

Poverty in Fiji Islands and the Pacific Islands

Crosbie Walsh

Develop the poor by civilizing the rich.

—T. Balasuriya, 1973

1. Introduction

The “Pacific Islands” extend from the Asian landmass to the eastern Pacific, excluding New Zealand to the south and Hawaii to the far east. The area covers some 30 million square kilometers (km²), and extends between the two tropics for a lineal distance equal to that from Manila to Mecca, a quarter of the world away. Yet this vast area is home for only 7 million, most of whom live in the four larger island nations of Melanesia. Of the 22 island countries and territories, 10 are members of the Asian Development Bank (Figures 27.1 and 27.2).

Figure 27.1. The Pacific Islands : Relative Sizes and Distances

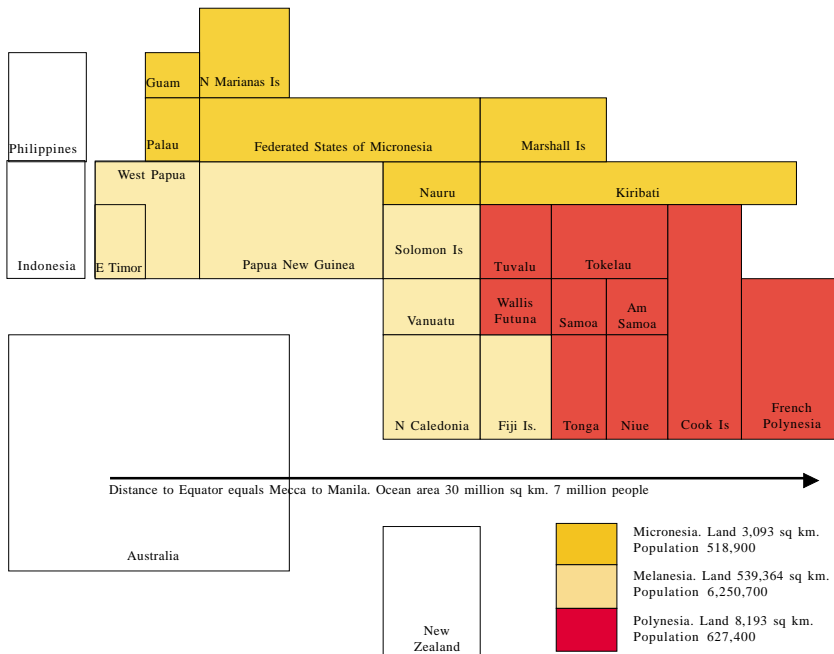
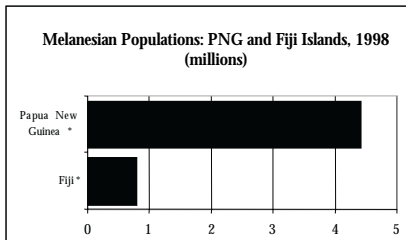
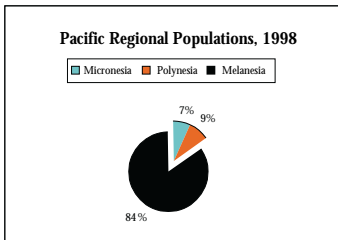
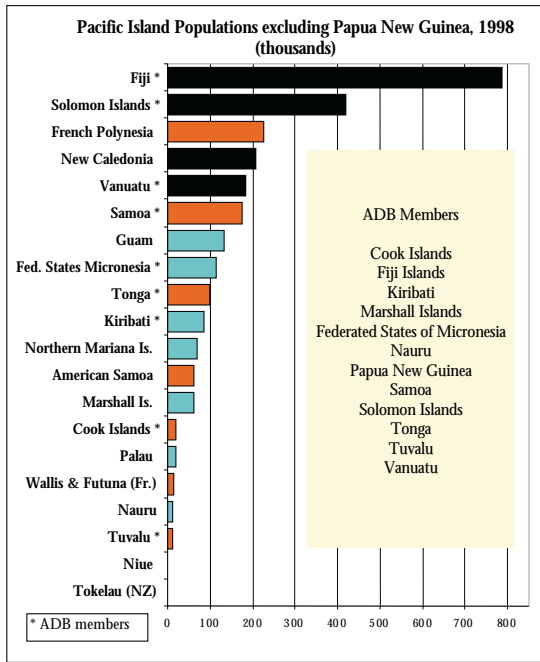


Figure 27.2. Pacific Islands Population



Oceania (million)	
Australia 19	New Zealand 3.8
ESCAP estimates 1999	

Source: Pacific Community (SPC), Noumea, estimates, 1998.

