to maintain it. This also accounted for the different attitudes and different levels of success in cane farming between indigenous Fijians and Indo-Fijian farmers.

Another significant factor about the Seqaqa scheme was the mobilisation of communal labour for cane harvesting. Most of the cane cutters were recruited from villages in various provinces by the provincial councils to provide income, not for themselves, but for their Provincial Councils. Of the total number of cane cutters during the 1982 season, 1,988 (86.7%) were indigenous Fijians and 265 (13.3%) were Indo-Fijians. In terms of regional distribution, 70% were from the Northern Division; 26.8% were from the Eastern Division and 3.3% were from the Central Division. The workers received FJ\$5 a day gross, but for those who were part of communal groups, "communal savings schemes absorbed a high proportion of this wage" (Bayliss-Smith and Haynes 1988:140).

The exploitative character of communally-organised labour was well illustrated by the case of the workers from Lau Province. A total of 236 were recruited by the Lau Provincial Council for the 1982 season. Transport was provided free for the islanders, who came from seven small islands in the province. The recruits

came from the islands of Moala (3 villages), Vanuabalavu (3 villages), Kabara (1 village), Nayau (2 villages), Cicia (3 villages), Ono (1 village) and Matuku (1 village). As Table 3.1 shows, their gross pay averaged FJ\$1.46 per person/day for the five-month season. Almost half of the wages went to living expenses and contributions to communal schemes, leaving FJ\$0.83 for the cutters themselves. For the whole season, each of the 14 villages from which the workers originated gained on average FJ\$727 in communal savings and only FJ\$127 net for each worker. In other words, only 15% of the total amount of cash went to the individual workers and 85% went to the *vanua* (community).

Table 3.1 Gross and net pay of Lau Islanders recruited by Lau Provincial Council to cut cane at Seaqaqa, 1982 Season (FJ\$)

Month (number of cutters)	Gross Pay	Accommodation Costs	Savings for Village Schemes	Net Pay Total	Net Pay Per Person
June (236)	7,940	2,260	2,260	3,420	14.50
July (236)	9,019	260	2,260	4,499	19.06
August (192)	9,139	1,510	1,870	5,759	30.00
September (193)	11,753	2,240	1,880	7,633	39.55
October (193)	9,102	1,910	1,910	5,282	27.37
Season's Total	46,953	10,180	10,180	26,593	25.33
Av.(per person)	1.46 (daily)	0.32 (daily)	727 (season)	0.83 (daily)	127 (season)

Source: Lau Provincial Council, *Lau 21/45 Cane Cutting*, File in District Office, Lakeba.

The distribution of income between the individual and the village community, as shown in the table above, clearly illustrates the point that communal obligations for cane workers were paramount over their individual accumulation. This was not so much due to the culture of the workers but to the way they were organized and the hegemonic institutional arrangement they worked under. The Lau Provincial Council was responsible for the entire logistical operation including recruitment, travel, work organization and allocation of pay. The Chairman of the Lau Provincial Council was Mara, the paramount chief of Lau and who was himself the Prime Minister and leader of the Alliance Party. Mara himself owned a cane farm in Seaqaqa and the use of cheap communal labour directly benefited him.

Thus the case of Seaqaqa, one of the Alliance government's flagship development projects as a form of affirmative action for indigenous Fijians, was one of the rare opportunities for indigenous Fijian and Indo-Fijian farmers to work side by side. While there was trans-ethnic engagement at one level on the farms, there was also the familiar communal segregation at another level. For instance, a separate farmers' association for indigenous Fijians, called the Seaqaqa Fijian Co-operative Society (SFCS) was set up and became the basis for their

commercial solidarity. The formation of the SFCS was based on the assumption that as indigenous Fijians were new to commercial farming, it was prudent to form a co-operative, something rural indigenous Fijians were used to, to provide them with the necessary organizational, social and psychological support in a regimented farming environment. It exemplified the ambitious pursuit of the political imperative of Fijian development that relied on the deployment of a communal strategy to advance indigenous Fijian interests in a market economy.

As far as indigenous Fijian farmers were concerned, the Seaqaqa scheme was a mixed success. While there were failures, there were also success stories; but in the national scheme of things, indigenous Fijians were still in the minority as far as sugar production was concerned. Despite the Seaqaqa scheme, the proportion of sugar produced by indigenous Fijians remained stagnant. As Table 3.2 shows, in 1989 Indo-Fijians produced FJ\$161.91 million (95%) worth of sugar while indigenous Fijians produced only FJ\$25 million (0.5%). In 1993 the production figures were FJ\$156.99 million (86%) for Indo-Fijians and FJ\$22 million (0.5%) for indigenous Fijians (Fiji Sugar Corporation 1994).

Table 3.2 Sugar production by ethnicity, 1989-1993

	Indo-Fijian	Indigenous Fijian	Others	Total
	Value (FJ\$m)	Value (FJ\$m)	Value (FJ\$m)	Value (FJ\$m)
1989	161.91	25.27	3.34	190.52
1990	142.59	19.94	3.31	165.84
1991	144.14	23.05	4.82	172.02
1992	164.15	24.26	5.86	194.26
1993	156.99	22.81	2.19	182.01

Source: Fiji Sugar Corporation Industrial Statistics.

