

**KEYNOTE ADDRESS FOR FTUC/SPOCTU SOCIAL SUMMIT
FIJI MEDICAL CENTRE
SUVA**

Friday, 21 April 1995

**AIMS AND OBJECTIVES OF SOCIAL
DEVELOPMENT IN THE SOUTH PACIFIC:
THE CASE OF FIJI**

by

*Dr Vijay Naidu
Pro Vice-Chancellor (Academic)
The University of the South Pacific*

The President, SPOCTU representative, and Executive of FTUC, participants in the Social Summit, Ladies and Gentlemen, it is my privilege and pleasure to address you today on the very central issue of the aims and objectives of Social Development.

In March this year, the United Nations in conjunction with the government of Denmark organized the World Summit on Social Development (WSSD) to promulgate a global consensus, hailed as a charter of hope by more than 90 Heads of States, to commit the nations of the world as well as multilateral organizations to resolving the critical problems created by five decades of development based largely on economic preoccupations. Some 20,000 people participated in the official and NGO meetings that took place in Copenhagen.

In essence, the aims and objectives of Social Development are identical to many of the policy points that emerged in the Seminar on Alternatives to Structural Adjustment Policy held by FTUC in August last year. Social Development is primarily about improving the quality of life of the vast majority of people globally, in our region and in each nation. Workers and small farmers constitute the largest component of this majority. As very well illustrated in Fr Kevin Barr's book, **Poverty in Fiji**, Social Development as a concept is very old. Ironically, its recent revival is due to the failure of those very economic policies that are currently being promoted as the best strategy for the development of all societies.

Paradoxically, the UN agencies are on both the band wagon of laissez-faire, free-market, free-for-all economic policies, as well as the social development band wagon. For small island developing states (SIDS), whose economies are dependent on preferential access to northern markets, it is very difficult to reconcile these two very contradictory approaches to human and social development.

On the one hand private capital and the market are perceived as the central organizing principles, and on the other hand the role of the State and other non-market-oriented organizations are seen as playing a significant role in the production and distribution of social goods as well as in ensuring relative equality in the life chances of the broad masses of our societies.

The first set of principles provides the thrust for privatization, corporatisation and deregulation as well as the widely-abhorred structural adjustment programme (SAP) pushed by international multilateral organizations such as the World Bank, the IMF and the Asian Development Bank. The call for greater productivity and more efficient use of resources has resulted in demands for the rolling-back of the state and its multitude of functions.

These policies are designed to cure the numerous problems created as a result of following economic development policies advocated by the World Bank, IMF, ADB and national ruling classes. These entailed heavy external borrowing for large-scale, infrastructural (and often prestige) projects and resulted in

massive indebtedness and consequent economic crisis. Yet, structural adjustment programmes have merely aggravated the economic crisis in these societies to the point where civil disobedience and riots are engendered.

My task this morning is not to detail the economic policies that have created the massive social problems now evident in the world, but to examine what Social Development seeks to achieve.

As conceived by the Social Summit, Social Development is concerned with the elimination of absolute poverty and the reduction of relative poverty, the expansion of productive employment and the achievement of social solidarity. These three very simple objectives are considered to be the essence of social development. In order to achieve these objectives, several strategies can be followed. Before I amplify these strategies there is a need to elaborate the objectives.

POVERTY

In the world today, in the midst of wealth there is degrading and grinding poverty which affects more than a billion people. While our region has been relatively free of the appalling poverty found in Latin America, Africa and Asia, absolute poverty is on the increase in the island states. Absolute poverty is life threatening with insufficient food and nutrition, clean water, and inadequacies in shelter, clothing, access to medical services, and to education. The poor are

marginalized and powerless. Their presence in close proximity to the rich is both an advantage and a source of constant threat for the latter.

The recent Economic Policy and Social Well-Being Seminar convened by the FCC Research Group and the PCC's Justice, Peace and Development Programme noted that 70 percent of Fiji's labour force receive a wage of less than \$5,000 a year. In 1991, the Poverty Task Force in Fiji accepted that a family of five on an earning of \$3,000 or less was in absolute poverty, and those surviving on \$5,000 or less were vulnerable to poverty. Some 30 percent of Fiji's population live in poverty. This category include households with unemployed heads, households dependent on the income of single-mothers or deserted wives, and households in which the dependent ratio is often highest.