The area was colonized late by Europeans, and although all but the French territories are now independent, most have limited natural resources and remain to differing extents dependent on aid, remittances from emigrants, and favored-nation trade links. Money, urban settlement, and political entities larger than tribal groupings were unknown until recent times. Where resources are more abundant—in Papua New Guinea (PNG), Solomon Islands and the Fiji Islands—intertribal fighting, acts of secession, ethnic tensions and military coups, and—in the French territories of New Caledonia and French Polynesia—indigenous independence movements deter both domestic and foreign investment. Most people remain semisubsistence rural dwellers. Urbanization levels vary greatly, but are generally lower in Melanesia. PNG has a low 15-percent urbanization level compared with

the Fiji Islands' 46 percent. The largest towns (PNG's Port Moresby and the Fiji Islands' Greater Suva, with populations greater than 150,000) are small by international measures.

Land within this vast area occupies a mere 500,000 km², 98 percent of it in the five Melanesian countries, and 84 percent in PNG alone. The nine Polynesian nations and territories occupy a mere 8,000 km², and the seven Micronesian nations and territories are smaller again (3,093 km²). Most nations comprise one or more archipelagos made up of many inhabited islands. The Melanesian countries display marked physical and cultural diversity, with far more sustainable resources for development than the small volcanic islands, coral shelves and atolls of the other two subregions.

Most populations are ethnically homogenous (in Western Melanesia, however, tribal divisions inhibit national unity). Nearly half of the Fiji Islands' population is nonindigenous, mostly Indo-Fijians whose ancestors arrived as indentured laborers a hundred years ago. Human resource development skills and involvement in the modern money economy are spread unevenly between and within countries.

Factors favoring development differ from country to country, but taking the region as a whole, health care, education, "democratic" government, and many lifestyle indexes are encouraging—though worsening—and most countries have some economic potential: minerals, fish, sugar, copra, timber, tourism, tax havens, garment manufacture, and the goodwill of neighboring developed nations. The private sector is small and governments, despite recent rhetoric, typically play a large part in the economy. The cost of imports invariably exceeds income from the export of raw or only partly processed materials, tourism, and, more recently in the Fiji Islands, garment and shoe manufacturing.

2. The Pacific paradise?

This vast and enormously varied galaxy of islands has attracted the most glowing of descriptions since the advent of European "discovery." Homesick—and seasick—sailors, educated voyagers, and, more recently, academics, consultants, and tourist promoters have been among those who have variously referred to the "islands" (usually Polynesia, far less often the "black" islands of Melanesia) as "paradise"; and the terms "noble savage" and "subsistence affluence" were attached to their people and lifestyles.

These myths and half-truths persist today, making it difficult for outsiders to recognize unpleasant realities that exist just beyond the hotel door, a little way back from the main road, and on another part of the beach. The authors of the ADB *Strategy for the Pacific* (ADB, 1996) provided pertinent examples of the present-day strength of the myths when, in their general description of the Pacific, they wrote of "relatively high standard of living..." "generous aid flows..." "large inflow of remittances..." "favorable resources for subsistence living..." and "basic food and shelter readily available for modest effort." Not surprisingly, they concluded that "poverty... [is] generally non-existent..."

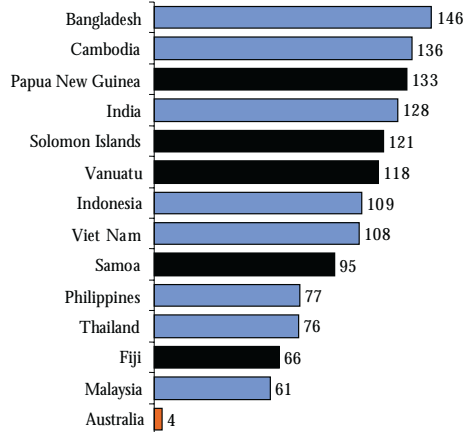
There is, of course, some truth in these generalizations. People in some islands and some occupations do enjoy relatively high standards of living. Aid and remittances are arguably beneficial in Polynesia and parts of Micronesia, but the per capita impact elsewhere is minimal. Subsistence living is important, but most rural people are now firmly part of the money economy (between 15 percent and 90 percent of islanders live in towns) and natural resources are increasingly ravaged by overpopulation, commercial farming, mining, and deforestation. Some would find the comment about “modest effort” rather insulting.

The particularly worrying feature of the paradise myth is that it is believed—or found useful—by many Pacific island leaders. Traditional society is idealized. Chiefs look after their people; the extended family cares for its sick and elderly; there is no poverty. Or, if the existence of poverty is accepted, it exists only in pockets; the statistics are unreliable—more research and meetings are needed; it only affects the lazy, the old, widows, and the disabled. It is due to the breakdown of “traditional values” and the personal inadequacies of the poor. It is God’s will. Extending welfare assistance will only encourage laziness and dependence on the State. What is needed is economic growth to create more jobs and perhaps a little more welfare assistance. If the existence of poverty is finally accepted—as it is by an increasing number of people—it is not seen as “real” poverty; not like that in Asia.

