

**The Rev Paula Niukula Lecture**  
**In Memory of Rev Paula Niukula (1937-1996)**

**The Struggle for Just Wages in Fiji<sup>1</sup>**  
**Lessons from the 2009 Wages Councils and the Continuing Coups**

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**Introduction**

The lecture this evening is in memory of the life and work of Rev. Paula Niukula – founder of the Fiji Council of Churches Research Group, which later became known as the Ecumenical Centre for Research, Education and Advocacy (ECEA). Rev Niukula was also involved in the setting up of the Citizens Constitutional Forum (CCF) and Inter-Faith Fiji.

At a previous Rev Niukula lecture, Father Kevin Barr rightly paid tribute to him as “one of Fiji’s most outstanding Church leaders in recent years... a man of great humility, personal integrity and far reaching vision... Even though his message was unpopular he had the courage and persistence to speak out with wisdom and authority”.

Rev Niukula believed in the critical importance of looking after the weak and the vulnerable if there was to be genuine social justice in society. A staunch Methodist Christian, he genuinely believed in multiracialism. During the difficult years following the 1987 coup, Rev Niukula showed profound courage in taking a principled position on the equality of all religions, a position extremely unpopular with the bulk of his Methodist colleagues at the time.

Were Rev Paula Niukula alive today, he would be as strong a proponent for “just wages” in Fiji as is Father Kevin Barr. But I believe that he would also have gone further. He would have asked the more difficult question: can the struggle for just wages in Fiji be separated from the need to support constitutional law and order, the need to oppose the illegal 2006 overthrow of a lawfully elected government and the attempted 2009 abrogation of the 1997 Constitution, and the need to support media freedom and the full human rights of all its citizens?

I believe that Rev Niukula, however unpopular it might have made him, would have opposed the views of some good people of Fiji who have supported the 2006 military coup and are supporting the abrogation of the 1997 Constitution, because their powerful ambition to “do good” has taken precedence over their commitment to constitutional law and order: to put it in terms used before, these good citizens have willingly supported illegal methods, to achieve what they think are their good causes.

I believe that Rev Niukula, were he alive, may well have agreed with my discourse today, that tries to explain why support of military coups and unlawful governments is the most important factor in denying progress towards just wages for the weakest workers in Fiji, while causing great misery and untold hardships for all the poorest people of Fiji.

Rev Niukula would have asked the good people supporting the 2006 military coup and now the purported 2009 abrogation of the 1997 Constitution, to search their souls and to draw back

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<sup>1</sup> The Rev. Paula Niukula Lecture, April 15 2009. Marine Studies Lecture Theater, USP. Rev Niukula died on 21 April 1996.

from the brink, if they genuinely care about uplifting the standard of living of our poorest workers in Fiji through the use of Wages Councils to set Just Wages.

### **ECREA's Study: Just Wages for Fiji**

ECREA had for years been concerned about the increase in poverty in Fiji, especially amongst the lowest wage earners who were not protected by unions or collective agreements, and whose real wages seemed to be way too low to enable even a conservatively defined “decent standard of living”.

To address this problem succeeding governments since 1970 had also established Wages Councils, which were supposed to periodically set minimum wages, differentiated by the different sectors. ECREA felt that these Wages Councils were not effective and they commissioned a study by me in 2006, which was eventually published as *Just Wages for Fiji*.<sup>2</sup>

The study examined the operations of the Wages Councils in detail, and all the associated committees and the processes by which the Wages Regulations Orders was actually set over this thirty five year period. More than a hundred files in the Ministry of Labour were read, with the minuted records of all the discussions and decisions.

The study pointed out all the institutional weaknesses of the Wages Councils, despite their apparent neutrality with employers' employees' and government representatives. I shall refer only to those aspects pertinent to today's lecture.

- \* The Wages Councils all had separate Chair Persons, diverse representation from both employers and unions and with great variety in how they guided their wages councils.
- \* There was no proper procedure laid down as to how the minimum wages were to be arrived at, with every Chairman “re-inventing the wheel” as to procedures to be followed.
- \* there were no time frames for decisions to be made and the Wages Regulations Orders to be gazetted.

The typical pattern to all these thirty five years of Wages Councils meetings was that

- \* meetings were called irregularly
- \* draft minimum wages were presented by the Ministry of Labour, but employers' representatives always called for further meetings
- \* employers invariably claimed “inability to pay” without presenting any shred of evidence whatsoever
- \* the various Chairmen of the Wages Councils nearly always sided with the employers' representatives
- \* the eventual minimum wages set, was always a fraction of the cost of the adjustment that was required to even maintain the wages at the real level- if the CPI had gone up 10%, they were given 5% or less.

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<sup>2</sup> Wadan Narsey (2006) *Just Wages for Fiji: lifting workers out of poverty*. ECREA and Vanuavou Publications. Suva.

- \* the wage adjustments were nearly always granted after long delays- sometimes lasting five years, thereby being further neutralised by inflation.
- \* while the wage increases denied to each worker appeared small in dollar terms, for individual employers the savings in aggregate were large, and over a long period of time, amounted to major fortunes.

