

# Poverty, Politics and the Politics of Race in Fiji

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**\*OHT 1.** The first draft of this paper focused on a description of poverty in Fiji and piecemeal attempts, by Government, NGOs and the international community, at its alleviation. The paper would have caused no surprises to anyone in this audience, and there would have been little to discuss at its conclusion. The focus on description would have drawn attention away from any examination of the causes of poverty or attempts at its solution: the two issues about which, in my opinion, this conference should be most concerned.

Poverty, in my view, is not primarily caused by the shortcomings of the poor or by a lack of national resources but by shortcomings in policy and action—and the misdirection and use of resources—by those holding political and economic power. The inclusion of the words 'politics' and 'race' in the title to this paper gives 'poverty' a context within which it can be examined and understood.

Fiji does not lack studies in poverty. There have been many over the past 20 or so years, each broadly confirming the work of its predecessors. Although debate continues on its precise definition, measurement and extent in the Fiji context, the essential parameters of poverty are well known to those who are prepared to admit its existence and who genuinely seek its eradication. Sporadic and piecemeal efforts at alleviation have succeeded in making a few poor people a little better off, but the inevitability of poverty remains embedded in the basic thinking and structures of society, in Fiji and elsewhere.

The facts on poverty in this paper derive from two analyses of Household Income and Expenditure Surveys, the former held in the late 1970s, the latter in the early 1990s (Stavenuiter 1983, Ahlburg 1995); on a book by Fr Kevin Barr, a longtime battler for the underprivileged (1990); a UNDP/ Government report (1997); and my own analysis of housing based on 1996 Census data. This is the most recent statistical information available.

## Poverty 1991 and 1996

**OHT2.** Although a low income does not necessarily equate with poverty, low, stipulated levels of income from cash and non-cash sources have been used in Fiji to determine the proportion of households below the 'poverty line.'

Three household poverty lines have been used: *Food Poverty* (the inability to provide minimum dietary requirements), *Basic Needs Poverty* (incomes less than the costs of basic food and shelter), and *Relative Poverty* (under one-half of the average household income).

Using these figures, between one in ten households (Food Poverty), one in four (Basic Needs Poverty) and one in three (Relative Poverty) were below the poverty line in 1990-91. The middle measure, Basic Needs Poverty, equated with a minimum weekly household income of \$83 in 1990-91 (more in urban areas and less in Fijian villages). It also tallied with the proportion of households living in inferior housing usually associated with poverty, and is accepted as a fairly reliable indicator of the extent of poverty in Fiji.

**OHT3.** Income inequality is not dissimilar from that found in many Third World countries. At the national level, the poorest 20 percent of households received a bare five percent of the national income, while the richest ten percent received 35 percent. In addition to the 25 percent below the poverty line, a further 15 percent or more of households were vulnerable and could fall below the poverty line in the event of sickness, redundancy, loss of income or unexpected expenditure.

**OH4.** Thus, in 1991, at least 40 percent of households were poor or almost so. Of these, 10 percent were 'destitute', 15 percent were 'poor', and 15 percent were 'vulnerable to poverty'.

**OHT5.** Contrary to popular opinion, considerably more income inequality occurred *within* than *between* Fiji's major ethnic groups (5c). The average income of Indo-Fijian households was higher than that of Fijian households, but half the Indo-Fijian households (deciles 1 - 5) had lower weekly incomes than their ethnic Fijian co-

horts. Indo-Fijian households in deciles 6 to 9 were a little better off. The 'great leap upward' occurred for *both* ethnic groups in decile 10 where the richest Indo-Fijian households averaged \$914 a week and Fijians \$537. Indo-Fijians are richer *and poorer* than Fijians. A comparison of average incomes, in these circumstances, is most misleading, and talk of rich Indo-Fijians and poor Fijians, as even recent events have shown, is more than merely mischievous.

These figures show something of the reason why a multi-ethnic Labour government (which threatened to expose corruption and patronage, and sought to reduce gross social inequalities) was twice returned to power—and twice overthrown—by forces backed by sections of the Fijian 'establishment' and the Indo-Fijian business class. Such is the power of the politics of race in Fiji.

Inequality can also be seen by examining the number of times higher deciles of incomes exceed the lowest. **OHT5a** shows that households in decile 3, for example, had 2.5 times more income than the lowest decile. The proportion increased steadily with each decile climbing to 9.4 times in decile 9 and leaping (and that is no exaggeration) to 22.6 times (or 2255%!) in decile 10 where the *average* gross weekly household income was \$760.20. One can only wonder what the top five or one percent earn. The Fijian rich were 14 times better off than the Fijian poor and rich Indo-Fijians 28 times better off than Indo-Fijian poor. (**5c**). Marked differences also occurred between types of employment (**5d**).

**OHT5b.** Geographic inequalities are indicated, although only crudely, by provincial figures which showed household average weekly income in six of Fiji's 14 provinces to be about one-half of those of Rewa, the richest and most urbanized province. Disturbances directly related to this year's coup occurred in Tailevu (George Speight's home province), Namosi and Cakaudrove. Many of the Suva grassroots came from the burgeoning Fijian 'squatter' and other low income areas.

