

DRAFT

REPORT ON PROGRESS IN THE IMPLEMENTATION  
OF THE SOCIAL DEVELOPMENT STRATEGY  
FOR THE ESCAP REGION IN FIJI

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## TABLE OF CONTENTS

PAGE

I.	<u>INTRODUCTION</u>	
1.1	GENERAL SOCIO-ECONOMIC BACKGROUND	
1.2	SECTORAL PERFORMANCE	
1.3	POPULATION	
1.4	HEALTH	
1.5	EDUCATION	
1.6	EMPLOYMENT	
1.7	SHELTER	
1.8	ENVIRONMENT	
1.9	DISASTERS	
1.10	CRIME	
1.11	SOCIAL SECURITY	
II.	<u>SOCIAL DEVELOPMENT POLICIES AND POLICIES</u>	
2.1	LAND	
2.2	COMPETITIVENESS	
2.3	MANAGING THE ROLE OF GOVERNMENT	
III.	<u>PROGRESS ACHIEVED IN ATTAINING THE OBJECTIVES OF THE SOCIAL DEVELOPMENT STRATEGY FOR THE ESCAP REGION TOWARDS THE YEAR 2000 AND BEYOND</u>	
3.1	GOVERNMENT & POVERTY ALLEVIATION	

## TABLE OF CONTENTS

PAGE

I.	<u>INTRODUCTION</u>	
	1.1 GENERAL SOCIO-ECONOMIC BACKGROUND	
	1.2 SECTORAL PERFORMANCE	
	1.3 POPULATION	
	1.4 HEALTH	
	1.5 EDUCATION	
	1.6 EMPLOYMENT	
	1.7 SHELTER	
	1.8 ENVIRONMENT	
	1.9 DISASTERS	
	1.10 CRIME	
	1.11 SOCIAL SECURITY	
II.	<u>SOCIAL DEVELOPMENT POLICIES AND POLICIES</u>	
	2.1 LAND	
	2.2 COMPETITIVENESS	
	2.3 MANAGING THE ROLE OF GOVERNMENT	
III.	<u>PROGRESS ACHIEVED IN ATTAINING THE OBJECTIVES OF THE SOCIAL DEVELOPMENT STRATEGY FOR THE ESCAP REGION TOWARDS THE YEAR 2000 AND BEYOND</u>	
	3.1 GOVERNMENT & POVERTY ALLEVIATION	

3.2	SOCIAL INTEGRATION	82
3.3	EMPLOYMENT EXPANSION	85
III GENERAL SOCIO-ECONOMIC BACKGROUND		
IV	CONCLUSIONS AND RECOMMENDATIONS	86
4.1	PRIORITY AREAS	86
4.2	CONSTRAINTS	88
4.3	RECOMMENDATIONS	88
IV	CONCLUSIONS	92
	REFERENCE	93

## I. INTRODUCTION

### 1.1 GENERAL SOCIO-ECONOMIC BACKGROUND

Regarded as the centrally located hub of the South Pacific, Fiji comprises of more than 300 islands with a total land area of 18,272 square kilometres and combined land and sea area of 1,300,000 square kilometres. It is blessed with a moderate maritime tropical climate. It is a multi-ethnic society with an estimated population of 771,104.

Relative to other Pacific Islands, Fiji's economy is well developed and complex, incorporating a sizeable private sector. However, inspite of some shift towards manufacturing, especially export oriented activities, it is heavily reliant on tourism and sugar as the major foreign exchange earners as well as for employment outside of the public sector.

The economy has shown a remarkably resilience to adverse man-made and natural disasters in recent years. Over the last two decades, however, the economy has not grown significantly and has barely kept pace with population growth. Further, the benefits of economic development have not been shared, social inequality has intensified, and evidence of absolute poverty is becoming more apparent. Continuing political instability, the lack of identification of a very large component of the population with the Fijian state, high rates of emigration of skilled personnel and the lack of investor confidence are among the woes that currently face the people of Fiji.

### **Economic Stagnation**

Given Fiji's rich human and natural resource base there is considerable potential for the economy to expand but despite government's attempts to stimulate growth through a number of measures which incorporate a fundamental shift in policy towards market-driven private sector initiatives, the economy remains sluggish. The reasons for this state of affairs are to be found in factors external to the country as well as those that are domestic.

In the first decade after independence in 1970, the economy grew at the rate of 4.7 percent annually. Policies emphasised import substitution manufacturing which accompanied expansions in sugar production and tourism.

During the period 1979-86 the economy expanded at an average rate of 1.4 percent each year. Growth occurred in the services sector. Both the population and the labour force increased over 2 percent in this period. Unemployment increased to 10 percent and per capita incomes declined in real terms (World Bank, 1986, 1). Government responded by commissioning an Employment and Development Mission from the UK which submitted its final report in 1984.

It is unclear what policy recommendations from this mission were adopted by government. In any case the economy continued to stagnate and even decline. Two cyclones and a drought in 1983 contributed to a decline of 5 percent in GDP. The impact of higher oil prices exacerbated the situation. In a bid to curb this trend, government introduced the Counter Inflationary Act which had a wage freeze as its central pillar. This sparked off labour unrest and spawned the Fiji Labour Party in 1985.

In 1986, the economy showed signs of regeneration and growth. These were extinguished with the overthrow in 1987 of the Labour and National Federation Party Coalition government in a coup by the Royal Fiji Military Forces. The justification of this extra-legal intervention was that indigenous Fijians did not wish to be governed by a multi-ethnic Coalition in which Indo-Fijians were numerically dominant.

The economy nose-dived and real GDP declined by 8 percent in 1987. The military regime, unable to respond to the downward spiral, appointed as its successor an interim government led by the democratically defeated Alliance Prime Minister of 17 years, Ratu Sir Kamisese Mara, and a cabinet that comprised former Alliance Party ministers together with a coterie of respected non-political professionals.

The Interim-Government set its goals as rejuvenating the economy and returning the country to some form of parliamentary rule. By re-establishing a semblance of the rule of law and restoring a sense of security to the people, the Interim Government provided the basis for the restoration of Fiji's traditional foreign exchange earners - sugar and tourism.

## 1.2 Sectoral Performance

Development Plan 9 (1986-90) projected an annual growth of 5 percent per year during the Plan period. This was based on expected expansions in sugar and tourism, forestry, fisheries and manufacturing. The Plan mentioned the need for

both economic diversification and enlarging the economic base but was heavily reliant on the traditional foreign exchange earners.

### **Sugar**

Regarded as the backbone of Fiji's economy since the 1880s, the successful return to the routine production of sugar cane has made a significant impact on post-coup Fiji's economic and social well being. The industry engages 25 percent of the work force, contributes 12 percent of the Gross Domestic Product, earns 40 percent of export income and has the most extensive multiple effect relative to other industries. The 40,000 workforce involves 250,000 dependents.

Together with tourism, sugar was projected as contributing to 5 percent increase in the GDP in the DP period. It was projected that by 1990 sugar production would increase to between 550,000 to 600,00 tons. Since 1988, sugar production has ranged from 350,000 tons to 450,000, averaging around 400,00 tons in the period 1990-92. In 1994, it is expected to be between 450,000 - 500,00 tons.

Fiji has benefited from bilateral trade agreements such as the Lome Convention which have resulted in the receipt of much higher prices than would be received on the world market. With trade liberalization and the implementation of GATT, these preferred markets would no longer show current prices. It is anticipated that in the next 6 years, beginning in July 1995, European Union sugar prices will fall between 5 - 15 percent.



The impact of GATT, coupled with the fact that 61 percent of the 23,000 cane farmers are inefficiently producing less than 150 tonnes annually, the under-capitalisation of the Fiji Sugar Corporation's sugar mills and crucially, the uncertainty of lease agreements, which begin expiring in 1997, point to a bleak period in the remaining years of this century.

### **Tourism**

A network of hotels, resorts, travel and tour companies, duty-free shops, and cultural performers are linked to the airlines and ships that bring visitors to Fiji and these, together constitute the tourism industry. By 1990 tourism had recovered from the devastation it suffered as a result of the coups and their aftermath. Since 1989 tourist arrivals have increased from 250,600 to 280,00 and 1994 is expected to be a record year for visitors to Fiji.

DP 9 projected on annual growth of 11.5 percent for the late 1980s and early 1990s. This has not transpired. However, currently tourism is the largest gross foreign exchange earner contributing 25 percent of foreign exchange receipts, and accounts for 17 percent of GDP. It employs directly and indirectly an estimated 40,000 people or about 3 percent of the total labour force.

The industry is run largely by the private sector. In all the different sub-sectors of tourism such as transportation (airlines and ships, tour company operators, hotels and even duty free shops), foreign capital predominates. Over the last four years, F\$73 million has been invested in new resorts and hotels. EIE (a

Japanese consortium) has developed the upmarket Denarau and Vomo Sheraton Resorts. There has been an increase in local participation through smaller hotels, rental car companies and other secondary tourism activities run by Ethnic Fijians.

Eco-tourism and culture tourism are seen as drawing cards for a new generation of tourists. The construction of infrastructure and hotel facilities for increasing tourist numbers, enlarges prospects for employment in tourism. The future of the industry appear to be fairly good in the short-term but in the longer-term many factors that impact on tourist movements may affect Fiji tourism.

#### **Agriculture**

Agriculture including sugar-cane production is estimated to contribute 21 percent of GDP and 47 percent of total employment. Agriculture supports an estimated 78,000 of Fiji's people who engaged in semi-subsistence production.

#### **Coconut Products**

Coconut oil which has been the second most important agricultural export has chronically suffered from low prices and has been constrained by the advanced age of coconut trees. Since 1991 prices have improved.

Both ripe and green coconuts are in constant demand in the local market and they provide cash incomes to small holders.

**Ginger**

Ginger production covers around 6,000 tonnes and earns \$5 million each year. Competition from Brazil and Indonesia has reduced Fiji's share of the American market from 25 percent to 10 percent. There are some 800 farmers, 600 of whom are Ethnic Fijians and 200 of whom are new immigrant Chinese. Future prospects in ginger cultivation and exports depend on major changes in approaches to farming and in handling techniques.

**Rice**

Long produced as a subsistence crop, rice production has not been able to meet national demand. Multi million dollar rice irrigation projects designed to increase self-sufficiency contribute to only 10 percent of the total supply. There are some 3,000 rice farmers.

**Other Crops**

A number of fresh fruits and vegetables are being produced both for the local and overseas markets. Taro, duruka and kava have established niche markets abroad. These together with greens and salads, roots and tubers, pineapple, passionfruit, orange, mango and pawpaw, are regarded as having considerable potential as foreign exchange earners.

### **Fisheries**

Together with agriculture, fisheries provides the foundation of semi-subsistence livelihoods and the subsistence fishery is responsible for a major proportion of estimated total fish landings. Altogether, the Fisheries sector accounts for 1.6 percent of GDP and the average annual consumption of fish products per head in Fiji is estimated to be around 40 kg per head.

There are an estimated 4,000 artisanal fishermen in Fiji. A fully state-owned cannery, the Pacific Fishing Company (PAFCO Ltd) together with a moribund public owned fishing company, the Ika Corporation, continue to dominate Fiji's industrial fisheries, although a well-developed commercial fishery supplying both the domestic and export markets has diversified considerably in recent years. Since 1991, the production for export of chilled tuna (bigeye and yellow fin) and snapper has expanded dramatically, with annual receipts well in excess of F\$ 40 million. Other niche market fishery products such as beche-de-mer, trochus shell and pearl shell, are exported on a much smaller scale.

### **Forestry**

Forestry is another resource-based sector with considerable potential. Currently it contributes 1.5% of GDP and timber-related exports rank fifth among Fiji's exports. The commercially successful softwood and hardwood plantations of introduced species are expected to earn \$100 million in the year 2000. In 1991 a

total of 67,151 hectares were under pine and more than 42,000 hectares of mahogany had been planted.

### **Mining**

The Emperor Gold Mine is the dominant company in the mining and quarrying sector. Earnings from the gold mine vary considerably. In 1986, gold exports were valued at close to \$39 million; in 1988, with expanded production triggered by high gold prices in 1987, gold receipts exceeded \$81 million, declining only marginally in the following year to more than \$76 million. In 1991 gold export earnings had dropped to \$48 million. The gold mine employs 1,400 people. Prospecting for other minerals has continued. There is a possibility of a major open cut copper mine being developed in Namosi in Southeast Vitilevu, a venture which, if it transpires, would make Fiji a major world producer of copper in the 1990s.

### **Manufacturing**

A major initiative in the post coup period was the establishment of a Tax Free Factory/Zone scheme with generous concessions including a 13 year tax exemption. In mid 1992 there were 120 projects employing 11,400 people in tax free export production. Tax free exports, primarily garment exports, were estimated to be earning \$200 million in foreign exchange.

