Affirmative action became a much more intense political obsession after the 1987 military coup. In fact the term ‘affirmative action’ itself was first used after the coup. The coup provided the perfect justification for large-scale affirmative action because the supporters of the coup assumed that lack of socio-economic progress by indigenous Fijians had led to the rise of ethno-nationalism and the coup and that the only way to avoid another coup was to address socio-economic grievances through affirmative action.

The 1987 coup was an outward eruption of the undercurrent of ethno-political fissures that have characterized ethnic politics in Fiji since the colonial days and that were allowed to take a more volatile trajectory after independence through institutionalized ethnic compartmentalization. Under the guise of parliamentary democracy and ethnic balance, the constitution helped to legitimize separate representation, ethnicized party membership and ethnic competition for state power. Democracy became the means to communal contestation and the capture of state power rather than a framework to ensure social cohesion and national consciousness. That was not all. The high expectations of indigenous Fijians for a better socio-economic life after independence were not being met and the situation was worsened by the constant fear of Indo-Fijian political threat. Tension came to the surface as a result of the activities of particular individuals and groups in politics, the community and the church who were closely associated with the Alliance Party, and who took advantage of the situation to mobilize people under the rallying cry of “Fiji for the Fijians.” Behind the ethno-nationalist front were some non-Fijian businessmen and professionals who either passively or actively supported the ethno-nationalist euphoria because they felt that their privileges, which were well protected under the Alliance government, were going to be lost under the new NFP-Labour government.

At the same time, the Fiji Labour Party and the NFP, confident of their electoral mandate, were oblivious to the rising ethno-political tension and the potential for future seismic transformations. The Labour Party leaders and ideologues assumed that the time was ripe in Fiji for class politics to displace communal politics and to create a multi-ethnic utopia for workers, peasants, the marginalized and the poor. The utopian ideology was that class consciousness had at last caught up with ethnic consciousness as a natural reaction to what was seen to be the Alliance Party’s elitist, bourgeois, chiefly interests. While the Alliance emphasised the indigenous Fijian/Indo-Fijian dichotomy, the Fiji Labour Party attempted to downplay ethnicity altogether and emphasised the ‘rich versus poor’ dichotomy. Both views were shown to have their own
limitations as historical developments began to unfold. The reality was to be found somewhere in the middle. There was a complex interplay between class and ethnicity at different levels. The lack of socio-economic development amongst the rural and urban indigenous Fijian poor became a fertile breeding ground for ethno-nationalism. In times of crisis, socio-economic grievances were readily transformed into political anger and ethnic scapegoating. The visible wealth of Indo-Fijian business created potentially lethal political images amongst the poor and unemployed indigenous Fijians. This was a catalyst for communal dissatisfaction and mob violence, seen in street riots following the 1987 and 2000 coups during which Indo-Fijian shops were targeted by hordes of youths. The images of Indo-Fijian wealth fed into the realm of collective social psychology, especially in relation to the use of inter-communal stereotypes, to demonize the other in mutually dichotomous ways. Indigenous Fijians stereotyped Indo-Fijians as cunning, selfish and untrustworthy, always on the lookout to grab Fijian land using devious means. The Indo-Fijians stereotyped indigenous Fijians as lazy, dumb and lacking modern cultural dispositions. Both communities were well aware of each other’s perception and have often ‘accepted’ them as ‘normal’. At times these behavioural dispositions were internalized and even acted out. It was common for indigenous Fijians to lament their lack of work acumen and business proficiency compared to Indo-Fijians, Chinese or Europeans. Such lament was a classic case of a group internalizing the social mirror image projected by others, as symbolic interactionist sociologists would suggest. The collective impact on the collective social psychology of indigenous Fijians of the internalization of stereotypes was destructive. It gave them a sense of hopelessness and inadequacy, a psychological void which was readily filled by, and transformed into, ethno-nationalist agitation and anger.

The growing sense of grievance was given an ideological boost by the Methodist Church, which portrayed Indo-Fijians as heathens whose godless ways would invite the wrath of God on Fiji. The best way to appease God was to cleanse Fiji of the lotu lasulasu (worshipers of false gods) [Norton 1994]. Religious bigotry was invoked to give greater legitimacy to ethno-political expressions of anger. The volatile mixture of socio-economic grievances, fear of an Indo-Fijian take over, fear of the loss of identity, fear of political disempowerment, belief in divine legitimacy and a negative perception of Indo-Fijian culture formed a lethal cocktail which was ready to explode once a trigger was provided. Whether real or perceived, these sentiments drove and projected ethno-nationalist rhetoric in a violent way.
Entry and retreat of the military

The military coup on 14 May 1987, led by Lt Col Sitiveni Rabuka, removed the Coalition from power and replaced it with a military government consisting of supporters of the Alliance Party. The coup broke the shell of democracy which was difficult to put together again and which spawned a coup culture that was to plague the country for the next two decades. The second coup on 15 September of the same year was an attempt by the military to avoid the formation of a multi-party coalition that was to be formed by leaders of the Alliance and the Coalition. One of the first priorities of the military regime was to secure control of state power through the reconfiguration of the military command by the removal of the commander and his chief of staff, the dissolution of parliament and the suspension of the constitution. A second priority was to restore indigenous interests through the Fijianization of the civil service and through aggressive affirmative action policies. For the military government, the ethnic strife and coups were evidence enough that more had to be done to address the issue of indigenous development. They saw the capture of state power by indigenous forces as an opportune time to push through their nationalist development philosophy.

The military was part of the bigger historical bloc consisting of a conglomeration of institutions such as the Alliance Party, the Great Council of Chiefs, the Fijian Affairs Board, the Native Land Trust Board, Provincial Councils, District Councils, Village Councils, the Methodist Church and various other indigenous Fijian cultural organizations. These diverse forces constituted a powerful establishment which had been nurtured by the British colonial state and which continued in power after independence. These were institutions which shaped the developmental trajectory, ideological dogma, and official identity of indigenous Fijians. They acted as institutional agents of cultural patronage and communal exclusivity. Over the years, indigenous Fijians had to negotiate and redefine their cultural identities, political rights, ideological disposition and sense of place in relation to the demands for unquestioned conformity to these institutions, while at the same time seeking alternative sets of values.

To legitimise the coup and its communal agenda, the post-coup regime had to put in place a constitution. Thus the 1990 Constitution was promulgated to entrench indigenous Fijian political paramountcy. It was a dramatic shift away from the 1970 Constitution, which had attempted to keep an ethnic balance in political representation. In the new constitution, the number of seats in Parliament was increased to 70; and of these 37 were for indigenous Fijians, 27 for Indo-Fijians and 5 for General Voters. The new Constitution provided that only indigenous Fijians were to be prime minister and president (Fiji Government. 1990a).
The 1990 Constitution was the cause of considerable political uncertainty amongst Indo-Fijians, who saw their political rights being undermined. Pressure came from various quarters, such as the Indo-Fijian community, certain ‘liberal’ indigenous Fijians and international organisations, for a review of Fiji’s constitution. Even the World Bank suggested that one of the ways in which economic growth in Fiji could be restored, apart from the implementation of structural adjustment measures, was the resolution of the constitutional question. Increasingly the post-coup regime under Rabuka slowly gave way and the reform process was soon underway.

The review of the 1990 Constitution marked an important epoch in the post-coup era, because it signalled the ‘retreat’ of a communal monopoly of state power and the re-emergence of the multi-ethnic discourse at the centre of the political stage. One of the first requirements for the review was the setting up of a three-man Constitutional Review Commission (CRC) to review the 1990 Constitution and make recommendations.

The CRC was appointed in March 1995 by Mara, who became President after the death of President Ganilau in December 1993. A significant provision of the review was recognition of the “internationally recognised principles and standards of individual and group rights; guarantee full protection and promotion of the rights, interest and concerns of the indigenous Fijian and Rotuman people; have full regard for the rights, interests and concerns of all ethnic groups in Fiji” (Reeves, Vakatora and Lal 1996: 2).

The new constitution established two major frameworks for inter-ethnic concessions, which were to be the basis for a new state system: first, it ensured that the rights of all individuals, communities and groups were fully respected; second, it ensured the recognition of the paramountcy of Fijian interests as a protective principle continued to apply, so as to ensure that the interests of the Fijian community were not subordinated to the interests of other communities. The first of these frameworks was reflected in two ways: the delicate balancing of parliamentary seats and the consociationalist proposal of a multi-party and multi-ethnic Cabinet. The constitution provided for 71 seats; of these, 46 were to be elected through the communal franchise and 25 through the open franchise. Of the 46 communal franchise seats, 23 were to be for indigenous Fijians; 19 for Indo-Fijians, 1 for Rotumans and 3 for other ethnic groups. The 25 open seats were for unrestricted cross-ethnic voting. The consociationalist proposal established that, in forming the cabinet, “the Prime Minister must invite all parties whose membership in the House of Representatives comprise at least 10% of the total membership of the House to be represented in the Cabinet in proportion to their numbers in the House” (Fiji Government 1997: 107).
The second concession was made by ensuring that both the President and the Vice-President were appointed by the Bose Levu Vakaturaga (Great Council of Chiefs), thus guaranteeing that they would always be indigenous Fijians. Furthermore, other laws which safeguarded indigenous Fijian land and cultural rights such as the Fijian Affairs Act, Fijian Development Fund Act, Native Lands Act, Native Land Trust Act and Agricultural Landlord and Tenant Act were made difficult to amend. The Constitution also provided that where possible, “Parliament must make provision for the application of customary laws and for dispute resolution in accordance with traditional Fijian processes” (Fiji Government 1997: 139).

The third concession was the redefinition of the category of persons to be the recipients of affirmative action, entrenched in the 1990 Constitution as “Fijians and Rotumans”, to a broader category of “disadvantaged”. In other words, affirmative action was no longer exclusively associated with communalism and paramountcy of Fijian interest: it was to be extended trans-ethnically.

**The military coup and coerced affirmative action**

Was the coup itself a form of coerced affirmative action? In other words, was the coup designed to improve the well-being of indigenous Fijians? Ravuvu seemed to agree by suggesting that the coup had “the objective of defusing potential violence and creating a form of government which would ensure political paramountcy for the Fijians in their own land” (Ravuvu 1991: 89). But, as I have mentioned earlier, the notion of paramountcy of Fijian interest was not exactly in the best interest of the indigenous Fijians because it merely locked them into a communalistic schema, which retarded their commercial advancement and bonded them to a neo-traditional political and cultural structure. The coup was not ‘progressive’ (or affirmative) in the sense of economic or political emancipation, but a reactionary attempt to preserve and reproduce the old order (Sutherland 1993). Furthermore, the notion of paramountcy of Fijian interest, which the coup was said to preserve, was already entrenched in the virtually unchangeable provisions of the 1970 Constitution dealing with indigenous rights. In this regard the coup was totally unnecessary. While at face value the coup was ‘preferential’ (that is, biased towards indigenous Fijians), it was certainly not ‘affirmative’ in the sense of being progressive.\(^1\) It was really after the coup that new affirmative action policies were drawn up. While the coup generally

\(^1\) At face value, if we stretch the definition of preferential treatment far enough, the coup, at least from the point of view of the supporters, was a pro-indigenous Fijian scheme, although illegal, aimed at “advancing Fijian rights”. Even the real justifications for the coup by the coup-makers were not clear, as they began changing them as the circumstances demanded. But this is probably as far as the concept of preferential treatment could be comfortably applied. On the other hand, if we go beyond the face value, and consider the
Politics of preferential development

had a reactionary basis in preserving the communal schema, some post-coup policies relating to affirmative action were to some extent ‘progressive’ in that there was a concerted drive towards economic advancement, as we shall later see. But on the other hand, even the ‘progressive’ affirmative action strategies, such as communal capitalism, still contained strong tendencies towards a narrow form of communalism.