Such thinking, which this author has called the “denial syndrome,” is a major impediment to pro-poor policies. One does not seek solutions to a nonexistent problem. To lay the myth to rest, it is necessary to show that on at least some indexes of poverty, the Pacific islands compare as badly as or worse than some Asian countries; that poverty is not new, and is now widespread in several Pacific island countries.

Four indicators are used to compare those Pacific island countries for which data are available with a selection of Asian countries. In Figure 27.3, the Human Development Index (HDI) of the United Nations Development Programme (UNDP) shows a composite score

Figure 27.3. Asia Pacific Comparisons: Human Development Index 1998



Source: UNDP (1999a).

for each country based on indicators reflecting quality of life. UNDP developed the HDI in response to criticisms that gross domestic product (GDP) per capita was an unsatisfactory measure of development and well-being. The figure shows the five largest Pacific island nations ranked between Cambodia and Bangladesh, with the worse index scores, and Malaysia with the best score. The HDI of PNG is comparable with those of Cambodia and India; Solomon Islands and Vanuatu had worse scores than Indonesia and Viet Nam; and Samoa a score worse than the Philippines and Thailand. The HDIs of the Fiji Islands and Malaysia are comparable.

Similar conclusions may be drawn from the infant mortality, safe water, and safe sanitation data shown in Table 27.1. Twenty-one nations and territories are shown in each graph. Five of the worst seven infant mortality rates were in Pacific nations; and four Pacific nations were among the worst seven with respect to safe water and sanitation. Within the Pacific, Melanesian countries other than the Fiji Islands, and the Micronesian Kiribati and Federated States of Micronesia (FSM), generally had the worst ratings.

The data show, beyond reasonable doubt, that on these surrogate measures of poverty the situation in many Pacific countries is as bad as—or worse than—that in many Asian countries. They also show how misleading it is to generalize about the Pacific islands, treating the many islands as if they were a single entity. If these two points were more generally recognized, we would be one important step closer to dealing with the problems of poverty.

Table 27.1. Asia Pacific Comparisons

Infant Mortality Rates/000		Safe Water (percent)		Safe Sanitation (percent)	
Cambodia	89	FSM	22	Viet Nam	16
PNG	77	PNG	31	PNG	25
Kiribati	62	Viet Nam	50	China	26
Philippines	45	Solomon	64	Cambodia	26
Solomon	44	China	65	Solomon	34
Tuvalu	40	Cambodia	65	FSM	41
Viet Nam	37	Kiribati	75	Fiji	49
Vanuatu	37	Philippines	76	Kiribati	49
China	33	Nth Mariana	80	Palau	57
Cook Is.	31	Thailand	80	Philippines	67
Thailand	26	Fiji Is.	81	Thailand	70
Marshall	25	Marshall	82	Marshall	78
Samoa	21	Samoa	85	Tuvalu	79
FSM	20	Vanuatu	87	Nth Mariana	80
Fiji Is.	17	Malaysia	93	Tonga	85
Nauru	15	Australia	99	Vanuatu	91
Palau	11	Tonga	100	Malaysia	98
Tonga	10	Palau	100	Samoa	98
Malaysia	10	Nauru	100	Australia	99
Nth Mariana	7	Cook Is.	100	Nauru	100
Australia	5	Tuvalu	100	Cook Is.	100

Notes: Pacific islands in bold. FSM = Federated States of Micronesia; Nth Mariana = Northern Mariana Islands; PNG = Papua New Guinea.
Source: UNICEF, WHO (most recent data).

3. Poverty is Not New to the Pacific Islands

Statements by Pacific island governments and overseas “experts” often infer that poverty is a recent development, hence the absence of earlier official recognition and action. There can be little doubt, however, that subsistence poverty is a permanent or periodic feature of many traditional Pacific societies. In more recent times, churchmen, academics, some non-government organizations, and the media have been reporting one or more manifestations of poverty for at least 30 years.

Some examples from my own research may illustrate the point:

- In Tonga (1966), exceptionally high urban male unemployment and landlessness in the capital, Nuku'alofa, were noted (Walsh, 1966).
- In Niue (1978), village studies showed supposed rural “affluence” and income equality to be illusionary. Large income differences were found to exist between and within villages; one third of households earned less than NZ\$200 a year, and poverty in two thirds of village households could be traced to emigration and insufficient and irregular remittances (Walsh, 1978a).
- In the Fiji Islands (1978), the commonly held view that poverty affected only Indo-Fijians and recent urban migrants was shown to be false. Of the urban squatter settlements studied, between 22 percent and 51 percent of households earned less than F\$40 a week, and no significant ethnic or residential history difference was evident (Walsh, 1978b).

These findings, and many others, point to high levels of poverty in some Pacific countries. In the Fiji Islands, my squatter studies found support in the work of Knapman and Walter (1980); in the Eastern islands, Cameron (1983) and Stravenuiter (1983), who analyzed official government reports; Sugata's squatter survey (1984); and Bryant-Tokalau's study of urban low-income settlements (1992). Barr (1991) brought these studies and local and government department reports together, and appealed to governments and the churches to take action. I can think of no reason why the situation in the Fiji Islands would have been substantially different than in most other Pacific island countries.