A common development strategy used in the 1970s and 1980s was the formation of producer co-operatives. In Chapter 2 we saw that one of the drawbacks of the co-operative society was the misconception that communal labour under the Fijian Regulations was compatible with co-operative society principles. This misconception continued into the post-colonial era. Thus Development Plan 7 of 1975 emphasised the formation of producer co-operatives to stimulate cash cropping as a tool of development policy for indigenous Fijians (Fiji Central Planning Office 1975). Thus one of the major initiatives was the setting up of the Farm Management Co-operative Association (FMCA) in 1978 with the support of the Ministry of Agriculture, Ministry of Co-operatives and the Ministry of Fijian Affairs and Rural Development. The objectives of the FMCA were along the lines of the strategic thrust of national agricultural development in Development Plan 8, which were: to provide management services to indigenous Fijian landowners who wished to pursue commercial development of their land; to ensure that

land was developed on a sound commercial basis and was used in accordance with proper principles of land utilisation; to provide a training ground for indigenous Fijian land owners and young farm managers in agricultural and management skills; and to provide income for the indigenous Fijian land owners and employment for people living in rural areas (Fiji Central Planning Office 1980). The FDB provided capital support and financial management advice.

The FMCA scheme had mixed success. Its initial and main project, the Tailevu Dairy Co-operative, ended up accumulating debts and other projects too went the same way and had to struggle to survive. The 'failure' has been attributed to:

...a lack of focus of responsibility in the Native Fijian communal system, unskilled management, lack of financial accountability, and the subdivision of land into blocks that were farmed individually. The failure rate amongst Native Fijian block-holders was high as they lost interest in going it alone and went back to their villages (Young and Gunasekera 1982: 13).⁹

The communal tendency of indigenous Fijians has again been blamed as a major hindrance to accumulation. Of a similar scheme in Lovoni, Ovalau Island, Young (1984) noted that the ongoing power struggle between the village chief, who wanted political control of the co-operative, and the co-operative executives, who wanted to maintain a purely technocratic line of management, threatened to destroy the producer co-operative. Young also described how a co-operative farmer gave away six of his cows for a relative's wedding, without expressing any feeling of loss. This act of "generosity" was (and is) common amongst indigenous Fijian entrepreneurs. While they were encouraged to accumulate, they were also encouraged, in fact psychologically coerced at times, to respond promptly and obediently to communal obligations.

Another major project was the Yalavou Cattle Scheme (YBS), which was set up by the government in 1978 with Australian bilateral assistance of FJ\$7 million. The mostly indigenous Fijian farmers were provided with 500-acre blocks in a 62,000 acre area of native land near Sigatoka in the South-western region. The farmers were nominated by the landowning groups and were gradually settled on the allocated blocks. By 1982, there was a total of 86 farmers raising cattle and goats. Some of the problems encountered in Yalavou were very similar to the problems in Seaqaqa. But in Yalavou, most of the farmers were from surrounding

⁹ However, there were other factors, such as the deregulation policies of the government in the 1980s, which saw the dramatic demise of many co-operative projects. Importation of cheaper New Zealand dairy products by Rewa Dairy, the main dairy manufacturer, made it difficult for the Tailevu Dairy Co-operative to compete.

villages and because of this they were still closely tied to their communities. The Yalavou scheme, despite its problems, continued to operate until August 1998, when it was temporarily closed due to unscrupulous business practices.

Perhaps one of the most ambitious Alliance initiatives, this time involving the Fijian Administration, was the setting up of the Native Land Development Corporation (NLDC) in 1974 as a commercial subsidiary of the Native Land Trust Board. The NLDC was to be involved in capital-intensive projects that were integrated into both the domestic and foreign market. It was to be involved in property management, real estate, merchandising and agriculture. The first NLDC project was a FJ\$1.2 million, 1600-acre mechanised sugar cane plantation which was part of the larger Seaqaqa Cane Scheme. This was followed by a FJ\$1.5 million investment supported by Australian aid for highly mechanised production of pigeon peas in Western Vanua Levu. The third project, worth FJ\$1.5 million, was for horticultural production (mangoes and pawpaw) near the Nadi International Airport, for export. In addition the NLDC was involved in rice production.

All the NLDC projects failed and the NLDC debts had to be paid by the government. An important point to note is that the NLDC was in fact a neo-traditional institution clothed in capitalist garb. As an arm of the NLTB, itself a neo-traditional establishment, its political and economic direction was the prerogative of chiefs who were members of the NLTB board. The President of the NLTB was the Governor General, himself a high chief, and members of the board consisted of chiefs and indigenous Fijian technocrats loyal to the Alliance Party. This system of Alliance cronyism was temporarily "broken" when the Labour Party's Dr Bavadra became a board member while he was prime minister for a month before he was overthrown in a military coup in 1987. The NLDC embodied a dichotomy between communalism and accumulation. It also embodied a trade-off between commercial merit and communal cronyism. The collapse of the NLDC showed that communal capitalism contributed neither to private accumulation nor to communal wealth. Wealth was 'virtual' in that it was expressed in the form of communal prestige rather than in material manifestation.