**OHT 6.** Salient characteristics of the poorest and richest households are seen in OHT6. The poorest households were smaller, had few worker, more heads not working (but over 80% of poor households had heads who were working!), more female heads, more young, old, single, widowed and separated or divorced heads. Casual, unskilled and seasonal work, poorer education, and more disability was also evident.

**OHT 7.** Housing quality is an obvious and visible sign of both poverty and wealth. The 1996 census classified 6 percent of houses as 'superior' and 25 percent as inferior or inadequate. Over one-quarter of Fiji's houses had unsafe water supplies and were inadequate in construction; over one-third comprised only one room, and over one-half lacked electricity, had unsafe kerosene lighting and sources of cooking fuel, and unsanitary toilets. One house in five had insecure tenure. Some housing features had improved a little from the previous census in 1986 but the rich-poor gap remained.

### Politics and Poverty

The 1987 coups are a useful dividing line to consider government policies as they might affect poverty. In the

earlier period development planning aimed to remove gross regional and social inequalities. Some 'developmental basic needs' improvements occurred, especially in rural areas dominated by Fijians, and social welfare provision was made for some of the destitute, mainly widows and the disabled. For most of this early period it was assumed that there was no *real* poverty in Fiji and that traditional family 'safety nets' protected the weak and needy. Development Plan 9 (1986-90), however, admitted a 15 percent poverty level and unemployment exceeding 10 percent, but basic needs provisions and direct allocations to the poor hardly increased.

This was a period of rapid urbanization by ethnic Fijians and an increasing collapse of extended family support systems. It was also a period marked by increasing disparities between rich and poor and rural and urban Fiji, bureaucratic incompetence, patronage and corruption, all of which led to a change of government in 1987.

In 1987 a multi-ethnic Labour coalition government, headed by a Timoci Bavadra, was elected on a platform which promised, among other things, to expose corruption and patronage, and provide free health care, better working conditions for wage earners, free after working hours bus services for the elderly, and a greater share of land rents to Fijian landowners. The government was ousted after four weeks by a military coup led by then Colonel Sitiveni Rabuka.

The pretext for the two 1987 coups was the need to protect Fijian interests (which were already very well protected by the 1970 Constitution, Fijian control of Senate, the police, most government departments, the army, the office of the Governor-General, and a not inconsiderable presence in cabinet and parliament). There are, of course, many reasons for coups but the core reason in these cases—and the coup and army mutiny to follow 13 years later—had far more to do with the determination of sections of the Fijian elite to retain power, patronage and wealth than any anxiety about threats to traditions or the plight of the Fijian poor.

**OHT 8.** For the next 12 years, the Rabuka government attempted to kick start the economy by adopting the only too well known policies of neo-liberalism and "structural readjustment." Foreign and local investment was needed to create new industries and new jobs. And tax concessions, deregulation, lower company and top-end personal income tax, and controls on wages were needed to attract investors.

There is no doubt that a few people—Fijian, Indo-Fijian, and others, both local and foreign—became much richer as a consequence of these policies, but the weakening of trade unions, wages close to and below the poverty line, a 30 percent drop in real wages, the introduction of "user pays" for social services, and a ten percent VAT, hurt most working people in Fiji, and impacted most severely on the poor. Crime increased dramatically. Education and Health and other social services further deteriorated, due in no small part to the emigration of professional and skilled Indo-Fijian workers.

Between 1977 and 1991 the economy grew by 25 percent and the number of the poor by 65 percent. The supposed "trickle down" effect had not eventuated. Wage rates for

most of the new jobs were below or close to the 'poverty line'. Most were for women which did nothing to help ease youth unemployment. 'Safety net' provisions were grossly inadequate and limited to the most destitute. The "growth—jobs—poverty alleviation" strategies had failed.

The contribution of NGOs—to whom government has increasingly left the problem of poverty—looked more impressive. In 1994 73 NGOs spent \$6.5 million on 208 projects and programmes said to affect 316,000 people. Eight percent was spent on welfare; the remaining 92 percent on what was called 'empowerment'. But much of the 'empowerment' assistance went to the orphaned, the handicapped, and prisoners' families. Some went to school fees or books; one donation paid for an overseas heart transplant operation; and another to building a bus shelter! The 1994 allocation, divided equally among all recipients, was \$21 a year, or 40 cents a week. One must respect NGO efforts. But they were piecemeal, uncoordinated, too often self-serving and parochial, their work helped very few, their survival relied too heavily on government goodwill and foreign aid, and most did nothing to address the political heart of the poverty problem.

During this time, little effective attention was given to 'grassroots' Fijian concerns. Barely one-half of the money from land leases reached the actual owners of the land. Most is siphoned off by the Native Land Trust Board and the Fijian provincial hierarchies. Land owners at the Monasavu hydro dam still lacked compensation—and electricity! A government grant of \$20 million to Fijian Holdings was spent on shares in private companies. Money extracted from ordinary Fijians at annual provincial gatherings continued to be spent on purchasing office buildings, paying off Methodist church debts, and a few scholarships. Little went back to villages and much was unaccounted for. It is not surprising that unemployed, uneducated and untrained Fijians youths, many from marginalized and economically depressed localities in Tailevu and Naitasiri, featured prominently in this year's coup. The only surprise is that they blamed Indo-Fijians for their plight.