4. More Recent Pacific Studies

The UNDP *Pacific Human Development Report 1999* (UNDP, 1999) contained the following information on poverty in Kiribati, Samoa, and Solomon Islands. A 1996 survey in urban Tarawa, Kiribati, found high levels of poverty, overcrowding, unemployment, and overdependence on imported food. The 1998 Samoa Household Income and Expenditure Survey found one in three households lacked sufficient income to meet their basic needs and “food deficiency” in nearly one half of the households. Several surveys in Solomon Islands during the 1990s reported big differences in household income, even after subsistence and gift exchanges were taken into account.

Major UNDP surveys in Micronesia (Palau, FSM, Marshall Islands) undertaken during 2001 were also expected to show high levels of poverty

In the Fiji Islands, Bryant-Tokelau (1993) found that 20 percent of urban households could not afford government-subsidized housing. Overcrowding was common and squatter and informal housing increasing. Urban youth unemployment stood at 30 percent; 50,000 children could not afford school fees, and some 65 percent of school dropouts were due to poverty. She saw poverty and insufficient quality food as the major reason why one in three women was anemic, and poverty as the main cause for the increase in sex work. The Government's tax-free inducements to overseas and local investors had resulted in the rapid expansion of the garment industry, but a majority of the jobs created, held mostly by women, paid wages 20 percent below the urban poverty line.

5. Poverty in the Fiji Islands

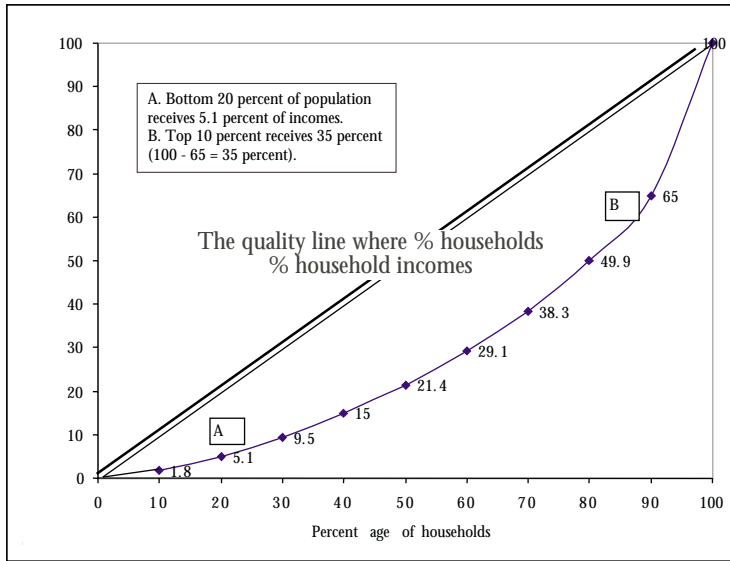
The facts on poverty in this paper derive from two analyses of household income and expenditure surveys, the first conducted in 1977, the second in 1990–91 (Stravenuiter, 1983; Ahlburg, 1995); a summary of many findings by Barr (1990); a UNDP/ Government report (UNDP, 1997); and this author's analysis of housing based on 1996 census data. While no more recent statistical information are available, the impact of "structural adjustment" policies and last year's coup will have caused the situation to deteriorate. The former resulted in cutbacks in government employment, the weakening of wage bargaining power and labor unions, and the introduction of a value-added tax on all expenditure, including the basic necessities of life. The latter caused a sharp decrease in investment, factory closures, and a sharp increase in unemployment, most especially in the tourism and garment–footwear export industry.

Although a low income does not necessarily equate with poverty, income from cash and imputed noncash sources has been used in the Fiji Islands to determine the proportion of households below the poverty line.

Income inequality in 1990–91 was similar to that in many Third World countries (Household Gini coefficient 0.46; per capita 0.49.). The poorest 20 percent of households received a bare 5 percent of the national income, while the richest 10 percent received 35 percent (Figure 27.4). Income inequality had increased 6 percent since 1977, and the value of real wages had dropped 38 percent.

Three household poverty lines were used in the 1997 analysis: food poverty (the inability to provide minimum dietary requirements), basic needs poverty (incomes less than the cost of basic food and shelter), and relative poverty (less than one half of the average household income). Different minimum income requirements were established for urban and rural areas, and, because of dietary differences, for Fijian and Indo-Fijian communities.