Ravuvu further argued, in support of the coup, that: “It is imperative that Fijians must be given a special position in their country and that an element of positive discrimination be practised in favour of them for a period in education, politics, business development and other areas they are lagging behind” (Ravuvu 1991: 99). Again, while the 1970 Constitution had protected “special rights” for indigenous Fijians, the Alliance government (and even the colonial government) had also put in place a number of ‘positive discrimination’ measures in education and commerce. But the problem with these affirmative action policies (especially in commerce) was that they were conceptualised and implemented as part of an attempt to preserve communal cohesion and prestige rather than to advance individual entrepreneurship. Strangely, the coup had been justified on the basis that it would solve the problems which the pro-coup establishment created in the first place.

Furthermore, the economic crisis caused by the coup affected the entire population, including indigenous Fijians (Prasad 1988). For instance, according to Bryant (1993), in 1989 12% of indigenous Fijians lived below the poverty line, and this increased to 21% in 1991. This has been attributed largely to post-coup job redundancies, inflation and economic contractions generally (Barr 1990). Thus, both in political and economic terms, it is difficult to identify aspects of the coup that were ‘affirmative’ for indigenous Fijians.

1990 constitution and political affirmative action

The question posed above could also be asked in relation to the post-coup 1990 Constitution, itself a direct product of the 1987 military coup. Was the constitution a form of political affirmative action? This refers particularly to the notion that it was meant to protect the paramountcy of Fijian interest (through seat allocation, protection of political rights etc.). However, this should not be confused with the specific affirmative action provided for in the Constitutional, which will be dealt with separately and in more detail later.

political, ideological and economic implications of the coup, we see that the coup was in fact ‘reactionary’ so far as it tried to ‘preserve’ communalism and the old order which had kept indigenous Fijians within the confinement of communal stagnation, rather than a means to socio-economic progress.
For some, like Butadroka, the 1990 Constitution was the best protection for indigenous Fijian rights and a way to preserve Fijian unity. The major indigenous political party, the Soqosoqo ni Vakavulewa ni Taukei (SVT) echoed the same sentiments in its 1995 submission to the Fiji Constitution Review Commission (CRC), adding that the constitution had in fact united indigenous Fijians. However, the short seven-year history of the 1990 Constitution had instead seen increasing power struggles and factionalism amongst indigenous Fijian elites, instead of the communal cohesion which was originally anticipated by the pro-indigenous Fijian constitution. The power struggle between the leading traditional polities had origins in the pre-contact and colonial era (Routledge 1985). Of interest in this regard were the differences between eastern and western chiefdoms. Many western chiefs saw the coup as reaffirming eastern chiefly control and called for the formation of a separate confederacy to be called the Yasayasa Vaka-Ra Confederacy. The Taukei Movement, the extremist organisation which was responsible for the post-coup violence, also split up due to differences in strategy and eventually died a natural death.

The two most powerful men in the post-coup period, Mara and Rabuka, were consistently at loggerheads about how the post-coup state was to be administered. Both had tried to mobilise political support in different ways. Mara had a feudalistic and aloof approach to politics, based on his traditional appeal as a high chief and as a statesman of esteemed status in the Commonwealth when Prime Minister. He ran the Alliance Party, and later ruled the post-coup Interim Government in the same way he presided over his traditional subjects. That is, ‘consensus’ meant no dissent and unquestioned adherence to the mana of the chief. On the other hand, Rabuka, a professional soldier and a political novice in liberal democratic governance, relied entirely on his charisma and almost mystical appeal to indigenous Fijians as the ‘hero’ of the coup. He also relied on his links to the military and kept reminding his opponents of his political potency by occasionally issuing veiled threats of “repossession of power.” Instead of working with Mara as deputy Prime Minister, Rabuka returned to the barracks as Commander of the Army. Within a few months he rocketed up the ranks from Lieutenant Colonel to Major General.

To reassert his power and undermine Rabuka’s power base, Mara considerably reduced the military allocation in the 1991 budget and in June 1991 invited Rabuka and Rev. Lasaro, the leader of the fundamentalist Methodist group, to join his Cabinet. Both refused the offer, perhaps sensing that by accepting they would have come under Mara’s direct control. On 8 June, Rabuka publicly denounced the Mara Cabinet and asked them to resign because “they have lost credibility” (The Fiji Times, June 9 1991: 1). He cited the continuing sugar industry crisis, Vatukoula gold mine strike, the unpopular VAT (Value Added Tax), and the formation of the new political party, the SVT, as evidence of the
Politics of preferential development

interim government’s shortcomings. The sugar and gold mine disputes had been prolonged unnecessarily and no solution had been found; the imposition of the IMF-recommended VAT had provoked public dissatisfaction, while the formation of the SVT had factionalised the political loyalty of indigenous Fijians. Rabuka argued that the formation of the SVT would open the way for the formation of other political parties, thus creating further factionalism amongst indigenous Fijians at a time when there was a need for unity. However, he later joined the party after succumbing to political pressure from members of the Great Council of Chiefs and also to avoid being politically isolated, and thus became its first leader.

The SVT was first conceived in July 1990 and was launched on 31 October 1991 as the political arm of the Great Council of Chiefs. It was meant to take the place of the Alliance Party, whose cohesion as a “multi-racial” party had been undermined by the wave of post-coup indigenous Fijian nationalism, which saw the Fijian Association (originally an arm of the Alliance Party) joining forces with the Fijian Nationalists and other nationalist groups. The new party, to fight the rough and tumble of party politics on behalf of the Great Council of Chiefs and indigenous Fijian community, was to have a new image, while retaining as paramount the interests of chiefs and indigenous Fijians. It aimed to “promote the interests of the indigenous Fijians, their advancement, the protection of their rights and interests and provide means of social, economic and political development in association with other ethnic communities in Fiji” (Soqosoqo ni Vakavulewa ni Taukei. 1991Article 1.4: 1).

3 So clearly, in this regard, the formation of the SVT was an attempt to preserve and perpetuate chiefly hegemony and communalism. This was further evident in its extensive use of Fijian Administration and state structures – in particular the Fijian Affairs Board, Great Council of Chiefs and Ministry of Fijian Affair’s urban and rural network– to mobilise the indigenous Fijian masses, more than the Alliance did during its period of rule. Rabuka’s power (in the context of

---

2 Meanwhile the overthrown Coalition suffered a serious setback as a result of the death of Bavadra of cancer. This led to a split down the middle within the Coalition, and the Labour Party and NFP went their own separate ways. The Labour Party mounted an extensive international campaign for the return to democracy in Fiji, but many Indo-Fijians opted to vote with their feet and left the country in large numbers. We will examine this in more detail later.

3 The formation of the SVT provoked a number of indigenous Fijian political parties traditionally opposed to the Alliance and later the coup makers to form a united commoners’ front on 8 June 1991. The parties involved were the Fiji Labour Party, Fijian Conservative Party, Fijian Nationalist Party and All National Congress. The agenda for the meeting was, first, to discuss public issues such as the VAT, the Vatukoula Gold Mine strike and the sugar crisis and how to deal with them; and second, to form a common front to fight the SVT, which was seen as a chiefly party, in the next general election. It was also around the same time that a number of ethnic-Fijian nationalists, under the banner of Kadra Na Vatuva (Rumble of the Land) had mooted the formation of a Fijian Commoners’ Council to counter the hegemony of the Great Council of Chiefs. However, the formation of a Fijian Commoners’ Front did not eventuate due to irreconcilable ideological differences between the participating political parties.
“democratic” politics) was established when he was elected leader of the SVT, ahead of Mara’s wife, herself a high chief. Dissatisfied with Rabuka’s leadership, a faction led by the late Josevata Kamikamica, former Co-deputy Prime Minister in Mara’s Interim Government, left the SVT and formed a new political party called the Fijian Association. As the first leader of the SVT, General Rabuka’s status as a ‘civilian’ politician was confirmed and the stage was set for him to contest the 1992 election under the terms of the 1990 Constitution, which he helped create through the coup. As expected, because of the constitution’s inherent bias towards an indigenous Fijian majority, the SVT won the 1992 general election with ease. The election was to be a political laundering process for Rabuka, whose return to centre stage had to be through the democratic process (although under an ethnocratic constitution) he overthrew four years earlier. The point that needs emphasis here is that the coup and its aftermath had in fact fractionalised indigenous Fijian politics even further than assumed. A power struggle within the indigenous Fijian hierarchy as to who should hold power in post-coup Fiji progressively deepened.

Another significant area of difference was the interpretation of the term “Fijian”. The 1990 Constitution defined a “Fijian” in two ways: firstly, in terms of direct patrilineal blood link; and secondly, acceptance by one’s mataqali for registration in the Vola ni Kawabula, the indigenous Fijian registry, outlining the pattern of land ownership inheritance and social hierarchy, based on the codified “traditional” social structure (Fiji Government. 1990a: 120). This provision was considered sexist and racist because it discriminated against those with indigenous Fijian mothers but with non-indigenous Fijian fathers.

The 1990 Constitution did not necessarily generate unity amongst indigenous Fijians (Madraiwiwi 1997). If the 1990 Constitution had in fact been meant to create communal cohesion, at least at the political leadership level, this was not to be the case. The 1990 Constitution remained a source of political and economic uncertainty, and as a result of both local and international pressure, it was eventually reviewed and replaced. The 1990 Constitution merely reaffirmed, although in a more dominant way, the paramountcy of Fijian interest already contained in the 1970 Constitution. However, it did provide for specific affirmative action provisions in economic development, civil service employment and education.

---

4 Kamikamica (who passed away in 1998) was an economic “realist” (supporter of the Structural Adjustment Programme). He also imposed the draconian Labour Decree mentioned in Chapter 4. But he was a political “liberal” who was more open to political change, compared to Rabuka, during the late 1980s and early 1990s. Rabuka’s political transformation took place later towards the mid-1990s.
Politics of preferential development

Affirmative action provisions of the 1990 constitution

As I have already stated, the specific affirmative action provisions of the 1990 Constitution dealing with socio-economic advancement should be distinguished here from the Constitution's 'political' affirmative role of promoting indigenous rights and unity. Although this may sound like splitting hairs, the distinction made is one between the 'higher' ideological aspects on the one hand and the more concrete prescriptions on the other.

The 1990 Constitution provided that “…Parliament shall, with the object of promoting and safeguarding the economic, social, educational, cultural, traditional and other interests of the Fijian and Rotuman people, enact laws for those objects and shall direct the Government to adopt any program or activity for the attainment of the said objects and the government shall duly comply with such directions” (Fiji Government. 1990a: Section 21). This provision was broad enough to give the government a free hand in giving directives to any state institution to carry out affirmative action policies. It was based on Article 153 of the Malaysian Constitution which vested power in the Yang di-Pertuan (President), acting on behalf of the Cabinet, to safeguard “the special position of the Malays and natives of any States of Sabah and Sarawak and the legitimate interests of other communities” (Malaysian Government. 1957: Article 153).

Although various preferential policies for indigenous Fijians were already in place and were periodically mentioned in the various Government Development Plans in the 1970s and 1980s, it was deemed necessary by the post-coup government to have them entrenched more permanently in the Constitution. Apart from the constitutional provision itself, no laws were enacted to facilitate “those objects” mentioned. One of the reasons was that the post-coup SVT government did not have the legal expertise to draft affirmative action bills. In any case, fractionalisation within the SVT after the 1992 election would have made it difficult for the SVT to pass the controversial bills.

Perhaps the most specific affirmative action provision in the 1990 Constitution was the prescribed quotas for the public service. While Section 127 (10) provided equal opportunity for “citizens who are suitably qualified” and “fair treatment in the number and distribution of offices to which candidates of that community are appointed on entry”, it contradicted itself by declaring that the Public Service Commission “shall ensure that each level of each department in the public service shall comprise not less than 50% Fijians and Rotumans and not less than 40% of the members of other communities” (Fiji Government. 1990a: 115). This was gazetted on 18 December 1990 as part of the Public Service Commission Regulations (Fiji Government 1990: 910).
Moreover, the interpretation of Section 21 created a dichotomy of opinions. The first interpretation was the ‘nationalist’ discourse, which insisted that being treated preferentially was an unquestionable right of indigenous Fijians as Taukei and therefore, it was argued, Section 21 was perfectly within the spirit of the international instruments relating to ‘indigenous rights’. In its submission to the Fiji Constitution Review Commission (CRC) in 1995, the ruling SVT drew attention to what it interpreted as the “consistent” nature of Section 21 of Fiji’s Constitution and Article 2(2) of the Convention on the Elimination of all Forms of Racial Discrimination to which the Republic of Fiji was a party (Soqosoqo ni Vakavulewa ni Taukei 1995: 95).