To compound matters, incompetence, corruption, patronage and ethnic bias became increasingly obvious. Much of the money given to the Methodist church for squatter upgrading and relocation was misappropriated. Poverty Alleviation Funds were squandered and the fund closed. The National Bank of Fiji lent and lost \$220 million—an amount equal to 12 percent of GNP for one year. Most debtors were prominent citizens. No collateral was asked, and no convictions have followed.

The ongoing problem of land lease renewals saw no resolution. Fijian landowner and Indo-Fijian tenant grievances remained, feeding misinformation and racial distrust.

Fijian society continued to change. Chiefs became businessmen or bureaucrats, and some put their own interests, or those of their tribe, before communal or national good. More urban youth became marginalized, urban crime increased dramatically, and 77 percent of the prison population was Fijian (Mounsell-Davis 1998). The "safety net" of the extended family was no longer there to catch as many of the old, the disabled and the poor. Indo-

Fijian society was also changing. But government was reluctant to increase assistance which might produce a "dependent mentality" and some employers continued to claim there was plenty of work for those who wanted it.

Poverty workshops and reports proliferated but very little eventuated from their efforts.. The 1991 Poverty Task Force report went largely unheeded. Almost all the money needed for the 1997 UNDP/Government *Fiji Poverty Report* was provided by the UN. Government negotiations with the World Bank for assistance with squatter settlement upgrading collapsed. The 1996 Census, with important information on poverty, remained largely unanalyzed. My own report on housing gathers dust at the Bureau of Statistics.

Meanwhile, Fiji had become a consumer society. Advertising on TV and in the media, and the conspicuous consumption of the rich, encouraged the poor to purchase more than they could afford or repay. Fijian nationalism, sport, and charismatic christianity drew even more of the attention of the poor away from social issues affecting their everyday lives. Matters of social justice, other than those concerning race, had little appeal.

### **Poverty is not Inevitable**

One must seriously ask why the poverty situation is no better when successive governments since Independence in 1970 have declared the reduction of gross inequalities "as a central plank of ... development policies."

Destitution and poverty are not inevitable in a society, and certainly not in a society like Fiji. We hear much about "lack of political will" in Third World countries. There is no lack of political will in Fiji. It is political will which has made the rich rich and the poor poor. What is lacking in Fiji is genuine commitment to a more equitable society, the eradication of poverty, and appropriate policies and concerted action derived from this commitment.

**OHT 9.** The Bavadra Government signaled some of the action needed in 1987, and the Chaudhry government showed what could be done in just one year when, among other things, it removed VAT on basic food items and made education more accessible for the poor.

Poverty will not be eliminated by more investment, economic growth, or even by more employment at sub-poverty levels. Much more is needed. Poverty eradication requires equitable development which embraces the economy, ethics, cultural mores, politics, the media, civic and development education, informed public participation, and much more. In the Fiji context, it also requires inter-racial harmony, the rule of law, and an army loyal to legal government.

**OHT 10.** The key to equitable development is a virile civic society with participatory democracy at all levels. Religious and Community leaders, the education system, and the media have critical roles to play if the people are to be able to make informed political choices. Some Fijians will tell you democracy is untraditional and not the Pacific Way. In Fiji of the 21<sup>st</sup> century, such are the arguments of the misguided and those who stand to benefit from injustice and inequality.

A fair and just society also requires a government of talent and imagination whose members are motivated by ethical principles and service. Racial politics have no role to play in such a society.

Finally, equitable development requires a business sector which is socially responsible and willing to assist government in its efforts to reduce gross class and regional inequalities. Those who are socially responsible should be rewarded by imaginative tax relief and other incentives. Recent political events in Fiji should amply demonstrate what business stands to lose from irresponsibility.

The 1997 UNDP report on poverty recommended a three-pronged strategy: improve the productive capacity of people; improve access to social services, and increase the capacity of NGOs to assist the poor. These views are typical of current official development thinking: plausible but limited suggestions made to a government which wishes to keep poverty in check but which is not committed to its eradication.

The eradication of poverty requires a re-examination of the totality and purposes of societal structures: philosophical, economic, political, social, ethnic, and —above all else—ethical.

I doubt that anything less than this holistic approach will work. The eradication of poverty requires fundamental changes in the ways political, business and civic leaders think and act. If this were not so, poverty would have been eradicated many years ago.

November 2000.

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## OHT 1. FIJI - GENERAL INFORMATION

### Governments, Political Events

Independence from Britain 1970

**1. 1970 - 1987 Alliance Government**, led by Ratu Sir Kamisese Mara. Essentially Fijian

**2. 1987 Labour Government** led by Timoci Bavadra. Multiracial Cabinet.  
1987. First and Second Coups.

**3. 1987-1999 "Rabuka" SVT Government** all Fijian. Fiji becomes a Republic.  
New 1990 Constitution favouring Fijians.  
1997 Multi racial (Reeves) Constitution. Fiji re-admitted into Commonwealth.

**4. 1999 Labour Coalition** Government led by Mahendra Chaudry

**5. 2000 May 19 - Coup/hijacking** led by George Speight. Interim Military Government. Promise of new constitution favouring Fijians. *"Indo-Fijians will never again hold power"* - Qarese.  
November - Mutiny in the Army.