On the basis of these figures, between one in 10 households (Food Poverty), one in four (Basic Needs Poverty) and one in three (Relative Poverty) were found to be below the

Figure 27.4. Marked Income Inequality: Household Distributions 1990–91

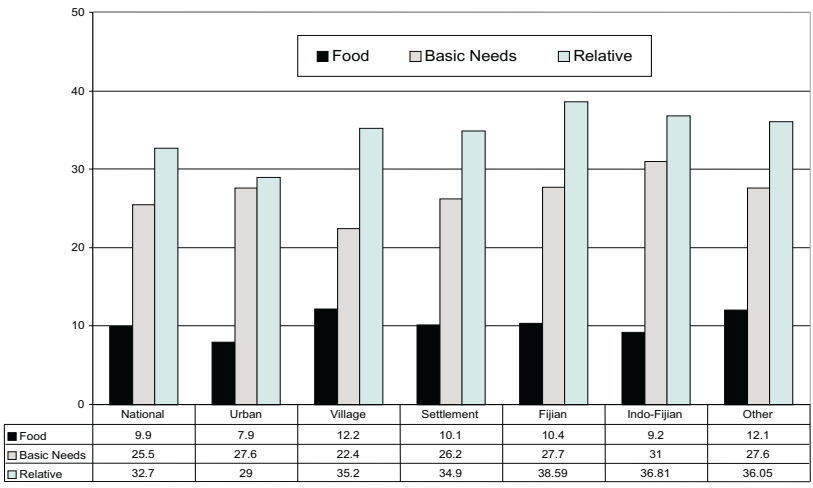
Source: UNDP (1997:17).

poverty line in 1990–91. Figure 27.5 shows the three poverty lines for ethnicity and urban areas, rural Fijian villages, and rural Indo-Fijian settlements. The “other” population is of special interest because, while it includes generally wealthy Europeans and Chinese, and often poor part-Europeans, it also includes the invariably poor, marginalized Solomoni, descendants of 19th-century indentured laborers from Solomon Islands, and their Fijian wives (Halapua, 1993). Although at least half-Fijian, by custom they have no rights to customary land. This community merits special government attention.

The middle measure—income needed to meet basic needs—is used in the subsequent discussion. Figure 27.6 shows that at least 40 percent of households were poor or almost so. Of these, 10 percent were “destitute,” 15 percent were “poor,” and 15 percent, with incomes only a little over the poverty line, were “vulnerable” to poverty. With little or no savings, any loss of employment, ill health, or death or marriage in the extended family would tip these households into at least temporary poverty. Many households were not much better off: one half had annual incomes under \$6,300, 70 percent under \$10,000, and 80 percent under \$13,000. The near absence of a “middle class” in the Fiji Islands seriously limits government revenue opportunities.

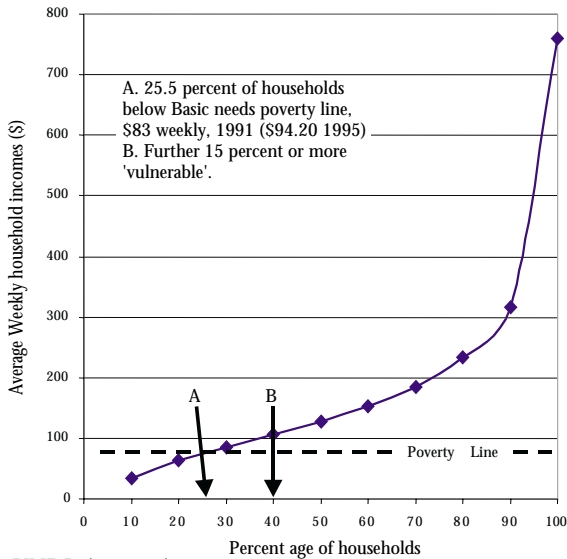
Contrary to popular opinion, considerably more income inequality occurred within the Fiji Islands’ major ethnic groups than between them (Table 27.2). The average income of Indo-Fijian households was higher than that of Fijian households, one half the Indo-Fijian households (deciles 1–5) had lower incomes than their ethnic Fijian cohorts. Indo-Fijian households in deciles 6 to 9 were a little better off. The “great leap upward” occurred for both ethnic groups in decile 10, where the richest Indo-Fijian households averaged \$914

Figure 27.5. Households Under the Three Poverty Lines



Source: UNDP (1997:32-34).

Figure 27.6. Poverty and Vulnerability



Source: UNDP (1997:17).

Table 27.2. Distribution of Household Weekly Income by Deciles 1990–91

	Fiji Is.	Fijian	Indo-Fijian	Employment		
				Agriculture	Self-Employed	Casual
1	33.71	38.1	32.4	15.3	0.4	11.6
2	63.73	67.7	60.8	27.2	0.9	16.7
3	85.67	89.5	81.6	39.2	1.5	13.8
4	105.45	107.9	101.5	48.0	1.6	12.1
5	127.62	126.7	124.2	52.7	3.5	11.0
6	152.22	147.8	152.5	68.8	4.5	12.4
7	183.85	175.3	186.7	72.6	7.0	14.3
8	233.51	217.6	240.6	94.9	9.4	17.3
9	316.01	288.5	327.9	115.6	17.6	18.7
10	760.2	537.1	914.4	183.4	271.3	27.8
	Less than or very close to urban poverty line			Less than rural poverty line		
Top x Bottom	22.6	14.1	28.2	12.0	678.3	2.4

Source: UNDP (1997).

a week and Fijians \$537, 28 and 14 times more than the lowest deciles. It is evident that Indo-Fijians are both richer and poorer than Fijians. A comparison of average incomes, in these circumstances, is misleading, and talk of rich Indo-Fijians and poor Fijians, as recent political events have shown, is more than merely mischievous.