The second position was based on the ‘liberal’ discourse, which argued that Section 21 implied domination by indigenous Fijians rather than addressing their disadvantaged position. The best approach, in this view, was to address the socio-economic position of the ‘disadvantaged’, no matter what their ethnicity was. A class-based rather than an ethnicity-based approach was advocated. For instance, in response to Section 21, and the 1990 Constitution generally, the National Federation Party/Labour Party Coalition produced a booklet entitled A Fraud on the Nation where it argued that:

There are disadvantaged people in all our communities, and our efforts should be directed to helping them all. Positive discrimination should be compatible with a democratic society; it should not vest paramount political power in any one community to the exclusion of others nor should it lead to the maintenance of separate systems for different racial groups. The remedial action must be proportionate, and related, to the need for it. The special provision must be temporary and should terminate after the objectives which justified them have been achieved. The constitution fails on all these tests (National Federation Party-Labour Party Coalition 1990: 8-9).

Along the same trend of thought, the Citizens’ Constitutional Forum (CCF), a non-partisan and multi-ethnic civil society organisation, in its submission to the CRC recommended that affirmative action should not only address ethnic imbalance, but also the problems of the different disadvantaged social groups:

The Constitution should recognise and encourage affirmative action for the poor and disadvantaged of all communities. Affirmative action policies should be researched in advance, carefully targeted, tested for cost effectiveness, transitional, time-limited and accountable (CCF 1995: 58).

The CRC opted for a synthesised version of the two discourses by emphasising benefits for “Fijian and Rotuman people”, yet including “other ethnic communities” as well:
The Government of the Republic of Fiji Islands shall establish programmes which are reasonable and necessary to ensure for the Fijian and Rotuman people and other ethnic communities, and for women as well as men, and for all other disadvantaged citizens or groups of citizens, effective equality of access to;

(a) education and training;
(b) land and housing;
(c) participation in commerce and all aspects of service of the Republic of the Fiji Islands at all levels, and;
(d) other opportunities, amenities or services essential to an adequate standard of living (Reeves, et al. 1996: 699).

But the CRC dismissed the SVT argument about the compatibility of its position with the international instruments on indigenous rights, contending that the Convention on the Elimination of All Forms of Racial Discrimination talked about “special measures” to facilitate the protection, advancement and development of “certain racial groups and individuals belonging to them”, for the purpose of ensuring equal “human rights and fundamental freedoms” through practices which “shall not be deemed racial discrimination” (Reeves, et al. 1996: 233). The SVT proposal merely helped to bolster the advancement of a politically dominant ethnic group, and marginalised others, and thus did not guarantee “human rights and fundamental freedoms” for other ethnic groups.

The CRC’s recommendations were accepted after amendments by the Joint Parliamentary Select Committee (JPSC), set up by parliament to review and make recommendations to parliament on the CFC report. The JPSC consisted of representatives of all political parties (which were ethnically-based). The recommendations were unanimously accepted by parliament, although with some amendments, and incorporated into the new Constitution. The affirmative action provisions of the new Constitution, which became effective from 25 September 1998, provided that:

Parliament must make provision for programs designed to achieve for all groups or categories of persons who are disadvantaged effective equality of access to:

(a) education and training
(b) land and housing
(c) participation in commerce and in all levels and branches of service of the State (Fiji Constitution (Amendment), Chapter 5,1997: 82).
It went further to create provision for an Act that specified:

(a) the goals of the program and the person or groups it is intended to benefit;

(b) the means by which those persons or groups are to be assisted to achieve the goals;

(c) the performance indicators for judging the efficacy of the program in achieving the goals; and

(d) if the program is for the benefit of a group, the criteria for the selection of the members of the group who will be entitled to participate in the program (Fiji Constitution (Amendment), Chapter 5, 1997: 82).

Clearly the change in the definition of designated groups, from “Fijian and Rotuman people” (1990 Constitution) to “all groups or categories of persons who are disadvantaged” (1997 Constitution) was a fundamental shift, reflective of the new reconciliatory and consociationalist arrangements suggested by the new Constitution. Affirmative action has incorporated for a large and diverse group, defined not by ethnicity alone but by their being ‘disadvantaged’ in socio-economic terms.

The first attempt to operationalize the extended definition was when non-indigenous Fijian Melanesians, who were officially classified as ‘others’, were also eligible for special scholarships and loans under the CLFS in 1998.

The major shift in definition of the designated groups reflected the atmosphere of national reconciliation apparent in the 1997 Constitution. Despite this change, a number of affirmative action policies had already been in place since the coup and contained in the 1990 Constitution, which had a significant impact in terms

---

5 However, there are a number of outstanding issues in relation to this new definition, especially if legislation were to be enacted. How is the concept “disadvantaged” defined, and who should define it? Is the constitution referring to socio-economic (class) variables. If so, what are the variables and how do we objectively calculate and prioritise them? If the “disadvantaged” also refers to physical incapacity or political marginalisation, again how are these to be quantified and prioritised? Does it also include gender? If so, then another problem would be to disaggregate the “women” category into those who are really marginalised and those who are well to do and do not need affirmative action. If “disadvantaged” refers entirely to ethnic groups, how is that status to be justified? This is especially so given that ethnic groups are not homogeneous; there are fundamental differences between the “haves”, who do not need affirmative action, and the “have nots”, who do. As in India, there could be great difficulty in controlling abuse and false claims to being part of the designated category.

6 One of the very first gestures of this redefinition was the implementation of several affirmative measures by the government to ensure equitable treatment to members of the Melanesian (descendants of Solomon Islanders and Ni-Vanuatu who were brought to Fiji last century) and General Electors in Fiji on 9 September 1998. This included scholarships and other developmental funds for minorities such as Melanesians and others.
Politics of preferential development

of ethnic balance and ethnic relations. These were in the areas of civil service employment, education and economic development. We shall now discuss each in turn.

**Fijianization of the Civil Service**

The 1990 Constitutional provision which prescribed that indigenous Fijians should not constitute “less than fifty per cent” of the civil service became the political mandate for large-scale ethnic discrimination in the civil service. After the coup, there was a process of deliberate displacement of Indo-Fijians in the civil service by the military regime, who did not trust their loyalty, or “ethnic reliability”, as Enloe (1980) puts it. The “state security map” (again borrowing from Enloe) put the Indo-Fijians at the bottom of the list of ethnic reliability. The figures below show this trend quite clearly.

In 1986, just before the coup, of the total number of civil service staff, 52% were Indo-Fijians, 43% were indigenous Fijians and 5% belonged to other ethnic groups. The high turnover of Indo-Fijian staff after the coup (as shown in Table 4.1) dramatically altered the ethnic pattern. In 1987, of the total turnover, 79.5% were Indo-Fijians and Others, compared to 20.5% for indigenous Fijians; and in 1988 it was 68.2% and 31.8% respectively (PSC 1995). These figures were unusually higher than the average pre-coup turnover rate of 52% for indigenous Fijians and 48% for Indo-Fijians for 1986 and 1987 (Fiji Public Service Commission 1988).

**Table 4.1 Civil service staff turnover, 1987-1994**

<table>
<thead>
<tr>
<th>Year</th>
<th>Fijian/Rotuman (% of total)</th>
<th>Indian/Others (% of total)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>258 20.5</td>
<td>1003 79.5</td>
<td>1,261</td>
</tr>
<tr>
<td>1988</td>
<td>486 31.8</td>
<td>1041 68.2</td>
<td>1,527</td>
</tr>
<tr>
<td>1989</td>
<td>676 40.0</td>
<td>959 60</td>
<td>1,635</td>
</tr>
<tr>
<td>1990</td>
<td>532 48.8</td>
<td>560 51.2</td>
<td>1,092</td>
</tr>
<tr>
<td>1991</td>
<td>393 40.9</td>
<td>567 59.1</td>
<td>960</td>
</tr>
<tr>
<td>1992</td>
<td>740 52.6</td>
<td>666 47.4</td>
<td>1,406</td>
</tr>
<tr>
<td>1993</td>
<td>697 54.9</td>
<td>573 45.1</td>
<td>1,270</td>
</tr>
<tr>
<td>1994</td>
<td>701 58.6</td>
<td>497 41.4</td>
<td>1,198</td>
</tr>
</tbody>
</table>


However, by 1992 the rate of departure seemed to have ‘normalised’, with the figures for the two ethnic categories almost on par. The losses in the civil service were being made up by new appointments, which, as Table 4.2 shows, again favoured indigenous Fijians. From 1991 to 1994 indigenous Fijians constituted
about 60% of the annual appointments. Prior to the coup, in 1985, new appointments to the civil service were 47% for indigenous Fijians and 53% for Indo-Fijians and others (Fiji Public Service Commission 1986).

Table 4.2 Civil service appointments, 1991-1994

<table>
<thead>
<tr>
<th>Year</th>
<th>Fijian/Rotuman</th>
<th>%</th>
<th>Indian/Others</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>594</td>
<td>58.6</td>
<td>417</td>
<td>41.4</td>
<td>1011</td>
</tr>
<tr>
<td>1992</td>
<td>1182</td>
<td>58.0</td>
<td>857</td>
<td>42</td>
<td>2039</td>
</tr>
<tr>
<td>1993</td>
<td>892</td>
<td>57.7</td>
<td>657</td>
<td>42.3</td>
<td>1546</td>
</tr>
<tr>
<td>1994</td>
<td>631</td>
<td>57.2</td>
<td>472</td>
<td>42.8</td>
<td>1103</td>
</tr>
</tbody>
</table>


The turnover and appointment rates were reflected in the ethnic distribution in the civil service from 1991 to 1994. As already stated, the ethnic proportions in the civil service were 52% for Indo-Fijians and 43% for indigenous Fijians before the coup in 1986, and five years later, in 1991, the proportion became 55.8% for indigenous Fijians and 44.2% for Indo-Fijians/Others (Fiji Public Service Commission 1995). This pattern was more or less consistent from 1991 to 1994 (Table 4.3).

Table 4.3 Total number of staff in the civil service by ethnicity

<table>
<thead>
<tr>
<th>Year</th>
<th>Fijian/Rotuman</th>
<th>%</th>
<th>Indian/Others</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>9,296</td>
<td>55.8</td>
<td>7,360</td>
<td>44.2</td>
<td>16,656</td>
</tr>
<tr>
<td>1992</td>
<td>9,682</td>
<td>56.6</td>
<td>7,429</td>
<td>43.4</td>
<td>17,111</td>
</tr>
<tr>
<td>1993</td>
<td>9,631</td>
<td>56.8</td>
<td>7,317</td>
<td>43.2</td>
<td>16,948</td>
</tr>
<tr>
<td>1994</td>
<td>9,709</td>
<td>57.2</td>
<td>7,261</td>
<td>42.8</td>
<td>16,970</td>
</tr>
</tbody>
</table>


The changes in ethnic proportions in the civil service within the ten years from 1985 to 1995 were significant. In 1985, the figures were: indigenous Fijians (46.4%), Indo-Fijians (48%), minorities and expatriates (5.6%). In 1995 the proportion for indigenous Fijians had increased to 57.32%, while that for Indo-Fijians had decreased to 38.57%, and minorities and expatriates decreased to 4.11% (Reeves, et al. 1996).

By 1997 only one of the ten heads of government departments was Indo-Fijian, compared to the relatively equal numbers prior to the coup. Most of those who left the civil service (about 80%) migrated. The migration pattern generally showed that in 1987 there was a net departure of 18,563, compared to 6,490

---

Note that the category here is Indian/Others. The proportion for Indo-Fijians alone will reduce slightly if we subtract the number for Others, who make up about 5% of the population.
in 1986 and 6,193 in 1985 (Chetty and Prasad 1993: 10). Of these, 78.1% were Indo-Fijians (compared to 41.2% in 1980), 6.0% indigenous Fijians and 12.5% Others. However, by 1989 the total number of Indo-Fijians migrating had declined to almost half the 1987 figures (about 7,412), but the proportion still stood at 79%. Altogether, an estimated 50,104 people migrated in the period 1987-1991, compared to 26,529 between 1982 and 1986. About 80% of these were Indo-Fijians (Chetty and Prasad 1993).

