

Reviews of Irian Jaya, Papua New Guinea, and Solomon Islands are not included in this issue.

FIJI

The year 1999 marked the end of an era in Fiji's politics. Few events were more momentous and unexpected than the overwhelming electoral victory of the Fiji Labour Party and its coalition partners in May and the swearing in of Labour Party leader Mahendra Chaudhary as the country's first Indo-Fijian prime minister. With a new government taking office, there occurred an upheaval in Fiji's political leadership not seen since 1987. Exiting parliament were Prime Minister Sitiveni Rabuka and National Federation Party (NFP) leader Jai Ram Reddy, a veteran of Fiji's politics for the past quarter century. Also consigned to the political wilderness was the NFP itself, after failing to win a single seat in the new parliament.

The prospect of a general election in 1999, conducted under the provisions of the 1997 constitution, had always promised to make this a particularly interesting year. The introduction of open seats and the alternative vote electoral system compelled parties into forming multiracial alliances. In 1998 two rival coalitions emerged. The first combined the ruling *Soqosoqo ni Vakavulewa ni Taukei* (SVT) party with the Indo-Fijian based NFP and the general electors' United Generals Party (UGP). The other was a marriage between the mainly Indo-Fijian based Fiji Labour Party (FLP),

the Fijian Association Party (FAP), and the western Viti Levu-based Party of National Unity (PANU)—the so-called People's Coalition.

The partnership that had been forged between the SVT's Rabuka and NFP's Jai Ram Reddy during the review and promulgation of the new constitution flowed into other areas of cooperation. The parties agreed to a seat-sharing formula in early 1999 that would see the SVT contest all Fijian communal seats and 14 open seats, and the NFP all Indian communal seats and 11 open seats. The UGP was given all 3 general communal seats and 2 of the open seats allocated to the SVT. There was also agreement that in the event of a SVT-NFP-UGP victory Rabuka would become prime minister, while Reddy would be deputy prime minister.

No such agreement on seat sharing or leadership was reached by the People's Coalition, a fact that was heavily exploited by its opposition in the election campaign that began in April. While the SVT-NFP-UGP presented itself as the more solid and stable coalition, it branded the People's Coalition "a sham" and warned voters that its members would fight over the position of prime minister if they won. To the People's Coalition, however, this was not an issue. The prime minister would be chosen once the results were in. The Labour Party also countered by attacking the SVT-NFP-UGP Coalition for not having a single campaign manifesto (unlike the People's Coalition). This exposed a fundamental weakness in the alliance between the

SVT and the NFP that Labour in particular was keen to exploit. With the SVT campaigning on its record in office, the NFP was faced with the dilemma of having to “go soft” on its partner’s policies, which it had previously derided while in opposition. Thus its campaign was confined to the more intangible and somewhat vague areas of multiracialism, forgiveness, and the new constitution.

The NFP also directed its fire at Labour’s willingness to allocate its preferences not only to its coalition partners but also to a newcomer on the campaign trail: the Fijian-based Christian Democratic Alliance or *Veitokani ni Lewanivanua Vakarisito* (VLV). This emerged as the “third force” in the election, fielding a number of prominent and well-connected Fijian candidates. They included a former army commander, Ratu Epeli Ganilau; a senior civil servant, Poseci Bune; and Adi Koila Nailatikau, the daughter of President Ratu Sir Kamisese Mara. While the VLV seemed torn between moderates and conservatives (especially on such issues as reactivating the Sunday ban and declaring Fiji a Christian state), it nevertheless stood united on its principal goal of unseating the ruling SVT.