However, contrary to existing stereotypes that indigenous Fijians were 'culturally' not capable of entrepreneurship, the problem needed to be contextualised in relation to the pressures exerted on indigenous Fijians by the socio-political power structure to maintain a communal way of life to 'protect' them from being 'undermined' by other ethnic groups. This provided legitimacy for communal mobilisation, even in the context of a competitive market economy. In other words, communalism was not necessarily a primordial cultural feature, but needs to be explained in a broader socio-political context of power relations and hegemony. Nevertheless, communal investment was

encouraged at various levels of indigenous Fijian society. At the provincial level, the Alliance government sought to strengthen the Fijian Administration's economic capability by encouraging *yasana* investment. Some of the early Provincial Council investments were in the area of wholesale and retailing co-operatives, shipping, bus companies, copra production, piggeries, poultry farms, sugar cane and dairy farming and investment in existing companies belonging to other ethnic groups. As an example, in the 1970s the three Provinces of Cakaudrove, Bua and Macuata formed a company called CBM (Cakaudrove Bua Macuata), headed by the paramount chief and former President of Fiji, Ratu Sir Penaia Ganilau, with interests in diverse forms of investments. In addition, CBM bought 2.5% of the shares in a major local company, Stinson and Pearce Limited, owned by a European former Alliance Party Finance Minister. CBM's investment in the Ferry Freights Company, totalling FJ\$150,000, was lost when the company collapsed.

The province of Tailevu invested FJ\$56,000 in the now-liquidated Fiji Poultry Company and other agricultural projects. The Province of Rewa also invested in a bus company which was also liquidated. The province of Lau set up the Yatu Lau Company as its investment wing and began investment in bus companies and shipping, under the chairmanship of its paramount chief, Prime Minister Mara. The company still continues and is heavily involved in real estate. The Province of Kadavu also set up the Kadavu Development Company and later Kadavu Holdings and was involved in an inter-island ferry service which failed. It is now involved in real estate. Other Provinces were involved in similar communal investments. In the early days the directors of these companies were mostly chiefs. Traditional status rather than commercial sense became a natural qualification for company directorship. This changed over time as younger and more educated people began to take over running of these companies. Today, almost every province in Fiji has an investment company involved in major projects such as real estate, commercial farming, shipping and other enterprises.

Perhaps the most successful commercial affirmative action scheme of the Alliance government and the Fijian Administration was Fijian Holdings Company, formed in 1984 by the Great Council of Chiefs. It has now grown into one of the biggest companies in Fiji and remains as the flagship affirmative action project of the government and Fijian Administration. The company will be discussed in detail later. In the early days, the shareholders were limited to Fijian Administration institutions such as provinces, NLTB and the Fijian Affairs Board.¹⁰ The provinces

¹⁰ Private shares were opened up in 1992, but only for those officially categorised as "Fijians"; that is if one is registered in the *Vola ni Kawa Bula*, the indigenous land and communal Fijian registration record, kept by the Native Land Commission (NLC).

collected their capital through communal collections (*soli-vakavanua*). It was the first real attempt at communal capitalism in Fiji (the communal mobilisation of resources for capitalist investment) on a large scale.

A significant feature of the NLDC and the provinces' approach to communal investment was the institutional 'collaboration' between the central government under the Alliance and the Fijian Administration institutions (NLDC and Provincial Councils in this case). Thus any development policy that involved the Fijian Administration institutions was, either deliberately or unconsciously, an extension of the Alliance government's communal and hegemonic design. Thus the communalist political and ideological strategy of maintaining the paramountcy of Fijian interest overshadowed the basic commercial rationale of generating material benefits. Indigenous Fijian failure in business was ascribed to a lack of resources for business success, such things as lack of capital and specific business skills; but the real cause was the influence of powerful social forces. As I will argue later when considering the case of the Fiji Development Bank's Commercial Loans to Fijians Scheme (CLFS), the problem was not capital, nor even skills, but the overall design of the process, including its conceptualization, implementation and monitoring. Communal investment itself led to de-skilling since it emphasised a collective but limited contribution by individuals rather than encouraging individual thrift and sharpening individual skills; and a lot of finance poured into indigenous Fijian business was diverted or undermined by communal pressures and obligations.

Nevertheless, the government was convinced that the three main reasons for "weak performance of Fijians" in business were: "deficiencies in business skills, a culture that is generally not conducive to business practices and achievement, and lack of capital" (Fiji Government 1993: 55). These 'excuses' missed the forest for the trees because, as I have argued earlier, the relations of production based on communalism discouraged the development of skills and the desire for accumulation. Also, the stereotypic, racist and self-defeating argument that blames "a culture that is not conducive to business" has become a sort of self-fulfilling prophecy which many indigenous Fijians themselves have been led to believe. My argument is that the 'culture' of the indigenous Fijians as an ethnic group was not the problem; rather, it was the pattern of communal hegemony that was imposed and reproduced deliberately from the political level and which, over the years, has permeated throughout various levels of society and permanently crystallised as traditional 'Fijian culture'. The ability to distinguish between ethnic (or Fijian) culture and political control disguised as ethnic 'culture' has become conceptually problematic and the source of current confusion.

Response to the failure of indigenous business

The consistent failure of indigenous Fijian business led to the formation of a Project Evaluation Unit (PEU) in the Ministry of Fijian Affairs in February 1974. The PEU's terms of reference included "evaluation of projects and requests for financial assistance, provision of management, accounting, and extension services, technical and economic feasibility studies and the identification of obstacles to the entry of Fijians into commerce and industry" (Fiji Government 1980: 23). In 1975, the unit changed its name to Business Opportunity and Management Advisory Service (BOMAS) and it was later moved and attached to the FDB, where it met its ultimate demise. It was later resurrected as the Client Advisory and Training Department (CATD) in the late 1980s.