These conclusions were not a theoretical construct by me. I have given ECREA a confidential report (not published in my study) of the details of all these meetings of the most important Wages Councils, the dates, the persons representing the employers and the workers, the arguments made, the eventual decisions of the Wages Councils, and the follow-up actions by the Ministry of Labour, and the final gazetting by the Minister (which sometimes did not occur also).

The net result over a long period of thirty five years was that the wages of these workers kept lagging behind the cost of living as reflected in the Consumer Prices Index, the real wages kept falling absolutely and relative to Gross Domestic Product per capita, and larger and larger proportions of workers fell below the poverty line, however defined.

The study gave a number of detailed recommendations on improving the operations of the Wages Councils and ensuring that minimum wages set by the Wages Regulations Orders were economically sustainable. In this regard, it is important to point out that Father Kevin Barr eventually made a major compromise in his morally driven ideological position on “just wages”.

### **Barr’s Moral/Ethical Approach versus the Principle of Economic Sustainability**

Father Kevin Barr’s original approach to setting just wages stemmed from the Universal Declaration of Human Rights (Article 23 No. 3) that workers had “the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.”<sup>3</sup> Barr argued that a just minimum wage means that full-timer workers “should be able to earn a wage that will enable them to support the family in their ordinary basic requirements (food, clothing, housing, education and health costs). It should also provide some security for the future”. Father Barr’s approach would set the minimum wages with reference to the Basic Needs Poverty Line for Fiji- as defined previously by the 1997 Fiji Poverty Report, and more recently by me using the 2002-03 Household Income and Expenditure Survey results.

My study however argued that regardless of one’s sympathy for the poorest workers concerned, the harsh economic reality is that employers cannot pay minimum wages based on purely ethical and moral grounds and an assessment of what is required for a decent standard of living in Fiji, according to some Basic Needs Poverty Line. A BNPL may be a guiding principle. But the capacity of the employer to pay the required rates and sustain his business as a viable entity, making “socially acceptable”<sup>4</sup> rates of profit, has to be the bottom line. To set unsustainable wages rates would simply lead to the employer shutting down, with the loss of jobs for the employees who were are trying to help in the first place.<sup>5</sup>

However, and this was a most critical and essential recommendation, should employers’ representatives disagree with the proposed WRO on the basis of “inability to pay”, they must present audited accounts for the previous three years to the Wages Council Chairman to support

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<sup>3</sup> Barr, Kevin J (2003) “Wages Councils and Just Wages in Fiji” *Fijian Studies*, Vol. 1 No. 1. Fiji Institute of Applied Studies; Labour Advisory Board (2002) “Status Report- Wages Councils”. LAB Paper No. 12/2002.

<sup>4</sup> Note, there has been no discussion in Fiji of what constitutes a “socially acceptable” rate of profit which provides a fair reward to entrepreneurs for the use of their capital and the risks involved.

<sup>5</sup> A high level of minimum wages for “bottle boys” would simply lead to them being laid off.

their claim. Only he would be allowed to see these accounts on a totally confidential basis so as to preserve confidentiality of individual employers' financial states from other employers on the Wages Council who may be their competitors. My study had also recommended that the Wages Council Chairman be sworn to secrecy under the FIRCA oath, so as to enable confidential access to FIRCA records of the employer concerned.<sup>6</sup>

Father Barr, to his great credit, came around to accepting that the moral argument had to give way to the principle of economic sustainability, if it could be genuinely established.

### **ECREA's Achievement With Wages Councils**

I here pay tribute to ECREA and Father Kevin Barr, who can take full credit that through their energetic advocacy with successive governments the main recommendations of the Just Wages study were accepted by the Ministry of Labour and largely initiated in 2008 and this year. The Wages Councils have been substantially re-organised. Father Kevin Barr was himself appointed the sole Chairman of all the different Wages Councils, but with each Wages Council having separate representations from relevant employers, unions and neutral members of the public.

Father Barr ensured that the Wages Councils met in a timely fashion and regularly, with new Wages Regulations Orders being gazetted by the beginning of the year. With the cooperation of the Ministry of Labour staff (and without their hard work nothing would be possible), the new WROs were issued for implementation from February 2009.

But these accepted processes were all stopped by the Military Prime Minister following pressure by employers.

### **The Employers' Resistance in 2009**

As has happened regularly for the previous thirty nine year, the employers' representatives dug in their heels and actively campaigned against the new WROs set by the Wages Councils, citing "inability to pay". Some blamed the economic down-turn after the 2006 coup; some pointed to the damage caused by the flood even if most employers were nowhere near the floods; and months later many pointed to the global financial crisis, when most had not at all been affected at that time or afterwards. They even approached the Governor of the Reserve Bank, who issued a statement that "now is not the time for a wage increase".

When none of these arguments worked, they publicly attacked Father Barr's professional capacity to be a Wages Council Chairman. Some employers even rang me personally<sup>7</sup> to try and get me to influence Father Barr. They approached a number of Ministers in the Military Government, many of whom put Father Barr under immense pressure.