In this it found common ground with the People’s Coalition, as evident in their exchange of preferences. Labour, FAP, and VLV put each other’s candidates ahead of the SVT-NFP-UGP candidates. The NFP expressed outrage at Labour’s tactics, branding the VLV as an extremist party and Labour as “devoid of morality.” Its campaign advertisements played heavily on what it thought was a vulnerable spot: “A vote for Labour is a vote for the VLV or the Christian party.” Commentators, though, described an “air of

unreality” surrounding the SVT-NFP-UGP campaign. While Reddy and Rabuka naively complained about the opposition “ganging up on them,” other candidates warned of a coup and bloodshed if the government lost (*SP*, 25 Apr 1999, 1).

The People’s Coalition, on the other hand, focused on the issues it believed really mattered to the voters: “land leases, corruption, unemployment, crime and poverty” (*FT*, 20 April 1999, 3). An ill-timed decision by the SVT government to proceed with the restructuring of the Civil Aviation Authority of Fiji, leading to the dismissal just before the election of four hundred workers who did not accept voluntary redundancy, provided powerful ammunition.

While it was expected that the election would reveal disillusion with the SVT (especially among grassroots Fijians) and that Indian voters would not be comfortable with the NFP’s alliance with the old enemy, Rabuka, most observers predicted that a win for the SVT and its allies was a foregone conclusion. So confident was the *Review* magazine, that its May edition published a cover story on “Our New Cabinet”: a Rabuka and Reddy-led government. In the absence of national opinion polls, there was little to go on. However, a Times-Tebbutt poll conducted in early May put Prime Minister Rabuka as preferred leader (at 26 percent), followed by the FAP’s Adi Kuini Speed (17 percent) and Chaudhary (15 percent).

Polling began on 8 May. With compulsory voting introduced for the first time, 437,195 voters were on the rolls (100,000 more than in the 1994 election). There were 304 candidates (including 10 women) from 16 political parties contesting the 71 parlia-

mentary seats. Twelve thousand officials were engaged to conduct the elections, which were estimated to cost F\$6.7 million. Not surprisingly, given the massive scale of the election and the new and unfamiliar electoral system, there were problems galore. The most common were names not appearing on the electoral rolls (one commentator dubbed this “the election of the missing names”), long queues and delays at polling stations, and the high incidence of invalid votes (which was seen to reflect voter confusion about the new system). Voters were given the option of voting “above the line” for one party only, which gave that party the right to allocate preferences, or “below the line,” where the voter numbered each candidate and thus allocated their own preferences. More than 90 percent of voters chose the “above the line” option.

Surpassing even its own expectations, the Fiji Labour Party won 37 of the 71 seats. Its coalition partners, FAP and PANU, also scored big wins (11 and 4 seats respectively). On the other hand, the SVT and the NFP suffered crushing defeats. While the SVT managed to hold onto 8 seats, the NFP, as noted earlier, did not win a single seat. The UGP secured 2 seats, the VLV won 3, the Fijian Nationalist Party (*Vanua Tako'lavo*) won 2, and Independents won 4. It was estimated that while Labour did not rely on preferences to secure its victory (it would also have won under the first-past-the-post system), the SVT's defeat was largely because of the preference system used against it by other parties.

The margin of the Labour Party victory not only gave it a free hand to form a government, but also led many to accept what previously had been

unthinkable: Mahendra Chaudhary for prime minister. As the *Fiji Times* editorialized: “Chaudhry deserves to be Prime Minister. A Fijian face would be a sham and would be seen as such by the whole nation” (*FT*, 19 May 1999, 6). The *Daily Post* called on Chaudhary not to be intimidated: “You have the mandate. The people are on your side” (*DP*, 21 May 1999, 1). With his party's endorsement, Chaudhary moved quickly to secure the president's support and was sworn in as prime minister on 19 May. He then offered one of two deputy prime ministerial positions to the FAP's Adi Kuini Speed (the other went to Labour's Dr Tupeni Baba).