Other manufacturing sector activities include food processing, sawmilling and veneer, paper and printing and building materials. These industries employ a total of 25.6 per cent of those in paid employment. This is a significant increase from 1987 when manufacturing employed 17.8 percent of those in paid employment. The majority of the TFF/Z employees are women who endure poor and unregulated work conditions and receive low wages.

The garment and related factories have been attracted not only by the generous incentives offered under the TFF/Z scheme, but also by the privileged and preferential access to the Australasian market. However, a system of quotas and the 50 percent rules of origin (which require that at least 50 percent of the raw materials/value added must be of local or destination market origins) have limited development. With the elimination of tariff barriers against Asian producers, Fiji based manufactures will face very stiff competition.

Likewise, deregulation of the manufacturing sector by the elimination of import licensing and the phasing out of fiscal (import) duties on both non-agricultural and agro-based products expose local manufacturers to increased competition. The latter have petitioned the government not to phase out the protection they enjoyed too rapidly. A number of these manufacturers may not be able to survive once existing protections (often up to 50 percent) are removed.

### 1.3 POPULATION:

Fiji's population in 1994 is estimated to be 771,000. Although this figure makes Fiji second only to Papua New Guinea in the South Pacific region, it is very modest relative to the population of island states such as Jamaica, Mauritius and Trinidad. The population/land ratio is expressed by density to the square kilometre. Fiji's population density is 40 per sq. km. This is considerably higher than in Papua New Guinea (8 per sq. km) and Solomon Islands (12 per sq. km) but far lower than in the Marshall Islands (255), Nauru (443), Tonga (129) and even Western Samoa (54).

The last census in Fiji was in August, 1986. The following table shows the population of Fiji as enumerated in 1976 and 1986 national censuses, as well as the population estimate by the Bureau of Statistics for 1994.

TABLE 1

ETHNIC CATEGORY	1976		1986		1994	
	POPULATION	% of TABLE	POPULATION	% OF TABLE	POPULATION <sup>1</sup>	% OF TABLE
	4,652	0.8	4,784	0.7		
Europeans	4,929	0.8	4,196	0.6		
Indo-Fijians	259,932	44.2	329,305	46.0	385,847	50.0
Fijians	292,896	49.8	348,704	48.7	345,196	44.8
Other Europeans	10,276	1.8	10,297	1.5		
Indians	7,291	1.2	8,652	1.2		
Other Pacific Islanders	6,822	1.2	8,627	1.2		
Others	1,270	0.2	810	0.1		
TOTAL	588,068	100.0	715,375	100.0		

The Fijian State categorises its various ethnic communities into 8 "races" as identified in Table 1. The racial classification is based on political considerations rather than on entirely objective criteria. Patrilineality is the basis of classification and the ethnicity of mothers is not taken into account at all. There are also numerous physical, linguistic and cultural variations within the two largest official ethnic categories that the state's classification system fails to acknowledge.

<sup>1</sup> Percentage breakdown of categories other than Ethnic Fijians and Indo-Fijians are not given in the 1994 estimates.



Certain trends are discernible in the aggregate population figures for 1986 and 1994. First, there is a proportionate as well as absolute increase in the Ethnic Fijian population. From comprising 44.2 percent of the total in 1976, the Ethnic Fijian category increased to 46.8 percent in 1986 and to 50 percent in 1994.

Conversely, the Indo Fijian population declined from 49.8% in 1976 to 48.7 percent in 1986, and then to 44 percent in 1994. Considering that in 1970 Indo Fijians comprised 51 percent of the total, this decline is significant. Likewise, there has been a proportionate decline in all categories other than Ethnic-Fijians.

The two significant factors in population growth - natural increase and migration were expected to reduce the Indo Fijian proportion to less than that of Ethnic Fijians by the next census in 1996. However, declining birth rates among Indo-Fijians were accompanied by a rather significant increase in migration following the military coups of 1987. Between 1982-1986, 13,847 persons emigrated (at 2.6 percent by annum). Approximately 25% of those who emigrated were professional and clerical personnel. A significant gap in skills have emerged. Indo Fijians comprised between 80-90 percent of those who emigrated during this period. Between 1987 and 1991, a total of 50,104 persons are estimated to have left Fiji, a majority of whom were Indo-Fijian (Chetty & Prasad, 1993, 4). The annual out migration figures at present are considered to be between 2,000 and 4,000 each year.

Fiji's population growth rate in the ten year period from 1976-1986 declined to an average of 1.9 percent from 2.1 for the previous decade. It has been pointed out

that there is a marked difference in the fertility history of the two major ethnic categories. Since 1977, the total fertility rate (TFR) for Ethnic Fijian women has stood at 3.5 whereas Indo-Fijian fertility has declined from 3.2 in 1981 to 2.8 in 1985. Over a 20 year period the decline of 50 percent in TFR for Indo-Fijian women from 5.51 children in 1966 to 2.77 children is even more dramatic. In the same period TFR for Ethnic-Fijian women dropped by 20 percent from 5.58 to 4.14 children. Further age specific fertility rates (asfr) with the exception of 15-19 year group, showed a marked decline for Indo-Fijian women relative to Ethnic-Fijian.

With respect to age at marriage which is a factor in the number of children per family, Indo-Fijian marriages are now being shifted to later years. This trend is bringing them closer to Ethnic-Fijian age of marriage. Thus whereas in 1956, the mean age of marriage for Indo-Fijian women was 18.1 and for men 21.6 in 1986, it was 21.6 and 24.3. For ethnic Fijian in 1956, the mean age of marriage for women was 22.3 and for men 25.7 and in 1986 it was 23.4 and 26.6 respectively. The upward trend in age of marriage has been a contributor to declining fertility rates for Indo-Fijian women. Access to education, economic and social pressures, as well as the availability of contraception have contributed to this tendency.

Contraceptives are available through public hospitals, dispensaries, Family Planning clinics as well as in pharmacies. From surveys conducted among women it has been found that 74 percent of Indo-Fijian women practice some form of family planning compared to 55 percent of ethnic Fijian women. Likewise contraceptive usage is higher among the former, 68.9 percent than the latter 28.1 percent (Ministry of Health, December, 1984).

#### **Towards an Aging Population**

Fiji has been described as experiencing the "early intermediate" age phase of population maturity because its median age is between 20-30 years (below 20 is considered young and 30 is characterised as old). Close to 40 percent (38.2 percent) were below the age of 15 years, and a further 48.5% were below 28 years in the 1986 census. These figures are lower than those for the same age cohorts in 1976, 41.1 percent and 53.5 percent respectively. The proportionate decline of younger people is due to declining birth rates in the intercensal period. Ethnic differentials indicate that while the numbers of young Indo-Fijians are declining, the numbers of young ethnic-Fijians are increasing.

Bureau of Statistics projections indicate that the population of the elderly will double between 1986 and 2011 from around 4.5 percent to about 8.9 percent of the population. With an ageing population, non-communicable diseases will increase requiring specific types of health care.

### **Life Expectancy**

Life expectancy is a useful broad indicator of the relative health of a people, indicating how long on average individuals can expect to live, based on overall mortality rates in a given period of time. For the population as a whole, life expectancy has hovered around 60 years. In the ten years between 1976 and 1986, overall life expectancy has risen by two years. The life expectancy of women is around 65 years and for men it is 61 years. Ethnic-Fijian males can expect to live 63 years and Indo-Fijian males 59 years. Generally, life expectancy is projected to increase to around 67 years by the late 1990s.

### **Geographical Distribution**

Fiji's population is most unevenly distributed. More than 75% live on Viti Levu with Ba Province (27.6%), Naitasiri (14%) and Rewa (13.6) accounting for a major share. Vanua Levu as a whole has 18% of the population with Macuata Province accounting for 10.4%. Thus 94.4 percent of the population reside on Viti Levu and Vanua Levu. The remainder of the population, a mere 5.6% is distributed in the outer islands.

Internal migration is characterised by movements of younger and better educated people from outer islands and inland areas to the urban centres and the larger provinces mentioned above. It is maintained that urbanisation has declined between 1976 and 1986 compared to the 1966-1976 period. During the latter period urban growth rate was 3.9 percent but in the last decade it was only 1.8 percent per

annum for Suva. Lautoka's growth rate declined from 3.1 percent in 1966-1976 to 3 percent during 1976-86.

According to the 1986 census, 277,025 or 38.7 percent of the total population were urban dwellers and 61.3 percent were residing in rural areas. In 1976 there were 218,445 persons or 37.2 percent of the total population residing in towns. Thus yearly urban growth was 1.1 percent between 1966-1976 compared to 0.4 percent between 1976-1986. Official statistics thus indicate an urban population of around 40 percent and a rural population of 60 percent.

These figures for urban and rural population are of some use in painting a broad picture but a closer scrutiny begs the question of what constitutes an urban area. The definition for an urban centre used by the Census was a physical one. While the physical boundaries of a town or a city are important for various purposes, there are a sizeable number of people who reside outside such boundaries but are employed in the urban centres. The Suva-Nausori and Suva-Navua corridors are essentially urban as residents are engaged in non-agricultural employment and enjoy many of the services associated with living in urban and peri-urban areas. Much the same may be said of those who dwell along the Queens highway between Lautoka and Nadi.

With more than 94 percent of the population in the two main islands where the heaviest concentrations occur in provinces with one or more urban centres, few people are more than two hours (by car) from an urban centre. In short total urban population figures needs to be qualified. They tend to down play the trend towards

increasing urbanisation and therefore the pressures on public utilities and social infrastructure including housing and sanitation.

### **Squatter Settlements**

The increasing pressure on urban facilities is most obviously reflected in the significant increase in what are referred to as squatter settlements in and near urban centres. More than 10 percent of Suva's residents live in such settlements. As in the shanty-towns of other developing countries, the make-shift dwellings are improvised from boxing timber, corrugated iron, flattened-out drums, chip-board and plywood. These dwellings occupy public-owned crown-land, marginal localities including land that borders mangrove-swamps, and sand dunes as well as steep slopes.

Characteristically not all squatters are poor. There are those who have extended their original one or two unit home by building adjoining rooms. These are often sub-let to others who are more recent arrivals. These informal and largely illegal arrangements have been pivotal in supplying shelter to low income earners. The absence of good water supply, electricity, garbage and sewerage disposal contribute to a significant health risk.

#### 1.4 HEALTH

For a developing country, Fiji's health services have been exemplary until 1987. As indicated under the section on population, life expectancy, though not as high as in Tonga or Jamaica, was slightly above 60 years. Three public hospitals at the divisional level, 15 subdivisional hospitals, 54 district level health centres and 84 nursing stations together with dispensaries and clinics run by private doctors and dentists cater for the medical needs of the citizens. Emphasis on prevention through preventive health education and practices such as clean water supply, good sanitation, and vaccination of children helped maintain a relatively high standard of health.

In the recent past, however, the health situation in Fiji has deteriorated significantly. It is unfortunate that criticism of declining health services is defended by comparing Fiji's situation with that of other Pacific island countries or other developing countries. This type of response seems to be taken to absolve those responsible for the decline in health services.

Two systems of health have emerged in Fiji in the last decade or so. The public health facilities and services, perceived as being inadequate, are utilised by those who are relatively poor and who cannot afford private doctors' fees. Emergency cases are also referred to the public health system because patients and their relatives do not have the time to make alternative arrangements. There is a general lack of confidence in the public health system.

This state of affairs has resulted from a number of factors, including the reduction in the health budget in the period 1987-88, the resignation and emigration of experienced Indo-Fijian doctors, incompetent administrators in the Ministry of Health (MOH), and the lack of professionalism among public health workers. The lack of qualified physicians as well as professional and para-professional staff is glaring. The number of doctors in MOH declined from 324 in 1987 to 266 in 1989. The subsequent large-scale recruitment of expatriate doctors to fill vacancies left by the post-coup exodus of medical personnel, has contributed to the negative image of public hospitals.

The second system of health is accessed by the relatively well-to-do. Private doctors have increased since 1987 from 67 to over 100 in 1992 and there are currently two group practices in Suva. There are 16 dentists, 6 acupuncturists, several chiropractors and numerous traditional health practitioners. There are some 25 private retail pharmacies, but no private laboratory or radiographer services. The provision of medical insurance schemes has enhanced private medical services. There have been discussions on the establishment of a medium sized private hospital.

Wealthier patients who require specialist treatment are initially attended to by private doctors who then make arrangements for such patients to be admitted in hospitals overseas. A number of private medical insurance schemes offer overseas medical treatment as one of the attractions of the insurance package. Nominated hospitals in Sydney and Melbourne in Australia and Auckland and Wellington in New



Zealand are linked to medical insurance schemes and offer treatment for non-communicable diseases, such as those relating to Cardio vascular difficulties and various cancers.

### **Maternal and Child Health**

Infant mortality rates have been declining over the last decade as a result of improving maternal and child health care. In 1980, there were 38.5 deaths per 1000 live births whereas in 1987 infant mortality rates were below 20.