But not a single one of the employers presented audited accounts to Father Kevin Barr to show that they were unable to pay the wages increases set down. Indeed, they set out to establish that under the labour laws of the country they only had to show their audited accounts to the Minister concerned and not to the Chairman of the Wages Council.<sup>8</sup> It is extremely doubtful if a single employer presented any accounts to the Minister concerned. Even if they had, that was not how the Wages Council was supposed to operate.

Ultimately, the employers succeeded with Commodore Bainimarama, the Interim Prime Minister who was the Interim Finance Minister. In a drastic move that mirrored many such

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<sup>6</sup> This provision has still not been acted upon, although a precedence has already been set with FIRCA records on Fiji Water were made available to the Interim Minister of Finance in his attempt to impose excise duty on Fiji Water production.

<sup>7</sup> One called me all the way from Mumbai.

<sup>8</sup> It is ironic that many of these same businessmen, when it suits them, support the abrogation of the same laws.

decisions over the years, the Interim Prime Minister postponed the application of the new Wages Regulations Orders to July 2009. It was business as usual.

One could examine in detail the actual levels of minimum wages which were being set by the different Wages Councils chaired by Father Barr. I doubt if they were particularly high in comparison to the very large increases that had taken place in the cost of living. One could also examine whether for some employers, there may indeed have been a genuine inability to pay the increases being laid down, as is also likely (and this is done below).

But what really matters for the long term integrity of the operations of the Wages Councils, is to understand the causes of failure of the processes which had been agreed upon to make the Wages Councils operate efficiently while being fair to both employees and employers. Critical in this were the roles played by employers and the Military Government.

### **Employers' Lack of Social Responsibility**

It is a sad reality of employer-employee relationships in Fiji that few employers see the well-being of their employees as an important objective of their businesses. Their driving goal has always been to maximise their profits at all costs, a tendency heightened by the increased risks of doing business in Fiji, and the harsh reality that few businessmen see Fiji as their long-term home.

Indeed, since the 1987 coups, most businessmen have swiftly moved their surplus funds overseas to guard against possible devaluations of the Fiji dollar and Reserve Bank restrictions on export of capital. Most businessmen in Fiji have also moved their families overseas, both for security and the enjoyment of services which are not available in Fiji, at any price.

The same tendency is again at work after the 2006 coup, although one can now also see a new generation of younger businessmen energetically accumulating fortunes, as did their fathers before. This new generation of younger businessmen are now very aggressively visible in the media, and far more articulate than their fathers ever were. But they have no less a drive for maximising profits, regardless of the impact on the lives of the workers concerned.

The lack of commitment to workers' welfare is also partly explained by the complete failure of our political leaders to give due credit to entrepreneurs and businessmen who have contributed significantly to our society through their businesses, and provided jobs and livelihoods to thousands of workers. In Britain, successful entrepreneurs are given public recognition for their services, by giving them state honours, such as making them members of the House of Lords. No such public appreciation is bestowed on Fiji's successful entrepreneurs. The only satisfaction they therefore derive from the businesses is the profits they make.

It is only natural therefore for businessmen to attempt to influence Government Ministers to reduce minimum wages or delay their implementation. Given the large potential impact on their total wages bill, it is understandable also (even if morally unacceptable) that employers will be able to offer all kinds of financial incentives to government ministers, legal or otherwise. Such incentives can never be offered by the tens of thousands of disorganised and poverty-stricken employees whose wages are supposed to be protected by the Wages Councils.

### **The Anomaly of Military Government Intervention**

A major anomaly was that the decision to postpone the WROs was made, not by the relevant Line Minister- the Minister of Labour (Mr Filipe Bole) but by the Interim Finance Minister, Commodore Bainimarama.

Secondly, Commodore Bainimara, when announcing the postponement of the WRO, made no reference to being shown audited accounts by the employers concerned. It is extremely unlikely that he saw any audited accounts.

A basic question must be asked: was the Interim Prime Minister even aware of the critical importance of employers justifying their “inability to pay”- the only safeguard that workers have when employers do not wish to pay the required wage increases? Why would he disregard this essential workers’ safeguard in the Wages Councils mechanism?

Whatever the answer to these questions, the one critical safeguard for “just wages” in the new Wages Council processes was totally undermined by the Interim Prime Minister, despite his government’s alleged concern for the poorest workers of Fiji.

Stakeholders concerned to encourage Just Wages in Fiji (including ECREA) should note that with an unelected government in place, the workers are in no position to exercise influence on the Military Government through the ballot box. Conversely, the Military Government Ministers concerned need fear no censure through the ballot box since they are not accountable to anyone. They have ruled for two years already. The Military President has stated that there will be no elections before 2014 i.e. this military government will have ruled for seven to possibly eight years- longer than the term of any elected parliament without any accountability to any workers or the people of Fiji at large.