In retrospect, Chaudhary's speed precluded what may well have been protracted and messy negotiations with his coalition partners, some of whom were openly hostile to his candidature. Both PANU and the FAP supported Adi Kuini and attempted to persuade the president not to recognize Chaudhary but to recognize their candidate instead. Ratu Mara's response, however, was unequivocal: “For the sake of the country” they should join the Labour government. Still smarting from what she described as Labour's “lack of sensitivity” for failing to consult with its partners on the prime ministership, Adi Kuini agreed to accept Chaudhary's offer.

In conceding defeat, Rabuka (who had won his own seat in Cakaudrove) warned the new government not to use its majority to implement anti-Fijian policies. While accusing Indo-Fijian voters of rejecting multiracialism and “bloc-voting” against the SVT-NFP Coalition, he also blamed a lack of Fijian unity for their defeat. At the same time he rejected a proposal that began to circulate soon after the

election for Fijian parties to form a “grand Fijian coalition.” “It is too late for that,” he said. “I won’t consider it because this will mean a return to racial groupings and racial confrontation in parliament” (*FT*, 18 May 1999, 6).

With eight seats in Parliament, Rabuka’s party was entitled to a place in cabinet, alongside the FAP and Labour. (According to the 1997 constitution all parties with at least 10 percent of parliamentary seats should be invited into the cabinet). In forming his cabinet, Chaudhary was perhaps relieved that the SVT put itself out of contention by making what he described as “impossible demands.” These included four key portfolios and Rabuka to be deputy prime minister. The 17-member cabinet that was announced on 22 May drew from four political parties and independents. In addition to Labour, cabinet posts went to its coalition partners, the FAP (3) and PANU (2). Chaudhary also secured the support of the VLV by offering it two key portfolios. The FAP was later given the Home Affairs portfolio, bringing its cabinet tally to four.

Of most significance to observers was the racial make-up of the cabinet: 11 Fijians and Rotumans and 6 Indo-Fijians. In terms of Fijian representation it was also seen to be a regionally balanced cabinet, although there was a conspicuous absence of anyone from the politically important provinces of Rewa and Tailevu. Perhaps alluding to the inclusion of the VLV’s Poseci Bune and Adi Koila Nailatikau, Chaudhary commented that the president, Ratu Mara, had “played a very major role in the naming of my Cabinet” (*DB*, 22 May 1999, 1).

As for the opposition, it was soon

evident that the SVT leadership had staged an internal coup by ousting Rabuka as party leader. The SVT reportedly blamed their loss on Rabuka’s multiracial platform and coalition with Reddy. He was asked to stand down in favor of known hardliner Ratu Inoke Kubuabola. According to Rabuka, “People thought that my conciliatory stance and my leadership of a racially based party in an inter-racial search for harmonious existence in Fiji were incongruous” (*Review*, Nov 1999, 17). He was not out of the limelight for long, however. In June, the Great Council of Chiefs elected him as its independent chairman, prompting Rabuka’s resignation from parliament. Ironically this was a post created by the council in an effort to limit the influence of the minister of Fijian Affairs, at that time Rabuka. To some observers, Rabuka’s move signaled a long-term plan to turn the Great Council of Chiefs into a new political force and focus for Fijian unity, one that would also be the power base on which he would build his political comeback.

Despite warnings of a Fijian backlash and some outbreaks of violence (including arson attacks and bomb threats), initial reaction to the new government was generally positive. A protest march led by Fijian nationalist Sakeasi Butadroka attracted only 150 people, a far cry from the heady days of the Taukei Movement in 1987. The widespread view seemed to be to give the Labour-led government a chance to deliver on its election promises. These included policies that targeted poverty and unemployment: stopping redundancies, removing the value-added tax from essential food items, providing financial relief for cane

farmers, reducing housing interest rates, and improving health and education services.