### Political Structure:

**Governor-General/President**, Fijian. — **Senate**. Fijian majority  
**Parliament**

**Fijian Administration** at Provincial level

**Great Council of Chiefs** - comprises chiefs and senior Fijian Bureaucrats

**Native Land Trust Board** (NLTB) administers Fijian communal land

**Three 'traditional' Confederacies** competing for prominence.

West not recognized as a Confederacy.

### UN Human Development Index

Fiji ranked 47<sup>th</sup> of 174 countries in 1996.

### Land

83% Fijian, communally-owned. Leased land, mainly to Indo-Fijians, renewals due/overdue.

### Economy, Formal

**Tourism** (mainly foreign owned) and **Sugar** (mainly Indo-Fijian smallholders).

**Manufacturing**, mainly garments. Tax free Zones, foreign investment, since 1987 Coups. Some gold, timber, other crops

**Favoured nation treatment:** sugar access to Europe (Lome convention); garments Australia and New Zealand (SPARTECA)

### Economy, Informal

Semi-subsistence typical of most Fijians in rural areas.

### May 19<sup>th</sup> Coup effects

Major job losses, especially garments and tourism. GDP down by 9 percent

### Population 1996 Census:

**Total** 772,655. Fijians 51%. and rising due partly to high birthrate); Indo-Fijians (44% and falling due to emigration)

**Distribution:** Fijians: Interior, East, outer islands. And now 41% urban. Indo-Fijians: West, sugar areas, and towns.

**Rural Areas:** 53% 415,000 (59% of Fijians; 50% of Indo-Fijian). More remote provinces, almost entirely Fijian. Population "stagnant".

**Urban Areas:** 358,000 and growing. Largest conurbations: Suva-Lami-Nausori 207,000. Lautoka-Nadi-Ba 88,000. Labasa 24,000. Fijian urban increase 50% in ten years; Indo-Fijian 15%.

# OHT 2

**Percentage of Households below Food, Basic Needs and Relative Poverty Lines  
By Settlement Types and Ethnic Groups, 1990-91**

<i>Settlement types/ Ethnic Groups</i>	Food Poverty <sup>a</sup>	Basic Needs Poverty <sup>b</sup>	Relative Poverty <sup>c</sup>
Urban	7.9	27.6	29
Rural Village (Fijian)	12.2	22.4	35.2
Rural Settlement (mainly Indo-Fijian)	10.1	26.2	24.9
Fijian	10.4	27.7	31.3
Indo-Fijian	9.2	31	34.5
Other	12.1	27.6	26.9
<b>Fiji total</b>	<b>9.9</b>	<b>25.5</b>	<b>32.7</b>

a. Income less than cost of basic food items

b. Income less than costs of basic food and shelter, etc. c. Income less than half average household incomes.

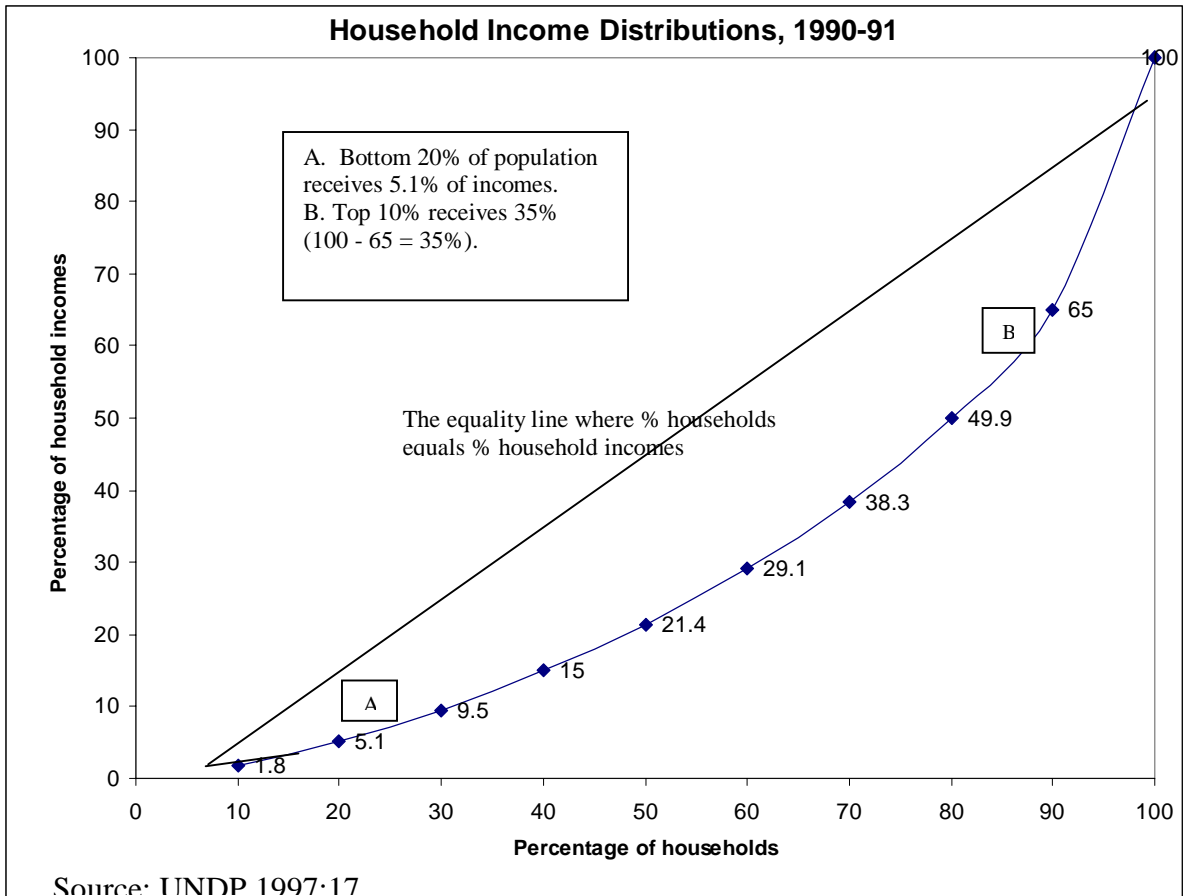
Source: UNDP 1977: 32, 33, 34.