**Might Employers Be Genuinely Unable to Pay?**

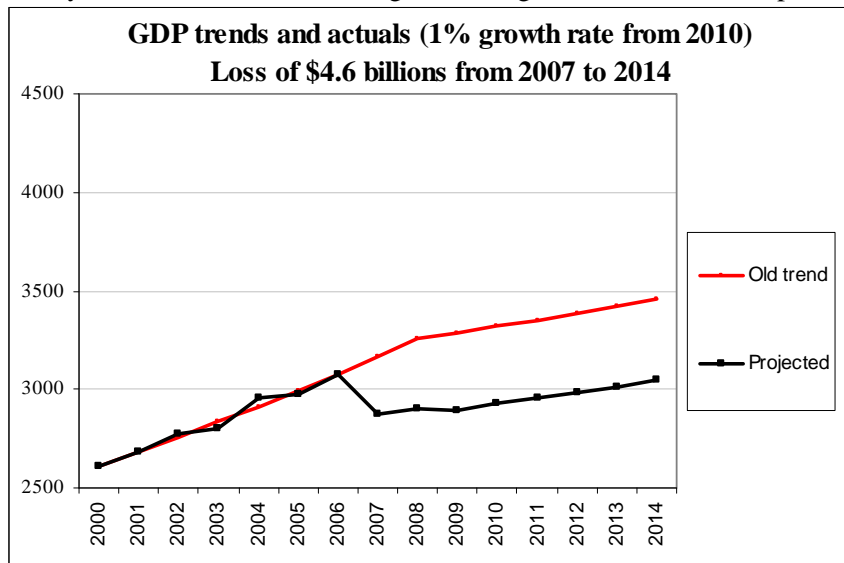
Of course, there are employers out there who are struggling to survive and some possibly may not be able to afford the new minimum wages set by the Wages Councils. The floods may have affected some; the global crisis may have affected others; and since the December 2006 coup, the economy has taken a nose-dive and there is very little sign of any recovery.

Before the December 2006 coup, the economy was growing at an average of 2.8% per year. With the coup the economy contracted by -6.6% for 2007, just barely grew by 1.2% in 2008, and is projected to have negative growth again for 2009. Even if we grow at 1% per year from next year (now an optimistic assumption)- we will not be catching up with the old trend path, which I have now also projected to grow by a lower 1% per year from 2010 because of the global crisis.

Basically, because of the 2006 and now the 2009 coup, the Fiji people will have lost some \$4.6 billion in income between 2006 and 2014 (see graph). This is far more than the amounts that may have been gained by Father Kevin Barr through the Wages Councils for the poorest

workers of Fiji had the increases been implemented as gazetted.

Government which normally gets more than 27% of GDP in taxes and spends it, will also have lost more than \$1 billion. That is more than \$1 billion less for social welfare, education, health and housing. The impact on poverty has been horrendous.

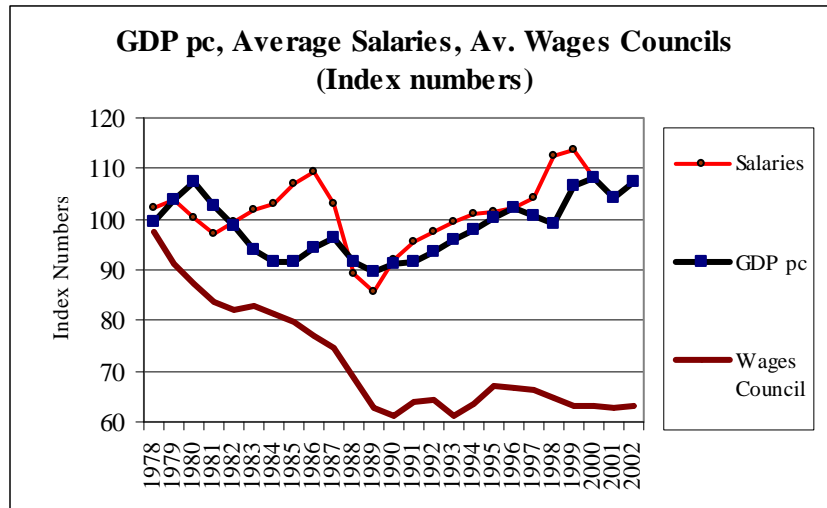


Throughout the private sector, there have been thousands of people who have lost jobs, had their hours of work reduced, and wages cut. Even Government itself is looking at making major cuts in jobs and public expenditure, simply because revenues have dried up. On the other hand, consumer prices have been inexorably rising- by 10 percent since December 2006, and food items

(which are far more important for the poor) by more than 21%.<sup>9</sup> The cost of the Basic Needs Poverty Line, very conservatively set in the first place, has therefore increased dramatically since 2006. The levels of wages have not. *The incidence of poverty in Fiji has probably increased from the 35% it was in 2002-03 to more than 45% today.*

One important independent indicator of the desperation of the poor people, has been the large numbers of ordinary poor people who have been forced to draw upon their savings in the Fiji National Provident Fund despite the negative impact on their future pensions. The FNPF has in turn, to protect their liquidity, imposed harsh measures to discourage such withdrawals, forcing these desperate people to either curtail essential expenditure on education or health or be driven into the arms of unofficial money lenders whose draconian interest rates will penalise them even more.

Will this situation improve enough to enable Wages Councils orders to raise real wages in Fiji? Here a fundamental economic fact of life must be understood: without sustained economic growth, it is virtually impossible to raise the wages of the lowest income people. The graph shows you the trends in Fiji from 1978 to 2002: while Average



Salaries were able to closely track the trend in GDP per capita, the average of the Wages Council did not. It fell from 1978 to 1990, rose intermittently to 1995, and then fell again thereafter. Note that while GDP per capita showed a major improvement from 1990 to 2002, average salaries very closely tracked that trend. We all know of the power of public sector unions like the FPSA. We also know that with our skilled and professional people extremely mobile internationally, if salaries did not rise, the skills would emigrate.

