

By Shailendra Singh

Rajen Naidu is a regular writer for Fiji's newspapers and has well-informed and balanced views. In a letter to the Fiji Sun on July 24, 2008 he admitted that he was initially persuaded to support the December 2006 coup because "the rot in the Qarase government had become just too much."

But a now-chastened Naidu adds that he has come to realize that the "rot is still very much with us.

"The only difference is that a new set of political players is responsible for it. A better Fiji is sadly still quite a distance away," Naidu wrote.

Nearly two years after military commander Frank Bainimarama ousted the Laisenia Qarase government, letters like Naidu's have started to appear more regularly in daily newspapers.

A history of coups and corruption

The December 2006 coup, Fiji's fourth in less than 20 years, was dubbed a "cleanup campaign" by Bainimarama, who is now Fiji's interim prime minister. His crusade against what he said was a racist, corrupt and wasteful administration originally had some support.

But for a people weary of years of government gross mismanagement and misrule, disillusionment set in. There were numerous allegations of non-accountability, abuse of office, nepotism, misuse of public property and financial mismanagement.

Now Bainimarama and his former interim finance minister Mahendra Chaudhry — two vociferous critics of the former government's abuse of powers — have become enmeshed in allegations of financial impropriety.

Recent reports allege that Bainimarama took FJ\$180,000 (US\$97,071) in leave pay dating back 20 years. And then Chaudhry confirmed that he had an Australian bank account holding more than FJ\$1 million (US\$539,287) that had been collected from Chaudhry's supporters in India following his ousting as prime minister in the 2000 coup.

Chaudhry's claim that Bainimarama was owed back pay, and that as interim finance minister he did the correct thing to approve the payment, was hardly convincing.

Akuila Yabakai, chairman of the Citizen's Constitutional Forum, a nongovernmental organization, said, "For Mr. Chaudhry to say that he was not aware of any irregularities regarding the payout shows a very poor understanding of the accountability mechanisms of public finance. Fiji's military has been justifying the 2006 coup on the basis that a cleanup of the civil service and its procedures was necessary to end corruption. However, the payout to Bainimarama casts doubt on this objective."

A disillusioned people and a country in debt

Chaudhry denied that the money collected in India was for victims of the 2000 coup. Chaudhry has said little more about it. But a government spokesman's assertion that the money was for his and his family's resettlement in Australia, needed because of the danger they faced in 2000, dismayed supporters like taxi driver Anand Chand.

Chaudhry, former prime minister of Fiji and leader of the Fiji Labor Party, is the country's most popular and powerful Indian leader. He built his trade union and political career as a crusader against corruption, champion of the poor and a campaigner of the rights of the country's sugar cane farmers and working class people.

Chand is 50, works 12 hours a day and takes home FJ\$100 (US\$53) a week. He said he once regarded Chaudhry as a god, because Chaudhry fought for poor people like him. He appeared baffled by Chaudhry's claim that the money was for his family. "Chaudhry is a wealthy man. All his children were educated overseas and have good jobs. Why does he need the money?" Chand asked.

Some callers to a talk radio show were equally dismayed and clearly felt betrayed. They were also angered when Chaudhry gave a gift of FJ\$70,000 (US\$37,750) to his daughter.

As Fiji Islanders were coming to terms with all this, the first accounts of the auditor general's 2007 report started to emerge. The early prognosis was, predictably, ominous. The admonishments of the Public Accounts Committee, which reviewed the reports and submitted them to the interim cabinet during July and August, started to repeat like a tape loop.

Since the 1990s, the auditor general has exposed Fiji's inept and awkward civil service as a hotbed of corruption, with blatant, systematic and consistent abuse of millions of dollars in public funds and aid money at the highest levels.

A previous auditor general report described government agencies as “fraught with widespread abuse and ineptitude. It added, “Corruption was a cancer that had spread from the prime minister’s office throughout the rest of government.”

For a civilian population of less than 900,000, a civil service that numbers 35,000 is considered large. Explaining the need for reforms, senior civil servant Pramesh Chand said that up to 82 percent of the government’s resources were used by the civil service.

The latest report, an audit from 2005 to 2006 of 13 ministries and departments, uncovered irregularities in various ministries, including delays in reconciling ledgers, as well as huge time-off liabilities.

“Grave” concerns were raised over the Qarase government’s continued reliance on loans to meet day-to-day operations and the funding of debts through treasury bills during the 2005 to 2006 period.