The job losses in the civil service and large-scale overseas migration of professional Indo-Fijians has been described as a result of ‘ethnic cleansing’ (Daily Post, 10 April 1999). Although not of the same degree and ferocity as, say, events in Kosovo or Rwanda, there was a definite trend of deliberate exclusion in politics and the civil service which impacted on people’s sense of security. The “at least not less than 50%” constitutional quota for indigenous Fijians became the political mandate for the Fijianization of the civil service.

The loss of highly qualified civil servants and the increased promotion of indigenous Fijians may have undermined the quality of state service. Affirmative action in the civil service became an extension of the communal ascendancy which the 1990 Constitution entrenched. Control of the civil service by indigenous Fijians was considered necessary for political paramountcy.

Apart from the civil service, the two other important state apparatuses over which indigenous political control was deemed necessary were the military and the police. The military, as we have seen, has always been predominantly manned by indigenous Fijians. The police force’s personnel in 1986 consisted of 50% indigenous Fijian, 47% Indo-Fijian and 3% Others; in 1995, the figures were 58% indigenous Fijians, 40% Indo-Fijians and 2% Others (Fiji Police Department 1996). After the coup, the Indo-Fijian Commissioner of the police force was removed, together with other senior officers of questionable loyalty. He was replaced by an indigenous Fijian, who later retired to give way to an army officer, Colonel Isikia Savua.

Affirmative action in this case had become a channel for ethno-nationalist demands. In this case, communalism went beyond its hegemonic tendency in manufacturing consent within the indigenous Fijian community and became the dominant ideology of the state. It became deployed as an ideological lever by the post-coup regime to marginalise Indo-Fijians in the name of paramountcy of Fijian interest. Thus a distinction should be made here between the two levels of communalism: between its role as a means of ideological and cultural spontaneity within the indigenous society; and, at the national level, as a politicised mode of ethnic domination. In a way, they were different sides of the same coin.
Educational affirmative action

As we have seen briefly in Chapter 3, affirmative action in education (the 50-50 scholarship rule) had been in existence since 1977. But after the coup, affirmative action in education intensified, with the government pouring more resources into the education of indigenous Fijians. The ethnic disparities within the educational system had been a matter of concern to the government. However, this disparity needs to be historically contextualised in terms of the communal approach to education in the early days.

During the colonial period a child’s access to formal education was based largely on her or his parents’ place in the colonial order, which in turn determined one’s political status and socio-economic position. The earliest schools were set up for the children of colonial officials and white residents. This selective education approach was institutionalised under the 1916 Education Ordinance, which established a Department of Education. In 1938, of the 442 schools in Fiji, 16 were exclusively for children of European and part-European origins, 346 were for indigenous Fijians, and 80 for Indo-Fijians (Whitehead 1981). The standard of instruction in European schools was based on the New Zealand system of education, and they were staffed by qualified teachers from abroad, mainly from New Zealand. In contrast, out of the 346 schools for indigenous Fijians, only 144 were eligible for government grant-in-aid. Most indigenous Fijian schools were sub-standard and had neither proper facilities nor properly qualified teachers. Only seven were government schools and of these only one had education up to secondary level, where 38 pupils were enrolled in 1938. The first indigenous Fijian secondary schools were exclusively for children of chiefs. This was part of the colonial agenda to reinforce the hegemonic role of the chiefly class in the colonial order. It was much later, in the 1950s, that some commoners were also allowed entry into these schools. As for Indo-Fijians, in 1938, of the 80 schools available to them, seven were government schools, and 66 were eligible for grant-in-aid. Only one of the schools had a secondary section. Only about a third of Indo-Fijian children attended school.

---

8 The 1916 Education Ordinance was later repealed and replaced by the Education Ordinance of 1929. Under both ordinances, the Education Board was provided with wide-ranging powers to control the registration and classification of schools and teachers, the instruction to be given, the standards to be maintained, and the qualifications and number of teachers required for various grades of schools. With these powers, the Education Board was provided with a mandate for educational segregation, allowing for schools to be registered and classified along ethnic lines, with separate schools for Europeans and part-Europeans, indigenous Fijians, Chinese and Indo-Fijians. This system continued throughout the colonial period and, to some degree, after independence.

9 The facilities provided by the schools varied, depending on the school’s ethnic classification. European schools were freely supplied with books and stationery at cost price, except in the three government schools, where no fees were charged for primary classes, and £7.10s.0d for secondary classes.

10 Fiji’s education system was based on the New Zealand system until 1988, when Fiji developed its own secondary curriculum.
The pattern of education in the post-war years was very similar. During the 1940s, 1950s and 1960s, school enrolment for indigenous Fijian and Indo-Fijian children increased considerably, and so did the government’s gross expenditure on education, but the ethnic disparity in the distribution was still significant. In 1947, for instance, state educational expenditure per pupil was £7.9s.7d for European children, £3.10s.5d for Indo-Fijian children and only £2.19s.0d for indigenous Fijian children. This pattern continued throughout the colonial period until 1970, when Fiji became independent (Narayan 1984).

The apartheid-like ethnic separation of schools only helped to reproduce communal separation. The reproduction of values based on ethnic and class differentiation cloned a pattern of political behaviour consistent with the dominant hegemonic order. Robertson (1982: 89) noted that education played a role in the “preservation and modernisation of Fijian initiatives”. Chiefs were seen as modernising agents and, at the same time, guardians of indigenous Fijian interest, through education. Oxford-educated high chief Sukuna insisted that the separation of the turaga (chiefs) from the lewe ni vanua (commoners) was a necessity and needed to be reproduced through education. An educated commoner intelligentsia would be potentially subversive by “undermining and confusing authority to their own ends” (quoted in Scarr 1980: 146). Hence early higher education was to be restricted to children of chiefs (Whitehead 1981), while education for commoners was geared towards vocational subjects such as farming, boat building, mechanics and handicrafts. As a result of a request by the Great Council of Chiefs, the Queen Victoria School, modelled on the British public boarding schools, was set up to educate sons of chiefs.11 It was decided that instruction at the school was to be in English, while instruction in other indigenous Fijian schools was to be in the Fijian language. The chiefs had opposed but unsuccessfully the idea of commoners being taught in English during the period of im Thurn’s reforms as well as land reform as we saw earlier in Chapter 2.

So was education based not only on ethnic (or horizontal) differentiation, it was also based on class (vertical) regimentation.12 The process of ‘vertical’ regimentation in education reinforced communal hegemony, which emphasised

---

11 The Ratu Kadavulevu School (RKS) was set up later for the same purpose. The Adi Cakobau School was set up later for daughters of chiefs.

12 Apart from reinforcing and reproducing divergent ethnic consciousness, cultural education for ethnic Fijians and Indo-Fijians also locked them into a subordinate level of cultural hierarchy. The teaching of vernacular language and aspects of local culture were considered secondary – in fact, token modes of pedagogy. The primary mode of instruction was, and still is, English. It was, and still is, the only compulsory subject in the Fiji school system. English was not only a language, but a mode of articulation and reasoning. It was a total cultural mould, an instrument of cultural hegemony. One’s degree of ‘civilisation’ and status in the community was determined by one’s proficiency in the English language and familiarity with English high class cultural values (Personal communication with Ratu Mosese Tuisawau, a British-educated high chief). High chiefs, especially the educated ones, were usually considered to be the most ‘civilised’ because of their
the natural right of chiefs not only to lead but also to have preferential access to education. It was really only in the 1960s (as a result of the transition process) and more so in the 1970s that education was recognised as a right for ordinary indigenous Fijians. This deliberate suppression of education for ordinary indigenous Fijians may give credit to the argument that communalism itself contributed to the relative retardation of indigenous Fijian education.

As independence drew closer, the difference in educational attainment between indigenous Fijians and Indo-Fijians was becoming a serious political concern, especially given the dominance of Indo-Fijians in other areas of society such as commerce. Affirmative action in education was first recommended by the Royal Commission of 1969, which suggested some “positive discrimination provisions” for indigenous Fijians. Much later, in 1977, the Alliance government put in place a 50-50 scholarship policy for tertiary education. In other words, indigenous Fijians would receive 50% of the scholarships and the Indo-Fijian and Other ethnic categories would receive 50%. This was the first attempt at imposing quotas. This policy was encapsulated in Development Plan 6, which was accepted by both the Alliance and the NFP in its passage in parliament. However, when the government attempted to implement the policy when granting scholarships, there were allegations of discrimination from the Indo-Fijian community. The reason for the allegations was that indigenous Fijian students could enter the University of the South Pacific’s Foundation (pre-degree) Science Programme with 216 marks out of 400, while Indo-Fijians had to score 261 marks. This, as we saw earlier, became a major election issue during the 1977 general election, which the Alliance Party lost (Ali 1982).

In the 1970s the Ministry of Fijian Affairs set up a Fijian education unit which worked collaboratively with the Ministry of Education to provide resources to indigenous Fijian schools, to provide scholarships and to monitor students’ progress and achievements. Despite the preferential academic policies towards indigenous Fijian education, there was still little improvement compared to Indo-Fijians. Baba (1979) showed that the failure rate amongst indigenous

---

13 Even preferential choices (although not official) still allegedly persisted in the 1970s and 1980s. A controversial example was Prime Minister Mara’s son, Ratu Finau, who in 1977 achieved a Grade 4 pass (the lowest was Grade 5) in the pre-degree Preliminary 2 programme at the University of the South Pacific. But he was awarded a law scholarship despite the fact that he did not achieve a Grade 2 pass (the highest being Grade 1), the minimum for a law scholarship. Several other children from chiefly families were allegedly given scholarships ahead of indigenous Fijian students who scored higher. Coincidentally, 1977 was also the year when the 50-50 policy allocation for scholarships was implemented.

14 The University of the South Pacific was set up in 1972 by 12 countries in the South Pacific as their main university. The countries are Fiji, Kiribati, Marshall Islands, Nauru, Niue, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, Western Samoa and Federated States of Micronesia. It is based in Suva, Fiji’s capital and has three campuses in Fiji, Vanuatu and Western Samoa.
Politics of preferential development

Fijians at the University of the South Pacific was four times greater than that for Indo-Fijians. In 1980, only 20% of indigenous Fijians who sat the University Entrance Exam (UE) passed, compared to 33.4% of Indo-Fijians. This pattern was more or less consistent throughout the 1980s. Between 1980 and 1984, the annual average percentage of indigenous Fijian students who passed UE (i.e. those who passed compared to the total who sat) was 23%, compared to 26% for Indo-Fijians and 36% for Others.

In 1984, in response to this disparity in results by ethnicity, the Alliance government provided FJ$3.5 million towards Fijian education to upgrade indigenous Fijian educational facilities and resources (including teachers) at the primary and secondary school levels, and to provide scholarships for indigenous Fijian students. It was felt that providing assistance at an early stage of educational development was crucial in building up a solid educational base for indigenous Fijians. That made sense given the differential numbers in enrolment. For example, according to the 1986 census, of the total primary school enrolment of 67,426, there were 31,431 indigenous Fijians, 32,861 Indo-Fijians and 3,134 Others. In other words, indigenous Fijians constituted 46% of the total enrolment. (Fiji Bureau of Statistics 1989). At the same census, of the total secondary school enrolment, there were 17,582 indigenous Fijians compared to 21,727 for Indo-Fijians and 2,907 for Others. This time the proportion for indigenous Fijians was 41%, a relative decline of 5%. According to the Fiji Bureau of Statistics:

[T]he larger differences in secondary enrolment between the two ethnic groups may in part be attributed to the unavailability of secondary schools in the rural areas. There were 55.0% of secondary schools in urban areas compared to 45.0% in rural areas. Comparatively, there was only 38.1% secondary enrolment in rural areas compared to 58.1% for primary enrolment (Fiji Bureau of Statistics 1989: 30).