**"Income" includes gross cash (wages, rents, etc.), and imputed local values of gifts, subsistence products, etc.**

**Minimum Household Basic Needs Incomes 1990-91**

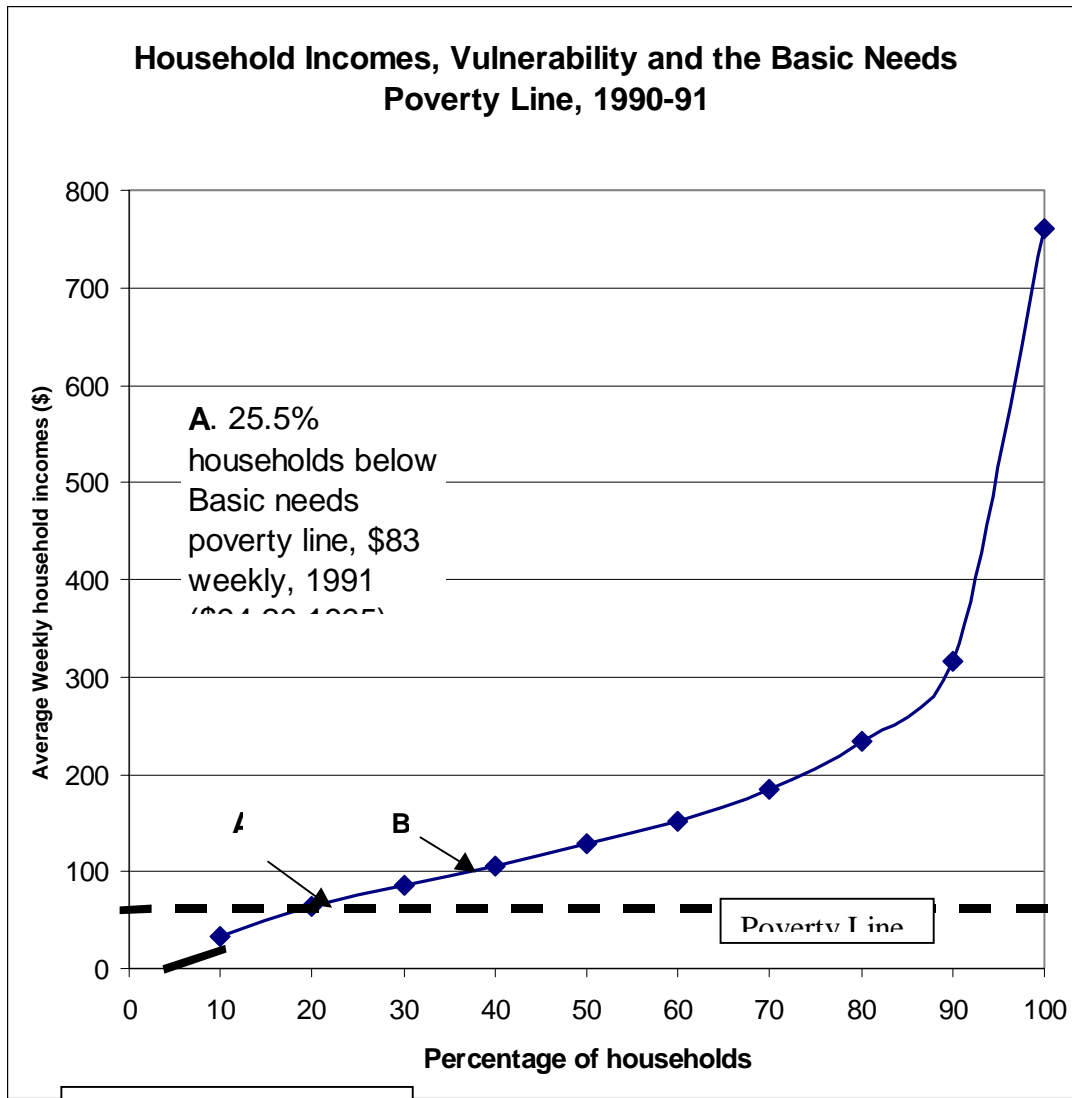
	F\$
Urban	100
Rural Village	75
Rural Settlement	84
Fijian	93
Indo-Fijian	97
Other	93
<b>Fiji total</b>	<b>83</b>

Source: UNDP 1997:34.



