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The Politics of Economic Restructuring
in the Pacific with a Case Study of Fiji

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In fulfillment of the Requirements
for the degree of Doctor of Philosophy

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Abstract

The subject of this thesis is the *politics* of economic restructuring, euphemistically termed 'reform' in the Pacific. Although structural adjustment policies are essentially neoliberal economic policies, the project of global economic restructuring, and its supposed end, a global regime of free trade, is a political one in several respects.

It involves the wielding of economic power over developing countries by powerful multilateral institutions, developed countries and private corporate entities to such a degree that it is considered by some to represent the disciplining/subjugating and dis-empowering of developing states. It is supported by a successfully propagated ideology that combines economic growth theories (held to be infallible), 'good governance' rhetoric (with which no-one can reasonably disagree), and new notions of equality and 'non-discrimination' - the 'level playing field' and 'national treatment, in WTO parlance (which have been enshrined in enforceable global trade rules). It entails redefining the role of the state, transferring public ownership of assets to private hands, and removing subsidies that protect domestic industries and jobs, all of which are strongly contested. Successfully implementing 'reform' is widely acknowledged to require not only 'reform champions' but also 'ownership', and thus broad acceptance and legitimacy, yet commitments to restructuring are often made by government ministers without reference at all to national parliaments. National economic summits are used to rubber stamp or legitimate policies in a *fait accompli*.

The thesis begins by situating the global regime of structural adjustment within the political context of North-South relations in the 1970s, the debt crisis of the early 1980s, and the collapse of socialist regimes and consequent discrediting of the socialist economic model and other variants of state-led development. It shows the key role of the World Bank in advocating the neoliberal model and setting the development aid agenda, and its abdication of this lead role after 1995 in favour of the World Trade Organisation and its agenda of global trade liberalisation.

The thesis then examines the origins, agents and interests behind structural reform in the island states of the Pacific before focusing on how a regional approach to achieving regional wide economic restructuring and trade liberalisation is being taken, using a regional political organisation of Pacific Island states (The Pacific Islands Forum), and regional free trade agreements.

It then illustrates the path of economic restructuring embarked on by Fiji following the 1987 coups, examines the implementation of 'economic reform' concurrently with policies to advance the interests of indigenous Fijians, and discusses some of the less acknowledged dimensions of reform.

Dedication

To my mothers, Ange, Annie and Margaret,
and in memory of Stan

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ABBREVIATIONS

ACP	Africa Caribbean Pacific
ACTU	Australian Council of Trade Unions
ADB	Asian Development Bank
AFL	Airports Fiji Limited
AGM	Annual General Meeting
AIDAB	Australian International Development Assistance Bureau
ALTA	Agricultural Landlords and Tenants Act
ANU	Australian National University
APEC	Asia Pacific Economic Community
ASEAN	Association of Southeast Asian Nations
ATHL	Amalgamated Telecommunication Holdings Ltd
AUSAID	Australian Agency for International Development
AV	Alternative Vote
BLV	Bose Levu Vakaturaga (Great Council of Chiefs)
BOOT	Build, Own, Operate, Transfer
CCF	Citizens' Constitutional Forum
CDC	Commonwealth Development Corporation
CEO	Chief Executive Officer
CIE	Centre for International Economics
CIS	Centre for Independent Studies
COLA	Cost of Living Adjustment
CPO	Central Planning Office
CRP	Comprehensive Reform Programme
DAWN	Development Alternatives with Women for a New Era
ECLA	Economic Commission for Latin America
ECOWAS	Economic Commission of West African States
ECREA	Ecumenical Council for Research, Education and Advocacy
EIMCOL	Equity Investment Management Company Limited
EPAs	Economic Partnership Agreements
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
FAB	Fijian Affairs Board
FAO	Food and Agriculture Organisation
FECA	Fiji Employers' Consultative Association
FEDM	Fiji Employment and Development Mission
FEMMs	Finance and Economic Ministers' Meetings
FHCL	Fiji Hardwood Corporation Limited
FHL	Fijian Holdings Limited
FIAS	Foreign Investment Advisory Service
FINAPECO	Fiji National Petroleum Company
FINTEL	Fiji International Telecommunications Limited
FNPF	Fiji National Provident Fund
FORSEC	Forum Secretariat
FPSA	Fiji Public Service Association
FSC	Fiji Sugar Corporation
FSM	Federated States of Micronesia
FTMM	Forum Trade Ministers' Meeting