Hospital deliveries have been increasing and currently some 95 percent of babies are born in hospitals. Toddler deaths are high amongst Ethnic-Fijians while neonatal deaths have been high amongst Indo-Fijians. Low birth weights for the latter and poor weaning practices among the former are the main contributing factors to such deaths.

Up to the age of 4 years toddler deaths are high for Fijian children who are liable to suffer from malnutrition. The problem of adequate nutrition is a growing one and is related to poverty. In the period 1987-88, 61 children were hospitalised because of severe nutritional diseases.

### **Women and Health**

A number of health problems are specific to women and these include a higher incidence of diabetes, as well as higher incidences of other non-communicable diseases such as cancer, which is emerging as the primary cause of

death for women. Incidences of cervical and breast cancers, which together accounted for more than 43 percent of female cancers in the period 1988-1990, are especially high with a total of 179 and 145 cases respectively reported in the three year period. There has been an escalation in sexually transmitted diseases (STDs), particularly syphilis, among women. In 1991, 63 percent of syphilis cases were female, and the numbers of female cases increased by 29 percent between 1987 (363 cases) and 1991 (470). Syphilis has mainly presented amongst Ethnic Fijians (92 percent of reported cases in 1991).

Other specific health problems affecting women include increasing incidences of domestic violence, teenage pregnancies and mental depression, often resulting in suicide and/or infanticide.

#### **Life Style Diseases**

Non-communicable diseases are on the rise in Fiji and have replaced infections as the primary causes of morbidity and mortality. Responsible for up to 5000 hospital admissions each year, they include diabetes mellitus, hypertension and other circulatory disorders and coronary artery diseases.

Diabetes is a leading public health problem. It is estimated that 12 percent of the adult population has diabetes or an increased risk of developing the disease. If present trends continue it is expected that by the year 2000, some 45,000 people will have diabetes. Between 1971 and 1992 there was a threefold increase of inpatient admissions for complications resulting from diabetes and half of all hospital

admissions for severe infections are related to diabetic complications, with a further 15 percent of limb amputations and 40 percent of eye conditions also being diabetes-related. While Indo-Fijians have been especially prone to this disease, diabetes is steadily rising among Ethnic-Fijians as well.

The numbers of patients hospitalised for ischaemic heart diseases have increased 12-fold over the last 30 years and these diseases account for a third of all deaths in hospitals. Between 10-12 percent of the population suffer from hypertension and related cardiac and cerebro-vascular problems. Hypertension patients have increased sixfold since the 1960s. Ethnic Fijians and rural dwellers have lower incidences of this disease.

STDs and AIDs are other manifestations of changing lifestyles. Statistics for STDs are not complete as many patients visit private doctors who do not notify public health authorities. Gonorrhoea and syphilis are the most common STDs. In 1988 there were 11 confirmed cases of either HIV+ or AIDs and it is expected that this disease will become increasingly prevalent.

Life style diseases are the product of such factors as obesity (some 38 percent of the population is overweight); diet, especially the consumption of imported and manufactured food high in fats, salt and sugar; sedentary occupations and the lack of exercise; and alcohol consumption and stress.

Vector-borne diseases including dengue and filariasis are occur in periodic outbreaks. Traffic accidents, another manifestation of lifestyle health problems,

constituted on average more than a third of total hospital admissions for injury and poisoning in the period 1985 - 1989.

### 1.5 EDUCATION

Relative to other Pacific Islands and indeed most developing countries, Fiji has a well developed system of education. Primary education, while not yet compulsory, is fee-free, although other education-related costs may be quite considerable and educational standards may vary markedly between schools. There is considerable scope for improvement in several aspects of the system including teaching, facilities, curriculum, assessment, counselling and scholarship allocation.

Since colonial days, community based organisations have largely carried responsibility for educating the young in Fiji. Government has generally played a limited role in establishing and running educational institutions, providing support in the way of provision of teachers and national level standards through public examinations.

In 1993, there were 695 primary schools of which 14 were government schools and 681 were non-government. Of the 144 secondary schools, 12 were government schools and 132 were non-government. In teacher training government operated two institutions and two others were run by religious bodies. There were 25 non-government owned technical and vocational training establishments and only 6 government owned. Thus, in aggregate, of 873 educational institutions, 839 were non-government community based and 34 were government run (Ministry of

Education, Annual Report, 1993 Table 3, p.113). A mere 2 percent of primary schools and 8 percent of secondary schools are government owned institutions. Ninety-eight percent of primary schools and 92 percent of secondary schools belong to and are managed and operated by non-government organisations. Hence, a great majority of students are educated in non-government institutions.

While the aggregate number of students in schools, particularly at the primary level, is impressive (net enrolment rates averaged around 95 percent for 5-11 age cohorts in the period 1982-86 and is around 97 percent currently for primary-school aged children), there has been a high crude wastage rate (close to 30 percent during 1982-89) in primary schools for children between class 1 to class 8/Form 2. This situation is improving as indicated by enrolment figures for the years 1986 to 1993 which showed a reduced wastage rate of 18.6 percent.

The crude wastage rate for students between Form 3 and Form 6 is high, assessed at 54 percent in 1987, in which year an estimated 68 percent of children aged 12-17 were reported as being in school. The number enrolling in Form 3 has been steadily increasing from 10,777 in 1986 to 12,889 in 1990 and 15,174 in 1992. Similarly, Form 6 student numbers have shown a dramatic increase, climbing from 4579 in 1986, to 7776 in 1990 and 10,472 in 1994. Form 7 enrolments totalled 2690 in 1993 and 2826 in 1994.

Despite these generally positive indicators, a steadily increasing number of school age children are reportedly not attending school and their growing numbers

(estimated in 1990 to be as high as 55,000) reflect the economic factors that condition educational access even in the context of fee-free primary education.

In 1994 overall, there were 75,790 boys and 71,453 girls in primary schools. Fewer girls (10,274) than boys (11,208) entered primary school but in class 6 the numbers came much closer (6054 for boys and 5927 for girls). In secondary school, girls outnumber boys in each year of school (Form 1 to Form 6) with the exception of Form 7 year (1440 boys to 1386 girls). There is in general therefore relative equality of access for females to education. There is no marked decline for female children in early stage of the educational system. The 25 percent wastage in the number of primary students, in spite of the absence of fees for class 1-8, indicates the prohibitiveness of other incidental costs including compulsory building fees, school uniforms, text books and stationary and bus fares.

While the number of children of school going age attending schools may be admirable, the fact that not all school age children are in schools, the wastage rates of 22 percent for primary and 54 percent for secondary schools, as well as the quality of education, differential achievement by children of different ethnic backgrounds, and their differential treatment in scholarship allocation and placement, remain matters of serious concern.

The system of remission of fees for children of indigent parents has been significant in providing disadvantaged children access to education. Altogether 29,799 students in Forms 1-6 were assisted in 1993 and \$1,415,860 were disbursed under the scheme. Remission of fees are allowed to children whose parents earn

less than F\$5,000 in a scaled scheme of remissions with those earning below \$300 given full remission. In addition, 1373 Form 7 students not on scholarships received some remission of fees.

### **Quality of Education**

Primary, secondary and post-secondary education in Fiji is seriously affected by the quality of teaching staff. The building of local capacity with respect to teaching at all levels experienced a major set-back as a result of the 1987 coups. Eight percent of the teaching profession migrated immediately after the coups and some of the best qualified and highly experienced teachers continue to leave their vocation. At the same time as this severe decline in qualified teachers occurred, the government took the initiative to re-establish Form 7 in secondary schools. As a result, the remaining qualified teachers have been pushed upwards at the expense of quality teaching and learning lower down in the system.

The numbers of untrained primary school teachers have increased significantly and currently less than 1 percent of all primary school teachers have certificates or diplomas in teaching and 70 percent have only gone as far as completing Form 5. In secondary schools, the number of untrained teachers doubled from 491 in 1987 to 846 in 1990 while the proportion of graduates teaching in secondary schools, declined from 40 percent to 38 percent. A significant percentage of secondary school teachers (28 percent) had not proceeded beyond Form 6 and, overall, more than 45 percent of secondary school teachers remain untrained.

The provision of state resources both to schools and to students by way of scholarships has been heavily biased towards the promotion of Ethnic Fijian education with the results that unevenness in the quality and standard of facilities among schools is widening and inequities in access to education, particularly at the post-primary level, are increasing. Government schools usually are better funded but certain government schools which are exclusively for Ethnic-Fijians are today the beneficiaries of the largest allocations of resources. These schools receive funding from both the Ministry of Education as well as the Ministry of Fijian Affairs. Although many non Ethnic-Fijian schools have a sizeable Ethnic-Fijian student population, no additional funding is received under the provisions of the Fijian Education Fund.

Many schools lack basic facilities such as clean water, toilets, playing fields and well equipped class-rooms. Many others also do not have adequate science and industrial arts education facilities whereas a privileged few are well equipped and are moving into computer education. Many of the boarding schools which number 117 have not been able to provide sufficiently nutritious meals to students. In 1994, only 17 of these schools were visited by the Educational Officer concerned.

Vocational Education and training which cater to students who have attained Form 4 level education and are aimed at preparing them for either self-employment or the labour market, is addressed by 50 centres. These generally suffer from the lack of qualified staff, poor facilities and variable standards.



### Post-Secondary Education

Post-Secondary Education and its linkages (or lack of these) to the labour market were the subject of a World Bank Study which reported its findings in April 1992. There are seven state-run post-secondary institutions, namely, Fiji Institute of Technology (FIT), Fiji School of Medicine (FSM), Fiji School of Nursing (FSN), Lautoka Teachers College (LTC), Fiji College of Advanced Education (FCAE), Telecom Training Centre (TTC) and Fiji College of Agriculture (FCA). Non-government organisations, namely, Montfort Boys Town, Fulton Missionary College, Navuso Agricultural School and Corpus Christi Teachers' College also offer post secondary education and training.

Unlike primary and secondary education, post-secondary education is predominantly a government responsibility with 2878 students (86 percent) and 271 (87 percent) staff members in government institutions. Government's policy of ethnic discrimination (affirmative action) has led to a number of government run institutions providing education to much lower numbers of students relative to the demand. In FIT, FSM, FCA, LTC, FSN and TTC government's rule that 50 percent of the intake must be Ethnic-Fijians. This means that many deserving non Ethnic-Fijian students are denied places in these institutions since their intake is determined by the numbers of Ethnic-Fijians who gain entry. Given the severe shortage of skilled human resources, this is a myopic policy.

"Racial" and ethnic as well as socio-economic discrimination is systematic. Deserving students are being denied scholarships/placement in post-secondary

institutions on the basis of race. FIT is not operating at its optimum capacity (at less than 50%) because of racial discrimination. There has been a decline in private students and private sector sponsored students.

Although "racial" allocations of scholarships influence student intake at the regionally-owned University of the South Pacific, the deliberate encouragement of private students has meant that deserving students who can afford to pay the fees are not denied access to University education. Obviously there remains a category of non ethnic-Fijians who are unable to obtain scholarships and who cannot afford University fees, which are higher than the per-capita GNP of Fiji.

## 1.6 EMPLOYMENT

Livelihood in formal occupations, through self-employment, entrepreneurship, farming and the range of activities that form the informal sector is an integral component of social development. This section outlines the nature of employment over the last two decades, indicating changes and governments projections with respect to the labour force, and critically appraises economic sectors that are perceived as important for the absorption of labour and reduction of unemployment.

The economically active population, or the labour force or work force, is defined as all persons of the age of 15 and over who are involved in the production and distribution of goods and services in a given period of time. Persons who are economically active are divided into those who are in paid employment, own account workers and unpaid family workers as against those who are unemployed.

The category of non-economically active includes housewives, students, persons not seeking employment as well as those who have retired, the incapacitated and the elderly.

A declining birth rate since 1966 has contributed to modest increases in the economically active component of the population. The lowering of birth rates since 1976 will further moderate numbers seeking employment in the 1990s and beyond. The trend for younger persons to seek week and salary employment does constitute a significant pressure on paid employment opportunities.

In December 1993 the total labour force was estimated at 268,900 compared to 263,600 in 1992. This represented an increase of 2.0 percent. In late 1993 there were 95,254 persons in paid employment. National Provident Fund records for the period January-July 1994 indicate a similar figure in paid employment, averaging 95,162. Those in paid employment constitute 35.4 percent of the total labour force.

The following table shows increases in wage and salary earners over the last five years.

TABLE (2) Wage and Salary Earners 1989-1994

<u>WAGE AND SALARY EARNERS 1989-1994</u>	
<u>YEAR</u>	<u>NUMBER</u>
1989	85,272
1990	89,394
1991	92,296
1992	91,741
1993	94,225
1994	95,162

The annual increase in the paid labour force over the last five years averaged 1.78 percent.

Changes in employment include (a) the relative stagnation in public sector employment after 1980; (b) growth in private sector employment; (c) increased participation of women in the labour force particularly as wage and salary workers; (d) growth in the services and manufacturing sectors which has favoured the employment of females.