Not so for the poorest unskilled workers, not protected by unions, but supposed to be covered by the Wages Councils. They have no skills with which they can emigrate. They are stuck in Fiji. You can see from the graph that the average of the Wages Councils rates fell far more steeply when GDP per capita was declining between 1978 and 1990, but did not show the strong growth that GDP per capita did between 1990 and 2002. Over this whole period, the Wages Councils failed to maintain the relativities of the poorest workers in the economy.

When an economy is growing strongly, however, then employers are forced to compete with each other to attract the better workers, and they are forced to offer higher wages. This can be seen today in the construction industry which used to have extremely low wage rates. However, with the emigration of skilled carpenters etc, the demand for new buildings in places like Denarau, have forced skilled wage rates upwards, simply because the supply is just not there to match the demand. If an economy grows rapidly, then demand outstrips the supply, and wage rates have to increase whether employers wish to grant the increases or not. This can be seen most clearly in economies like China which have seen rapid economic growth for the last fifteen years.

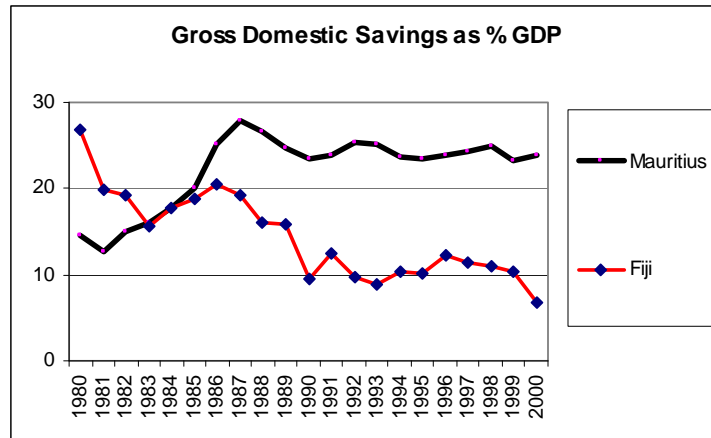
<sup>9</sup> The increase in the price of foods has been driven by the increase in the price of rice and flour.

So a necessary condition (though not sufficient) for Wages Councils to succeed in raising the wages of the lowest income people through market forces, is that the Fiji economy must show healthy rates of growth for long periods of time. Is that likely to happen, especially given Fiji's history of periodic military coups?

### Fiji's Coups, Economic Performance and Likely Impact on Wages

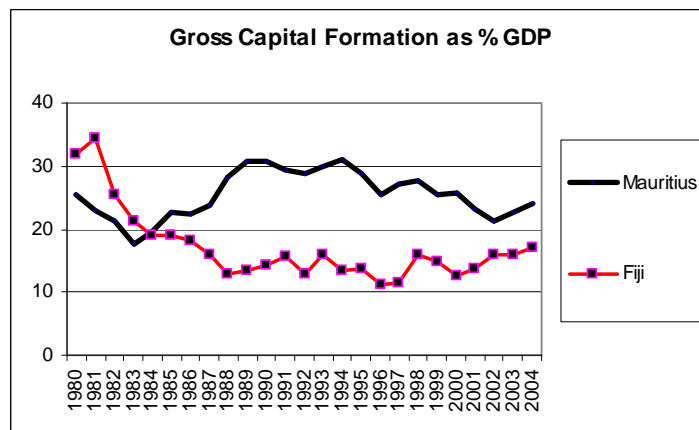
The historical evidence indicates that it is extremely unlikely, given the continuing pattern of coups and political instability, that the private sector as a whole will invest the amounts of capital that is needed to make the Fiji economy grow at rates that can raise wages consistently over time.

All the data on building permits approved throughout the country point to reducing investment decisions by the private sector. A few projects already in the pipeline are continuing to their completion because they are too late to stop. A few extremely profitable investments will be made, no doubt with great publicity. But fundamentally, the private sector is not going to make the level of investments necessary. Neither is



our economy generating the macroeconomic savings that are necessary to finance the investment and gross capital formation that is necessary to have healthy growth of the economy.

To understand these relationships, look at two graphs that compare Fiji with Mauritius which are both island countries, ethnically mixed, both dependent on tourism and sugar industries.