# OHT 4

P	I
10	1.8
20	5.1
30	9.5
40	15
50	21.4
60	29.1
70	38.3
80	49.9
90	65
100	<b>100</b>



# OHT 5. Household Average Weekly Incomes (F\$) by Population Deciles, 1990-1

[Note: "Top-Bottom" = Number of times top decile (richest) greater than bottom (poorest) decile]

A. By Household					B. By Province																																			
Deciles	Share of Income	Ave. Weekly Income	Cumulative Frequency	Times Bottom decile		\$	% of Rewa																																	
1 (Poorest)	1.8	33.71	1.8	0	Rewa	291	100																																	
2	3.3	63.73	5.1	1.9	Ra	220	76																																	
3	4.4	85.67	9.5	2.5	Ba	212	73																																	
4	5.5	105.45	15	3.1	Serua	191	66																																	
5	6.4	127.62	21.4	3.8	Macuata	186	64																																	
6	7.7	152.22	29.1	4.5	Naitasiri	182	63																																	
7	9.2	183.85	38.3	5.5	Lomaiviti	172	59																																	
8	11.6	233.51	49.9	6.9	Kadavu	170	58																																	
9	15.1	316.01	65	9.4	Tailevu	157	54																																	
10 (Richest)	35	760.2	100	22.6	Namosi	156	54																																	
<b>Top-bottom 22.6</b>					Cakaudrove	152	52																																	
Source: UNDP 1997:17					Bua	152	52																																	
					Nadroga/Navosa	150	52																																	
					Lau	130	45																																	
					Source: UNDP 1997:24																																			
C. By Ethnicity			D. By Employment Type																																					
Decile	Fijian	Indo-Fijian	Decile	Agri.	Self Employed	Casual	Permanent																																	
1	38.1	32.4	1	15.3	0.4	11.6	3.8																																	
2	67.7	60.8	2	27.2	0.9	16.7	15.3																																	
3	89.5	81.6	3	39.2	1.5	13.8	27.8																																	
4	107.9	101.5	4	48.0	1.6	12.1	41.2																																	
5	126.7	124.2	5	52.7	3.5	11.0	51.0																																	
6	147.8	152.5	6	68.8	4.5	12.4	64.7																																	
7	175.3	186.7	7	72.6	7.0	14.3	83.8																																	
8	217.6	240.6	8	94.9	9.4	17.3	102.4																																	
9	288.5	327.9	9	115.6	17.8	18.7	151.9																																	
10	537.1	914.4	10	183.4	271.3	27.8	244.3																																	
<b>Top-bottom 14.1</b>		<b>28.2</b>	<b>Top-bottom 12.0 678.3 2.4 64.3</b>																																					
Source: UNDP 1997:25		Source: Ahlburg 1995: Table 9.																																						
<p><i>"Income" includes gross cash (wages, rents etc.) and imputed local values of gifts, substance produ etc.</i></p> <table border="1"> <thead> <tr> <th>Decile</th> <th>Fijian</th> <th>Indo-Fijian</th> </tr> </thead> <tbody> <tr> <td>10</td> <td>38.1</td> <td>32.4</td> </tr> <tr> <td>20</td> <td>67.7</td> <td>60.8</td> </tr> <tr> <td>30</td> <td>89.5</td> <td>81.6</td> </tr> <tr> <td>40</td> <td>107.9</td> <td>101.5</td> </tr> <tr> <td>50</td> <td>126.7</td> <td>124.2</td> </tr> <tr> <td>60</td> <td>147.8</td> <td>152.5</td> </tr> <tr> <td>70</td> <td>175.3</td> <td>186.7</td> </tr> <tr> <td>80</td> <td>217.6</td> <td>240.6</td> </tr> <tr> <td>90</td> <td>288.5</td> <td>327.9</td> </tr> <tr> <td>100</td> <td>537.1</td> <td>914.4</td> </tr> </tbody> </table>								Decile	Fijian	Indo-Fijian	10	38.1	32.4	20	67.7	60.8	30	89.5	81.6	40	107.9	101.5	50	126.7	124.2	60	147.8	152.5	70	175.3	186.7	80	217.6	240.6	90	288.5	327.9	100	537.1	914.4
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## OHT 6. Characteristics of the Poorest (and Richest) Households

	<b>Poorest (Bottom 10%)</b>	<b>Richest (Top 10%)</b>
Smaller household size	4.1	6.0
Fewer working adults	1.4	2.7
More household heads not working (%)	11.5	0.4
More Female heads (%)	19.3	6.9
More young or old heads (%)		
Young (<35 yrs)	30.0	17.0
Old (>59 years)	24.0	17.0
Fewer heads aged 35 -59 years (%)	46.0	66.0
More single heads (%)	4.5	3.0
More widowed head (%)	14.4	8.7
More separated or divorced heads (%)	3.2	1.9
Total heads single, widowed, etc (%)	22.1	13.6
Average per capita weekly income	\$11.10	\$164.70