For provision of capital, in 1974 the government asked the FDB to introduce a "soft loan" scheme, with a maximum of FJ\$100,000, specifically to help indigenous Fijians engage in business. It was called the Commercial Loans for Fijians Scheme (CLFS) and part of the conditions of the soft loans were that the interest rate was subsidised by 1%, the bank's security requirement was relaxed, and there was a cash contribution of one-third of the value of the total project. But when the plan was revealed, it was strongly opposed by the Indo-Fijian-dominated Suva Chamber of Commerce, who saw it as "discriminatory and therefore contrary to the country's constitution" (Vusoniwailala 1976: 48). This led to controversy in the media which saw indigenous Fijian letter writers expressing nationalist sentiments under such headlines as "Indians Out of Fiji" and "They Don't Appreciate Fijians". One correspondent suggested that "by their opposition to governmental plans to improve the indigenous race's lot, the Indians of the Suva Chamber of Commerce showed the ingratitude of the Indians to the Fijians' hospitality" (*Fiji Sun*, 5 May 1975). Opposition to the special Fijian commercial scheme was due to Indo-Fijian businessmen seeing it as a competitive threat to their monopoly of the small business domain. The FDB project proposed to produce a class of indigenous Fijian entrepreneurs which could integrate into the Indo-Fijian-dominated business sector and break the cycle of an Indo-Fijian monopoly. The ethnic hostility it created was not surprising, as Indo-Fijian businessmen thought that state-subsidised business for indigenous Fijians was tantamount to unfair competition. Nevertheless, the project went ahead as the Alliance Party had promised its indigenous Fijian constituency.

While indigenous Fijians were being encouraged to enter agricultural production, the state itself was involved in direct capitalist production. By the 1980s, the state, under the Alliance government, had become directly involved in capitalist accumulation through its monopoly of the sugar industry, water supply, electricity, fish cannery, air services and forestry (Sutherland 1993;

Naidu 1989). It was also closely aligned to expatriate capital by subsidizing the mining and tourism industry. Tourism not only benefited expatriate investors, it also generated wealth for a small group of chiefs, whose tribal land was leased to hotels, and most of whom had direct links with the Alliance Party hierarchy. Alliance elites and big business were closely linked. Some of the richest men in Fiji, such as Charles Stinson, Jim Ah Koy and Mahendra Patel, were closely linked to the Prime Minister, Mara. Mara was also known to have established a business empire of his own. The nationalist agitations of the 1970s and 1980s pointed out these business links as 'evidence' of the betrayal of the indigenous cause by Mara and the Alliance government. Despite attempts to serve the interests of indigenous Fijians through preferential policies, the positive impacts were not sufficient to create a visible indigenous bourgeois class and so satisfy the increasingly high expectations of indigenous Fijians.

It is true that the Alliance government's economic affirmative action policies for indigenous Fijians in the 1970s and 1980s were wide-ranging, but the success of those policies, so far as developing an indigenous Fijian entrepreneurial class was concerned, was mixed. Some individuals took advantage of the situation and succeeded, while most did not. This heightened frustration amongst indigenous Fijians; and someone had to be blamed. Nationalist conspiracy theorists pointed fingers at Indo-Fijians, and ultimately the Alliance Party, for allowing Indo-Fijians to thrive unchecked while indigenous Fijians were not provided with the same opportunities, despite the Alliance's pro-indigenous policies over the years. The nationalists argued that the Alliance's affirmative action policies were merely cosmetic exercises and that the real beneficiaries of Alliance policies were the indigenous Alliance elites and business elites of other ethnic groups. To bolster their political firepower, the nationalists joined forces with the militant unions and many joined the Fiji Labour Party when it was formed in 1985.

While the Alliance Party was being attacked by the nationalists from one side, it was also assaulted from the other side by militant unionism, starting in the 1970. Trade unions provided indigenous Fijian workers with an autonomous political space to express their new identity as members of the new proletarian class outside the confines of traditional loyalty. But for survival indigenous urban workers had to continually negotiate the multiple layers of loyalty, be they religious, political, cultural or professional, in an increasingly complex situation. The intensification of militancy within trade unions in the 1970s and 1980s was a direct consequence of the dramatic expansion of the capitalist economy after independence, through a shift from import-substitution to deregulation and export orientation and with it the increasingly unilateral control of the industrial relations machinery by the state and the restriction of workers' rights (Howard 1991). Increasing deregulation provided foreign and local capital the leverage to maximise profit while squeezing workers hard.

Ironically, it was the result of the seemingly contradictory policy of the Alliance government which, at one level, was encouraging communalism, yet at another, was promoting economic growth.

Threat to Alliance hegemony

Pro-indigenous policies were pursued within a dramatically changing economic and political landscape at a time when communal politics was coming under pressure and working-class consciousness was being articulated in a militant way. In the 1970s and 1980s there was a dramatic expansion of the indigenous Fijian urban working and professional classes which, despite the attempts of the indigenous elites and the Alliance government to keep them under their guardianship and within their orbit, had formed alliances with Indo-Fijian workers. This was to transform the Fiji political landscape forever. The working class, through the unions, was beginning to exert its power through industrial action and this posed a threat to the ruling Alliance Party. The consolidation of the economy led to the emergence of a more organised and articulate labour movement. In 1970 there were eight strikes involving 887 workers, resulting in 752 lost man-days; in 1971 there was a total of 28 strikes involving 4063 workers, resulting in the loss of 20,970 man-days. A year later, in 1972, there were 46 strikes involving 8,404 workers with a loss of 214,721 man-days. The 1973 figures were 19 strikes, involving 9,083 workers and a loss of 807,972 man-days (Reddy 1974: 11).