Critics pointed out that public debt doubled during Qarase’s six-year rule to 52 percent of the GDP. Debt levels of 40 percent of GDP are considered unsustainable by international standards, particularly for small, vulnerable economies. But this did not deter the Qarase administration from taking domestic and overseas loans of close to \$64 million to finance a gross budget deficit of FJ\$265 million (US\$142 million).

Biman Prasad, a professor in development economics at the University of the South Pacific, says Fiji’s high debt levels are linked to the consistent mismanagement of state resources by successive governments.

“Resources allocated year-in and year-out are wasted so projects and infrastructure development do not get completed within the allocated amount. Government has to allocate more for the same project in subsequent years, and to do that it has to borrow,” Prasad said.

In Fiji, around 30 percent of the estimated 900,000 people do not earn incomes adequate for basic needs. Poverty and hardship are serious issues compounded by government waste, corruption and mismanagement.

To make up for state revenues that are squandered on an annual basis, governments often resort to increasing the tax burden. The Qarase government was on the verge of increasing a direct consumer tax from 12.5 percent to 15

percent before it was ousted. Commentators said the move would have exacerbated the vicious poverty cycle that is a reality for many people in the country.

Prasad has co-authored a recently published research paper showing that Fiji accumulated an infrastructure deficit of 3.4 billion Fiji dollars (US\$1.8 billion) in the last 20 years. He said that corruption and waste were partly responsible for the situation. According to the interim government, almost 50 percent of allocated funding was lost to corruption in the six years of Qarase rule.

The common people suffer

Such hideous levels of abuse would be intolerable in most countries. In Fiji, successive governments — often because of their complicity — or for political reasons, turned a blind eye to the problem. Through inaction and connivance, the government allowed the problem to take root and let the rot set in.

The stench of corruption emanating from the civil service is such that it attracts opportunists like vultures to a decaying carcass. Tender processes are circumvented with impunity, with documents amended to suit particular companies. Contracts worth millions are awarded under dubious circumstances.

The Water and Sewage Department of the Ministry of Works stands out as a shameful example of Fiji's corruption problems. It has been cited in several auditor general's reports. But this is hardly a deterrent as little follow-up action is taken. Recently, Paul Wilisoni, the director of water and sewage, was suspended on half-pay during investigations by an anti-corruption unit.

In 2003, money paid to contractors for carrying water to consumers, because of infrastructure breakdown, resulted in losses of up to FJ\$9 million (US\$4.6 million). There is a widespread belief that some water and sewage officials deliberately delayed infrastructure development to keep contracts with private trucking companies that pay officials with kickbacks.

With tens of thousands of families facing water supply problems, there have been recent reports of people stealing water from the tanks of a large school just outside Suva, preventing the school from opening for the new term.

While some have exploited the corrupt system and made their fortunes, Fiji's residents suffer the consequences on a daily basis. Doctor and nurse shortages, the lack of basic medicine at state-run hospitals, long waiting periods at all hospitals, dilapidated schools in rural areas, roads in constant disrepair and a collapsing water supply system are some of the everyday problems encountered by Fiji Islanders.

For the approximately 12.5 percent of Fiji's population who now live as squatters, government allocations for resettlement have been woefully inadequate. Police investigations are no match for the scale of abuse. Cases that make it to court experience lengthy delays in a clogged system. For example, it took eight years before former company director Pita Alifereti was convicted in the "Agriculture Scam" on September 15, 2008.

While a leaner, better-paid civil service would perform better and be less susceptible to corruption, a powerful public sector union and reluctance on the part of successive governments to make tough political decisions has delayed and hampered reforms.

Far from downsizing the civil service, the Qarase government promised FJ\$85 million (US\$46 million) in salary increases just prior to the 2006 elections in what was widely seen as a vote-buying move. This was halted by the interim government.

But even the interim government has balked at implementing some reforms. Recently Bainimarama assured people there would be no job losses in plans to reform the public sector.

According to Prasad, urgent action is needed. Corruption and public sector inefficiency, he says, is partly responsible for the paltry average economic growth rate of 1.73 percent from 2000 to 2006. Such growth rates are not enough to absorb recent graduates entering the job market and other job seekers. It will lead to more social problems.

Is there light at the end of the tunnel?

Rajen Naidu, once full of hope, is not so certain anymore. "I now realize in retrospect why Karl Marx had warned against a conspiratorial group assuming power on behalf of the people," he wrote in the Fiji Sun. "It is more likely they will assume power for themselves."