Source: UNDP 1997: several pages

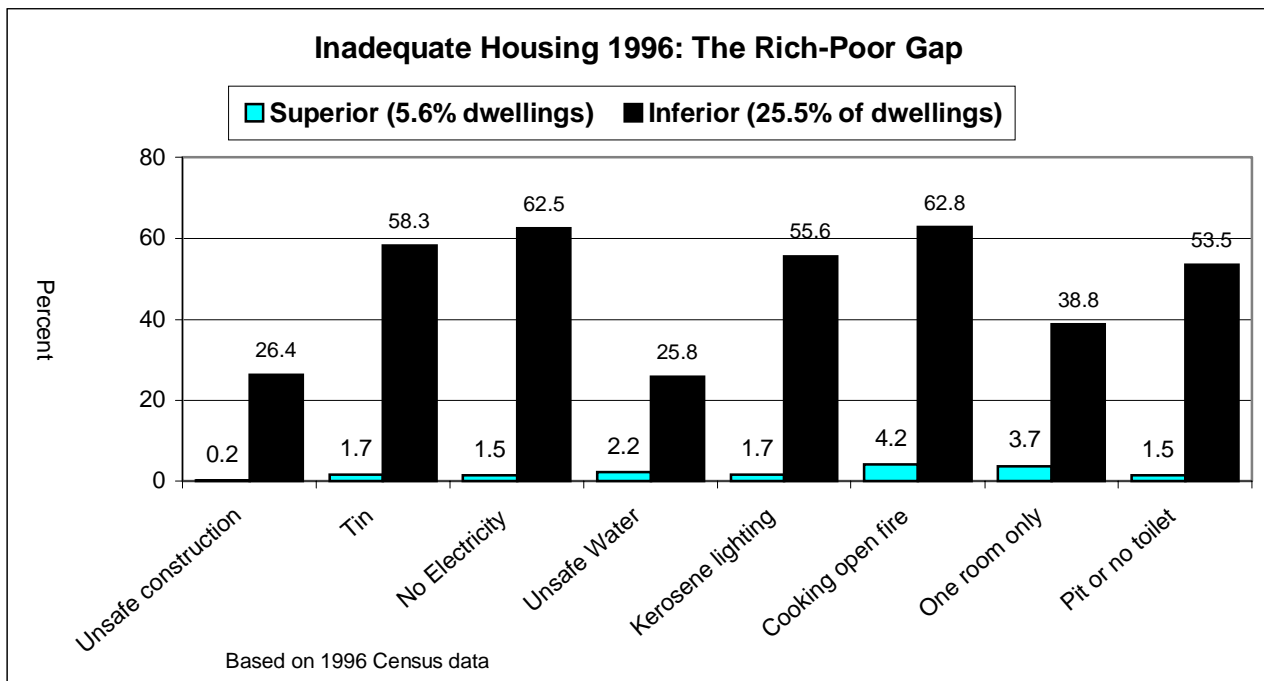
Also :Poorer educated, Children leave school earlier, More disabled heads,  
More self-employed and casual workers

# OHT 7

	Superior (5.6% dwellings)	Inferior (25.5% of dwellings)	Above Ave	Aver- age	Below Ave	Inferior		Indo- Fijian	Fijian	Rural	Urban	Total
Unsafe construction	0.2	26.4	0.07	2	10.8	26.4	Construction	16.7	4.9	15.8	4.3	10.4
Tin	1.7	58.3	5.6	21.9	49.3	58.3	Tin	30.7	41.9	41.5	27.4	34.9
No Electricity	1.5	62.5	6.5	18.2	41.1	62.5	No Electricity	46.9	21.7	61.2	40.2	33.2
Unsafe Water	2.2	25.8	5.5	11.7	20	25.8	Unsafe Water	14.7	18.3	27.8	2.8	16.2
Kerosene lighting	1.7	55.6	6.4	16.5	34.5	55.6	Kerosene lighting	44.1	16.6	45.3	10.9	29.2
Cooking open fire	4.2	62.8	15.1	34.2	54.4	62.8	Cooking open fire	53	36.1	69.1	13	42.8
One room only	3.7	38.8	3.2	8.9	19.7	38.8	One room only	31.8	6.7	26	10.1	18.5
Pit or no toilet	1.5	53.5	5.6	19.7	40.7	53.5	Pit or no toilet	24.5	40.1	44.3	16	31

## Percent. Dwellings

Fijian	3	32.2	8.7	29.8	25.2	32.2
Indo-Fijian	6.4	20.4	16	34.6	24.4	20.4
Rural	1.2	31.7	6.6	29.6	30	31.7
Urban	10.5	18	17.2	35.1	18.9	18
			11.6	32.2	24.2	25.2