Most unions were multi-ethnic, except for the teachers' unions, which consisted of the predominantly indigenous Fijian Teachers Association (FTA) and the predominantly Indo-Fijian Fiji Teachers Union (FTU).¹¹ Urbanised indigenous Fijian workers (who numbered about 52% of union membership in the 1970s) were less susceptible to communal pressures than were their rural counterparts, and were readily inclined to join unions. Despite this, many of them were still loyal to their chiefs and still identified with the communal ethos. Communal loyalty recognised no geo-social boundary and encompassed both the rural and urban spheres yet, at the same time, was not total: workers would simultaneously show loyalty to their *vanua* and loyalty to their unions. The former provided them with their sense of ethno-cultural identity and the latter with their means of socio-economic survival. In fact as a result of urbanisation the urban centres increasingly became important for communal organisation. For instance, a large number of chiefs lived in the urban centres and conducted collections for communal investment.

¹¹ The two teachers' unions later merged into the Fiji Teachers Confederation, but still maintained their distinctive ethnic identities.

Growing industrial unrest led to the enactment of the 1973 Trade Disputes Act to regulate union powers. But a more corporatist approach was put in place in 1976 with the formation of the Tripartite Forum, consisting of trade unions, employers and government representatives to collectively manage the industrial relations process (Kumar 1980).¹² The corporatist strategy collapsed in 1985 as a result of the government's unilateral imposition of a nation-wide wage freeze, recommended by the World Bank employment mission, which argued that Fiji's salaries were internationally uncompetitive and needed to be reduced to enhance export potential.¹³ The IMF experts also thought that wages in Fiji were "15% too high" (Narsey 1985: 3).

During this period Fiji was reeling from the effect of the global economic crisis that enveloped the world economy in the 1980s. Fiji's economy was hit by a reduction in sugar production and lower returns for exported sugar and a decline in the tourism industry. Fiji's foreign debt increased by 754%, from FJ\$35 million in 1970 to FJ\$264 million in 1981. In 1979 alone, debt servicing constituted 18% of the annual budget. The state intervened harshly with 'rationalisation measures' such as pay cuts, redundancies of unestablished workers and the withdrawal of job guarantees for government-sponsored graduate teachers. This led to widespread protests, including a graduate teachers' hunger strike. In its 4-5 February 1985 Economic Summit the government justified the wage freeze thus:

...to create savings (of about \$36 million) that can be used to spread the benefits of development more evenly among the population. The freeze should result in more money flowing into the banking system. This should make more finance available for loans-especially for projects that will boost industry, agriculture, export earnings and create jobs. It will encourage business to expand and invest. It should help to keep redundancies to a minimum or avoid it (Fiji Government 1985: 1)

The trade unions argued that the unilateral wage freeze was not only an extra burden on the workers but also a denial of democratic processes. They saw the freeze as direct state intervention on behalf of the capitalist class, an action which used workers as sacrificial lambs to facilitate private accumulation (Naidu 1986; Howard 1991).

Apart from the imposed neo-liberal reforms, Mara's government was increasingly becoming authoritarian and was moving more and more towards the right. Its

12 Despite this, some militant unions such as the Fiji Mine Workers Union (FMWU) continued to resort to industrial action. As a result of the 1977 FMWU strike, 700 workers lost their jobs and the union was de-registered. A common trend in the 1970s was that militant union leaders were quickly "tamed" and co-opted into the ruling Alliance Party in various capacities.

13 A 1982 World Bank-funded employment mission undertaken by the Institute of Development Studies (IDS), University of Sussex, made these recommendations.

foreign policy was being greatly influenced by the United States' Cold War agenda. An example was that, in 1982, under US pressure, Fiji banned Soviet ships from calling into Fiji ports and, at the same time, allowed previously banned United States nuclear powered and armed ships to come into Fiji ports.¹⁴ Mara's government was seen by the radical unions as becoming increasingly despotic, with a powerful clique of chiefs and businessmen at the helm, mutually accommodating each other's interests and with an eye for union bashing. There were also allegations of corruption at the top which led to several scandals.¹⁵

Increasing authoritarianism at the national level was an indication of uneasiness about the growing opposition to Alliance hegemony, even from within the indigenous Fijian community. As Sutherland suggests, the "upper echelons of the Fijian community were worried that they were losing control over the Fijian masses" (Sutherland 1993: 179). So the Great Council of Chiefs in 1983 proposed a major reorganisation in the Fijian Administration. The last reorganisation was in the mid-1960s, when the Fijian regulations were withdrawn. But the resulting emancipation of indigenous Fijians was perceived by the Fijian power bloc as undermining its hegemony: "the abolition of the Fijian Regulations and the winding up of the Fijian judicial system, together with the non-enforcement of by-laws, meant that many of the decisions of the Provincial Councils were not pursued to their logical conclusion" (Fijian Affairs Board/Great Council of Chiefs 1985: 65). The Great Council of Chiefs wanted to strengthen communal authority at the provincial level as a means of controlling urban drift and an increase in crime amongst youth and, also, to maintain a disciplined communal workforce. Their concern was that the "line of authority from the Provincial Council to the [Fijian Affairs Board], the Great Council of Chiefs and the Minister of Fijian Affairs is clear and understood...[b]elow the Provincial Council the Fijians tended to wander from one authority to another" (Fijian Affairs Board/Great Council of Chiefs 1985: 68). The Cole Report which resulted from this review recommended the extension of the power and jurisdiction of the provincial administration (Cole 1984).¹⁶ This effectively would have consolidated communal mobilisation at the provincial and grassroots level to maintain the Alliance's

14 This directly led to the formation of the Fiji Anti-Nuclear Group (FANG) by the trade unions, churches, students' unions and other civil groups.