The table also shows the proportion of households below the urban and rural poverty lines. For the employment types shown, 70 percent of households were engaged in agriculture, 90 percent of them were self-employed, and all casual workers were below the rural poverty line. Self-employed income levels suggest the limited extent of, and poor returns from, informal sector activity common in many Third World countries. While job creation is a pressing need in the Fiji Islands—most especially for the unskilled and for urban Fijian youth who, without employment, are prone to crime and acts of civic unrest—incomes need to be sufficient to meet basic needs.

Household characteristics more typical of the poor are often assumed to be major causes of their poverty. Table 27.3 shows nine characteristics of households with the lowest, next lowest, and top incomes. The figures cause no surprise, but they do merit two important observations:

First, on most items, there were significant differences between the bottom and next-to-bottom households. The difference appears to be between destitution and the lower rungs of poverty. Destitutes need “social protection” measures; the poor, more wide-ranging changes in the ways society is organized. In the Fiji Islands, this important difference is not always recognized.

Second, it is usual to point to higher levels of disadvantage in poor households. Thus, we may say that 12 percent of the poorest households had heads who were not working. It may be more helpful to inverse the figures and say that 88 percent were working; 81 percent were male heads, and 82 percent were married, and not widowed, divorced, or separated. At most, these charac-

Table 27.3. Some Characteristics of Poor and Rich Households

	Incomes		
	Bottom 10%	Next 10%	Top 10%
Number: Working heads	1.4	1.6	2.7
Children	1.5	1.7	1.8
Household Size	4.1	4.5	6.0
Head: Not Working	11.5	2.5	0.4
Female	19.3	11.1	6.8
Old 60 years	24.0	16.0	17.0
Young 20–34 years	30.0	34.0	17.0
Widowed	14.4		13.6
Separated/divorced	3.2		1.9

Source: UNDP (1997).

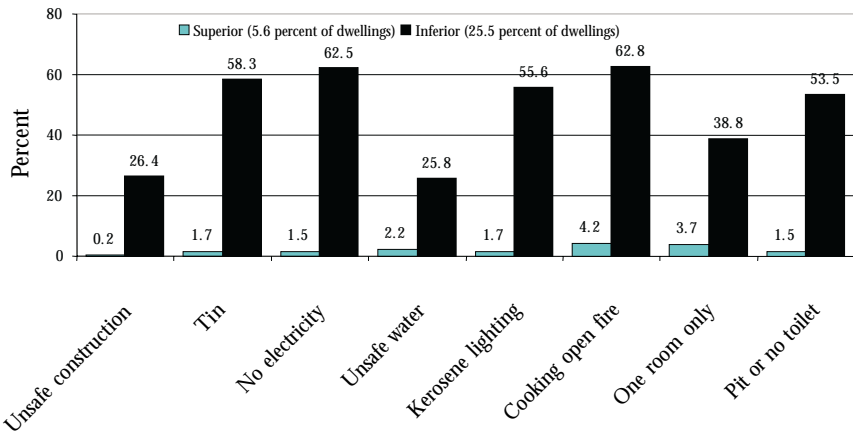
teristics contribute to poverty; they are rarely the cause. The “usual” presentation perpetuates unhelpful stereotypes of the poor, and takes attention away from the basic structural causes of poverty. The inverted presentation shows most poor households have social and demographic characteristics similar to the rest of the population.

Housing quality is an obvious and visible sign of both poverty and wealth. In the 1996 National Census, photographs were used by enumerators to place houses in one of five categories, from “superior” to “inferior.” Some 25 percent were classified “inferior”—the same proportion as households below the poverty line—and 6 percent “superior.” One quarter of the “inferior” houses were of unsafe construction; one quarter had an unsafe water supply, and one half or more had no electricity, unsafe lighting, no cooking facilities, and/or no toilet or an unsanitary toilet (Figure 27.7). Some housing features had improved a little since the previous census in 1986, but the rich-poor gap remained.

In sum, the economy grew by 25 percent between the 1977 and 1990–1991 HIESs, but the number of poor increased by 66 percent. The cost of improving the lot of the most needy had tripled, to 5.4 percent of GDP. Urban youth unemployment rose by 30 percent, and 20 percent of the “new” garment industry jobs paid wages below the urban basic needs poverty line. The Government’s Poverty Alleviation Fund, for some of the most destitute, accounted for slightly less than 1 percent of the budget.