Indigenous Fijian students were concentrated in the rural areas. At the 1986 Census, 67.3% of indigenous Fijians lived in rural areas, compared to 58.6% of Indo-Fijians. These figures were higher than the corresponding 1976 figures of 70% for indigenous Fijians and 60.5% for Indo-Fijians (Fiji Bureau of Statistics 1989: 13). This is evidence of the on-going impact of urbanisation on the demographics of the indigenous Fijian community. The uneven spatial distribution of schools was compounded by the higher failure rate for indigenous Fijian students in the Fiji Junior Examination in Form 4. The annual average failure rate for indigenous Fijians for this exam for the 5 years to 1995 was 20%, compared to 12% for other ethnic groups (Fiji Ministry of Education 1996: 57). Thus, a higher number of indigenous Fijian students dropped out before reaching the Fiji School Leaving Certificate level in Form 6.
After the coup, major affirmative action measures included a further annual grant of FJ$2 million for Fijian education, establishment of the Fijian Education Unit in the Ministry of Education and the development of Educational Media Centres in rural areas for indigenous Fijian schools. The aim was for the “development of basic education, particularly improvement of access to secondary education for rural students” (Fiji Ministry of Education 1993: 130). However, despite ambitious efforts by the post-coup regime, the educational disparity between indigenous Fijians and Indo-Fijians persisted. For instance, in the Fiji School Leaving Certificate Examination (which took the place of UE in 1988) the average annual pass rate (i.e., percentage of all those who passed) for indigenous Fijians from 1990 to 1995 was 38%, compared to 60% for Indo-Fijians.

In the area of enrolment, the pre-coup pattern still persisted. In 1996, of the total 142,116 primary school enrolment, indigenous Fijians made up 54%. But out of the total of 69,921 for secondary enrolment, indigenous Fijians only made up 45% (Fiji Ministry of Education 1996). There was a difference of 9%, more than double the difference of only 5% in 1986 (as we have seen), a year before the coup.

In terms of tertiary education, there was a steady increase in scholarships awarded to indigenous Fijians. Of the total number of university scholarships awarded by the Public Service Commission (PSC) from 1970 to 1974, 34% were awarded to indigenous Fijians; in the period 1975 to 1979, indigenous Fijians received 39%; in 1980 to 1984, 44%; in 1985 to 1989, 49%; and in the period 1990 to 1992, 52%. These allocations were increasingly disproportionate, given the fact that indigenous Fijians constituted only about one third of all students qualifying to enter university. In addition to this, an average of 62% of all in-service training scholarships were allocated to indigenous Fijians after the coup, compared to the roughly 50-50 ratio before the coup (Fiji Public Service Commission 1995). Apart from the PSC (a government institution), the Fijian Affairs Board [FAB] (a major Fijian Administration institution) also provided scholarships, but exclusively for indigenous Fijians. Between 1984 and 1988 the FAB awarded 1,181 local scholarships and 150 overseas scholarships; from 1989 to 1992 the local scholarships awarded increased dramatically to 1,719 and there were 108 overseas awards.

A World Bank Report estimated that about 75% of all indigenous Fijian students studying at the University of the South Pacific (USP) in Suva were sponsored, while at the same time, 78% of Indo-Fijians were private students. Yet the proportions of Indo-Fijians and indigenous Fijians at USP were roughly equal (World Bank 1993). The report commented on the lack of any practical criteria for awarding scholarships, and noted an “acknowledged bias” in favour of indigenous Fijians. The report cautioned:
Given that indigenous Fijians comprise roughly only a third of all students qualifying to enter university, Government’s reluctance to sponsor non-indigenous Fijians is clearly preventing qualified Indo-Fijians from entering university and artificially restricting the supply of graduates, where students do not have the private means to support themselves (World Bank 1993: xv).

Again, like the civil service affirmative action program, the pattern of affirmative action in education showed the extent to which the preferential award of scholarships had, instead of just advancing indigenous Fijian achievement, also undermined the rights of qualified Indo-Fijian students to university education. Educational affirmative action, in the context of communalism, as I have attempted to show, has meant the marginalisation of other ethnic groups. The ethnicization of what should be merit-based educational awards has continued to be an entrenched feature to reinforce the paramountcy of Fijian interests.

**Economic affirmative action**

While the 1990 Constitution provided the political framework for affirmative action, there were a number of initiatives that were put into place either immediately after the coup, before the promulgation of the Constitution, or afterwards. Compared to the post-colonial Alliance affirmative action policies, which were bundled together with the national rural development program, this time affirmative action was more specific in focus and intention. The first coherent economic affirmative action policies of the post-coup period were contained in a set of proposals called the *Nine Points Plan*. The plan was produced by the Fijian Initiative Group (FIG), which consisted of indigenous Fijian professionals, civil servants and entrepreneurs, which first met in 1988 (under the chairpersonship of Mara) and which became formalised in 1992. The proposals contained in the plan were: FJ$20 million equity was to be injected from the Fijian Affairs Board (FAB) to Fijian Holdings Company (FHC); a Unit Trust for Fijians was to be established; a Compulsory Savings Scheme (CSS) for Fijians was to be set up; Government concession to Fijian business was to be enhanced; a Management Advisory Services Department was to be established in the Fijian Affairs Board (FAB); and Fijians should have a minimum ownership of resource-based industries. Furthermore, certain sectors of the economy were to be reserved for indigenous Fijian investment; there should be ownership of a daily newspaper by indigenous Fijians; and the Fijian Affairs Board should be restructured and strengthened (Fijian Initiative Group 1992).

In response to the first proposal, the government allocated a FJ$20 million grant to Fijian Holdings via the Fijian Affairs Board. Cabinet also approved of the compulsory savings concept, although it was never implemented. The Fiji
Development Bank bought shares in the *Daily Post*, an indigenous Fijian-owned daily newspaper, which due to operational and financial problems, was bought by the Fiji Government in February 1999. The idea was that the government shares were to be sold later to indigenous Fijians. There was also, in the 1990s, an increased indigenous Fijian share of the Unit Trust of Fiji. In 1993 a New Zealand company, Hays Consultant, undertook a review of the FAB structure and made recommendations about making the FAB more independent of the Ministry of Fijian Affairs to make it more responsive to desirable changes. These recommendations were accepted and came into force in early 1999.

The main follow up to the *Nine Points Plan* was the *Ten Year Plan for Fijian Participation in Business (Ten Year Plan)*, authored by Laisenia Qarase, the Managing Director of the Fiji Development Bank (FDB), a leading proponent of ethnic Fijian affirmative action and later prime minister. It was commissioned by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). The report, which was more comprehensive than the *Nine Points Plan*, suggested that the objective of affirmative action “should be the achievement of overall parity between Fijians and other communities in all spheres of activities within the shortest period of time possible” and should “ensure that indigenous Fijians achieve 50% ownership of the corporate sector and other business sectors by the year 2005” (Qarase 1994: 4) The five strategies suggested were: enactment of appropriate legislation with the object of promoting and safeguarding the interest of indigenous Fijians; reorganisation and strengthening of the Fijian Administration; accumulation of savings to provide investment capital; encouraging of indigenous Fijians in investment; and development of indigenous Fijian entrepreneurship, business education and training. These strategies merely reinforced the basic tenets of the *Nine Points Plan*, but the difference was the *Ten Year Plan’s* sense of urgency and the specific target of 50% indigenous Fijian business ownership by the year 2005.

The *Ten Year Plan*, which later became the government blueprint for indigenous Fijian business, identified a number of government-controlled industries for privatisation, with government shares to be transferred to Fijian Holdings and other indigenous Fijian corporations. These included big monopolies such as Fiji Post and Telecom, Fiji International Telecommunications Limited (FINTEL); Fiji Forest Industries Limited (FFI); Fiji Pine Limited (FPL); Tropic Woods Limited (TWL); Pacific Fisheries Company (PAFCO); and National Bank of Fiji (NBF) the crisis-ridden state-owned bank.

A number of recommendations in the *Ten Year Plan* were promptly implemented. Some of these, similar to some of those implemented in the *Nine Points Plan*, included the reorganisation of the Fijian Administration, the expansion of Fijian Holdings Limited, the continuation of the Commercial Loans to Fijians Scheme, Unit Trust investment, the establishment of a Small Equity Fund within the
Politics of preferential development

Ministry of Fijian Affairs and establishment of a management training scheme for indigenous Fijians in the private sector. The reorganisation of the Fijian Administration was based on the assumption that the modernisation process as required by affirmative action went hand-in-hand with the consolidation of communalism. By making the Fijian Affairs Board separate from the Ministry of Fijian Affairs, it was hoped that interference by the central government in the communal affairs of the Fijian Administration would be minimised, thus providing the latter with the necessary autonomy to streamline its communal organisational role and maintain cohesion within the indigenous Fijian community (Qarase 1995). However, on the other hand, in the drive for investment there were measures clearly designed to create a competitive indigenous Fijian “bourgeoisie.”

As I have previously argued, the lack of a sizeable indigenous Fijian entrepreneurial class, to parallel the Indo-Fijian entrepreneurial class, was due to the emphasis on communal production in the colonial epoch and also during the period of Alliance rule. As Table 4.4 shows, towards the end of Alliance rule in 1986 there was a distinctive relationship between ethnicity and socio-economic status. About 60% of those working in agriculture, animal husbandry, and forestry and fishing were indigenous Fijians, compared to 40% for Indo-Fijians. There was a preponderance of indigenous Fijians in rural-based activities, operating on a small scale from villages. Indigenous Fijians also dominated in the service industries, the main activity being tourism. Most hotels were located on native land and they tended to employ local villagers (mostly as low-paid workers), as part of the agreement with landowners. However, on the other hand, Indo-Fijians and other ethnic groups dominated the professional, technical and related workers (55%), administrative and managerial (74%), clerical and related workers (62%) and sales (74%) categories.

Table 4.4 Occupational categories of economically active persons by ethnicity (Indians and Fijians only), 1986

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>Fijians %</th>
<th>Indians %</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional, technical and related workers</td>
<td>45</td>
<td>54</td>
<td>15,574</td>
</tr>
<tr>
<td>Administrative and managerial</td>
<td>23</td>
<td>76</td>
<td>2,090</td>
</tr>
<tr>
<td>Clerical and Related workers</td>
<td>38</td>
<td>62</td>
<td>13,726</td>
</tr>
<tr>
<td>Sales workers</td>
<td>26</td>
<td>74</td>
<td>13,832</td>
</tr>
<tr>
<td>Service workers</td>
<td>60</td>
<td>40</td>
<td>14,479</td>
</tr>
<tr>
<td>Agriculture, animal husbandry, forestry</td>
<td>60</td>
<td>40</td>
<td>102,614</td>
</tr>
<tr>
<td>workers and fishermen</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production, related workers, transport</td>
<td>56</td>
<td>44</td>
<td>28,268</td>
</tr>
<tr>
<td>equipment operators and labourers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers not classified by occupation and unemployed</td>
<td>70</td>
<td>30</td>
<td>13,407</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>44</td>
<td>203,991</td>
</tr>
</tbody>
</table>

Thus there was clearly ethnic disparity in the “middle class” categories. The conspicuously low representation of indigenous Fijians in the commercial sphere was evident in official company figures. For instance, between 1986 and 1987, just before the coup, of the 700 companies registered by the Registrar of Companies, only 15% belonged to indigenous Fijians, compared to 50% ownership by Indo-Fijians; 20% by Others and 15% joint venture by all the ethnic groups (Office of Registrar of Companies, 1997).

However, it is important to point out that, although on the whole Indo-Fijians dominated business, even within the Indo-Fijian community itself there were socio-economic differences. A survey compiled by Prasad (1978: 263) showed that, although Gujaratis constituted a tiny proportion of the Indo-Fijian population, they registered 153 of the 156 Indo-Fijian tailor/draper businesses, 35 of the 45 jewellery business, 22 of the 23 laundries, and all 13 of the bootmakers. Gujaratis registered 298 of the total 557 Fiji-Indian businesses. In comparison, non-Gujaratis tended to be dominant in the construction industry, with a 1:9 ratio. The same trend was evident in the transport industry, where non-Gujaratis registered 52 bus and taxi companies and Gujaratis only 2. All the butcheries were owned by non-Gujaratis (both Hindus and Muslims). Non-Gujaratis also dominated other services such as photography, film distribution and auto-servicing. The “general merchant” business category was shared between all Indo-Fijian groups (Gujarati 50, Punjabi free immigrants 18 and the rest 69). This pattern of ownership persisted into the 1980s, as shown in a survey by Kelly (1990). Kelly showed that while Gujaratis still dominated tailoring, jewellery, duty free and shoe making, they had also moved into hardware. Of the 14 major hardware outlets, 6 belonged to Gujaratis; but there were no Gujaratis in the construction industry.