15 A leading article in the *Fiji Sun* daily in 1985 titled "The Mara Empire" revealed the extent of wealth of Prime Minister Mara and his links with Fiji's leading businessmen. As a result, the *Fiji Sun* was sued by Mara for defamation.

16 Interestingly, the Cole Report was never implemented. The Alliance government announced one month before the 1987 election that it was going to be implemented. After the Alliance lost the election, the plan fizzled out. As late as 1994 Rabuka's government announced that it was going to implement the Report. This was met with opposition from many indigenous Fijians. The latest reorganisation of the Fijian Administration was made in 1998 when the Fijian Affairs Board was made independent from the Ministry of Fijian Affairs. We will discuss this later.

power base at that level. This was important for the Alliance's political influence and survival, to counter indigenous Fijian political 'dissent' in various forms, such as agitation through unionism in the urban areas.

Indeed the biggest threat to Alliance hegemony started when trade unions organised a 'Labour Summit' to counter the anti-union policies of the Alliance Party. An academic who presented a paper at the summit argued, in response to the wage freeze, that the "net effect must be that the wages and salaries freeze means a forced transfer/gift of what would have gone to employees as increments to their wages and salaries, into the ownership of the employers" (Narsey 1985: 4).¹⁷ This trans-ethnic orientation, which put class struggle at the centre of the debate, set the tone for a new political paradigm. Thus the unions, in a later forum, accepted a resolution that a Labour Party be formed as a forum for the political mobilisation of workers of all ethnic groups, and to provide an alternative political organisation to counter the unilateral economic policy impositions of the ruling Alliance Party and the implicit support of the ineffective official opposition party (Naidu 1986). Both the ruling Alliance Party and the opposition NFP were seen to represent "bourgeois interests", underneath their explicit ethnic characters (Narsey 1985). They both advocated neo-liberal structural adjustment policies (SAP) and the curtailment of union power. The Alliance government had every reason to be wary, since the principles of the Labour Party were antithetical to communalism and neo-liberalism, the two major ideological foundations of the Alliance government. The NFP was also wary of the formation of the Labour Party because Labour's trans-ethnic appeal could undermine its fundamentally ethnic power base.

One of the significant developments at this crucial stage of political realignment was a split within the unions. In April 1985 the white-collar unions formed a confederation of public sector unions. It consisted of the Fiji Public Service Association (FPSA), the umbrella civil service union and largest union in Fiji, the two ethnic-based teachers' unions (now the Fiji Teachers Confederation) and ten others. The blue-collar unions, on the other hand, led by the Fiji Public Employees' Union (Fiji's second largest union) reacted to this by forming a confederation of their own. The split manifested the political and ideological contradiction that was to drive the unions apart; the blue-collar unions wanted to remain "apolitical" (Naidu 1986: 42) while the white-collar unions wanted a more confrontational and reformist strategy, achieved by forming the Fiji Labour Party (Howard 1991). The blue-collar workers' unions consisted mostly of casual and permanent manual labourers, whose bargaining positions were weakened by the insecurity of their jobs and the close political links of their leaders with

17 Dr. Waden Narsey, an IDS DPhil graduate, presented a paper titled, "The Wage Freeze and Development Plan: Contradictions in Fiji Government Policy," which provided the economic discourse that was to be the basis of the formation of the Fiji Labour Party.

the Alliance hierarchy. The largest blue-collar workers' union, the Fiji Public Employees' Union (FPEU), was led and controlled by indigenous Fijians who were closely aligned with the Alliance elites. The white-collar unions, given their resourcefulness and relatively independent political aspirations, were more disposed to contest state control; thus their desire to form the Fiji Labour Party. Despite opposition from the blue-collar union leaders, the decision to form the party was made on 9 May 1985, during the biennial conference of the Fiji Trade Union Congress (FTUC). The Fiji Labour Party was formally launched on 6 July 1985.

In a way, these developments were taken seriously by the Alliance government, which saw its indigenous Fijian power base being eroded by militant unionism. Its affirmative action policies were meant to keep the loyalty of indigenous Fijians intact. The focus on rural development-based affirmative action had minimal impact on urban indigenous Fijians, who were more independent and less amenable to chiefly control than were rural dwellers. In short, affirmative action as a means of communal hegemony and consolidation of indigenous loyalty was not working as well as was anticipated.

The emergence of the Fiji Labour Party (FLP) reconfigured the dynamics of political power and shifted the debate from the usual Fijian versus Indian dichotomy to one based on a claim to the legitimate guardianship of indigenous Fijians. This posed a direct threat to the Alliance's hegemony and at the same time gave the new FLP a sense of orientation into the new world of rhetorical and ideological warfare. Both parties wanted a share of indigenous support to enhance their legitimacy and their image. For the Alliance Party, indigenous Fijian support was crucial for its identity and survival; while the FLP needed to rebrand itself to shake off the image that it was an ethnically Indian party. The indigenous question became the battleground for political and ideological contestation as both sides accused the other of being "anti-Fijian", while reserving the claim to be "pro-Fijian" for themselves.