Table (3) shows employment by sectors from data derived from the 1976 and 1986 censuses.

TABLE (3) EMPLOYMENT BY SECTORS 1976 AND 1986

INDUSTRY (MAJOR GROUP)	1976		1986	
	TOTAL NUMBER	PERCENT	TOTAL NUMBER	PERCENT
Agriculture	76,886	43.7	106,305	44.1
Mining	1,662	1.0	1,345	0.5
Manufacturing	13,039	7.4	18,106	7.5
Electricity	1,628	0.9	2,154	0.9
Construction	11,186	6.4	11,786	4.9
Trade	17,372	9.9	26,010	10.8
Transport	9,039	5.1	13,151	5.4
Finance	3,518	2.0	6,016	2.5
Services	29,134	16.6	36,619	15.2
Not Stated & Unemployed	12,321	7.0	19,668	8.2
<b>TOTAL</b>	<b>175,785</b>	<b>100.0</b>	<b>241,160</b>	<b>100.0</b>

Overall, the economically active population rose by 37 percent between 1976 and 1986. Agriculture absorbed the largest increase of 30 percent even though the sector's proportionate share of economically active population increased only slightly from 43.7 to 44.1 percent. There has been a consistent movement away from agriculture to the wholesale and retail trades and services sectors, a trend which has been ongoing since the 1956 and 1966 census when agriculture's share of the economically active population was 58 percent and 54 percent respectively.

In the period 1976 to 1986 there was an enormous increase of almost 74 percent in the participation of women in the labour force. Besides agriculture female employment increased in the wholesale and retail trades, restaurants, hotels and manufacturing and particularly in community, social and personal services where the highest proportion of women (28.2 percent) were engaged. Men dominate in the agricultural sector (48 percent). The proportion of women paid workers in the formal sector increased from 23 percent in 1985 to 29 percent in 1992. The main occupation group for women (and men) in 1989 was production/transport/labour which occupied 29 percent, compared to 27 percent in professional/technical occupations and 25 percent in clerical work.

TABLE 4. MALE AND FEMALE EMPLOYMENT BY INDUSTRIES

INDUSTRIES	1976		1986		1976		1986	
	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
Agriculture, Forestry and Fishing	94,133	50	70,037	48	12,172	24	6,849	23
Mining and Quarrying	1,270	1	1,592	1	75	*	70	*
Manufacturing	13,664	7	11,277	8	4,422	9	1,762	6
Electricity, Gas and Water	2,049	1	1,579	1	105	*	49	*
Construction	11,557	6	11,037	7	229	*	149	1
Wholesale and Retail Trade, Restaurants and Hotels	17,679	9	12,938	9	8,331	16	4,434	15
Transport, Storage and Communications	12,048	6	8,445	6	1,103	2	594	2
Finance, Insurance, Real Estate and Business Services	4,073	2	2,476	2	1,943	4	1,042	4
Community, Social and Personal Services	22,172	12	18,785	13	14,447	28	10,349	35
Others not specified and unemployed	11,264	6	8,149	5	8,404	17	4,172	14
<b>TOTAL</b>	<b>189,929</b>	<b>100</b>	<b>146,315</b>	<b>100</b>	<b>51,231</b>	<b>100</b>	<b>29,470</b>	<b>100</b>

\* Denotes less than 0.5 percent

Source: Social Indicators for Fiji, 1989, p.47

In the post-coup period, a strategy to revive the economy (which had been perceived as a possible option in Development Plan 9) was the establishment of Tax Free Zones (TFZs) and Tax Free Factories (TFF). Besides being export-oriented and taking advantage of the bilateral preferential and non-reciprocal trade ties with Australasia and the United States, this initiative resulted in the increased participation of women in paid employment, albeit in low skilled and low paying jobs.

Ethnic Fijians and Indo-Fijians each comprised 47 percent of the economically active population in 1986, with the former more engaged in rural economic activities (55 percent) than the latter (54 percent). A predominant proportion (68 percent) of the so-called "others" category was engaged in urban-based activity.



### Informal Sector

Own account workers numbered 81,000 or 33.6 percent of the economically active component of the population in 1986. The percentage of wage and salary earners in the economically active category actually decreased from 51.1 percent in 1976 to 42.2 percent in 1986. The category of unpaid family workers numbered 39,231 in 1986, compared to 13,676 in 1976. This was largely due to the reclassification of many (mainly women) who were formerly classified as economically inactive.

Informal sector economic activity relates to households involved in production of goods and services especially in agriculture/forestry/fisheries and manufacturing. In the period 1989-90, agriculture/forestry/fisheries comprised 78 percent and manufacturing 18 percent of informal sector activities. Of those involved in this sector, 62 percent are men, 36 percent are women and 2 percent are children. Agriculture/forestry and fisheries preoccupies nearly all the men (92 percent) and children (80 percent) involved in this sector, whose involvement in manufacturing is limited (2 percent men and 18 percent children). Women, on the other hand, are more evenly spread between informal activities in agriculture/forestry/fisheries (52 percent) and manufacturing (18 percent).

In the period 1989-90 63 percent of those engaged in the informal sector were working proprietors or self-employed. Overall 75 percent of the women were in this category but a massive 85 percent of the women in informal sector

manufacturing were self employed. Self-employment amongst men was 57 percent and in manufacturing 67 percent.

Unpaid employment in the informal sector involves 15 percent of females and 22 percent of males. A significant proportion of the unpaid workers are casual (66 percent) and women predominate in this category. Paid employment is limited to agriculture/forestry and fisheries with seasonal sugar-cane cutting, a male-dominated activity, being the primary occupation. In the manufacturing sector, the few men involved tended to be in regular employment whereas women were hired casually.

Remuneration from paid employment in the informal sector was estimated to average \$334 per month in 1989-90. This was half of the average salary of formal sector employees of around \$671 per month. "Females earned \$208 per month, or 62 percent of the overall average and 57 percent of the male average of \$369 (Booth, 1994, 23)". Income in manufacturing which involved women was \$136 a month whereas agriculture/forestry/fisheries provided \$335 per month. It is noteworthy that while one third of the income for both men and women in the informal sector was in kind, in informal sector manufacturing as much as 68 percent of female income was in kind. This compares with a mere 5 percent for males in informal sector manufacturing (Booth, 1994, 23).

### Unemployment

The Fiji Development and Employment Mission (1984) identified three categories of unemployed namely, (a) regular wage earners who have been laid off; (b) first time job seeking youth; and (c) "on and off" casual wage labourers. The latter, together with housewives and unpaid family workers, constitute a significant category of underemployed.

As a result of a 3.8 percent per annum growth in employment in the period 1976-1980 unemployment was below 6.7 percent. In the early 1980s unemployment rose to 8 percent. By the mid-1980s, as a result of the declines in sugar production, tourist arrivals and capital inflows, and following the completion of major public work projects, unemployment rose to 10 percent.

Unemployment increased markedly following the coups in 1987 which were accompanied by a massive devaluation, pay cuts and retrenchment of workers in several industries, including tourism. Hardship among workers was hardly alleviated by the \$500 withdrawal-from-savings scheme introduced by the Fiji National Provident Fund as a kind of 'stop-gap' unemployment benefit.

Between 1988 and 1992 paid employment increased by 14,951 or 4.5 percent a year. The manufacturing sector, particularly the TFF/Z garment industry, recorded an increase of 7,141 jobs. Laid-off workers in the tourism sector were able to return to work once the tourist numbers began to rise again, but male construction workers have joined the ranks of the long-term unemployed. Currently unemployment is below 6 percent.

For the Development Plan 9 period, between 1986-1990, net additions to the labour market were expected to total 30,600, representing an annual addition of between 6,000 and 7,000 persons. It was expected that the bulk of this number would be new entrants to the labour market with at least four years of secondary education. Between 1200 and 1600 of these annual entrants were expected to have post-secondary qualifications.

In terms of strategies for labour absorption, government intended a four pronged approach. First, to reduce the rate of new entrants into the labour market by prolonging the number of years young people stay in schools, including vocational and technical institutions. Second, traditional labour intensive sources of employment such as the sugar industry and tourism were considered to have the capacity to absorb more labour. Third, incentives and stimulus to the manufacturing sector were expected to generate new employment opportunities. Fourth, a whole range of new (export-oriented) activities within the agriculture forestry and fisheries sector, as well as services, were seen as contributing to employment. In addition, expansions in subsistence and informal sector activities were expected to absorb additional labour.

Government has established youth camps particularly for rural youths to learn skills that would facilitate income generation in the countryside. However, the Development Plan 9 proposal for a National Youth Scheme is only being pursued in a limited way, in conjunction with Youth camps.

In 1986, urban youth unemployment stood at 30 percent. Although the advent of garment factories may have contributed to a decline in the number of young unemployed women, it is unlikely that the number of young unemployed males has been reduced.

### SHELTER

Adequate shelter is a basic need and the (colonial) government saw the provision of housing as part of its responsibility as far back as in 1955. In 1958, it established the Housing Authority (HA) to provide low cost housing particularly in urban areas.

In the past 40 years, however, the demand for satisfactory accommodation has far outgrown the supply of such shelters throughout the country. This is especially the case in urban areas where there are emergent ghettos and shanty towns or squatter settlements. This section provides a description of the existing stock of housing and related facilities, government projections of the demand for housing, agencies responding to this demand and impediments to meeting the need for shelter.

There were 124,098 households in 1986 and an average household comprised 5.8 persons. Indo-Fijian households were on the average smaller with 5.4 persons compared to Ethnic-Fijian households which averaged 6.2 persons. Altogether 41 percent of the households were urban and 59 percent were rural.

The 1986 census differentiates conventional dwellings inhabited by 99.8 percent of the households from institutions and other collective arrangements where 0.2 percent resided. Tin and corrugated iron were the most widespread materials used in the construction of outer walls of the conventional dwellings. Urban buildings tended to use cement products (49 percent) and rural areas used tin or corrugated iron (30 percent).

**TABLE (5) CONVENTIONAL DWELLINGS BY CONSTRUCTION OF OUTER WALLS**

CONSTRUCTION OF OUTER WALLS	DWELLINGS	
	NUMBER	PERCENT
<i>Concrete, brick or cement</i>	36,954	29.8
<i>Wood</i>	32,756	26.4
<i>Permanent; of tin or corrugated iron</i>	37,791	30.4
<i>Traditional bure materials</i>	2,424	2.0
<i>Makeshift or improvised materials</i>	2,287	1.8
<i>Other</i>	701	0.6
<i>Not Stated</i>		
<b>TOTAL</b>	<b>124,098</b>	<b>100.0</b>

In terms of number of rooms per dwelling, the most widespread were two room dwellings (19.8 percent) followed by single room structures (18.5 per cent), 4-room accommodation, which were the third most common (17.5 percent), with 3 room dwellings being the fourth most common form (16.5 percent). Some 11 percent of the households occupied dwellings of the traditional "bure" type and

makeshift shelters found in squatter settlements. These dwellings had one "large" room. The medium number of rooms for dwelling was 3.7 percent.

**TABLE 6 DWELLINGS BY NUMBER OF ROOMS**

NUMBER OF ROOMS	DWELLINGS	
	NUMBER	PERCENT
1	22,991	18.5
2	24,629	19.8
3	20,466	16.5
4	21,733	17.5
5	15,842	12.8
6	8,784	7.1
7	3,760	3.1
8	3,116	2.5
Not Stated	2,777	2.2
<b>TOTAL</b>	<b>124,098</b>	<b>100.0</b>

*Source: Social Indicators for Fiji, 1989, p.82*

Considerable diversity, therefore, exists in the quality of houses which vary with different income groups. Increasing costs of constructing houses make home ownership unaffordable for low income earners.

However, water and sanitation facilities have improved. Piped water and sewerage sanitation cover 90 percent of the population. Over the past decade, 20 percent of the households in rural areas have received protected water and pour flush or water seal latrines.

In the period of Development Plan 8, 1981-1985, the Housing Authority (HA), the agency responsible for public housing, had the objective of building a total of

1575 rental units (200-350 each year) but managed only 447 or 28 percent of its target. Under a Home Purchase Plan (HPP) and Loan Scheme it was to have provided 6300 loans but provided only 3104 or 49.3 percent. Further, its Rural Housing Scheme which had the objective of building 1575 houses achieved a mere 34.8 percent of its target. The most successful scheme was Sites Provision where HA was to develop 5775 sites and it completed 4942 or 85.6 percent.

Constrained by its own financing as well as by the increasing costs of borrowing and construction, the Housing Authority has in recent years shifted from its house/sites packages towards the provision of loans to borrowers to build themselves. This marks a fundamental departure from its original mandate to provide low cost housing. HA is thus no longer able to meet the shelter needs of those who earn below \$70 per week.

