

Michael Taylor, ed., *Fiji: Future Imperfect?* Sydney: Allen & Unwin, 1987. Pp. 126, tables, figures. Paper A\$11.95.

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The coup and the prolonged political crisis in Fiji have shattered national economy already shaken by natural disasters and downturns in foreign trade, and pressured by a rapidly growing labor force. The trauma of the economic collapse is intensified for ethnic Fijians and Indians alike by the comparative affluence of the first fifteen years of independence from colonial rule. a

A 1983 survey conducted for the government by a team of foreign academics (including Michael Taylor) presented an impressive picture of a complementary growth of agricultural and urban industry in which the majority of people were doing well by Third World standards, and the destitute were a tiny minority. Taylor maintains that in the period 1965-1980 Fiji's rate of growth outpaced that in Australia, the U.S., and New Zealand. Fiji was the success story among postcolonial societies of the region, and stood out among most other countries of the Third World.

The prosperity came mainly from a sugar industry propped up by privileged access and prices in the EEC, secured for Fiji by its former colonial ruler, Britain. Taylor describes the sugar income as a form of aid "with dignity," nourishing the country via a well-developed capitalist market system, in contrast to the aid grants received and distributed by bureaucrats in neighboring island states.

The government's takeover of the sugar industry in 1973 coincided with increasing world demand. Expanded production stimulated diversification of enterprise in agriculture, manufacturing, trade, and service. In 1980, with sugar generating 81 percent of foreign exchange, the economy seemed sound and overt unemployment was low. Popular expectations were running high: the economic growth had enlarged the work force and encouraged union demands for better pay and conditions. The expanding and relatively affluent working and middle classes provided added local market stimulus for the continued growth of commerce and industry.

But subsidized sugar exports were Fiji's Achilles' heel. The world market began a decline in 1981, and the preferential treatment given to Fiji under the Lome Agreement was cut to less than half the crop: the growers received F\$35 per tonne in 1980, but only F\$19 in 1984. The crisis in trade also affected the other major exports, gold and copra. The impact on the rest of the economy was rapid: Taylor reports that in 1983 over 80 percent of school-leavers could not find paid employment, compared to only 18 percent ten years before. In 1975, 73 percent of school-

leavers were absorbed into "formal sector wage and salary jobs," while only 1.5 percent were in 1983.

A rift widened between "haves" and "have nots"--between people enjoying the high wages and job security won by unions in the period of growth and affluence, and those unable to follow them, the young and the farmers and workers losing out in the sugar industry. The tension between rising expectations and falling opportunities contributed to an increase in crimes of theft and violence by Fijian youths in the towns, and encouraged rebellious behavior by youth in the villages.

The economic and social problems of the mid-1980s provoked a stark divergence of leadership responses that contributed to the political crisis in 1987. Conservative Fijian leaders resolved to reinstate the old paternalistic village administration to save their people from corruption in an economically failing and immoral Westernized society. At the other extreme some union leaders, mainly Indians, swung to the left. They opposed the government's wage freeze, left the Tripartite Forum that had regulated industrial conflicts since 1977, and made plans to form Labour party. a

The launching of this party in July 1985 was the first fateful step toward the military coup of May 1987. The party's formation reflected the expansion of the multiracial work force during the 1970s and union leaders' confidence that they could develop from this a political movement to resist the government's policies for managing the economic recession.

Brookfield's and Howard's chapters in *Fiji: Future Imperfect?* will be the most useful for readers seeking background to the political crisis. Brookfield cogently analyzes changing patterns in commercial agriculture since independence, giving particular attention to the problems arising in the 1980s. Howard surveys the development of the most powerful trade union movement in the Pacific islands and recounts the events in industrial relations that culminated in the formation of the Labour party. His predictions about the party's future were presciently cautious, and his doubts about its prospects for attracting wide Fijian support have proved well-founded: in the April 1987 elections, anxiety about land issues again submerged cost of living, employment, education, and health issues, as it always has in Fijian politics since party struggles began in 1966. But Howard does not give due attention to the role that union successes have played in stimulating economic growth by strengthening the domestic market. The union movement became a factor for local capitalist development. a

Howard's chapter would have been more valuable had he taken up

the issue of class formation, instead of merely giving us a potted history of its organizational manifestations. The only chapter that does adequately address the issue of class formation is Ward's, on inequality among rural Fijians. Marked inequality by hereditary rank has long existed in the sharing of rents received from non-Fijian tenants--especially since the expansion of foreign investment in the tourist industry, minority of Fijians have gained considerably from rent incomes. There is now emerging a more politically potent inequality between a majority who hold adequate land for subsistence and cash farming, and growing minority who have insufficient land or none at all. The trend has been strengthened by the efforts of some Fijians to devote more and more of their hereditary estates to commercial use, leaving less and less to share with needy relatives and neighbors. Ward's analysis of this trend corrects the widespread misconception that Fiji's land problem is simply one of Indians encroaching on Fijian land.