The FLP, led by Dr Timoci Bavadra, an indigenous Fijian medical doctor and unionist, fought the 1987 election in a Coalition with the predominantly Indo-Fijian National Federation Party (NFP). This happened despite consensus during an FLP general meeting in Lautoka that no coalition of any sort should be entered into with the NFP. With the new image of a multi-ethnic and clean party, the FLP was to distance itself from the NFP, which was tainted with an ethnic "Indian" image. In protest at the coalition, some withdrew support from the FLP, but the leadership of the party, spearheaded by powerful and uncompromising labour leaders and some left-leaning intellectuals, was determined to move ahead.

Contestation over indigenous development

The Coalition's main election messages were targeted at the "poor, weak and disadvantaged" and at the promotion of "multi-racialism" (National Federation Party-Labour Party Coalition 1987). Amongst the Coalition's concerns in this regard was the lack of economic progress of ordinary indigenous Fijians, which was blamed on neglect by the Alliance government, patronised by the chiefs and aligned with business.¹⁸ As I have discussed earlier, the power base of the Alliance government, under Mara, was chiefly and dependent on communal hegemony and this was identified by the Coalition as the major factor responsible for indigenous Fijian economic backwardness. On the other hand, the Alliance pointed out that for sustenance of political stability, chiefly authority was crucial; and a multi-ethnic business elite was needed for economic growth and progress. While the FLP approach was based on an urban-based social democratic ideology, the Alliance Party had a more conservative position which encompassed a combination of interests including big business, the chiefly hierarchy and conservative communal values.

The rhetorical battle was taking place at a time when the Fiji economy was going through a recession and when indigenous Fijian participation in commerce had been improving, though not quickly enough. There was Indo-Fijian exclusive dominance in a range of economic sectors such as retail, wholesale, transport and the motor industry, amongst others, and they had the majority of practitioners in some professions.

Indo-Fijian businessmen had exclusive control of various sectors of the economy such as transportation, real estate, merchandizing and retail, to name a few; and at the same time there was no readily visible indigenous Fijian entrepreneurial class. Comparative figures provided by the Bureau of Statistics on 'economic activity' confirmed the socio-economic disparities. For instance, 23% of positions in the administrative and managerial category were occupied by indigenous Fijians, compared to 77% by Indo-Fijians. Among the clerical and related workers, 38% were indigenous Fijians and 62% were Indo-Fijians, while in the sales workers' category, 26% were indigenous Fijians and 74% were Indo-Fijians (Fiji Bureau of Statistics 1989: 52).

¹⁸ Other Coalition election pledges included: anti-corruption legislation; a leadership code; abolition of the *Official Secrets Act*; and enactment of a freedom of information act. The economic policies related to economic growth, better utilisation of resources, more jobs, a just wage, better working conditions, fair prices and easier access to finance. It also promised to work towards housing for all and better education, adequate health and nutrition at low cost, a fair deal for women and youth, greater assistance for the elderly, disabled and destitute and a physically safer society. It also promised to bring about "a fair and open government" (NFP-Labour Coalition Election Manifesto 1987).

However, towards the other end of the socio-economic continuum, 55% of those engaged in rural agriculture (both subsistence and cash), such as animal husbandry, forestry and fishing, were indigenous Fijians, compared to only 35% for Indo-Fijians. Clearly, the figures indicated a preponderance of Indo-Fijians in the 'middle class' socio-economic categories and of indigenous Fijians in rural primary production. Most rural indigenous Fijian producers were village-based semi-subsistence farmers, living within the communal setting. In fact only 10% of the independent 'rural settlements' for fully-fledged commercial farming outside the rural village and including *galal*, belonged to indigenous Fijians and 90% were owned by Indo-Fijians. To compound the problem, indigenous Fijians had a higher urban unemployment rate of 15.6% (compared to 9.7% for Indo-Fijians) and formed over 70% of the prison population (Adinkrah 1995).

Almost two decades after independence, it appeared that a lot still needed to be done in terms of affirmative action; but expectations of socio-economic progress amongst indigenous Fijians and their resentment of Indo-Fijian dominance in commerce had become a powerful political factor which could no longer be ignored. The FLP under Bavadra quickly exploited the situation to its advantage by blaming the Alliance government for the situation of the indigenous Fijians. Bavadra said:

Ironically, the people who suffered most under the Alliance Government are the very people whose interests this government purports to champion, the native Fijians. By restricting the bulk of the Fijians to their communal lifestyle in the face of a rapidly advancing cash economy, the average Fijian has become more and more economically backward... This is particularly invidious when the leaders themselves have amassed huge personal wealth (Fiji Sun 17 April 1986: 4).

One of the most influential business links the Alliance elites had was with the Emperor Gold Mining Company at Vatukoula, which had, for years, been patronised by the Alliance through various forms of tax concessions and subsidy. Bavadra threatened to nationalise the mine if he came into power as a result of the extent of exploitation of workers and the raw deal the indigenous landowners of Nasomo were getting for their mined land (Emberson-Bain 1994). Bavadra also raised the question of liberalising the centralised authority of the Fijian Administration. In particular, he was concerned with empowering indigenous landowners by loosening the bureaucratic control of the NLTB on land:

The NLTB must be democratised so that it comes to serve the interests of all Fijians and not just the privileged few and their business associates. In addition, more effort must be made to see to it that those whose land is

being used get more for their money out of the NLTB...The system must be rationalised so that all Fijians, not just a few, benefit more (Bavadra 1986: 74).