The government's changed thinking on housing provision was evident in DP 8. Based on DP 8 assumptions of housing needs in rural and urban areas, it was estimated that between 1986 and 1990, 5835 dwellings (2871 for urban areas and 2964 for rural households) would be needed each year, totalling 29,175 dwellings in the five year plan period. With the minimum expenditure required to meet such housing demand being \$55 million (in 1985/prices) per year, government did not consider it feasible. Government's view was that what is required by households in terms of shelter should depend both on what people regard as adequate, and on what they are prepared to pay. Noting that "if a minimum of \$10,500 is required to purchase the cheapest HA home, then 46 percent of Fiji's wage earning population



for 87 percent of HA applicants) would not be able to afford such a loan to provide such basic, cyclone resistant housing" (CPO, 1985, 130), the Plan argued that what was needed was more land for housing, to reduce the cost of land development and construction and interest on loans, and to relax housing standards.

DP9 proposed to complete 19,550 houses and sites in the plan period 1986-90. This represented only 67 percent of the total housing demand of 29,175 by 1990. Of this number, it was envisaged the Housing Authority would complete 13,050 dwellings and sites (67 percent), the Home Finance Company, a private investment corporation which caters for upper income households would finance 1500 houses (8 percent) and a further 5000 dwellings (25 percent) would be completed through the Department of Relief, Rehabilitation and Rural Housing. The latter agency is responsible for rural housing and it was envisaged that 1000 rural families would be housed per year in the DP9 period. Based on the estimates of the Housing Needs Assessment Report which considered that more than 4000 new units and the upgrade of 3000 existing units would be needed in 1991, it is anticipated that, by 1996, annual need would be in the region of 9000 dwellings, and in the year 2006, 10,000 units would be required to satisfy housing demand. Significantly, the Housing Needs Assessment Report did not expect that new housing would in fact exceed 1600 units in 1991.

The coups of 1987 had a especially profound effect on the construction of houses and on the real estate market. House values at first plummeted but have since risen astronomically. While the private construction of new houses has not as

yet reached pre-coup levels, real estate prices especially for better quality (or at least elite neighbourhood) homes have stabilised at an all time high level. For those at the bottom half of the socio-economic ladder, the housing situation has worsened and prospects for home ownership have considerably narrowed.

In 1988, the Housing Authority found itself with an accumulated deficit of \$9.7 million which jeopardised its existence and in turn had implications for the whole financial sector. A revitalisation plan, drawn up by the Asian Development Bank (ADB) and the World Bank, resulted in the establishment of the Public Rental Board (PRB) charged with collecting rental arrears from HA tenants, and renting (at economic rates') HA houses/flats. Although HA's original target group were families with incomes of between \$45 to \$80 weekly, the creation of the PRB and the new emphasis on economic rentals means it is no longer catering to the needs of this income group.

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Established in 1989 with a debt of \$21 million, the PRB currently manages 1753 rental flats in 24 Rental Estates throughout the country. The economic rents charged by PRB range from \$7.80 per week to \$52.00 per week. This compares with HA rents of between 30 cents and \$10 a week which were assessed at 15 percent of the tenant's gross weekly wages at the start of the tenancies and not subjected to upward revision with increased earnings. Even with such low rentals many tenants were in considerable arrears and, with the application of economic rent by the PRB, which have increased rentals between 5 and 26 times what were previously charged, many tenants and their families have been evicted because of their inability to pay.

To an extent private subletting has filled the gap between demand and supply of public housing. Twenty percent of families reside in single rooms. The PRB estimates that a majority of the 1753 very modest (ie small) units which it rents are in fact occupied by 2 families. Thus, accommodation units designed for a single family of up to 5 people are occupied by double the number of people.

The inadequate supply of affordable housing has led to low income and poor families squatting on land that is not serviced with water, electricity and sewerage. Private informal subletting is estimated to cater for nearly 90 percent of housing provisions but these are generally substandard. With increasing poverty the provision of shelter for the poor is becoming more urgent.

#### **The Housing Assistance and Relief Trust (HART)**

The Housing Assistance and Relief Trust (HART) is a non-government organisation that was established in 1971 to provide shelter for the poor and destitute. These were people who had an income of \$60 per week or less (many are recipients of Family Assistance from the Social Welfare Department) and they included unmarried mothers, deserted wives, widows, the elderly, chronically sick, and families with disabled dependent(s). HART also extends community development and social welfare services to residents. HART has 50 homes in Suva, Nausori, Lautoka, Ba and Labasa and houses 450 families or 3,000 persons. Government has begun making modest financial subventions to HART since 1992. In 1994, one million dollars has been allocated to HART.

Other NGOs assisting low-income and poor households in acquiring shelter are Lautoka Rotary Club which provide corrugated roofing iron shed houses called Rota Homes, St Vincent de Paul Society, Muslim League, Habitat for Humanity Fiji, Salvation Army and the Poor Relief Society.

### 1.3 ENVIRONMENT

Fiji's archipelagic marine tropical environment characterised by continental high islands, limestone islands, coral atolls, and barrier reefs is in a relatively healthy state. However, it is susceptible to fairly regular tropical cyclones (15 per decade) and to earth tremors and earthquakes. The South Pacific Regional Environment Programme (SPREP) has prepared a National Environmental Management Strategy (NEMS) for Fiji which provides an extensive coverage of its diverse ecosystems as well as emergent threats to environmental sustainability.

The factors that threaten Fiji's environment include poor land use and land management, deforestation and soil erosion, the disposal of solid wastes as well as chemicals, marine and aquatic pollution, inadequate sewerage treatment, sedimentation and smothering of reefs as well as the destruction of mangrove swamps. Existing environmental protection laws which cover the exploitation of flora and fauna as well as prohibit environment degradation are weak and extremely poorly enforced. Major physical infrastructural development such as the Suva-Nadi highway, the Monasavu Dam and the construction of tourist resorts have taken place with no environmental impact assessment and if these have been undertaken, they have been used for public relations. Scant attention has been paid to EIAS with respect to economic development projects..

There is a danger that the proposed Namosi Copper project which is the single major economic initiative taken since Fiji's independence and which has very substantial environmental consequences may use EIA studies for public relations.

More generally, Fiji is out of step with other countries of the world with respect to the use and control of pesticides, insecticides and weedicides. The system of land ownership and utilisation has not fostered good land management practices. Many authorities have pointed out that deforestation, cultivation on steep slopes and intensive land utilisation in the cane belts contribute to land degradation and massive soil erosion. The latter process has led to sedimentation of the rivers, estuarine areas, barrier reefs and coral outcrops. Recent floods have dramatically shown that rivers have become shallow because of heavy sedimentation consequent upon deforestation and land use practices. Examples of increasing industrial and effluence contamination of rivers and seas near urban centres are increasing.

Other negative consequences of environmental degradation include contamination of fresh water and estuarine shell fish, harvested by indigenous women, and a significant reduction in fish, shell fish and crustacean catches in subsistence and artisanal fisheries.

### 1.9 DISASTERS

Fiji's location along the "Pacific Ring of Fire" in complexly arranged and interacting geological plates makes it vulnerable to tremors and earthquakes besides being exposed to fairly regular cyclones. Indeed the period from June to January is described as the "Hurricane" (Cyclone) season.

Manifestations of geological instability include several hot water springs characterised by sulphur deposits, periodic inundations of coastlines with pumice ejected by under sea volcanoes, occasional earth tremors and intermittent flooding as a consequence of extraordinarily large waves (Tsunamis). These have not constituted nation-wide concerns.

Natural disasters that afflict Fiji are those that relate to tropical cyclones. These have become more common over the last two decades with the 1980s having experienced several cyclones. Until last year, the prediction of cyclone movements, crucial to identifying potential areas of damage at times of approaching cyclones, was impaired by obsolete equipment. Accuracy in predicting the strength and direction of cyclones depended more on the experience and ability of the officers of the meteorology department. Australian bilateral assistance has rectified the problem of equipment.

Generally, the response to cyclone-derived disasters such as severe damage and destruction to housing, physical infrastructure and utilities (roads, water supply, electricity, telephone etc), and farms, has been satisfactory. The one significant area of weakness in the state's disaster relief activities has been that of alleged ethnic discrimination in the supply of disaster relief materials (water supply, food rations and building materials), in the past, which is said to have been widespread. While some of these allegations may be baseless, not all complaints against government's disaster relief can be considered to be without cause.

Government itself has instituted a number of enquires with respect to the storage and distribution of disaster relief. At least one very senior government official has been prosecuted for corruption. NGOs such as the Fiji Red Cross have had a better record in the relief of hardship during natural disasters. The absence of insurance and schemes of compensation for farmers is a significant lacuna. Insurance for buildings and homes is rather exorbitant. People are responding by building sturdier houses.

#### 1.10 CRIME

A complete picture of crime in Fiji cannot be furnished by police statistics of reported cases as many breaches of the law are not reported. There is a widespread feeling that crimes have soared and that the Police are not able to cope with escalating crime rates. Further, the loss of confidence in the Police Force among Indo-Fijians following the coups has not been restored.



TABLE (7): CRIMES REPORTED IN FIJI 1987-1993

CRIMES	1993	1992	1991	1990	1989	1988	1987
Crimes Against Authority including Exchanges and Corruptions.	428	450	475	617	769	721	1024
Crimes Against Sexual Morality including rapes and attempted rapes (in 1987).	290(77)	264(77)	249(82)	282(98)	314(89)	288(102)	257(80)
Crimes Against Persons (includes attempted assault and actually assaulting).	3024	3163 2125	2805	2320	2277	2474	2359
Crimes Against Property (includes burglary and stealing) and trespassing in.	13196	12696	10643	9456	9394	10369	10749
Crimes under Panel Code (including forgery).	773	1190	1927	1367	1350	1039	1081
Crimes Against The State	326	236	118	127	135	173	168
TOTAL	(8037/40%)	17999	16217	14169	14239	15024	15638

Table (7) provides reported cases of crime from police statistics. Crimes against lawful authority which include escape from lawful custody as well as corruption have declined since 1987 by 59 percent from 1027 to 428 in 1993. In the public view, however, both escapes by prisoners and corruption have increased! In the period 1984-86 crimes against lawful authority increased by 13 percent.

Crimes against public morality, which are primarily sexual offences, ranged from 250 and 314 in the period 1987-93. Rapes and attempted rapes constituted more than a third of this with increased incidences of indecent assault and defilement of girls under 16. The victims of sexual offences, particularly rape, are mostly younger women, though both older women and very young girls (including babies) have been the victims of rape or attempted rape. Between 1984-86 incidents of rape and attempted rape had increased by 56 percent. In the period 1987-93 there was only a small decline in this category of offences.

The number of cases being brought to the High Court has increased from 36 in 1990 to 66 in 1992. The recourse to traditional methods of seeking forgiveness by rapists and sex offenders outside of the judicial process is resulting in some cases being withdrawn. This practice is a matter of concern. Over the last six years crimes against the person including murder, attempted murder and assaults causing actual bodily harm, increased by 22 percent from 2359 in 1987 to 3024 in 1993. However, the number of murders peaked at 31 in 1988 and declined by half to 15 in 1993. Cases of grievous assault have steadily increased by 25 percent over the period 1990-1993. In 1993, 348 cases of domestic deutes were reported to the police, 72

percent of these involved assault causing actual bodily harm and the rest also involved assaults. Victims invariably were women.

Figures released by the Women's Crisis Centre (WCC) show that since 1984, 43 percent of women seeking assistance suffered domestic violence, 2 percent were victims of rape and 1 percent child abuse. Other marital problems, including payment of maintenance, adultery, divorce and child custody constituted the remaining 54 percent.

Child abuse is also on the rise. WCC has reported that in 1985 there were 2 cases reported to it but in 1992 there were 11 such cases. It goes without saying that most child abuse cases are not reported.

Crimes against property including robbery with violence, house-breaking and illegal entry into shops and other premises, have increased significantly over the last seven years. In the last five years the reported cases under this heading increased almost by a third from 9394 in 1989 to 13,196 in 1993. The incidence of this category of crime increased by 43 percent in the period 1984-86.

Offences relating to drug abuse have also increased as greater police attention is paid to this area. The main drug used is Cannabis or Indian Hemp rather than hard drugs.

While the Police record in solving several types of crimes including those committed against lawful authority, public morality and against the person, is praiseworthy, their overall detection rate as well as their competence in solving crimes against property are less impressive. In 1993 the overall rate of solving

crimes was 40 percent (7202 out of 18,037) and detection rates for breaking into homes, shops and other buildings were below 30 percent. The unlawful use of motor vehicles has increased by 177 percent between 1987-92 and is often related to burglaries and break-ins. This has posed problems for the police whose detection rate with this crime is a low 30 percent. Robbery with violence also had a detection rate of about 30 percent.

The poor police record in solving these types of crimes and the frequency with which prisoners escape from custody generate insecurity among people generally, and particularly women (Booth, 1994).