As the situation deteriorated during the 1990s, poverty workshops and reports proliferated, but very little emerged from their efforts. The 1991 Poverty Task Force report went largely unheeded. Almost all the money needed for the 1997 UNDP/Government of Fiji Poverty Report (UNDP, 1997) was provided by the United Nations. Government negotiations with the World Bank for assistance with squatter settlement upgrading collapsed. The 1997 UNDP report has yet to have any significant impact.

Figure 27.7. Housing: The Rich-Poor Gap



6. Politics and Poverty

One cannot usefully discuss poverty in a political vacuum, for politics and government hold the key to its eradication. Race has been a major factor in Fiji Islands politics since independence in 1970, with two exceptions. The first was the election in 1987 of a left-of-center, multi-ethnic Government that promised, among other things, to expose corruption and patronage, and provide free health care, better working conditions for wage earners, free bus services after working hours for the elderly, and a greater share of land rents to ordinary Fijian landowners. A military coup, purportedly in support of ethnic Fijian interests, replaced this Government after it had been in power for four weeks.

During the next 12 years, government policies (in particular, structural adjustment, lower personal tax, a 10-percent value-added tax (VAT), and ethnic Fijian preferment) saw a widening of the income gap; massive emigration of professional and skilled Indo-Fijians, with a consequent rundown of health care, education, and other services; and increasing inefficiency and corruption. The National Bank of Fiji lost \$220 million of unsecured loans, an amount equal to 12 percent of GNP; and the Poverty Alleviation Fund's crime and squatter settlement upgrading funds were squandered or misappropriated. A new class of rich Fijians emerged, but little effective attention was given to "grassroots" Fijian concerns.

The second exception occurred in 1999 with the election of a second left-of-center multi-ethnic government. In six months poverty alleviation measures had been built into a five year plan; VAT was abolished on basic food, educational, and medical items; the "destitute allowance" was doubled; free education was extended to higher grades; national examination fees were abolished; a social indicator database was established for 6,000 ethnic Fijian villages; and a one-time payment of \$28,000 was made to evicted Indo-Fijian tenant farmers. In May 2000, government members were kidnapped in Parliament by armed men

backed by disgruntled sections of the Fijian “establishment” purporting—again—to be defending ethnic Fijian interests. The immediate and ongoing costs of the coup are likely to be \$1 billion in lost earnings.

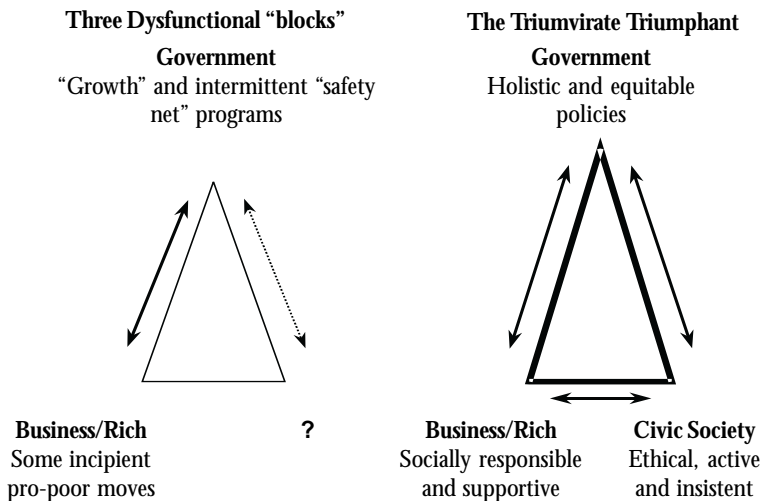
The double irony is that many poor Fijians supported this coup (which replaced a pro-poor government and could only help the Fijian elite), and business (which lost many millions of dollars in damage and lost earnings) could have removed much of the coup’s popular support if it had, over the years, been more attentive to the needs of the poor. The result is a “lose-lose” situation for those at opposite ends of the income spectrum. Any solution to the Fiji Islands’ many problems must seek a “win-win” situation for the poor and the rich.

7. Solutions

If the basic causes of poverty are structural, they are embedded in society. Poverty eradication, therefore, calls for a reexamination of the totality and purposes of societal structures.

If this position is correct, poverty cannot be eliminated by more investment, by economic growth, or even by more employment at subpoverty levels. Much more is needed. Poverty eradication presumes a more equitable society, and this will require fundamental changes in the ways the political, business, and civic sectors of society act and relate to each other (Figure 27.8).

Figure 27.8. Eradicating Poverty: Where We Are and Where We Need to Be



Equitable development requires

- A government of talent and imagination, committed to equitable development, whose members are motivated by ethical principles and public service. Racial politics, patronage, and corruption have no place in such a government.
- A business sector that is socially responsible and willing to assist the Government in its efforts to reduce gross class and regional inequalities. Those who are socially responsible should be rewarded with imaginative tax relief and other incentives. Recent political events in the Fiji Islands should amply demonstrate what business stands to lose from irresponsibility.
- A virile civic society, with participatory democracy at all levels. Religious and community leaders, the education system, and the media have critical roles to play if the people are to be able to make informed political choices. Some Fijians will tell you democracy is untraditional and not the “Pacific way.” In the Fiji Islands of the 21st century, such are the arguments of the misguided and those who stand to benefit from injustice and inequality.