<b>OHT 8</b>	<ul style="list-style-type: none"> <li>• <b>But ...</b>Benefits minimal and spread unevenly</li> <li>• Health and education services deteriorate</li> </ul>
<b>1987 - 98 (The 'Rabuka' Years)</b>	
<p>Economy grew 25%; number of poor 65% (1977 -91).  <b>Job growth</b> of 25% less than population increase  <b>Schoollavers.</b> Only 1:10 get jobs</p>	<p><b>Social "diversions"</b></p> <ul style="list-style-type: none"> <li>• TV 46% of households</li> <li>• Increased advertising and consumerism</li> <li>• 'Born Again' Christian movement flourishes</li> <li>• Fijian nationalism and the Rugby Sevens</li> <li>• Race: Civil Society divided more on race than class lines.</li> </ul>
<b>Wages</b>	
<ul style="list-style-type: none"> <li>• <b>Real wages</b> dropped 30% (1975-1990)</li> <li>• Food costs exceed wages increases.</li> <li>• <b>New jobs</b> mainly poorly paid and for women. Employment 45 -48 hour week.</li> </ul>	
<b>Trade Unions undermined.</b>	
Deteriorating conditions for unskilled workers	
<p><b>Tariffs</b> reduced or removed. <b>Local industries threatened</b> by cheap imports (rice industry collapses; poultry threatened)</p>	<p><b>The Land</b></p> <ul style="list-style-type: none"> <li>• Increased Fijian landlessness</li> <li>• 14,000 Indo-Fijian small-holders unsure about lease renewals.</li> </ul> <p>Monasavu Dam landowners complaints still not addressed.</p>
<b>VAT and direct taxes</b> introduced.	
Tax exemption level lifted from yearly income of \$2500 to \$3000 but personal rebate lost. Rich benefit.	<p><b>Poverty gap widens</b></p> <ul style="list-style-type: none"> <li>• Very poor unchanged. Poor and Middle wage-earners worse off; Rich, especially very rich, <i>much</i> better off</li> <li>• Income gaps greater <i>within</i> than <i>between</i> races or rural-urban areas</li> <li>• Urban poverty increased faster than rural poverty due to food costs.</li> <li>• Cost of closing the rich-poor gaps increased. 1.9% GDP in 1977; 5.4% 1991.</li> </ul>
<b>Overseas investment in low-wage industries/consumerism:</b>	
<ul style="list-style-type: none"> <li>• Garments, shoes: Wages below poverty line.</li> <li>• Coca Cola: "development," says Rabuka. US Cost-U-Less maxi-store starts.</li> </ul>	
<b>Improvements ...</b>	
<ul style="list-style-type: none"> <li>• Life expectancy and some improved housing</li> <li>• Poverty Alleviation funds increased to \$3.2 million (<b>but</b> only 0.4% of Budget 1991; 0.76% 1996)</li> <li>• Some increases in destitute housing money and squatter tenure and upgrading</li> </ul>	<p><b>The Poor: 1977, 1991 and 2000</b></p> <p><b>1977</b> At least 20% population poor  <b>1991</b> At least 25% population poor  <b>2000</b> Situation further worsens</p>

## OHT 9.

### The Labour Government: The Chaudhry Months, May 1999 - May 19 2000

- **Consultation** (Government/civil society groups) to incorporate **poverty alleviation measures in a Five year Plan**
  
- **Abolished VAT on basics:** food and educational and medical supplies
  - **Destitute allowance** doubled
  - **Free education extended** to higher school classes
  - **Fees abolished** for national examinations
  - **Social indicator data base** established for over 6000 ethnic Fijian villages
  - **Evicted tenant farmers:** One-off payment of \$28,000 to be paid to evicted tenant farmers, mainly Indo-Fijians

<p><b>OHT 10. What can be done?</b></p> <p><b>BUSINESS &amp; THE WEALTHY</b></p> <p>Need political and social stability so ...</p> <ul style="list-style-type: none"> <li>• Accept Social responsibility</li> <li>• Corporate patriotism. Invest and save in Fiji</li> <li>• Pay fair share of development</li> <li>• Receive fair profits;</li> <li>• Pay fair wages</li> </ul> <p>Less repatriation of profits/savings Incentives for employee loyalty and production</p> <p><b>Foreign Aid</b></p> <p>Only when consistent with fundamental principles of equitable development</p>	<p><b>GOVERNMENT</b></p> <p>Commitment to equitable development and eradication of poverty</p> <p><i>Practices ...</i></p> <ul style="list-style-type: none"> <li>• Ethical, Open,</li> <li>• Democratic,</li> <li>• Multi-racial</li> <li>• End corruption and patronage</li> <li>• Develop competencies</li> </ul> <p><b>Military</b> subservient to civilian government</p> <p><b>Protect Fiji values</b> against globalization/ consumerism</p> <p><b>Promote democracy</b> Maximum public participation in policy making Welcome democratic media</p> <p><b>Promote racial trust</b> Redress Fijian and Indo-Fijians land grievances</p> <p><b>Adopt economic policies appropriate for Fiji</b></p> <ul style="list-style-type: none"> <li>• Promote economy which benefits all</li> <li>• Reward businesses when socially responsible</li> <li>• Protect consumers</li> <li>• Minimum living wages</li> </ul>	<ul style="list-style-type: none"> <li>• Prohibit some types of overseas investment</li> </ul> <p><b>CIVIL SOCIETY</b></p> <ul style="list-style-type: none"> <li>• Promotion of democratic civic education. Awareness of issues. Political engagement</li> <li>• Promotion of development education</li> <li>• Close watch on politicians</li> </ul> <p><b>Churches</b></p> <p>Moral watchdogs for equitable development More social involvement Decry racism and greed</p> <p><b>Fijians</b></p> <p>Chiefs to serve the people Educate the people Fairer NLTB rent distributions</p> <p><b>Indo-Fijians and Others</b></p> <p>Accept "First Nation" status of Fijians Promote multiracialism</p> <p><b>NGOs</b></p> <p>Cooperate, integrate approaches Political involvement Real empowerment practices, not just welfare</p>
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**Socially responsible  
Business**

**Government  
committed to equitable  
development**

**Participatory democ-  
racy at all levels**