#### **Characteristics of Offenders**

Persons convicted for various crimes are predominantly young Ethnic-Fijian males. In 1992, 68 percent of those who were convicted were between 17 and 25 years of age (compared with 58 percent in 1989) and a further 30 percent were between 26-35 years of age (compared with 24 percent in 1989). Those who were over 36 years accounted for only 2 percent of offenders.

Ethnic Fijians have constituted over 60 percent of the offenders over the last four years. In 1992 they comprised 69 percent of those convicted for offences. Indo-Fijians comprised less than 30 percent and other ethnic categories constituted less than 10 percent. While these statistics would seem to indicate a proportionate decline in the Ethnic-Fijian composition of the prison population from the higher

average rate between 1977 and 1987 of 75 percent, recent changes in sentencing which allow offenders to serve extramurally, may explain this reduction.

Most male prisoners have had one previous conviction and about 20 percent have been to prisons more than 3 to 4 times. Young first offenders are increasingly being fined and/or given extramural sentences. Juveniles are sent to the Social Welfare Department run Boys Centre (13-17 year olds) and the Girls' Home.

#### 1.11 SOCIAL SECURITY

Up to the mid-1960s a system of superannuation benefits existed only for male employees of large business organisations and senior civil servants. With the establishment of the Fiji National Provident Fund (FNPF) in 1966, a system of compulsory contribution from both employees (7 percent of wages or salaries) and employers (7 percent) was implemented to provide financial security upon retirement.

FNPF began more as a system of enforced domestic savings and the limited social objective of providing those members reaching the age of 55 with financial security from accumulated savings plus interests. Additional provisions for withdrawals in circumstances of incapacitating illness, emigration, and marriage by a woman member, as well as upon death to beneficiaries, have been included. Since 1975 a pension scheme has been introduced under which members who elect to receive a pension may receive an annual pension of up to 25% of the funds standing to their credit.

From 1976, FPNF began a Housing Finance Assistance Scheme to allow members to finance home purchase or construction from up to two-thirds of their savings. A village housing scheme for rural dwellers has also been introduced. With the downturn in the economy in 1987 FPNF allowed needy members to withdraw \$500 each from their savings. There is also provision for partial/small business equity financing.

FPNF's total membership in mid 1993 was 177,835 of which 93,651 were in paid employment. A significant proportion of the economically active population do not belong to the FPNF. This category include rural small-holder farmers, sugarcane growers, cane cutters, artisanal fisherfolk and the unemployed. In other words, this large category of persons do not have any social security for old age or illness although upper income earners among them may have taken out insurance from private insurance corporations.

Until recently domestic workers who are largely women were not eligible to become members of the FPNF scheme. Under a new domestic employees scheme, employers of "house girls" can voluntarily contribute to the Provident Fund. Since this scheme is voluntary, most employers are unlikely to join the scheme. Further, FPNF has not widely publicised the existence of this new provision for a category of poorly paid workers.

Since FPNF began as a scheme for paid employees its membership is predominantly male, reflecting the male-dominated composition of the paid labour

force. Thus 70.3 percent of the 177,835 total membership is male and the remaining 29.7 percent are females.

The largest category of members fall in the 20-39 year group. Women are most well represented in the 20-24 age-group but they tend to fall to less than 50 percent of male membership in the 25-39 age cohort. It is possible that as spouses, women are beneficiaries of the largely male membership of FNPF. There are, however, an extremely large category of both men and women in Fiji, who having worked the whole of their working lives do not have any financial security in their old age.

## SOCIAL DEVELOPMENT POLICIES AND PROGRAMMES

The government's objectives and strategies for development are enunciated in both Fiji's Ninth Development Plan (DP9) 1986-1990 subtitled Policies, Strategies and Programmes for National Development (CPO, 1985) and in the 1993 parliamentary paper entitled Opportunities for Growth, Policies and Strategies for Fiji in the Medium Term (1993).

Overall, in line with the global move towards greater trade liberalization and market-centred growth, Fiji's current economic development strategy is predicated on export-oriented production. DP9 projected economic growth of 5.0 percent a year in Gross Domestic Product (GDP) for 1986-90.

Traditional export-earning industries such as tourism and sugar were expected to grow at 6.3 percent and 8.4 percent annually. Agriculture was projected to grow at 5.5 percent and manufacturing at 6.2 percent per annum. Timber, fish, cocoa, ginger and tropical fruits as export commodities were to be given priority. In the earlier DP8 (1981-85) agriculture had grown at 3.4 percent per annum. Overall, however, economic growth during 1981-85, at 2 percent per annum, barely kept pace with population growth.

Manufacturing was to be increasingly oriented towards export-production, a shift from the previous import-substitution policy.

DP9 in emphasising the need for economic growth and greater productivity in all sectors to achieve this objective, reiterated statements that appeared in the



previous three post-independence Development Plans on the desirability of an equitable distribution of economic gains and social goods.

The national objectives for DP9 were:

- (a) achieve real economic growth in real per capita incomes;
- (b) generate job opportunities for Fiji's growing labour force;
- (c) promote a more equitable distribution of the benefits of development and improve social conditions, especially in rural areas;
- (d) maintain greater financial stability; and
- (e) foster a greater sense of national unity and national identity.

These objectives in themselves are admirable but actual economic and social circumstances put them beyond Fiji's grasp unless there are fundamental shifts in government's resource allocation policies and especially in its ethnic orientation. A year into the DP9 period saw the defeat of the ruling Alliance Party by the Fiji Labour Party - National Federation Party Coalition and the overthrow of the latter by the Royal Fiji Military Forces. The coups of 1987 completely undermined the objectives that DP9 had so optimistically set for Fiji's development.

There was a 20 percent decline in Fiji's economy in 1987-1988, both sugar and tourism experienced significant downturns. This reverberated in retrenchment in tourism and in the wholesale and retail sectors. A 33.3 percent devaluation of the Fiji Dollar together with pay cuts imposed on public servants severely diminished real per capita income.

In the context of a shrinking economy, existing employment opportunities began to decline and no new prospects for employment could be generated in the climate of social insecurity. Unemployment increased as industries such as tourism, construction and transportation suffered from national political instability as well as the wider global recession.

From one perspective, the objective of a more equitable distribution of the benefits of development and improvement in social conditions was met to some extent in that, as the value of real estate dropped, a socially mobile emergent Ethnic-Fijian middle-class with the assistance of ethnically discriminatory loan schemes was able to purchase land, houses, commercial flats and other assets at most affordable (and below replacement cost) prices. However, this short lived bonanza was generally not available to lower income urban Ethnic-Fijian workers or to their rural peasant counterparts.

Under the guidance of the Reserve Bank of Fiji a semblance of financial stability with sufficient foreign reserves to cover imports over a three month period was maintained. Indeed, the massive devaluation of the Fiji currency resulted in real decline in the value of life-time savings. Both overseas and domestic investments ceased with respect to new endeavours, and they have not really recovered even to this day.

The very low real economic growth of 0.9 percent between 1981-85 meant that a much better economic performance in the latter part of the decade was

required to improve economic and social conditions. Thus DP9 stated for the period 1986-90 that:

"A rate lower than [5 percent] would not meet the basic economic and social objectives, particularly the generation of adequate employment to absorb the growth in the labour force. In fact, a lower than 5 percent growth target would imply a worsening of the general social and economic conditions" (1985, p14).

The following Table provides an overview of growth performance during 1982-92.

Table 3: GROWTH PERFORMANCE, 19982-92 (PERCENT PER ANNUM)

	1982-85	1986	1987	1988	1989	1990	1991	1992
	-0.4	7.7	- 6.6	1.0	11.8	4.9	- 0.1	4.2
Agriculture	-2.5	19.1	- 6.6	- 2.2	11.5	- 3.6	- 0.4	4.5
Cane: Sugar-cane	-7.8	46.6	-20.1	- 9.5	27.2	-11.4	- 4.7	2.3
Other	-4.6	1.6	- 2.3	- 1.0	11.9	6.2	5.7	6.3
Cane: Manufacturing	-2.8	19.3	-11.3	- 0.8	11.6	6.8	4.2	7.5
Construction	9.0	-3.4	-27.3	-29.9	17.2	5.4	15.1	2.3
Services	2.0	0.3	- 0.6	0.6	11.6	8.4	- 0.9	3.0

World Bank, 1993, 2

The average growth rate in GDP for the DP9 period and up to 1992 was 3.27 per annum. The 1992 GDP figure given by the World Bank does not agree with the Fiji Bureau of Statistics figure of 3.1 percent. In 1993, GDP grew only by 1.9 percent. The outlook for 1994 is for an expansion of 3.8 percent (Bureau of Statistics, 1994, 1).

It is apparent that economic growth has fallen short of the minimum of 5 percent per annum desired by the Central Planning Office and seen as essential by government to prevent a decline in economic and social conditions. That such a decline has occurred is evident. The UNDP's Pacific Human Development Report of 1994 states that 'there is evidence that the real wage in Fiji in 1990 ... was worth 62 % of what it was in 1975' (UNDP, 1994, 20).

The 1993 Opportunities for Growth laid down the key elements of the economic policies adopted by the Fijian-dominated Soqosoqo Vakavulewa ni Taukei (SVT) government which gained power through the ethnically discriminatory provisions of the 1990 Constitution in both 1992 and again (in snap elections) in 1994. These policies represented a continuation of the Interim Government's economic policies which the latter had presented in the National Economic Summit of 1989.

The elements of the integrated policy, centred on the acceleration of economic growth led by exports, were :

- ( i) deregulation of the economy to bring domestic prices more closely into line with world prices;
- ( ii) restraint in the growth of government expenditure, to ensure availability of resources for growth in the private sector;
- ( iii) reform of the system of direct and indirect taxation, to minimise market distortions and improve incentives for risk taking and effort;
- ( iv) a wages policy that recognises the paramount importance of maintaining international competitiveness;
- ( v) the mobilisation of all sectors of the community in support of economic expansion; in particular, increased Fijian participation in commerce and industry; and
- ( vi) the reorientation of sector policies in accordance with the above general policies. (1993, p.4).

The 1992 and 1994 SVT governments indicated commitment to these principles aimed at private sector-led growth via export-production. They identified the following 3 focal areas to enable effective operation of the private sector and to generate greater efficiency in the public sector:

- (a) Raising rates of Effective Investment;
- (b) Sustaining the competitiveness of the Labour Force;
- (c) Managing the Role of Government.

Each focal area incorporates a number of concrete policies. What follows is an examination of these focal areas in turn, together with the policies for implementation.

#### **Raising Rates of Effective Investment**

- (i) commitment to market competition;
- (ii) export orientation;
- (iii) maintain promotion activity and improve administration;
- (iv) adapt through markets any loss of preferences;
- (v) review of import tariff;
- (vi) reform of capital markets;
- (vii) strengthen productivity of work force;
- (viii) attention to land issues;

In terms of actual implementation of these policies both at the macro and sectoral levels there are positive and negative consequences.

First, it is imperative that more investments are pumped into economic activities. High liquidity in banks has not been transferred into effective investment even with declining interest rates. Investment rates have fallen to less than 6 percent of GDP from the pre-1980 level of nearly 14 percent of GDP. Government considers that private investment of 12 percent of GDP would promote economic growth of 4 or 5 percent a year, but it has been unable to stimulate this level of investment.

Export-led growth is not entirely a new phenomenon in Fiji as tourism, sugar and gold mining have been export oriented. The concept applies more to manufacturing of various consumer goods which previously took advantage of the import substitution policies of government. Success in gaining access to overseas markets would enhance both economic growth and increase the possibilities of social development.

The system of incentives including 13 year tax exemptions, duty free imports of both machinery and raw materials as well as assistance in site selection in the TFF/TFZ scheme, has not resulted in a significant influx of foreign investment. Many existing local manufacturers have taken advantage of the generous concessions and are doing what they would have done in any case, but with substantially increased returns on their investments.

It is apparent that while the various incentives and exemptions may have facilitated investor activity in such areas as garment and leather goods production, preferential and non-reciprocal access for Fiji exports to Australasian, North American and European markets remain the most critical incentives for, and determinants of the success of, export manufacturing in Fiji.

Trade deregulation and tariff reform have been designed to compel domestic manufacturers and producers to become more efficient and competitive so as to withstand the downward push on prices brought about by exposure to wider competition. Deregulation and the phasing out of protective tariffs and import license requirements have two major implications. On the one hand consumers are likely to

benefit from lower priced goods and services but on the other hand some of these consumers may lose their purchasing power as they join the ranks of the unemployed when local manufacturers close their enterprises because of an inability to compete with foreign producers.

Indeed, government has shown some sensitivity to local manufacturers as a more gradually phased approach is being taken to bring about deregulation. It is noteworthy that wholesale importers of foreign goods are supporters of deregulation, whereas manufacturers and industrialists are not.