In sum, poverty elimination requires a democratic government committed to sustainable, equitable development; a socially responsible business community; and a politically active, educated civil society. These conditions are attainable in the Fiji Islands—and in all human societies—but only after the present political crisis is resolved in a fair and democratic way.

We must come to understand at least two critical points. One is that humanity as a whole is moving rapidly towards a momentous crossroads where there will be no room for mistakes. The second is that we must break this vicious circle... while it still is possible to exert influence and some control over our destiny and future. That something fundamental is wrong with our entire system is quite evident, for even now humanity is unable to assure the minima of life to all its members. (Botkin, Elmandjra, and Malitza, 1979).

Suggestions for measures that could be undertaken by government, business, and civic society to assist the poor in Pacific Island countries are summarized next. Essentially, these call for “sensibly” equitable policies (fair to rich and poor), more socially responsible business, and an active, participatory civic society. Governments, business and the wealthy hold the key to poverty eradication. Research into the ambitions, behavior and concerns of the rich, and the financial costs of poverty, underachievement and crime, are needed to show the wealthy that they also should benefit from a socially more humane society. In the sort of society that the Fiji Islands has become, their life’s earnings, their property, and the personal security of their families are at risk. The poor and powerless have been studied enough. What is overdue are studies of the rich and politically powerful.

Specific measures to help the poor include measures to increase the incomes of the poor such as:

- Introduce a realistic minimum wage, especially for casual and seasonal laborers;
- Remove VAT on essentials;

- Develop community service and resource development jobs;
- Increase and widen access to poverty alleviation funds;
- Distribute more land rent money to “grassroots” Fijians; and
- Secure reasonably priced housing.

Increase Saving and Financial “resources” available to the poor by adopting microfinance, People’s Bank approaches, e.g., South Pacific Business Development, microfinance in Samoa.

Decrease Public Expenditure on regressive services and activities:

- Strengthen consumer protection;
- Insist on responsible advertising;
- Promote cheap, balanced diets;
- Reduce church and Fijian provincial levies;
- Abolish or income-related education and health costs; and
- Increase the stock of affordable, tenure-secure housing.

The governments of 1999 and earlier aimed to increased jobs; give the poor better access to employment and strengthen social protection (safety nets), but the 2000 coup interrupted these initiatives. Suggestions to improve governance in the Fiji Islands include:

- Establish a stable, democratic, open government that the military police will respect by setting up an efficient and honest public service, with promotion on merit; punishing corruption; and leading by example.
- Promote interracial and intercommunity trust through redress of ethnic Fijian (and Indo-Fijian) grievances; and use education and the media.
- Rethink Structural Adjustment and provide policy measures appropriate for the Fiji Islands.
- Institute pro-poor policies in all interventions to facilitate “reasonable” redistribution by researching the ambitions, behavior, and concerns of the rich; researching the financial costs of poverty, underachievement, and crime; showing how the rich may benefit by pro-poor policies; and rewarding socially and nationally responsible business (flexible taxation, “stick and carrot”).

Poverty eradication requires fairer income distribution; structural adjustment program redistribution (VAT, less personal tax, etc.) favors the rich. Suggestions for solutions in Fiji Islands by involving businesses and the wealthy include:

- Instituting government measures to increase available revenues and savings: Encourage “healthy” local and overseas investment; establish rewards for investing, reinvesting, and saving locally; strictly enforce prohibitions against tax evasion and corruption; and restore the graduated personal income tax.
- It is also necessary to institute government measures to redistribute income in favor of middle- and low-income earners: take new approaches to corporate and personal

income tax, e.g., top taxpayers might gain some control over direction and use; reward good employer-employee relations; set up rebates for above-award wages, profit sharing, etc.; see that gifts, grants to philanthropic trusts, research, reinvestments in Fiji Islands, etc., are not taxed; and set up public honors and awards for the socially responsible rich; and promoting socially responsible business practices, e.g., Business for Social Responsibility movement; professional organizations to help the poor.

Suggestions for solutions to poverty in Fiji involving civil society include:

- Setting up educational media codes to ensure citizen access to accurate information. Promote democratic participation at all political and community levels. Undertake nation rebuilding. Non-Fijians should accept “first nation” status for Fijians. Fijians should accept non-Fijians as full citizens and not just “visitors.”
- Cultivating active support by religious institutions for a fair and equitable society. Encourage Fijian chiefs and elites to dedicate themselves to serve their people. Cultivate responsible consumerism (e.g., Center for New American Dream). Enhance NGO cooperation and political involvement: real empowerment, not just welfare promotion. Seek foreign aid support for these goals.

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