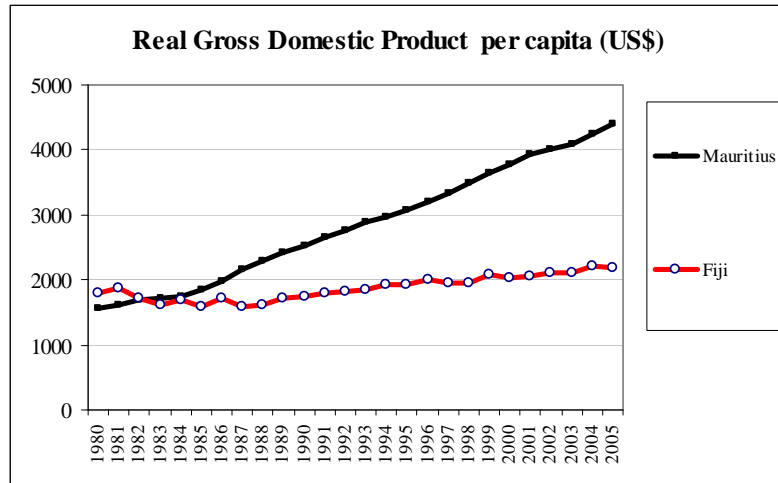
The first two graphs give you Gross Domestic Savings as a % of GDP; and Gross Capital Formation (ie gross investment) as % of GDP. An economy needs to invest more than 25% of its GDP if it is to have healthy economic growth and similar levels of savings (either domestic or foreign).

What are all the factors that encourage an economy into generating large savings locally? What are all the factors that encourage investors to be confident enough in the future of a country to convert their valuable scarce savings into investment? Think about the spending and savings behaviour of households, firms, and government in a safe and secure economy, and think of the same in an economy where coups and extreme political conflict have become the norm.

Think of all these businesses in Fiji which, for more than twenty two years since that first 1987 coup, have been quickly spiriting their profits and savings out of the country into accounts overseas- safe from devaluation of the Fiji dollar or Reserve Bank restrictions on payments overseas. All the data indicates that Fiji businesses in aggregate have been spending as little as

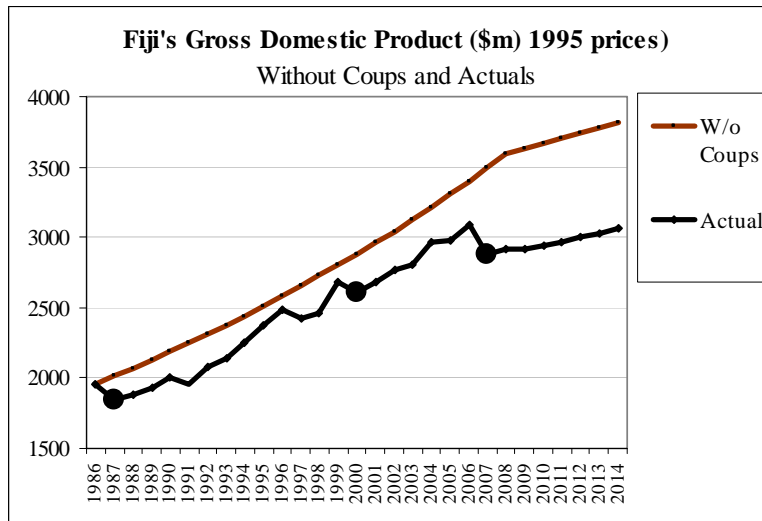
possible on investments locally. You don't need to study Reserve Bank data- just drive around Suva, Lautoka, Ba and Labasa and look at the pathetic state of the ordinary commercial buildings.

The logical outcome of the savings and investment trends shown in the two previous graphs is the next graph which compares Gross Domestic Product per capita for Mauritius and Fiji from 1980 to 2005. While Fiji's GDP per capita was higher than Mauritius in 1980, by 2005, Mauritius GDP had grown steadily to twice that of Fiji, with no coups to disturb the trend.



There is absolutely no economic reason why Fiji could not have enjoyed that same steady rise in income per capita over these years. Imagine a Fiji today where every household on average had twice the income they currently enjoy! And imagine Government raising twice the amount of government revenue they currently raise, and spending that on appropriate development areas. The next graph suggests what might have been without coups, even with our old pre-1987 moderate growth rate of 2.8% per annum (nowhere near that of Mauritius, or Malaysia, or China).

While the military coups are not the only explanation for Fiji's poor economic performance, there can be little doubt that military coups have been bad for Fiji; they are bad for the economy; they are bad for ordinary law-abiding businesses; they are bad for wage earners; and they are particularly bad for the poorest wage earners who are covered by the Wages Councils, without the protection of unions.



Why then have so many "good citizens" supported the military coups of 1987, 2000 and 2006? And what are the lessons for this Rev Niukula lecture?

### "Good Citizens", Military Coups and Just Wages

It is dismaying that so many otherwise good citizens in Fiji have supported military coups over these last twenty two years. In 1987 and 2000 it was the Methodists, the Great Council of Chiefs and the majority of indigenous Fijian. In 2006, it has been the Catholic and Hindu organisations, the Fiji Labour Party and its stalwarts, leaders of NGOs which have edifying names such as Citizens Constitutional Forum, and the majority of Indo-Fijian citizens.

While some throw out a few perfunctory statements that they are opposed to military coups, the reality is that they have thrown in their support for major initiatives which the military put

forward as justifying their coup of December 2006. The National Council for Building a Better Fiji and the Charter initiative contained many good citizens: Co-chair Archbishop Mataka, Rev Akuila Yabaka, Jone Dakuvula, Kamlesh Arya, Jo Serulagilagi, Father Kevin Barr and many others. The Interim Military Government were joined by FLP stalwarts Mahendra Chaudhry, Lekhram Vyeshnoi, Tom Ricketts and others. Also in the picture came well-heeled former Fiji citizens such as John Samy (to push the Charter), Francis Narayan and Robin Nair.