A contributing justification of those government MPs who voted against the 1994 Budget which led to the collapse of the 1992 SVT government was that the reduction in the effective protection of such locally produced products such as rice, dairy products and canned fish would have most harmful consequences for many local people.

Government's reliance on "entrepreneurs and farmers to identify markets that Fiji can supply" and to "adapt production and income expectation to those new markets" as a substitute strategy for the loss of various bilateral and multilateral trade agreements is entirely misplaced. It is a pivotal role of government to disseminate information on products that Fiji has a comparative advantage in, facilitate research and development in areas that have potential, assist entrepreneur and farmers in adapting to changed conditions and generally act as a midwife to various creative initiatives taken by the private sector. Many of these facilitating



functions are already being played by the government and the Fiji Trade and Investment Board.

## 2.1 LAND

Some 83 percent of all land in Fiji is owned under customary tenure by more than 6,000 Ethnic-Fijian land-owning units or "mataqalis". The remaining land is held under freehold title (8 percent) or is state-owned (formerly Crown) land (8 percent). A significant proportion of agricultural land (74 percent), especially land under sugar cane cultivation, is leased by Indo-Fijian farmers from Ethnic-Fijian owners through the Native Land Trust Board (NLTB).

Established in 1940, NLTB identifies, registers and administrates all indigenous owned land. The Agricultural Landlord and Tenants Act (ALTA) and an Agricultural Tribunal adjudicates these leases.

In 1989 there were 16,830 agricultural leases yielding a rental of \$4,141,078, and 9,291 non-agricultural leases which realised a further F\$3,406,332 in rental monies to NLTB. A total of 5,191 Ethnic-Fijians had taken agricultural leases covering 121,280 hectares. Non Ethnic-Fijian agricultural leases numbered 11,651 and occupied 132,662 hectares. Other leases included short-term tenants-at-will or vakavanua arrangements as well as share-cropping.

The sugar cane industry as well as other agricultural industries are experiencing a period of serious insecurity, as the 30 year leases extended in 1977 for a further 20 years begin expiring from 1997 onwards. Increases in land rentals of between 390 percent and 1500 percent in 1987, and further increases of between

80 percent to 200 percent in 1992, present serious disincentives to commercial farming as does the general uncertainty of lease renewals particularly for Indo-Fijian farmers. Sadly, the government's emphasis on providing incentives for export-based industries has not extended to ensuring security of tenure and fair rentals for agricultural leaseholders in the sugar industry. As it is, its apparent failure to ensure a smooth transition to the renewal of leases and/or to seek alternative land in cases of non-renewal, is intensifying the sense of insecurity, particularly although not exclusively amongst Indo-Fijians farmers. This has very negative consequences for the sugar industry as well as commercial agriculture in general.

Some 250,000 or nearly a third of the population is dependent on the sugar industry which includes 42,000 sugar cane growers, cane cutters, transport and mill workers as well as accountants and managers. A large number of wholesale and retail owners as well as suppliers of various products including indigenous producers of yaqona (piper methysticum, kava), a popular beverage in the cane belt, are likely to feel the economic downturn as farmers give-up on sugar cane cultivation.

Government has indicated that "extensive consultations will be necessary to ensure that agricultural output is maintained under arrangements acceptable to all parties" (Opportunities of Growth, 1993, 19) but with the imminent expiry of leases, little has been done in this regard.

Other objectives of government such as investment promotion, more efficiency in the processing and administration of investment, strengthening the development of capital markets and increasing work force productivity are laudable,

but this far has attracted quick turnover garment manufacturing type industries, rather than longterm capital inflows.

## **2.2 COMPETITIVENESS OF THE LABOUR FORCE**

It is projected that in each year to the year 2000, there will be about 8,500 new additions to the work force. Rather than being directly concerned with employment creation itself, government's intention is to let the labour market offer employment to those who seek it. It takes the view that the availability of employment opportunities in Fiji in future will depend on the competitiveness of national industries, although in fact, recent employment growth in Fiji has been due in no small measure to preferential access of Fiji products in certain metropolitan markets.

Government has taken the view that wage settlements must be commercially realistic and linked to improvements in productivity. Hitherto it has diverted its attention to overseeing wage regulation and controls on trade unions' ability to engage in free collective bargaining.

Both the Fiji Development and Employment Mission (1984) as well as the World Bank have argued that national wage levels are much too high. Per capita income for Fiji has been estimated as US\$1400, which places it alongside South Korea. Yet these aggregate figures are misleading since a small proportion of salary and wage earners (which includes expatriate managers) receive the bulk of income, while a great majority of workers receive poverty wages. Real per capita wages in

the manufacturing sector have not changed since the mid 1970s, when 90 percent of Fiji's workers were receiving half the earnings of a privileged third of the labour force. The last **Social Indicators for Fiji** (1989) confirms this observation:

"Although the mean average earning for 1985 was \$6,668.32, [only] 30.7 percent of income earners earned more than \$6,000 per annum, and between them earned three quarters (75.9 percent) of the total earned income in 1985. It would therefore appear that the income was inequitably distributed".

Another element in Fiji's apparently high wage rates has to do with the cost of living in Fiji. Fiji imports a lot of basic foodstuffs and much of these imports come from the relatively high wage economies of Australasia which translates into higher cost of living.

Competitiveness in labour intensive manufacturing seems to be predicated on the engagement of women in low wage employment as seen in Fiji's garment factories. Many of these factories (66 percent) are deemed to be sub-standard by the Ministry of Employment and Industrial Relations. The management of the factories put women through such demeaning treatment as body searches after work. When accompanied by measures that are alleged to be manifestations of "union bashing", questions need to be asked whether the quality of life for Fiji citizens is being enhanced through such economic strategies.

Fiji has a rather poor record with respect to occupational health and safety. An average of 250 fatalities occur each year as a result of industrial injury and a

total of 1000 or more occupational injuries are reported each year. It has been observed that the rate of occupational deaths in Fiji is significantly higher than in developed nations. Further, some new industries may be inherently hazardous, requiring constant monitoring of accident and occupational disease trends (World Bank, 1993, 52). ~~The ethnic preoccupation~~ The ethnic preoccupation of the Fiji government also affects the quality of the work force insofar as merit is compromised by ethnic considerations in selection for education and training, and in recruitment.

### **2.3 MANAGING THE ROLE OF GOVERNMENT**

In line with a world-wide trend, the state in Fiji is withdrawing from direct participation in a number of economic activities and is stimulating the private sector to play a considerably bigger role in the economy.

A programme of privatisation and corporatisation involving several government-owned statutory bodies is now underway, albeit with mixed results. The search for more efficient and more cost-effective ways of operating former statutory bodies is overdue. There is a danger, however, that services to rural people as well as to those who are less able to pay may be phased out as purely financial calculations increasingly become the norm.

Already telephone and electricity charges are considered to be reaching levels that are too high for low income earners. Public utilities such as water supply should not be privatised.

Government's facilitating and enabling role through infrastructural development and education and training is conducive to economic development and generation of employment opportunities. The reliance on the market, however, must not be at the expense of the poor, the youth, the elderly, women or the disabled.

Government has been unable to reduce its costs. Deficits have increased to more than 4 percent of GDP and while expenditure on education, health and social welfare has been static, the budgetary allocation to the military has increased fivefold. The significant increase in the subvention to the relatively large military has apparently not been sufficient for its needs. Between 1987 and 1992, the military overspent its budget allocation by \$77,568,800 (Fiji Times, September 17, 1994).

The Task Force on Economic Development and Reform, established in 1994, reported that 15 percent of the population (or 218,000 people) was living in absolute poverty. It further stated that at least another 10 percent were vulnerable to absolute poverty.

The Task Force identified the following categories of people in poverty: the unemployed, the underemployed, the casually employed, low income earners and self-employed, many of whom reside in squatter settlements in and around Suva, government housing, and in low-cost housing areas. The elderly, widows, orphans, the disabled, the priority, prostitutes, transsexuals, and other people, prisoners and general society members.

PROGRESS ACHIEVED IN ATTAINING THE OBJECTIVES OF THE  
SOCIAL DEVELOPMENT STRATEGY FOR THE ESCAP REGION  
TOWARDS THE YEAR 2,000 AND BEYOND

GOVERNMENT AND POVERTY ALLEVIATION

**Who Are the Poor?**

The 1991 Poverty Task Force urged Government to establish a poverty line to monitor the extent of poverty in Fiji. The Task Force agreed that households consisting of a family of five earning \$5,000 annually were vulnerable to poverty and those earning \$3,000 and below were in poverty.

Using a definition of absolute poverty as the inability to obtain basic necessities such as adequate food and nutrition, shelter, clothing, education and medical treatment, the Poverty Task Force conservatively estimated that 15 percent of the population (or 115,500 people) was living in absolute poverty. It further stated that at least another 15 percent were vulnerable to absolute poverty.

The Task Force identified the following categories of persons in poverty. The poor include the unemployed, the casually employed, low income earners and self employed, many of whom reside in squatter settlements in and around urban tenement housing, and in low-cost housing areas. The category includes widows, mothers, the disabled, the elderly, prostitutes, shoe-shiners, food sellers, beggars, gardeners and garment factory workers.

As an identifiable ethnic category, the 'Solomoni' or descendants of Solomon Island labourers residing in urban and peri urban "Solomon Island" settlements are in poverty.

The 7,000 Indo-Fijian landless cane-cutters represent another group of poverty stricken families. Having little or no access to land and heavily reliant on seasonal cane-harvesting for income, cane-cutters and their families are heavily in debt and in poverty. To their number must be added the 40 percent of full-time canegrowers numbering 5,550 who produce less than 50 tonnes annually (The Review, July 1994, 27-28).

#### **Government Strategy of Poverty Alleviation**

Fiji is not a welfare state. Government has stressed that it is not in the business of encouraging a "handout" mentality amongst the poor.

Government's strategy for poverty reduction has three elements: (i) providing income earning opportunities; (ii) ensuring that the poor have the means to take advantage of job opportunities and (iii) providing a safety net for those who continue to experience severe deprivation.

The sluggish growth in the economy is not creating very many job opportunities or income earning opportunities. Informal sector activities such as sword-selling to tourists and prostitution are circumscribed by government. A good basic education is needed to take advantage of job opportunities but while education is free in primary schools, the poor have to pay building fees, school uniform



charges, and bus fares. Remission of fees is in great demand. However, government's requirement that families earning between \$500 and \$5000 a year pay partial fees must affect poorer families ability to finance children's education. Other factors, such as nutrition and the congested home environment, disadvantage children of the poor. A significant proportion of children drop out of school by the time they reach secondary schools. There are very few opportunities for training. In 1986, 30 percent of the youth were unemployed and the situation has not improved.

With an allocation of one percent of the national recurrent budget to the Department of Social Welfare, which suffers from chronic staff shortages as well as from a lack of qualified staff, the government's safety net constitutes a very limited and selective set of support services for the poor. Firstly, the Department of Social Welfare's child protection and care services include adoption, care of abandoned and neglected children and those at risk (such as victims of abuse and children from broken homes). In 1992, 234 children were taken care of in this scheme.

Secondly, family welfare services provided care for the elderly, the disabled, unmarried mothers, issued medical exemption certificates (fee free treatment and drugs), dental assistance, housing and social welfare work. In 1992, 1,220 cases of family welfare assistance were recorded.

Thirdly, the Family Assistance Scheme, previously known as the Destitutes Allowance Scheme, defines destitutes in such a way that only the poorest of the poor qualify for the meagre financial assistance provided by the Department of

Social Welfare. The number of recipients of family assistance has been steadily growing. In 1993 recipients totalled 7,972, compared to 5,166 in 1987.

A significant 70 percent of the recipients were female household heads. Elderly persons comprised 30 percent of the recipients, widows 23 percent and 20 percent were chronically ill males. Twelve percent of the recipients were deserted wives and two percent were dependents of prisoners.

The ethnic breakdown of recipients (3,697 Ethnic Fijians and 2999 Indo-Fijians and 84 'Others' in 1992) is most revealing as it is known that poverty equally affects both Ethnic and Indo Fijians, with the intensity of poverty being greater amongst the latter. While accepting that poverty has increased among Ethnic Fijians, it is unlikely that the intensity of their poverty is akin to that of landless Indo-Fijians. The allocation of these funds to an additional 698 Ethnic Fijians is not only indicative of their growing impoverishment, but is also yet another manifestation of ethnic bias in the allocation of resources.

Until 1989, a meagre sum of between \$6 and \$40 was allocated to recipients of family assistance, depending on assessments made by social welfare officers. In 1992, the allocation per recipient had increased to a minimum of \$15 and a maximum of \$80 a month, with most receiving between \$30 and \$40.

NGO's have been especially active in supporting the poor. They include the Bailey Trust, Dorcas Welfare Society, HART, St Vincent de Paul Society, Suva relief Society, the Poor Relief Society, the Salvation Army, the Women's Crisis Centre,

and the Fiji Red Cross. Financial support, clothing, food parcels, grocery and assistance to children's education are provided by these organisations.