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In view of the extremist Fijians' rationale for the coup as a defense against the alleged threat of Indian domination, it is regrettable that the book does so little to inform us about the real significance of the Indians in Fiji's economy. Many Fijians and Europeans have for decades maligned the Indians as avaricious exploiters and hoarders of the country's wealth. Yet foreign companies, still predominantly European in ownership, continue to enjoy greater power in the economy than local Indian businesses. The vast majority of Indians remain small farmers and workers whose labor has been the most important ingredient in the country's prosperity. The Indians were also the initiators of the union movement from which most of the indigenous Fijians have benefitted.

Taylor erroneously attributes the high wage levels to the capacity of the subsistence sector to absorb labor. This explanation is refuted by considering neighboring Tonga and Western Samoa, where the subsistence sector is as strong as in Fiji, yet wages remain low. The Fijians' subsistence farming limited pressures for wage increases for Fijian workers because it subsidized the cost of maintaining them and their families. By contrast, the Indians generally had no access to land for subsistence farming and so were wholly dependent on money incomes. It is precisely this that distinguishes Fiji from its neighbors in the development of a modern economy: it was the immigrant workers' total dependence on wages and prices, not the indigenes' relative independence of the cash economy, that, in conjunction with the prosperous sugar industry, gave rise to the union movement and high wage levels,

Only Connell, writing on population and migration, adequately considers the Indians' contribution. Sadly, he does this by examining their

exodus in the tens of thousands since 1970. The emigration of so many young Indians to Canada, the U.S., Australia, and New Zealand has helped narrow the racial gap in Fiji's population, and it has opened some new economic opportunities for Fijians. But the net effect has been grossly damaging to the economy and to the education and health services, for most of the emigrants have been skilled in trades and professions. The problem has troubled Fiji's planners for more than a decade and is being profoundly worsened by the present political crisis.

Accelerated Indian emigration will damage the locally owned manufacturing and service sectors. Taylor sketches the trend toward local control associated with a flight of foreign capital. Like the foreign companies they are replacing, the local businesses have been depositing substantial portions of their profits in overseas banks. But by the early 1980s they were the main employers of new job seekers, though their pay rates are low compared with foreign and government employers, and their labor is usually not unionized.

Tourism suffered immediately from the coup. Since 1975 it had contributed up to 55 percent of export income. By 1985, says Britton, it had become "essential for the maintenance of economic stability, employment growth, and the generation of foreign exchange." But ownership remained largely in foreign hands. In 1977, for example, over F\$100 million of the income from tourism went to the foreign companies. Of the remaining F\$29 million, approximately F\$10.5 million went to local European-owned enterprises, F\$11 million to Indian-owned enterprises, and less than F\$1 million to Fijian-owned businesses. The foreign companies repatriated large portions of their profits--in the case of the largest international resort, 60 percent of the turnover deposited in Fiji banks was sent to parent companies abroad.

Britton's documentation of the dismal failure of the Fijian-dominated government to secure for Fijians a stronger share in tourism profits provokes questions about the fate of several government-sponsored schemes set up since 1970 to encourage Fijians to compete in the capitalist economy. Unfortunately no chapter in the book deals with this issue. Its importance is highlighted now by the probability of stronger state actions in this direction in the wake of the coup.

*Fiji: Future Imperfect?* is recommended as a valuable review of the precoup economy. But too much of the book is a rather dry presentation of the facts and figures of general trends. In the present crisis we have all the greater need for an analysis of the human dimensions of these trends, particularly the implications for inequalities and conflicts of both race and class. For this we must consult the far more comprehen-

sive report of the Fiji Employment and Development Mission mentioned at the beginning of this review, to which several of the book's authors contributed. The Fiji government published it as Parliamentary Paper no. 66 of 1984. Hopefully its authors will now arrange a revised edition in more accessible form.