

Fiji Democracy & Freedom Conference  
Auckland, New Zealand  
23 July 2011

A Paper from the Fiji Labour Party

The Fiji Labour Party welcomes and supports any initiative to return Fiji swiftly to democracy and constitutional rule. This was the understanding on which the FLP had joined the interim administration in January 2007 – to assist the President facilitate a quick return to parliamentary democracy within Fiji's Constitution.

Unfortunately, this did not happen despite the **President's Mandate** to the interim administration "*to uphold the Constitution, to eradicate systemic corruption and to steady our economy through sustained growth*" following the economic mismanagement of the past 6 years.

Four and a half years after the Army intervention, the Mandate remains largely unrealised. In an extreme move in April 2009 that in effect, violated this Mandate, the Constitution was purportedly abrogated, the entire judiciary was dismissed and basic human rights repressed by the imposition of the Public Emergency Regulations (PER) which continue in force today.

The PER has been heavily criticised by the international community and human rights agencies for its denial of basic human rights which have been used to usher in extremely repressive measures to quell criticism and consolidate the regime's position. It enforces rigid media censorship, restricts people's right to freedom of expression, association and assembly and gives arbitrary powers of search, arrest and detention to the security forces.

Recent reports of beatings of trade union officials and the dismantling of fundamental trade union rights by the promulgation of decrees have caused consternation both here and abroad.

The international trade union movement – in particular Australia and New Zealand – have expressed support and have threatened industrial action which could have serious consequences for the Fijian economy.

Fiji's economy has shrunk – contracting four years in a row since 2006, sliding to a negative -3% in 2009 - described by the World Bank as Fiji's “*worst performance in more than a decade*”. The Fiji dollar was devalued 20% in April 2009 to address a highly critical Foreign Reserves situation.

Currently, the Reserve Bank and trading Banks are concerned at record levels of liquidity in the banking system – indicative of a lack of demand for funds and low investor and business confidence. Recently, the chief manager of one of the country's largest banks moaned that there were no takers for the funds.

The ADB in its latest Pacific Economic Monitor, just released, projects a 1.2% growth for 2011. It warns, however, that only private sector investment will improve growth performance and says: “*Raising private investment from 3.5% of GDP in 2010 requires improvements to the investment environment, including increased transparency in government decision making... Public investment is constrained by existing debt levels and limited capacity for project implementation.*”

The State's run-away-debt position is very worrying. It now stands at 62% of the GDP, the highest in the region; when considered together with contingent liabilities, the debt level is likely to exceed the GDP. International financial institutions have cautioned government on this. In a statement released in November 2010, the IMF warned: “*The current high level of government debt constrains the government's ability to cushion the economy against future shocks.*”

Despite the warnings, the regime continues to borrow. Its borrowings in 2010 alone ran into a staggering \$740 million – the highest annual borrowing ever in Fiji's history. Our annual debt repayment cost at \$519 million means that the taxpayer is forking out **\$1.42 million per day** to repay the State's massive debts.

The price for all this is paid by the poor and the workers in the lower income bracket. The 2.5% hike in the Value Added Tax from 12.5% to 15% in Budget 2011 along with increased duty on a wide range of consumer items, was to enable the government to meet its loan repayment liabilities, according to the acting Finance Minister.

By government's own admission poverty level now stands at 45% of the population in a country that once used to be regarded as the pride of the Pacific. Today, its growth rate is among the lowest in the region.

As for the President's mandate to eradicate systemic corruption, perhaps its best to state that Transparency International gave Fiji zero out of 100 points in a survey about budget transparency in 2010, saying it's "virtually impossible for Fiji citizens to hold its government accountable for its management of the public's money". Fiji has also been excluded from the TI's Corruption Perception List 2010 which lists Samoa at 62 and Vanuatu at 73 out of 178 countries. There is a worrying lack of transparency and accountability in the affairs of the current administration.

Fiji today stands at the cross-roads – either we take immediate action to arrest the deteriorating state of affairs or we head towards bankruptcy and failure.

A return to democratic and constitutional rule has, therefore, become imperative. The FLP believes the only way forward for Fiji is through dialogue and consensus in the Pacific Way.

We thank the international community for its readiness to help facilitate this process, which itself has to be inclusive, time bound and without prejudice as to its outcome.

We urge the authorities in Fiji to engage with the international community and the recognised representatives of the people of Fiji to formulate an acceptable roadmap for an early return to democratic and constitutional rule.

This can best be done by convening the President's Political Dialogue Forum aborted in April 2009.

However, dialogue can only take place in a free and unshackled environment. The complete removal of the Public Emergency Regulations and Decrees that constrict our freedoms, must, therefore, be a pre-requisite to any such dialogue.

Vinaka  
God Bless Fiji.