Other NGOs having more specific objectives and target groups but which also assist the poor include the Fiji Rehabilitation Council, Counterstroke Fiji, Fiji Disabled Peoples' Association, Suva Society for the Intellectually Handicapped, Fiji Crippled Children Society, Help Age Centre, United Blind Persons of Fiji, Dilkusha Girls Home, Western Disabled Peoples' Association, Chevalier Trust Fund, Prison Fellowship of Fiji and Fiji Blind Society. Several of these organisations receive small amounts of government funding via the Social Welfare Department.

#### **Growing Social Inequality**

Despite the fact that Household Income and Expenditure Surveys have been conducted in 1983, 1989 and 1991, none of these have been analysed and publicised. Although there is evidence of growing social inequality, there is little recent hard data on a national basis to indicate the extent of inequality and poverty in Fiji. Researchers such as Barr (1990) and Bryant (1993) have established poverty lines for Fiji at around \$70 per week. The minimum wage for the booming tax free garment industry is a mere \$38.25 for a 35 hour week,

Information provided by the Bureau of Statistics to the Poverty Task Force in 1991 indicated that at the national level the average household weekly cash expenditure was estimated to be \$195.28. However, 60 percent of the households of

Fiji were found to have spent below the national average weekly household cash expenditure.

The UNDP's Pacific Human Development report records that in 1986 the top 10 per cent of wage and salary earners in Fiji were receiving 50 percent of the total income and that income disparities have widened since 1977 when the top 20 percent received 53 percent of income (UNDP, 1994,20). The introduction of tax reforms which have benefited higher income earners (through reductions in income and company tax) at the expense of lower income earners has exacerbated the income inequalities. The imposition of a Value Added Tax (general goods and services tax) has particularly hit the poor, transferring as it does the burden of taxation onto their shoulders.

There is some evidence to suggest an increasing feminisation of poverty. An estimated 20 percent of poor households are female-headed and 56 percent of female-headed households are living in poverty. Whereas 7 percent of the economically active heads of households are women, women comprise 44 percent of heads of household who are not economically active. Without a regular source of income, it is likely that the households that they head are in poverty.

It is also youths from poorer households that are more likely to be unemployed, increasing the burden on the household head. Tax reforms have resulted in the withdrawal of the limited exemptions earlier allowed for elderly parents and dependents.

### **Poverty Alleviation Fund**

In 1992 when government introduced the value added tax to generate government revenue from a wider base by including those not in paid employment in a consumption-based system of taxation, it also established the **Poverty Alleviation Fund** of \$7 million. This fund had the confused objective of assisting the poor in starting income generating activities as well as helping them cope with the impact of VAT. A bureaucracy was established to screen applications from the poor. By the end of 1992 only \$3 million had been allocated even though hundreds of applications were made, exceeding the \$7 million fund.

The Poverty Alleviation Fund and the Committee responsible for disbursing the fund were disbanded in 1993. It is extremely unlikely that the Government would succeed in alleviating absolute poverty let alone eradicating it by following current policies. It is likely that both social inequality and poverty will intensify by the year 2000.

### **3.2 SOCIAL INTEGRATION**

Social integration denotes fostering a sense of identity and unity among the people of a nation by (a) giving equality of treatment and opportunities to each person irrespective of race, ethnicity, religion, age, gender or disability; and (b) instituting measures to better integrate disadvantaged groups such as ethnic minorities, women and disabled persons. Such integrative policies that promote unity

diversity would enhance a sense of identity with the state as the benefits of economic development are shared in a socially just way.

Fiji Government's policies on social integration are contradictory and ultimately have consequences that are not integrative. While one set of Government policy statements promotes multiracialism or multiculturalism, another set of policies not only promote affirmative action but also justify systematic discrimination against a single ethnic category (Indo-Fijians).

The objective to foster a greater sense of national unity and national identity was the first victim of the Alliance Party defeat, even before the coups. Those who ruled Fiji since independence and who had espoused multiracialism (multiculturalism) displayed that they lacked any serious commitment to this precept. Defeated political leaders orchestrated the Ethno-nationalistic Taukei Movement to generate inter-ethnic conflict so as to disrupt governance and create the pretext for the illicit recapture of power by the defeated Alliance Party leaders through a military coup.

Fiji has still not recovered from the ethnic divisions engendered by the activities of the Taukei movement and the Fiji Military Forces. The controversial 1990 constitution, introduced by decree by an Interim Administration, incorporates provisions that blatantly discriminate on ethnic grounds. Systematic discrimination against Indo-Fijians in the allocation of scholarships, in recruitment and promotion in the civil service and in the provision of low interest-rate loans, are now institutionalised as policy.

The 1990 Constitution explicitly denies the right of a whole category of Fiji citizens to hold senior public offices on the basis of ethnicity. It also specifies ethnic quotas for public service positions which again discriminate against Indo-Fijians. More significantly, the Constitution's electoral arrangements deny equality of electoral and political rights to Indo-Fijians and well as to urban and western Ethnic Fijians.

Ethnicity is also used to deny places for deserving students in government owned post-secondary institutions and in the allocation of scholarships. In numerous other ways ethnicity has become the basis on which policies, particularly with respect to the allocation of resources, are made.

The continued imposition of the Sabbath Decree, favoured by the current leadership of the Methodist Church violates the freedom of religion of other non-methodist Christians as well as non-Christians who together comprise close to two-thirds of the population.

Women are accorded individual rights by the Constitution which apparently upholds their equality with men. However, while non-citizen wives of male citizens qualify to register as citizens, the foreign spouses of women citizens are denied the same right. Differential citizenship rights based on 'race' are determined exclusively through patrilineal descent without any regard to the ethnicity of mothers.

A number of NGO's namely the Fiji Blind Society, Fiji Crippled Children Society, Society for the Intellectually Handicapped, United Blind Persons of Fiji, Fiji Disabled Peoples' Association, Counter Stroke Fiji, Fiji Rehabilitation Council

Workshop, and Hilton Home, cater for the social integration of the disabled. Statistics on the total number of disabled persons in Fiji are not available, nor is there the capacity to identify various types and degrees of disability. The positive aspect of this situation is that disabled persons remain among close kin but their disadvantage is that they may be denied professional attention and possibilities of rehabilitation as a result.

With respect to the elderly, it is their family and relatives that are largely responsible for their care. There has been, however, an increase in the number of the elderly who have been abandoned by their families, as well as in the numbers of elderly persons who do not have close relatives. These elderly find themselves in the care of NGOs such as HART, Father Law Home, or seek government-operated old peoples' homes.

The opportunities for youth to participate in decision-making that affect their lives is limited. With 30 percent youth unemployment, there is a category of youth who are alienated from society and a number of them engage in anti-social behaviour. Their integration remains a challenge for society.

### 13 EMPLOYMENT EXPANSION

This is a central element in social development. With a narrow economic base and a small domestic market, Fiji has an uphill struggle to generate employment opportunities. Its relatively small population would also allow it to expand



employment opportunities with a few major projects. Thus the construction of a large tourist resort has a significant impact on unemployment.

Current government policies anticipate expansion in employment in the non-sugar manufacturing sector and in agriculture as well as in the informal sector. Self employment is seen as an alternative for most people. Government proposes to increase infrastructural support in rural areas that have potential for development.

The employment/unemployment situation indicates that labour intensive manufacturing employment for women may be further generated and fairly rapidly by manufacturers of garments and footwear. There are limits to this development because access is determined by quotas established by the importing country.

Given the nature of land tenure in Fiji and the associated system of insecure leases and the general unattractiveness of agricultural employment to increasingly educated youth, there is a likelihood of continued decline in employment in this sector.

## CONCLUSIONS AND RECOMMENDATIONS

### 4.1 PRIORITY AREAS

Social Development not only demands economic growth but the political will to ensure that the benefits of economic development are widely distributed. The last decades have shown that even with growth (however limited) there has been little redistribution of economic benefits. Reliance on the market and the private sector is not going to be a sufficient precondition for improving the quality of life of all Fiji

citizens. While the state has a very important enabling role to play with respect to the facilitation of private sector activities, it must also take the responsibility of intervening to rectify market imperfections and assist community based organisations in their efforts to improve the social and political wellbeing of all people in society. To this end, the following areas need to be addressed:

**1. Economic Growth**

The very heavy dependence on tourism and sugar must be reduced and the state must (a) increase its intelligence gathering with respect to successful economic strategies adopted by small nations, which includes labour intensive manufacturing; (b) diversify primary production as well as value-added activities relating to these products; and (c) seek self-sufficiency in basic foods.

**2. Redistribution of the Benefits of Economic Growth**

The state must act to reduce the trend towards greater social inequality with the growing concentration of wealth in fewer hands. Socio-economic inequalities within urban and rural areas as well as between them need to be addressed urgently.

**3. Education and Training should prepare individuals for both the labour market and self-employment.**

4. Integration of Ethnic Minorities, the Youth, Women, the Elderly and the Disabled.
5. Health Care for all  
Public Health Education and Preventative Health Care should receive greater financial support.

#### 4.2 CONSTRAINTS

Fiji's resources are adequate to tackle many of the social development issues that have been identified. With more efficient use of these resources, including some shifts in their allocation, enormous social development gains may be achieved.

#### 4.3 RECOMMENDATIONS

1. The Central Planning Office incorporates an intelligence gathering unit which will be responsible for gathering and disseminating the most up to date data on development strategies, goods and services, incentives etc. being followed by successful economies. This unit will also analyse reports of World Bank and other foreign experts prior to the implementation of their recommendations.

2. Cross-Sectoral Planning and Coordination is still in its infancy. More frequent national Socio-Economic Summits should be correlated by national divisional and local co-ordinating bodies. Such coordinating bodies need to be given overarching authority at each level so that their decisions supersede and take priority over individual departmental prerogatives.
  
3. Confidence Building is vital if Fiji is to continue to have relative political stability, economic prosperity, and social security and well-being. In this regard it is vital that a political framework for the participation of Fiji's citizens which is acceptable to a clear majority is quickly negotiated.  
  
The fundamental rights of each citizen must be protected and the institutions of law and order need to be strengthened and the laws administered fairly and impartially, so as to win the respect of all citizens.
  
4. Education should be compulsory. As gainful and meaningful employment is a central pillar of human and social development, appropriate education and training according to aspirations and ability must be fostered. Careers counselling must be developed so that

individuals can exit the educational system anytime after the age of 16 and obtain relevant training and be engaged either in self-employment or as an employee. The fundamental rights and freedoms of workers, particularly the right to engage in collective bargaining and to take collective action to improve their wages and conditions, must be enshrined in law.

5. The Fiji Military Forces has made very significant financial in-roads on the limited funds available for national development. It is claimed that the Military generates foreign exchange through UN Peace Keeping duties. No systematic analysis of this claim is available to the public. It is also argued that it is an important employment agency for Ethnic Fijians, an attempted justification which, given the racial dimensions of the coups of 1987, should have little appeal.

Ideally, there should not be a military force in Fiji. If this is not a tenable proposition at this juncture, certainly the size of the army should be reduced from its current establishment of 5,000 plus. Manpower released in this way, may be partly absorbed in an expanded navy which is needed for surveillance of Fiji's extensive exclusive economic zone. With the advent of new forms of tourism

such as eco-tourism, the establishment and management of national marine and nature parks and reservations would also be able to absorb former soldiers as well as provide employment of others.

6. Funds released from the down-sizing of an unjustifiably large military force could be utilised for funding health, education and social welfare.
7. Each year the Auditor-General's Report has indicated the misuse of public funds by government departments and individuals. Very few public officials are held accountable for this wastage of scarce resources. There is an urgent need to rectify this situation.
8. The Public Sector must be subject to regular efficiency reviews for the better use of public resources. The Fijianisation of positions within the public sector with little regard to managerial capacity and general competence must cease.
9. Government must resolve the contradiction between its commitment to free market economic development on the

one hand, and preferential promotion (using considerable state resources) of one ethnic category on the other.

#### IV. CONCLUSION

Fiji has the requisite human and natural resources to make major strides towards attaining the objectives of the social development strategy for the ESCAP Region. Its per capita income is high relative to many developing countries, it has in place comparatively well developed educational and health systems, but there are numerous economic, social and political issues that need to be addressed if the objectives of social development for the ESCAP Region are to be realised.

Indeed, the expansion of employment opportunities, the alleviation and eradication of poverty, and the building of social solidarity among Fiji's people are being jeopardised by the political impasse and inter-ethnic tensions that have been generated by the holders of state power.

The responsibility of government to all its people, whose wellbeing must be not only the ultimate measure, but the primary objective, of development, needs re-emphasising. Government has an obligation to ensure not the advancement of the already advantaged or of a select ethnic category, but equitable access and opportunities for all citizens. Current policies are neither designed to enhance the general wellbeing of all citizens nor are they aimed at integrating Fiji's people.

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