The point I wish to make here is that disparity was not only inter-ethnic, it was also intra-ethnic. The inter-ethnic disparity tended to be over-emphasised, thus making it a contentious political issue. The preponderance of the Gujarati in ‘visible’ economic activities was the basis for the distorted perception that all Indo-Fijians were ‘rich’. While there were identifiable inter-ethnic disparities, there were also intra-ethnic disparities. Class and ethnicity overlapped and cut across each other in various ways. But ethnic inequality has been emphasised because of the dominant perception in Fiji, which defines social relations fundamentally in ethnic terms.
Implementing post-coup economic affirmative action policies

After the military coups in 1987, the need to expand and consolidate an indigenous Fijian entrepreneurial class became an increasingly urgent political priority. The former Minister for Trade and Commerce, Berenado Vunibobo, suggested that “Fijian society must be prepared to accept changes if our people are to become part of the mainstream of the economic life of our country” (*Fiji Times*, 11 January 1990: 8). “Changes” in this case referred to adaptation to commercial life. This was necessary to serve two purposes: firstly to enable indigenous Fijians to have a greater share of the market; and secondly to dispel the stereotypic myth reproduced over the years that indigenous Fijians were not culturally oriented towards private enterprise. The indigenous Fijian elites made it a point to be seen to be actively promoting indigenous Fijian business in order to win political support. Thus the focus on capital accumulation by indigenous Fijians at the more ‘visible’ macro level was politically more important for the ruling elites than the hidden “very small informally-operated businesses, including people who sold cordial and home-made sweets outside urban schools, prepared cooked food for wharf and factory workers, operated grass-cutting contracts and sold in the municipal markets” (Chung, 1989: 193). Thus after the coup, emphasis was on investment in the area of finance and equity (as reflected in the *Nine Points Plan* and *Ten Year Plan*), a significant shift from the primary commodity production strategy of the 1970s and early 1980s. Both the *Nine Points Plan* and the *Ten Year Plan* were implemented in earnest. Some aspects of their implementation are outlined below.

One of the most important initiatives was the government grant of FJ$20 million to indigenous Fijian business in 1992. The grant was made to the Fijian Affairs Board, to buy “B” Class shares from Fijian Holdings Limited and hold them in trust for indigenous Fijians. These shares were to be sold to indigenous Fijian shareholders later. Since 1987, the operation of Fijian Holdings was aggressively extended to buy shares in many leading corporations in Fiji. Again, the involvement of the Fijian Affairs Board indicated the degree of importance put on the role of communal mobilisation, even in the realm of capitalist investment.

The post-coup government in 1989 provided two major concessions for the Commercial Loans to Fijians Scheme (CLFS), which was set up by the FDB in 1975 to assist indigenous Fijians in business. The concessions were: firstly, an increased subsidy of 5.5% per annum on loans up to FJ$200,000 under the scheme, giving an effective interest rate of 8% per annum to borrowers; and secondly, a cash grant equivalent to 10% of the fixed assets cost, with a maximum grant of FJ$20,000 for each project. Through government encouragement, loans under the CLFS increased dramatically after the coup. For instance, in
the twelve years between 1975 and 1988 there were only 4,720 loans, totalling about FJ$25 million. But in the five years from 1989 to 1994, there were 6,189 loans totalling FJ$99 million. The upsurge in loan approval from 1989 reflected increased government concessions. Despite the initial optimism, CLFS had a high failure rate, with arrears averaging between 19% and 23%.

An area in which the quota system was significant was in the taxi business. The taxi business was always dominated by Indo-Fijians, as shown in Table 4.5. But on 22 October 1993 a ministerial directive stated that Indo-Fijians were not to be issued new permits. As the table shows, this significantly impacted on the ethnic distribution of taxi permits.

<table>
<thead>
<tr>
<th>Year</th>
<th>Fijian</th>
<th>Indian</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>272</td>
<td>2,265</td>
<td>49</td>
<td>2,586</td>
</tr>
<tr>
<td>1989</td>
<td>272</td>
<td>2,265</td>
<td>49</td>
<td>2,586</td>
</tr>
<tr>
<td>1990</td>
<td>289 (+17)</td>
<td>2,260 (-5)</td>
<td>37 (-12)</td>
<td>2,586</td>
</tr>
<tr>
<td>1991</td>
<td>399 (+110)</td>
<td>2,274 (+14)</td>
<td>37 (nil)</td>
<td>2,710 (+124)</td>
</tr>
<tr>
<td>1992</td>
<td>554 (+155)</td>
<td>2,279 (+5)</td>
<td>46 (+9)</td>
<td>2,879 (+169)</td>
</tr>
<tr>
<td>1993</td>
<td>748 (+194)</td>
<td>2,235 (-44)</td>
<td>107 (+61)</td>
<td>3,090 (+21)</td>
</tr>
<tr>
<td>15 June, 1994</td>
<td>988 (+240)</td>
<td>2,239 (+4)</td>
<td>124 (+17)</td>
<td>3,351 (+261)</td>
</tr>
<tr>
<td>16 August, 1994</td>
<td>1,100 (+112)</td>
<td>2,239</td>
<td>139 (+15)</td>
<td>3,478 (+127)</td>
</tr>
<tr>
<td>11 Nov, 1994</td>
<td>1,234 (+134)</td>
<td>2,239</td>
<td>153 (+14)</td>
<td>3,626 (+148)</td>
</tr>
<tr>
<td>31 Dec, 1994</td>
<td>1,289 (+55)</td>
<td>2,239</td>
<td>155 (+2)</td>
<td>3,683 (+57)</td>
</tr>
</tbody>
</table>


The pattern of taxi ownership before the coup was roughly similar to that of 1988 and 1989 (Fiji Department of Road and Transport, 1994). After 1990 there was a deliberate policy to increase the issue of new permits to indigenous Fijians. In 1990, 17 new permits were issued, and this steadily increased over the years, so that by June, 1994 alone there was an increase of 240 in the number of new permits issued to indigenous Fijians since 1993. In comparison, the number of taxi permits issued to Indo-Fijians had declined from 2,265 in 1989 to 2,239 in June, 1994. As a result of the ministerial directive in 1993, no new permits were issued to Indo-Fijians from mid-1994 onwards. By the end of December 1994, 1,289 permits were held by indigenous Fijians compared to 2,239 held by Indo-Fijians. However, if the same average rate of increase continued, that is an average of 135 permits per month for indigenous Fijians and 0 permits per month for Indo-Fijians, the number of permits for both ethnic groups would be the same within 7 months from the end of December 1994.

The issue of taxi permits was a clear case of reverse discrimination where, while there was a genuine need to increase indigenous Fijians’ share of the taxi
Politics of preferential development

business, there was at the same time a deliberate policy to minimise the Indo-
Fijian share. Funding for new taxis for indigenous Fijians was provided by the
CLFS, as mentioned earlier. But in 1995, CLFS funding for new permits was
suspended due to the high rate of arrears.

One of the main indigenous Fijian commercial acquisitions was Fiji Television
Limited (FTL). The government granted a 12-year exclusive television broadcast
licence to FTL on the understanding that indigenous Fijian control of FTL would
increase. In 1995, the main shareholders in FTL were FDB, 51%; Television
New Zealand (TVNZ), 15%; Fiji Post and Telecom (FPTL), 14%; and the general
public, 20%. The 51% of shares owned by FDB were held in trust on behalf of
indigenous Fijians, represented by the 14 Provincial Councils (Qarase, 1994).
The Provincial Councils owned Yasana Holdings Limited (YHL), a company
established by the Fijian Affairs Board to look after provincial investment.

The Village Housing Scheme (VHS) was set up by the Fiji National Provident
Fund (FNPF) in 1987 to provide homes for Fijians living in rural villages. A total
of 27,373 applications amounting to FJ$53.91 million were approved and paid
out (Fiji National Provident Fund, 1996: 8).

The Small Business Equity Scheme (SBES) was set up by the FNPF in 1990 to
provide finance for small businesses, especially those owned by indigenous
Fijians. Since it started, a total of 4,621 members were assisted, representing
FJ$17.22 million in payments. In 1996, a total of 1,379 applications amounting
to FJ$3.5 million were approved. Of these, indigenous Fijians submitted about
90% or 1,200 applications totalling F$2.76 million in payment. The details are
shown in Table 4.6.

### Table 4.6 Total Small Business Equity Scheme (SBES) Loans to 1996

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Number</th>
<th>%</th>
<th>Amount (F$)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>54</td>
<td>3.9</td>
<td>183,071</td>
<td>5.2</td>
</tr>
<tr>
<td>Agriculture/Fishing</td>
<td>187</td>
<td>13.6</td>
<td>547,365</td>
<td>15.6</td>
</tr>
<tr>
<td>Retail/Wholesale</td>
<td>189</td>
<td>13.7</td>
<td>453,106</td>
<td>12.9</td>
</tr>
<tr>
<td>Small Industries</td>
<td>109</td>
<td>7.9</td>
<td>346,371</td>
<td>10.0</td>
</tr>
<tr>
<td>Equity Investments</td>
<td>722</td>
<td>52.3</td>
<td>1,189,717</td>
<td>34.0</td>
</tr>
<tr>
<td>Property Investments</td>
<td>49</td>
<td>3.6</td>
<td>540,110</td>
<td>15.4</td>
</tr>
<tr>
<td>Others</td>
<td>69</td>
<td>5.0</td>
<td>241,469</td>
<td>6.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,379</td>
<td>100</td>
<td>3,501,209</td>
<td>100</td>
</tr>
</tbody>
</table>


Apart from the above, indigenous Fijians were encouraged to join together (as
tokatoka, mataqali, tikina and other forms of group) and set up companies, with
the government’s support. One such company was the Gaunavou Investments
Company Limited [GICL0 (Gaunavou translates as "modern times"). GICL (incorporated as a public company on 11 November 1994), was set up by the Suva City Fijian Urban Constituency branch of the ruling SVT “with the positive intention to start and promote indigenous Fijian enterprise and business activities” (Daily Post, 13 March 1999: 6). Amongst the shareholders were Prime Minister Rabuka and a number of government cabinet ministers. GICL, which was concerned with family-based shareholding, was meant to supplement Yasana Holdings (which dealt with provincial investments) and Fijian Holdings, which dealt with bigger shareholders.

In all of the above economic affirmative action projects, three main strategies could be identified. The first was the emphasis on communal investment, such as Fijian Holdings, Yasana Holdings and involvement of the Fijian Affairs Board; second was small scale of investment; and third was ethnic marginalisation as a result of strict quotas, as in the cased of taxi permits. The first two largely involved communal capitalism, a term introduced before, but which will be discussed in detail next. Communal capitalism was a re-adaptation of neo-traditional communalism in the new context of commerce, and as such posed a fundamental contradiction; on the one hand there was the need to create an independent indigenous Fijian entrepreneurial class, and on the other, the use of neo-traditional communal arrangement in this process. The latter provided an inhibiting environment for the former.

Communal capitalism

I define communal capitalism as a process whereby the communal system within the Fijian Administration was deployed to form commercial entities, and to collect and invest capital. Communal capitalism had a structure and a rationale. The structure followed exactly the same official structure as the Fijian Administration. It involved the tokatoka, mataqali, koro, tikina, yasana, and even the Fijian Affairs Board and Great Council of Chiefs. These various levels of socio-political organisations either had their own companies or were part of a collective commercial organisation under the yasana or Fijian Affairs Board. The rationale was that these communal groupings were to raise finance at different levels for the purpose of collective investment. The assumption was that capital investment was for the collective benefit of the vanua. For instance, capital for the provincial shares in Yasana Holdings or Fijian Holdings was collected from the 14 yasanas (provinces), who collected capital from the tikinas, who in turn collected from the koros. The koro collected its dues from the different mataqalis or tokatokas. Communal capitalism incorporated elements of both the communal
Politics of preferential development

semi-subsistence and individual capitalism modes. The resultant synthesis was a complex interplay between two systems, an “articulation” between the communal semi-subsistence and capitalist modes of production.