The Coalition promised to set up a Native Lands and Resources Commission to facilitate greater participation of ordinary indigenous Fijians in decision-making relating to the development and management of their land. This was not to undermine but to “work with the NLTB” (Sutherland 1993: 178). This approach had two interrelated prongs: a concern for the socio-economic conditions of indigenous Fijians; and an opposition to the dominant communal hegemony of the Fijian Administration and the chiefly establishment. This played into the hands of the Alliance demagogues, who used it to demonize the FLP as being anti-Fijian. There were personal attacks on Bavadra, accusing him of *liumuri* (“anti-Fijian” or “traitor”) and a *nodra vakarawanika na Kaidia* or “stooge of the Indians” (Veitata 1987). The Alliance’s use of racial scare-mongering alleging a possible Indo-Fijian ‘take-over’ of indigenous Fijian land and the ‘suppression’ of indigenous Fijian culture (if the Coalition came to power) was a common tactic during the election campaign.

The Alliance pointed to its pro-indigenous policies as evidence that it had the indigenous people at heart and declared that if the FLP came into power, all the affirmative action policies were going to be destroyed and the land and rights of indigenous Fijians were going to be taken away. Although indigenous land was solidly safeguarded by the tight provisions of the 1970 Constitution, which required 75% of the vote in both the House of Representatives and Senate and the assent of at least six of the Great Council of Chiefs’ nominees in the Senate (Fiji Constitution 1970), there was still fear that these provisions could still be changed under a new regime.

Towards the coup

The victory of the Coalition in the 1987 election marked the first change in government since independence in 1970. In fact the Alliance had been in power since 1966 as part of the transition towards independence. Out of a total of 52 seats, the Coalition won 28 and the Alliance 24. Of the 28 Coalition seats, 19 were held by Indo-Fijians, 7 by indigenous Fijians and 2 by general electors. Although the Coalition fought and won the election on a multi-racial platform, the results still showed the dominance of communalism in Fiji’s political culture. The Coalition won all the Indian communal seats. It also attracted 82% of the Indo-Fijian vote, compared to the 83% by the NFP in the 1982 election. At the same time the Alliance won all the Fijian communal seats and 78% of the indigenous Fijian votes. This was a decrease from 82% in the 1982 election. In

the general communal seats, the Alliance support fell from 89% in 1982 to 82% in 1987. However, in four critical national seats the Coalition managed to draw enough indigenous Fijian support to win them the election.

A day after the historic victory, the *Fiji Times* editorialised:

There have always been those who doubted the people of Fiji, who said we would never live together in harmony, never reconcile our differences. But yesterday the people spoke. Although coming from different religions, many backgrounds, we are yet one people. So the greater victory is for democracy (*The Fiji Times*, 13 April 1987: 6).

But this optimism was expressed too soon. Bavadra's newly installed government was condemned by Alliance supporters as an "Indian government" (*Matanitu ni Kaidia*) and Bavadra "an Indians' man". Ravuvu (1991: 89), an ardent Bavadra critic and nationalist ideologue, exemplified this sentiment when he said: "Fijians could be forgiven for concluding that Bavadra had risen to the top because he was the Indians' man. He was their choice, approved and appointed by their community". The ethnicist discourse became the dominant sound-bite, and fear-mongering of conspiracy for "Indian take-over" was rife:

...the Coalition victory in the 1987 elections seemed like a clever stunt performed with strings, mirrors and "democracy". The end result was that finally the Indians had got what they had long sought-control of the government and of the country (Ravuvu 1991: 87).

Immediately after Dr Bavadra's victory there were demonstrations on the streets of the main cities by the supporters of the Alliance Party and extremist nationalists. Corporations such as the Emperor Gold Mining Company allegedly funded some of these demonstrations. Led by the *Taukei* Movement (Indigenous People's Movement) the aim of the indigenous Fijian demonstrators was the removal of the 'Indian' government and the reinstatement of an indigenous government.

Increasingly, the situation deteriorated as spontaneous expressions of nationalism, fuelled by racial bigotry, spread like wild fire across the land. As I have observed elsewhere, this expression of nationalism, or *taukeism*,¹⁹ was a lethal juxtaposition of various ideological components:

Taukeism attempts to unite the Fijian community through the politicisation of culture, religion and race...a juxtaposition of racial, cultural, religious and warrior-machosist ideologies (Ratuva 1993: 59).

¹⁹ The term *taukei*, which means original owner of the soil or land, is normally used by indigenous Fijians as a dichotomy to the term *vulaqi* or 'foreigner'—referring to Indians.

What is important to note at this stage is that communal hegemony was being mobilised to undermine liberal democracy. To maintain its formal control of the state apparatus, the Alliance government needed to consolidate its communal support and community elites needed the Alliance patronage for political prestige and power. The military, although theoretically “neutral” as an institutional security component of the state apparatus, had strong cultural and ideological links with the traditional power structure. This made it susceptible to manipulation by communalistic forces to serve the communalistic agenda ahead of the national interest (Sanday 1989).

The defeat of the Alliance Party in the 1987 election signified the limitations and crisis of the old hegemonic order, which could no longer sustain domination and legitimation by manufacturing consent through the use of communal appeals. In the case of the Alliance hegemony, while it still maintained the support of the majority of indigenous Fijians, the electoral system’s numbers game had denied it the mandate to continue to rule. The Alliance Party had an important ally, the military, which was later deployed to achieve what the ballot box could not, to reassert its dominance. The nationalistic spontaneity following the April 1987 election and the large-scale anti-Coalition street protests and propaganda in the media by the Methodist Church and by nationalist activists provided the environment for military intervention on 14 May 1987.