

Fiji - No quick return to democracy

The military-backed government is defying international pressure to restore democracy swiftly. Though facing some threats, it looks as if it will hand over power at a time and in a manner of its choosing.

Coup leader and interim Prime Minister Frank Bainimarama said on 20 February that he planned to call elections that would restore Fiji to democracy in 2010. The elections couldn't happen earlier, he explained, because he first needed to complete an anti-corruption 'clean up' campaign, hold a population census and review electoral boundaries, and end race-based voting.

His statement came a day after a call from the Pacific Islands Forum, a regional body, for a different timeline and agenda: elections in 18-24 months and immediate restoration of civilian government. While stopping short of calling for the reinstatement of the government of deposed prime minister Laisenia Qarase, the Forum described the coup as unconstitutional and said the army should withdraw from politics at once.

Other countries are now having to come to terms with the fact that Bainimarama has established control over the country. He has gained the support of the Great Council of Chiefs and the Methodist Church, two key institutions which initially refused to give him their backing. Indo-Fijians making up 40% of the population of 900,000 have reportedly applauded his scrapping of legislation to grant amnesty to the indigenous Fijians who plotted the 2000 coup and to grant special land and sea rights to indigenous Fijians. Even among the broad populace, his agenda of equal rights and clean government is reportedly resonating, although many have deplored the way he grabbed power.

Pockets of opposition remain. Trade unions have been angered by the prospect of wage cuts and could mount strikes. The previous, deposed government has asked the High Court to declare the coup illegal. Amnesty International has highlighted the government's human rights violations - intimidation, arrests and beatings of critics; curbs on the judiciary and media; a death in custody. There has also been speculation about a possible counter-coup by military dissidents.

Meanwhile, the government's refusal to agree to a quick power handover as recommended by the Pacific Islands Forum will ensure its trading partners and aid donors maintain sanctions they imposed after the coup took place on 5

December. This plus a tourism downturn has already hurt the fragile economy - damping the sluggish growth rate and making the economy all the more vulnerable to setbacks. However, the sanctions are not comprehensive. They involve only a suspension from the Commonwealth; a travel ban on interim government members; cuts to military aid; and a scaling-back of, not halt to, economic aid. As such, the government may be able to preserve macroeconomic stability provided it runs cautious monetary and fiscal policies.

In that regard, on 2 March, it brought down a revised budget cutting outlays by F\$193m to F\$828m, including through a 5% pay cut for public servants. Duty and taxes on luxury goods have also increased sharply. In introducing the budget, Finance Minister Mahendra Chaudhry said, 'We are at a juncture where we either sink or swim as a nation.' He urged consumers not to be 'spending unnecessary money' and warned that currency devaluation would be necessary if foreign borrowing wasn't reined in.

For the time being, the interim government looks to be firmly in command and calling the shots. But one risk it faces is that the financial constraints on it and the wider economy tighten further. Reported threats by the EU to cut sugar industry restructuring aid would represent such a further tightening.