In Fiji, as elsewhere, poverty is closely related to economic policies, including taxation policies, which are designed to further enrich the already well-to-do. Government implements these policies in the false hope that those who have the wealth will plough their wealth into productive activities, thereby generating employment and producing a "trickle-down" effect which will improve the lot of the not-so-well-to-do. In fact, what is produced is gross inequality in income amongst the people and this contributes to relative as well as absolute poverty.

Income inequality is very pronounced and is intensifying, not only in Fiji but in the Pacific generally. In 1977, those in the highest income bracket in Fiji

received twelve times the income of those in the lowest 20 percent of the population and 20 percent of the population received 53 percent of the national income. By 1986, 50 percent of the national income was going into the pockets of only 10 percent of the population. In real terms wages in Fiji on average are lower than they were in the mid-1970s. Indeed, UNDP assessed the real wage in Fiji in 1990 as being 62% of which it was in 1975. (UNDP Pacific HDR, 1994, 20). This is a shocking indictment of government's past economic policies. In Solomon Islands, UNDP estimates that 70 percent of the total income of Honiara households accrues to less than two percent of the capital's population (Ibid).

Social Development demands the implementation of effective measures to root out absolute poverty and to tackle the sense of relative deprivation faced by a clear majority of our people, particularly workers and small holders.

PRODUCTIVE EMPLOYMENT EXPANSION

The rate of growth in employment has been slow reflecting a relatively stagnant economy. The advent of Tax Free Factories and Tax Free Zones to gear our economy towards export-orientation, has created new employment opportunities for a category of industrial workers who previously did not appear in our employment statistics in any significant numbers, namely women. By most accounts (excepting those of owners and managers of these factories), the working conditions as well as wages paid leave much to be desired. Indeed they are commonly considered highly exploitative.

With approximately 13,000 school leavers each year and a significant youth unemployment as well as those who have suffered long term unemployment there is a need to develop policies to increase employment prospects for the growing numbers who are or will be dependent on wages for their livelihood, including the increasing numbers of women and other 'people with challenge' who seek opportunities in the labour market. Such policies should produce sustained employment opportunities rather than encourage industries interested only in short-term labour exploitation under favourable free-market terms.

SOCIAL SOLIDARITY

Our colonial and post-colonial past has not contributed to social integration of our citizens. Racial/ethnic compartmentalisation because of politico-administrative policies and practices contributed to the evolution and strengthening of stereotypes and prejudices. The ugly head of racism and discrimination has been present particularly in the post-1987 period.

Segregationist and apartheid policies have not enjoyed wide support in the post-Nazi era. With the recent collapse of South Africa's apartheid system, the world has moved away from systems that discriminate on the basis of a person's colour of skin, hair type, nose shape, religion, language etc.

Social integration denotes the the extension of full rights to minorities and

other marginalised or excluded social groups who are usually left to fend for themselves or to be supported by traditional social support systems - namely, the poor, the unemployed, the disabled, women and children. Their inclusion as equals in the mainstream is a central goal of social development.

STRATEGIES FOR SOCIAL DEVELOPMENT

In order to achieve the objectives of social development, several steps may be taken. First, an enabling environment must be created for social development because it is not separable from economic and political development. There is a need for sustained economic growth based on longer term strategies rather than 'fly-by-night, suit-case' manufacturers.

At the political level, good governance is a necessary condition for social development. This requires democratic, transparent and accountable government. The utilisation of government revenues must have as its central goal, the betterment of the quality of life of the masses, not the enrichment of the few.

Non-governmental organisations, particularly those of workers, farmers, women, youth, the elderly, the disabled and the poor, must be fostered and given due recognition. Such civil society groups are vital for democracy as well as for the empowerment of vulnerable (or potentially vulnerable) categories of people whose rights must be respected. Trade unions have been a bulwark for the

protection of democracy and provide the framework for the protection of worker rights.

There must be respect for the rule of law and the agencies that enforce and adjudicate law. Lawmakers must be conscious of the responsibility placed on them. The use of the law to disadvantage particular sections of the community is not acceptable if social development is to be fostered.

Secondly, the lynchpin of the social development programme is employment generation. While the current emphasis on private sector initiatives is supported, the role of the public sector in the economies of small island developing states must be maintained. Unlike metropolitan states, in the island states there is a relative shortage of private entrepreneurs. Simply borrowing economic ideologies from the large, developed countries is not likely to benefit island states.