We could describe communal capitalism as, by and large, capitalist entrepreneurship operating within the framework of neo-traditional social relations. The chiefs were mostly made directors of provincial and local community-based companies and their blessing was sought in every investment endeavour. Invested capital was conceptualised as a communal entity that belonged to the *vanua*\(^{15}\) or community and was symbolically epitomised in the chief. This mystifying appeal inspired individuals to selflessly provide capital through *soli-vakavanua* (community collection) in the name of the *vanua*. The significance of capital as an accumulative factor of production was undermined by loyalty to communal obligation towards the *vanua*. The overriding hegemony of the *vanua* as an ideological formation subsumed the identity of the individuals. Ownership of a company, for instance, was not seen primarily as a means towards accumulation but as an expression of political strength and prestige for the chiefs, acting on behalf of the community (personal communication with a group of Kadavu province villagers). So provinces were continually engaged in competition in their *soli-vakavanua* as a show of traditional rivalry for prestige rather than for the purpose of capital investment and competition in the market. Capital thus became part of the hegemonic mechanism by which chiefs were able to exert control over the *vanua* and individuals. Mismanagement and corruption by chiefs were considered an unquestioned part of their traditional privilege as head and guardian of the *vanua*. Recently, a number of chiefs, including the wife of the president, were legally challenged for abuse of the privileges described above. Many chiefs have, over the years, financially enriched themselves through this neo-traditional arrangement.

Given the contradictory demands of communal organisation and capitalist accumulation, there have been obvious challenges for indigenous Fijians to make headway in mainstream commerce. Despite the efforts directed at affirmative action up to 2000 there was insignificant progress in the commercial performance of indigenous Fijians.

### Rural indigenous Fijians and affirmative action

The earliest forms of pro-indigenous development and affirmative action policies took place in rural areas during the colonial period and also during the post-colonial Alliance rule. A number of later affirmative action projects, based

\(^{15}\) The term *vanua* has a very ideological, political and spiritual dimension to it. It refers to the relationship between the land and people. It is a blanket term which refers to communal institutions, norms and values.
on communal capitalism (such as Fijian Holdings) directly involved villagers through yasana (provincial) shares. What we need to find out is, to what extent have the benefits of these affirmative action projects ‘trickled’ down to the villages in terms of socio-economic benefits over the years?

In 1986, for instance, about 36% of the “economically active” indigenous Fijians in the rural area were employed in the public or private sector and received a wage or salary. This ratio dropped slightly to 35% in 1989 (Fiji Bureau of Statistics, 1991). However, in 1995 it rose again to 37%. Table 4.7 shows that in 1995 the total number of economically active rural indigenous Fijians (who made up 30.2% of the total population) involved in commercial activities were as follows: 2.4% retailing; 17.2% cash cropping; 1.9% livestock; 3.2% fishing; 0.2% forestry; 1.7% service; 10.6% paid employment. In other words, only 37% had some form of steady cash income. Within a period of almost ten years, from 1986 to 1995, non-subsistence economic activity in the rural areas hardly increased. This was despite two decades of rural-targeted affirmative action.

Based on the above table, the percentage of indigenous Fijian villagers in business in relation to the total Fijian population (approximately 393,575) showed the following trend: retail (0.4%); manufacturing (0.005%); cash crop (2.86%); livestock (0.32%); fishing (0.5%); forestry (0.03%); service (2.7%); and paid employment (1.7%). This constitutes only about 6.19% of the total Fijian population. Also, as the table shows, economic disparity between provinces was very conspicuous, ranging from 18,107 people in businesses in Ba to 1,026 in Serua. Only 4 of the 14 provinces had more than 5,000 people in some form of business activity.

In rural areas, where communalism was still very strong, economic progress, as I have attempted to show above, had been virtually static, despite two decades of affirmative action which attempted to introduce commerce into village life. This contrasted with Malaysia, where the impact of affirmative action was felt within a short time. Indeed, the fact that indigenous Fijians congregated in communally organised villages inhibited their commercial development. For instance, figures show that in 1989, of the total 23,026 commercial farmers who lived in settlements outside communal villages, 20,398 (88.5%) were Indo-Fijians and 2,628 (11.4%) were indigenous Fijians (Fiji Bureau of Statistics, 1991).
### Table 4.7 Village and settlements business types by provinces in 1995. Shows number of people

<table>
<thead>
<tr>
<th>Province</th>
<th>No. of Villages</th>
<th>Retail</th>
<th>Manufacturing</th>
<th>Cash Crop</th>
<th>Live Stock</th>
<th>Fishing</th>
<th>Forestry</th>
<th>Service</th>
<th>Paid Employ</th>
<th>Subsist</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ba</td>
<td>112</td>
<td>156</td>
<td>0</td>
<td>979</td>
<td>239</td>
<td>330</td>
<td>88</td>
<td>49</td>
<td>2111</td>
<td>14155</td>
<td>18107</td>
</tr>
<tr>
<td>Bua</td>
<td>107</td>
<td>92</td>
<td>0</td>
<td>219</td>
<td>46</td>
<td>19</td>
<td>1</td>
<td>12</td>
<td>88</td>
<td>1892</td>
<td>2369</td>
</tr>
<tr>
<td>Cakaudrove</td>
<td>146</td>
<td>167</td>
<td>1</td>
<td>1888</td>
<td>84</td>
<td>275</td>
<td>4</td>
<td>58</td>
<td>301</td>
<td>1507</td>
<td>4285</td>
</tr>
<tr>
<td>Kadavu</td>
<td>90</td>
<td>113</td>
<td>0</td>
<td>4</td>
<td>7</td>
<td>50</td>
<td>0</td>
<td>19</td>
<td>150</td>
<td>2667</td>
<td>3010</td>
</tr>
<tr>
<td>Lau</td>
<td>119</td>
<td>140</td>
<td>4</td>
<td>848</td>
<td>3</td>
<td>75</td>
<td>1</td>
<td>22</td>
<td>458</td>
<td>2438</td>
<td>3989</td>
</tr>
<tr>
<td>Lomaiviti</td>
<td>107</td>
<td>95</td>
<td>0</td>
<td>610</td>
<td>2</td>
<td>65</td>
<td>0</td>
<td>13</td>
<td>595</td>
<td>1949</td>
<td>3329</td>
</tr>
<tr>
<td>Macuata</td>
<td>210</td>
<td>38</td>
<td>1</td>
<td>1542</td>
<td>65</td>
<td>523</td>
<td>31</td>
<td>641</td>
<td>554</td>
<td>603</td>
<td>3998</td>
</tr>
<tr>
<td>Nadroga</td>
<td>133</td>
<td>138</td>
<td>8</td>
<td>1629</td>
<td>198</td>
<td>136</td>
<td>2</td>
<td>0</td>
<td>794</td>
<td>52</td>
<td>2957</td>
</tr>
<tr>
<td>Naitasiri</td>
<td>146</td>
<td>121</td>
<td>0</td>
<td>423</td>
<td>94</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>329</td>
<td>4144</td>
<td>5114</td>
</tr>
<tr>
<td>Namosi</td>
<td>42</td>
<td>56</td>
<td>0</td>
<td>4</td>
<td>18</td>
<td>23</td>
<td>0</td>
<td>33</td>
<td>316</td>
<td>844</td>
<td>1294</td>
</tr>
<tr>
<td>Ra</td>
<td>202</td>
<td>112</td>
<td>0</td>
<td>1313</td>
<td>41</td>
<td>40</td>
<td>2</td>
<td>6</td>
<td>197</td>
<td>5206</td>
<td>6917</td>
</tr>
<tr>
<td>Rewa</td>
<td>55</td>
<td>91</td>
<td>1</td>
<td>684</td>
<td>171</td>
<td>194</td>
<td>1</td>
<td>141</td>
<td>520</td>
<td>601</td>
<td>2404</td>
</tr>
<tr>
<td>Serua</td>
<td>40</td>
<td>36</td>
<td>4</td>
<td>463</td>
<td>118</td>
<td>144</td>
<td>0</td>
<td>17</td>
<td>146</td>
<td>98</td>
<td>1026</td>
</tr>
<tr>
<td>Tailevu</td>
<td>143</td>
<td>194</td>
<td>3</td>
<td>682</td>
<td>178</td>
<td>194</td>
<td>3</td>
<td>84</td>
<td>394</td>
<td>5061</td>
<td>6793</td>
</tr>
<tr>
<td>Total</td>
<td>1652</td>
<td>1549</td>
<td>22</td>
<td>11288</td>
<td>1264</td>
<td>2070</td>
<td>133</td>
<td>1096</td>
<td>6953</td>
<td>41217</td>
<td>65592</td>
</tr>
</tbody>
</table>

| Percentage | 2.5             | 2.4    | 0.7           | 17.2      | 1.9       | 3.2     | 0.2      | 1.7     | 10.6        | 62.8    | 100    |

Has embourgeoisement worked?

The emphasis on creating and enlarging an indigenous Fijian middle class was part of an aggressive post-coup initiative. However, this enthusiasm was largely channelled towards communal capitalism. What that meant in reality was that indigenous Fijian business was to be embodied in indigenous-owned corporations such as Fijian Holdings, which would invest on behalf of indigenous Fijians. This undermined the competitiveness needed for individual enterprise and individual social mobility, thus retarding the expansion of an indigenous middle class. The insignificant change in the ethnic ‘middle class’ occupational categories for indigenous Fijians relative to Indo-Fijians in Table 4.8 for 1986 and 1996 appears to confirm this.

Although Table 4.8 shows an increase in the number of indigenous Fijians in the managerial category, from 487 in 1986 to 1,292 in 1996, the real significance of this was much less than it appeared to be. The increase in number by almost three times was due to two main reasons: firstly, the definition of managerial category in 1996 incorporated various other sub-categories which were not included in 1986; secondly, as we recall, there was an increase in the number of loans to indigenous Fijians by the CLFS from 1992 to 1996 and thus there was a proliferation of companies formed to formalise business ventures. But as we shall see later, a lot of these CLFS loans ended up in arrears or as bad debts. This would have exaggerated the total number of companies owned by indigenous Fijian.

Nevertheless, in general, the pattern of ethnic disparity in 1996 was almost the same as that ten years earlier. Indo-Fijians still dominated the managerial positions, with 76% of such positions being held by Indo-Fijians in 1986, increasing to 78% in 1996. Despite economic affirmative action measures, the ethnic gap had not closed: rather, it had slightly increased.

Table 4.8 Ethnic distribution of ‘middle class’ occupational categories, 1986 and 1996

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>Fijian</th>
<th></th>
<th>Indian</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial</td>
<td>487 (23%)</td>
<td>1,292 (22%)</td>
<td>1,603 (76%)</td>
<td>4,548 (78%)</td>
</tr>
<tr>
<td>Professional and Technical</td>
<td>7,124 (45%)</td>
<td>13,699 (53%)</td>
<td>8,450 (54%)</td>
<td>12,351 (47%)</td>
</tr>
<tr>
<td>Total</td>
<td>7,611 (43%)</td>
<td>14,981 (47%)</td>
<td>10,053 (57%)</td>
<td>16,899 (53%)</td>
</tr>
</tbody>
</table>


The 1996 census report further disaggregated the managerial category into four sub-categories: director/chief executive; small business manager; specialist
managers; and other department managers. The ethnic disparity within these categories is shown in Table 4.9. In all sub-categories, Indo-Fijians dominated, with between 60% and 82% of the total. The largest difference was for the chief executive position, in which there were 82% Indo-Fijians and 18% indigenous Fijians.