FTUC	Fiji Trades Union Congress
G7	Group of 7
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GPS	Global Positioning System
Group of 77	More than 132 developing countries
IBRD	International Bank for Reconstruction and Development
ICDC	International Child Development Centre of UNICEF
ICFTU	International Confederation of Free Trade Unions
ICSID	International Centre for the Settlement of Investment Disputes
IFC	International Finance Corporation
IFIs	International Financial Institutions
IIE	Institute for International Economics
IMF	International Monetary Fund
LDCs	Least Developed Countries
MAI	Multilateral Agreement on Investment
MFN	Most Favoured Nation
MOERS	Market-Oriented Economic Reforms
NAFTA	North American Free Trade Agreement
NAM	Non-Aligned Movement
NBF	National Bank of Fiji
NCDS	National Centre for Development Studies, Australian National University.
NFP	National Federation Party
NFU	National Farmers' Union
NGO	Non-governmental Organisation
NIEs	Newly-Industrialising Economies
NIEO	New International Economic Order
NLTA	Native Lands Trust Act
NLTB	Native Lands Trust Board
NZ	New Zealand
NZAID	New Zealand Agency for International Development
NZFOL	New Zealand Federation of Labour
NZMFAT	New Zealand Ministry of Foreign Affairs and Trade
NZODA	New Zealand Official Development Assistance
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of Petroleum Exporting Countries
PANG	Pacific Network on Globalisation
PCG	Peoples' Coalition Government
PECC	Pacific Economic Cooperation Council
PEU	Public Enterprise Unit
PIANGO	Pacific Islands Association of Non-Governmental Organisations
PIIDS	Pacific Islands Investment and Development Scheme
PMCs	Pacific Member Countries
PMDCs	Pacific Member Developing Countries
PMR Fund	Pacific Policy and Management Reform Fund
PNG	Papua New Guinea

PRSP	Poverty Reduction Strategy Papers
QUAD	Quadrilaterals: the United States, the European Union, Japan and Canada
RFMF	Republic of Fiji Military Forces
SALS	Structural Adjustment Lending
SAPRI	Structural Adjustment Participatory Review Initiative
SAPS	Structural Adjustment Policies
SDL	Soqosoqo Duavata Lewenivanua Party
SIA	Social Impact Assessment
SID	Society for International Development
SIDS	Small Island Developing States
SOEs	State-Owned Enterprises
SOPAC	South Pacific Geo-Science Commission
SPARTECA	South Pacific Regional Trade and Economic Cooperation Agreement
SPC	South Pacific Community
SPEC	South Pacific Bureau for Economic Cooperation
SPOCTU	South Pacific Council of Trade Unions
SPPF	South Pacific Project Facility
SSE	Suva Stock Exchange
SVEs	Small and Vulnerable Economies
SVT	Soqosoqo Vakavulewa ni Taukei Party
TA	Technical Assistance
TFF/TFZ	Tax Free Factory/Tax Free Zone
TINA	'There is No Alternative'
TNCs	Transnational Corporations
TRIPS	Trade Related Intellectual Property Rights
TRM	Timber Resources Management Ltd
UCV	Unimproved Capital Value
UDT	Underdevelopment Theories
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Fund for Women
UNRISD	United Nations Research Institute for Social Development
USAID	United States Agency for International Development
USP	University of the South Pacific
VAT	Value Added Tax
WB	World Bank
WCC	World Council of Churches
WDR	World Development Report
WTO	World Trade Organisation
YWCA	Young Women's Christian Association