Then there were all those, led by Rev David Arms, who bought into the argument that the existing electoral system was racist and unjust, because of disproportional results and ethnic constituencies, which has been an explicit justification by the Military Government in refusing to return Fiji to parliamentary democracy. Of course, most electoral observers (including myself) agreed that the results under the Alternative Vote system were disproportional. But that was a far cry from concluding that it was unfair ethnically; that was a far cry from concluding that a common roll proportional system would magically produce any results significantly different from the balance of power which emerged from the 2006 elections.

And it was also a far cry from the attitude that has implicitly been taken by Father Kevin Barr, Rev David Arms,<sup>10</sup> Archbishop Mataka and a whole of good citizens, that the need for electoral reform justified a military coup against a lawfully elected Government. Indeed, even these hollow arguments have all been thrown out the window, since the Military Government has announced that they won't have elections for another five years, whereas in 2006 they claimed that they needed two years to implement the electoral system, revise the electoral boundaries, and educate the public how to vote under the new system, and they would then hold elections.

Following the High Court judgment by Gates, Pathik and Byrne, these good citizens may have had an excuse, however flimsy, to continue with their support of the 2006 coup. But that excuse has evaporated totally, with the higher Fiji Court of Appeal pronouncing that the 2006 military coup was illegal and that Ratu Iloilo had no authority for the actions he took to either validate the coup, or appoint the post-coup Government of Commodore Bainimarama.

It is therefore an utter tragedy, that despite the judgment of the Court of Appeal, Ratu Iloilo has now purported to abrogate the Constitution, with the full support of the military and by now fully militarised police force. The same ministers who were declared illegal by the Court of Appeal, the highest court to rule on the matter after Gates, Pathik and Byrne, have been re-appointed by the Military President.

We should all (including the pro-coup citizens) remember that the 1997 Constitution had been passed by the Fiji House of Representatives, the Senate and the Council of Chiefs, and therefore had the full stamp of approval of the entire people of Fiji. The purported abrogation of the 1997 Constitution by Ratu Iloilo is only at the behest of the Fiji Military Forces who deposed the elected government in 2006. The ultimate irony is that the President is supposed to be the ultimate symbol and guardian of our 1997 Constitution.

There can be little doubt that the two years of experience that the Interim Military Government obtained because of the support of certain good citizens of Fiji, was instrumental in encouraging them to announce that they have abrogated the 1997 Constitution. This is surely not the outcome that our good pro-coup citizens expected.

All the electoral reform supporters (including Rev David Arms and Father Kevin Barr) will now have a long time to contemplate the horrifying consequences of the 2006 military coup, including the utter collapse of the economy, greater unemployment and massive increase in poverty. Of direct relevance to this lecture, one can conclude with virtual certainty, that Father Barr's Wages Councils will have very little hope of successfully implementing new Wages Regulation Orders, which can significantly move wages towards any semblance of "Just Wages".

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<sup>10</sup> See my Fiji Sun article (Annex A of this lecture) which, to my knowledge, Rev David Arms has not ever responded to.

## **Niukula's unpopularity with his ethnic community: a necessary price**

In these difficult times we are going through, it is useful to go back Father Kevin Barr's observation that Rev Paula Niukula displayed great courage and wisdom in sticking to his principles, despite his resulting unpopularity with large sections of his own indigenous Fijian community. We know that so also unpopular with their ethnic community were persons like Rev Josetaki Koroi and Amelia Rokotuivuna who similarly had the courage of their convictions.

In contrast, Indo-Fijians who opposed the coups in 1987 and 2000 were popular with their communities, as the general perception then was that of the Indo-Fijian community and leaders being discriminated against by those coups. But it is this 2006 coup which has driven home to me, how difficult must have been the principled positions taken by Rev Paula Niukula, Rev Koroi and Amelia Rokotuivuna. Today's Indo-Fijians who publicly oppose the 2006 military coup can vouch that they are viewed with suspicion, and frequently get a cold shoulder from many in the Indo-Fijian community, and even from former school-mates and friends. Many pro-coup Indo-Fijians genuinely believe in the Military Government's oft-stated rhetoric of racial equality, an attitude reinforced by the Fiji Labour Party's joining in the military government in 2006. It is important to put this in some perspective.

The Indo-Fijian community has been intellectually gutted by the emigration of the vast majority (dare I say more than 90%) of their most educated people. A large group of the remaining Indo-Fijians, have been led by a Fiji Labour Party leadership that has completely discarded its historical attachment to law and order, in favour of a short-sighted support of a military coup which gives only a few Indo-Fijian elites, including FLP stalwarts, the enjoyment of short-term power and benefits. Yet the masses of the poorest Indo-Fijians are further impoverished by the 2006 coup and will suffer even more with this attempted abrogation of the 1997 Constitution. It is fortunate indeed that the other Indo-Fijian Party (the NFP) has been steadfast in its support of constitutionality and law and order.