<table>
<thead>
<tr>
<th>Man. Category</th>
<th>Fijian (Number)</th>
<th>%</th>
<th>Indian (Number)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors/Chief Executives</td>
<td>196</td>
<td>18</td>
<td>879</td>
<td>82</td>
</tr>
<tr>
<td>Small business managers</td>
<td>568</td>
<td>20</td>
<td>2,344</td>
<td>80</td>
</tr>
<tr>
<td>Specialist managers</td>
<td>193</td>
<td>40</td>
<td>285</td>
<td>60</td>
</tr>
<tr>
<td>Other department managers</td>
<td>335</td>
<td>24</td>
<td>1,040</td>
<td>76</td>
</tr>
<tr>
<td>Total</td>
<td>1,292</td>
<td>22</td>
<td>4,548</td>
<td>78</td>
</tr>
</tbody>
</table>


The only area where there was a marked increase for indigenous Fijians was in the professional and technical category (as shown in Table 4.8). There was an increase in the number of indigenous Fijians in that category from 45% in 1986 to 53% in 1996. This relative increase was due mainly to two reasons: first was the large-scale migration of Indo-Fijian professionals after the 1987 coup; and second was the post-coup affirmative action in employment and education which led to the marginalisation of Indo-Fijians in the public service, as we saw earlier. Most indigenous professionals and technical experts were in the public sector (Fiji Bureau of Statistics 1998).

It is apparent that very little progress had been made in terms large-scale penetration of indigenous Fijians into the corporate sector, despite the concerted affirmative action drive. Other available figures tend to confirm this. As mentioned earlier, just before the 1987 coup only 15% of the companies registered by the Registrar of Companies belonged to indigenous Fijians, compared to 50% for Indo-Fijians, 20% by Others and 15% joint ventures by all other ethnic groups. In 1997, of the 101 local companies registered under the Tax Free Zones (TFZ) up to 1997, less than 10% were indigenous Fijian-owned. Of the 71 local companies in operation within the same period, in the TFZ only about 7 were indigenous Fijian-owned (Fiji Trade and Investment Board 1997).

Moreover, the post-coup state economy, especially after 1990, went through a period of contraction, and was not favourable for investment. Although the growth rate between 1989 and 1990 was a high 8%, it was followed by a period

---

16 The 1996 Census Report breaks down the corporate manager category into four sub-categories; directors and chief executives; small business managers; specialist managers; and other department managers.
of low growth. From 1991 to 1995 real per capita output growth averaged only 1% per year (World Bank 1995: 1). But despite this, the fact remains that this unfavourable investment climate affected everyone, including both Indo-Fijian and indigenous Fijians. Thus it cannot be seen as ‘the’ explanation for the continuing ethnic disparity in socio-economic performance.

Clearly, evidence showed insignificant improvement in the socio-economic situation of indigenous Fijians relative to Indo-Fijians between 1970 and the late 1990s, despite the exhaustive affirmative action measures. Indeed, the problem, as I have argued, needed to be understood in the broader sociological and political dimension, which requires an analysis of the interplay between socio-economic imperatives and the dictates of the dominant ideological and political processes rooted in the communal schema. Affirmative action and associated development policies have continuously been subsumed under communal hegemony, thus undermining intended socio-economic progress. But the prevailing belief in official circles tended to undermine attempts to come to terms with the fundamental cause of the problem, as reflected in Qarase’s assertion:

There is no doubt that the long-term security and stability of Fiji will depend, to a large extent, on the country’s ability to close the gap that exists between Fijians and other ethnic groups in the various sectors mentioned. Closing the gap is a national problem and the solutions will require the support of all communities in Fiji. There is no time for debate on “why” and “how” Fijians are so far behind in Fiji’s modern economy. Such a debate would mainly be irrelevant and futile (Qarase 1994: 4).

But stifling the debate on the “why” and “how” of the indigenous economic malaise continued to reproduce the problem. The problem was embedded in the socio-political and ideological schema of communalism. This is perhaps where Fiji and Malaysia differed in some respects. Affirmative action in Malaysia tried to promote individual rather than communal investment.

The Malaysian connection

Fiji, like other developing countries (e.g. South Africa, Namibia) had been obsessed with the Malaysian model of affirmative action, considered to be highly ‘successful.’ The business affirmative action strategy in Fiji, especially in relation to the development of indigenous investment and financial institutions, was based on the Malaysian model and this modelling intensified after the 1987 coup.
Fiji’s links with Malaysia went back a long way. Relations were first established when the 1st Battalion of the Fiji Infantry Regiment was deployed in Malaysia (then called Malaya) from 1952-56 as part of the Commonwealth forces sent to suppress the communist insurgency during the “Malayan Emergency”. The Malaya operation was politically significant because it reinforced the prevailing self-perception of indigenous Fijians as a “warrior race”, to be deployed not only locally against Indo-Fijian trouble makers, but also internationally to support other indigenous peoples against “foreign” dominance (Nawadra 1995). The version of events Fijian soldiers were indoctrinated with was simple – to ‘save’ the indigenous Malays (kai Maleya) from the ‘evil’ communists (komunisi). In fact the term komunisi, like kai Idia (Indian), came to be associated with people of unscrupulous and arrogant behaviour within indigenous Fijian society.

Trained and ideologically conditioned in ethnic warfare at home, the Fijian soldiers perfectly fitted into their “liberating” role in Malaya against the largely Chinese communists. The Fijian soldiers’ exploits have been mythologised in traditional dances (meke) and songs (sere). Significantly, many of the future leaders of Fiji, including the a Governor General and President, Ratu Penaia Ganilau (then a colonel and himself commander), and several members of the Alliance Party Cabinet, were officers in the deployed Fiji Battalion. This was where the political link was cemented, leading to Fiji’s interest in ‘importing’ the Malaysian political model of consociationalism, which attempted to maintain national unity, yet provided for indigenous Malay political ascendancy. The Malaysian political model was seen as a desirable future alternative for Fiji after independence in 1970, but this idea was temporarily shelved after the May 1969 ethnic riots in Malaysia. During his reign as Prime Minister, Mara, himself a great fan of Malaysian politics, visited Malaysia to cement political and economic ties. Diplomatic ties between the two countries were established in 1977 and Malaysia set up its embassy in Fiji in 1984. In 1988, one year after the coup, Fiji set up its embassy in Kuala Lumpur.

The political and economic links between Fiji and Malaysia strengthened after the 1987 military coup. The coup was seen as a parallel event to the 1969 Malaysian race riots, after which indigenous Malaysian ascendancy was politically crystallised. Now that the coup had provided the platform for indigenous Fijian ascendancy, there was almost a sense of urgency to emulate the Bumiputeraism experience, as reflected in the words of the former ambassador to Malaysia, Dr Ahmed Ali, quoted in the Fiji Ministry of Information monthly bulletin, Fiji Focus:

---

17 Bula Maleya (Hello Malaya), one of the most popular songs in the South Pacific, was appropriated by Elvis Presley as the lyric for his song, Drums of the Island.
Fiji has much to learn from Malaysia... Fiji should also examine Malaysia's approach to elevating the socio-economic position of its Bhumiputras and securing them their political primacy. In addition Fiji could also draw from Malaysia's strategies for unity, its insistence on its own values, its religious and language policies – all these provide guidelines towards successful living in a multi-ethnic society (Fiji Ministry of Information. 1994: 39).

A bilateral agreement was put in place to facilitate trade promotion and training for Fiji citizens and in 1993 the Fiji Trades and Investment Board mounted a Fiji Week in Kuala Lumpur as a way of reinforcing trade links. In the mid 1990s Malaysia was Fiji’s second largest importer of sugar, after the European Union. This accounted for 103 million tonnes of sugar annually through a long-term agreement.  

Malaysian corporate investment in Fiji was limited to Free Trade Zone (FTZ) manufacturing, tourism and finance. Some of the latest acquisitions included South Pacific Textile (Fiji) Ltd, employing 250 people; the SIA Cash and Carry – a joint venture with local employees operating a retail outlet for imported garment and fashion accessories and the Malaysian Bank/National Bank of Fiji partnership; and massive equity in the Carpenters Corporation, one of the largest wholesale and retail outlets in Fiji. In tourism, the Malaysian Berjaya Corporation owned the Berjaya Inn; Sateras Resources Limited owned the Tokatoka Resort near Nadi International Airport and the Suva Motor Inn in Suva; and the Malaysian Shangri-La owned the Mocambo Hotel and the Fijian Hotel, Fiji’s largest five-star tourist resort at that time. In selling Fiji to Malaysian investors, Dr Ahmed Ali said:

...businessmen in both Malaysia and Fiji can tap the huge opportunities available in each other’s countries...We want to welcome Malaysians to Fiji to do business and even share their knowledge and experience with us both in the public and private sectors. We also want to give something in return, not merely take (quoted in Business Times 1994: 10).

Part of the training program through the bilateral agreement was the sponsoring of the Chief Executive of Fijian Holdings Company to study affirmative action in Malaysia, in particular how the Bumiputera trust agency, National Equity Corporation (NEC), worked and how it could be emulated in Fijian Holdings.  

---

18 In 1993 the trade balance with Malaysia was between F$16-F$30 million surplus. Malaysia's exports to Fiji include yarn, rubber, telecommunication and electrical appliances.  
19 NEC is one of Malaysia's leading investment institutions, set up by the Malaysian government to facilitate the Bumiputera participation in business. Through heavy government subsidy, and help from the Bumiputera Investment Foundation (which helps Bumiputeras to save money and develop entrepreneurship and investment skills), the corporation has been able to achieve a level of investment exceeding US$8.26 billion. The government assistance package includes general financial support of about US$1,475 million,
In August 1996, Gen. Rabuka visited Malaysia, where he expressed deep interest in “Malaysia’s privatisation policy because it ensured indigenous participation in government-owned programs and assets” (*The Fiji Times*, 10 August 1996: 4) and took up Malaysia’s offer to help in Fiji’s privatisation program. But Rabuka was advised by Prime Minister Mahathir (who has been a leading campaigner for Fiji’s re-admittance into the Commonwealth), that, while privatisation was important (Fiji had embarked on a major privatisation program), it was also important that “strict consideration must be given to ensuring that there is no direct sell-out of Government programs and assets” (quoted in *The Fiji Times*, 10 August 1996: 4). Rabuka’s later visit to Malaysia was in September 1998, to coincide with the Commonwealth Games in Kuala Lumpur. During this trip, Rabuka was given a car by the Malaysian Prime Minister as a gift.

During the third Fiji/Malaysia bilateral meeting in Fiji in July 1997, Fiji’s Foreign Minister reiterated what had become a recurrent rhetoric about Fiji’s obsession with Malaysia:

Fiji hopes to draw on the success of Malaysia in the last 20 years as a model at this crucial state in the nation’s political history...Fiji realised that political stability was a requirement for economic growth. We should consider the Malaysian example as a very good pointer for us in the context (*Fiji Times*, July 3 1997: 3).

Perhaps the most controversial Malaysian involvement in Fiji was when the ruling SVT Party and the government employed Malaysian Federal judge, Zakaria Yatim, in the review of Fiji’s 1990 Constitution. Yatim’s role was to provide input based on the position of the *Bumiputera* provided in the Malaysian Constitution. He prepared the SVT submission to the CRC and also worked for the government as consultant for the Fijian Affairs Board and Prime Minister’s office. Part of his contribution was to transplant the affirmative action provisions of the Malaysian constitution into the Fiji Constitution. Yatim’s role was publicly criticised by the opposition parties as tantamount to “foreign intervention”, and even in Australia, a judge said that he was “distressed to learn that an advisor to the Fijian leader was a Malaysian Constitutional expert”, claiming that “The constitution of Malaysia was one of the most repressive constitutions one could imagine” (*Daily Post*, 17 June 1997: 3).

In adapting the Malaysian affirmative action model, Fiji was also faced with its own version of Malaysia’s long-standing dilemma of reconciling the communal agenda and economic modernisation.

---

transfer of government shares at par to the corporation from forty profitable companies, a 14-year tax holiday and exemption from stamp duties and share transfer tax and use of government infrastructure and facilities to promote two unit trust schemes to mobilise the savings of Malays for investment (Fijian Holdings 1994: 11-12). Today Fijian Holdings Company operates as a miniature version of NEC.