For instance, the current drive for global trade liberalisation will eliminate the preferential access to European Union and Australasian markets that Pacific island states have long enjoyed. We are supposed to be able to compete with the giants of Asia and their enormous pool of cheap labour and historically inexpensive cost of living. Unrestrained trade liberalisation will be a disaster for us.

Fiji needs to sort out its political framework. Without a stable political

environment private investment will not be forthcoming. It is especially important that the citizens of Fiji have confidence in their country. Regrettably, the loss of more than 60,000 Fiji citizens since 1987 has not stopped the haemorrhage of skilled and professional people together with their life savings.

An intelligence unit needs to be established in the Central Planning Office whose task would be to gather information on products that are likely to be successfully produced in small island states and which are in demand elsewhere. A well-funded Research and Development Centre must be established in conjunction with this intelligence unit which will be responsible for carrying out and coordinating research experiments in potential products.

Employment expansion requires that capital intensive activities be less of a priority than those that are labour intensive. Both our major foreign revenue earners, tourism and sugar are labour-intensive. They must be fostered. I disagree with Roman Grynberg's assertions with respect to the sugar industry.

More research, infrastructural and funding support are required for small-holder and village based farmers. Land tenure arrangements must give security to them. Cottage industries are another potential for labour absorption that requires close scrutiny and support.

The processing of our natural resources and farm produce can also provide opportunities for employment. We are a long way from fully utilising our

marine resources. There is enormous potential in this sector.

Employment generation requires good education and training of our workers. While we can boast relatively high levels of school attendance, we have a high attrition rate. The academic and examination-orientation of our educational system has not provided the necessary scope of skill development and the preparation of our youth for employment and self-employment.

There is considerable scope for education and training in technical and vocational fields, in the trades, in arts and crafts, in drama and theatre as well as music and sports.

POVERTY ERADICATION

The Latin American proportion of inequality in Fiji and other island states of the Pacific is shocking. Little wonder that the so-called Defence Review Commission felt that the role of the military will be increasingly concerned with internal security! There will be no need for a siege mentality if effective measures are taken to eradicate poverty and reduce gross inequities.

All vulnerable groups in Fiji need to organise and be empowered to articulate their interests and concerns. This will further the dialogue between them and the state so that effective solutions can be found to the problems of poverty and unemployment. The rich will be able to sleep peacefully if poverty is

eradicated. We may not need to spend huge amounts of resources on securing our person and property.

Progressive taxation and the redistribution of wealth is necessary for poverty eradication. The provisions of social welfare and social security require urgent revamping with the deployment of both qualified personnel and more resources. NGOs working with the poor, including HART, require considerable support from both the state and the wider community.

Workers must be paid decent living wages so that they and their families do not fall into poverty. It must be remembered that unemployed youth, aged parents and those who are disabled are all cared for by families. It is time that the ministers of the state stopped paying lip service to the significance of the family in Fiji and put some money where their mouths are.

The right to collective bargaining by workers' organisations must be respected and protected so that the interests of private profit are not advanced at the expense of workers. Free market economic policies are sadly premised on advantaging investors (employers of labour) at the expense of labour, which explains the so-called labour reforms which have accompanied economic deregulation in Fiji.

SOCIAL SOLIDARITY

There is an urgent need for those who wield power and authority in Fiji and other small island states to show responsibility towards whole sections of our societies which have for a very long time been excluded and marginalised from effectively contributing to social wellbeing. Those excluded in this way include commoners, workers, women, ethnic minorities, the youth, the poor and the disabled. In Fiji there has been a history of racism that provided privilege for certain elements and discriminated against the majority of our people. The 1990 Constitution, the so-called Republican Constitution, has simply reinforced the post-colonial status quo.

Social development requires that the trend to exclude elements of our people from the mainstream be stopped and that all members of society be fully integrated. This requires that they be given the same rights and freedoms to enjoy all the privileges and take on all the responsibilities as citizens of a democratic state.

CONCLUSION

Social Development is, at base, about respecting and upholding human dignity so that all human beings are able to enjoy acceptable living standards in peaceful and secure surroundings. The trade union movement has a continuing and central role to play in the struggle to uplift the human condition and contribute to social development. Society must recognise this.