It is sad that local business leaders (largely Indo-Fijians, but also Chinese, European and other ethnicities) have shown little inclination to publicly support constitutional law and order. On the contrary, their active and secretive support of every military coup in Fiji, including that of 2006, has sustained the coup plotters, to the detriment of the average law-abiding business community. There is little likelihood that these business leaders will ever actively co-operate with Wages Councils to ensure any movement towards Just Wages in Fiji.

It may be noted that the postponement of the 2009 WROs by the Military Government, drew only perfunctory criticism from the Fiji Labour Party. How ironic to find the Fiji Labour Party and the business community on the same side, supporting a military coup which has caused such great harm to the poorest people of this country, including the lowest paid wage earners covered by the Wages Councils.

This blind FLP support of the 2006 military coup cannot be good for Indo-Fijians in the long run. It cannot even be labeled as "merely politics" because it is simply atrocious politics. Indo-Fijians are currently only about 36% of the population, and the proportion will fall to about 25 percent within ten years, while the Fijians will rise to about 70 percent. The Fiji Military Forces will continue to be 99 percent Fijian. It is inconceivable that Bainimarama, and the Military Council hierarchy can forever exclude the mainstream Fijian political party and its leaders from governance of Fiji, as they are currently doing. It is extremely likely that in the not too distant future, for their own preservation, the Fijian Military hierarchy will rejoin and support the body politic of the indigenous Fijians. Only time will whether the current leadership of the Fiji Labour Party and the Indo-Fijian business community are safeguarding the interests of future generations of Indo-Fijians, or utterly destroying them.

It can also be noted that many of the Indo-Fijian elites currently here to enjoy the benefits, the power and the glory resulting from the 2006 military coup, are former citizens, some embittered and driven away by racism over the last two decades. Some have tried, with obvious

futility, to justify their recent roles in Fiji as an attempt to look after the interests of Indo-Fijians remaining here. Whatever happens, these former Fiji citizens have no long-term stake in Fiji, except for their emotional attachments. They will certainly not be here to share this country's tragic burdens in the coming years.

### **What of Just Wages for the Future?**

The purported abrogation of the 1997 Constitution is likely to see Fiji expelled from the Commonwealth. Donors like the EU, are likely to withhold aid funds, and some may even apply trade sanctions. Given that the private sector is always afraid of unconstitutional and unelected governments and political uncertainty, there is not going to be the healthy broad-based investments that are needed for healthy economic growth. Our economy is currently destined to stumble along, as we have done for the last twenty two years. It is therefore quite unlikely for wages to be pulled up by market forces.

Even if a few individual businesses do well, they will always be able to make the same responses that they have made over the last thirty nine years- "the time is not right for wage increases".

Given the precedence that has already been set early this year when the 2009 Wages Council's WROs were postponed, they will not be required to show their audited accounts and it is extremely doubtful if Father Kevin Barr as Chairman of the Wages Councils, will be allowed to look at FIRCA accounts, even under their Official Oath of Secrecy. To protect their profits, these businessmen will continue to place pressure on the unelected Military Government Ministers to postpone the wage increases, or if granted, to ensure that they are well below the increases in the CPI and the cost of living.

The Ministers of this Military Government will not be subject to any censure by voters. On the contrary, the Ministers will be attempting to encourage the very same businessmen to invest, as they also have to prove to themselves and the nation, that under their stewardship, the economy continues to grow. These Ministers are therefore not likely to get on the wrong side of the business community. And the business community has many other incentives to provide the military government ministers.

I have no doubt that Father Kevin Barr will struggle away in good faith, trying to use the Wages Council mechanisms to increase the minimum wages for the poorest workers of this country. But he and the other good citizens who have supported the 2006 military coup, have also helped to create the broad economic climate that will ensure that his efforts on the Wages Council front will largely and unfortunately, be in vain.

Rev Paula Niukula would not have been in agreement with their stance on the 2006 military coup, which has directly led to the purported 2009 abrogation of the 1997 Constitution.

Were Rev Niukula to be alive today, he would earnestly plead with all good citizens of this country, to oppose any purported abrogation of the 1997 constitution, and to struggle for a quick return to parliamentary democracy.

For only then will investors have the confidence to invest for the long term, to create the sustained economic growth that is the precondition for incomes throughout the economy to rise, and for wages to be pushed up through the Wages Councils, towards some semblance of Just Wages.

### **Conclusion**

This lecture, organised by ECREA, pays tribute to the memory of Rev Niukula, the deep-seated humanitarian principles he stood for, and his total commitment to the well-being of all our

different ethnic communities, especially the weak and vulnerable in our society, such as the poorest wage earners.

I am deeply privileged to have been asked by ECREA to give this Rev Paula Niukula Lecture on “The Struggle for Just Wages in Fiji”.

May ECREA’s work for the poor and vulnerable in our society, including that for the improvement of the incomes of the wage earners through the Wages Councils, their work on housing for the squatters, rehabilitation of prisoners etc., continue unabated, and be strengthened by a passionate and unqualified adherence to the principles of constitutional law and order.

I thank you all for attending this lecture in memory of Rev Paula Niukula.

*Vinaka vaka levu, dhanyavaad and thank you*

***MAY GOD BLESS AND PROTECT FIJI***