Among the People's Coalition policies to attract most attention was their commitment to a minimum wage. Manufacturers, in particular from the garment and textile sector, strongly opposed this policy and threatened major redundancies if forced to implement it. The industry employs about seventeen thousand people and accounts for Fiji's second largest source of exports (after sugar). By July, government policy had tempered somewhat, as Chaudhary announced plans for a minimum wage scheme as opposed to a minimum wage guideline of \$120 per week. According to the minister for Labour and Industrial Relations, the government did not want to "kill the goose that lays the golden egg" and would tackle the issue through consultation with workers and employers. The prime minister later stated, "We will not impose a national minimum wage without considering the ability of the sector to be able to absorb it" (*Review*, Dec 1999, 27).

The minimum wage issue was one of several economic policies that the government appeared to water down once in office. On stopping redundancies, the government was quick to direct the reinstatement of workers at the Civil Aviation Authority and its offshoot, Airports Fiji Limited. However it was subsequently blamed for causing 108 workers to lose their jobs just before Christmas at what was formerly the government shipyard (now called Shipbuilding Fiji Limited). It dropped Housing Authority interest rates, but did not apply this across the board as originally promised. It intro-

duced a 10 percent reduction in water rates, while proceeding with the privatization of the Fiji water authority. The value-added tax was removed from six basic food items, and import tariffs on some household and food items were lowered, but the government also announced plans to license rice importers, a move that would likely lead to a rise in the price of rice.

The first People's Coalition budget, handed down in November, was remarkable for its apparent turnaround in key areas. Instead of signaling a break with the past, Chaudhary as finance minister delivered a budget that many saw as continuing the economic policies of the previous SVT government. Described by some commentators as pro-business, the new budget defied expectations by not increasing taxes or duties, not abandoning market deregulation and asset sales, and not shifting the focus of government investment. At the same time, he increased spending on infrastructure, agriculture, health, education, and social welfare, mostly in line with election promises. One other sector to benefit was the military, which was allocated a 12.7 percent increase in its budget. The People's Coalition plans to finance its policies mainly by using capital from the sale of government assets, maximizing tax collection through better compliance, and cracking down on waste and mismanagement of government resources (*Review*, Dec 1999, 30).

The general reaction to the budget, especially of business leaders, was one of relief. However, concerns were raised about whether the budget went far enough to stimulate private-sector investment. There were also warnings

that if the government was to fulfill its social commitments, while containing public debt, gross domestic product would need to grow at around 6 percent for the next three years, a prospect that many thought unrealistic (*SP*, 7 Nov 1999, 5). The economic outlook in 1999 was nevertheless a lot brighter than in recent years, partly due to recovery of the sugar industry from drought, record tourism receipts, growth in garment exports, and earnings from gold. There were good prospects for new tourism investment, in particular hotel development. The economy was also benefiting from devaluation of the currency in 1998.

In its election campaign, the People's Coalition had made the economy its priority and, specifically, the problems of unemployment and poverty. Its grassroots support largely depended on progress in these areas. But two other pressing issues were the long-term future of the sugar industry in a free-trade environment and the vexing land tenure problem. Both were integrally related and, for the Labour Party, both were of critical importance to one of its main constituencies—the Indo-Fijian cane farmer. However, the land issue was also fraught with racial sensitivities and proved to be the government's Achilles' heel—the focus of opposition-fueled Fijian antipathy toward the government, as well as of conflict within the Coalition.

With its political survival and the long-term health of the economy dependent on the resolution of the land issue, the stakes for the government could not have been greater. It was therefore surprising and disappointing that in their first seven

months in office Chaudhary and his team succeeded in polarizing the debate even further, making the prospect for compromise and agreement ever more elusive. The prime minister seemed to get off to a good start in June, when he addressed the Great Council of Chiefs (becoming only the second Indo-Fijian after Jai Ram Reddy to do so). He promised close consultation and dialogue on issues of crucial concern to indigenous Fijians. In spelling out his government's approach to the land issue, Chaudhary indicated that he would continue with the previous government's policy of ensuring the use of Crown land by indigenous Fijians. The new government would also work closely with the Native Lands Trust Board (NLTB) and landowners in planning future land use policy.

What soon became clear, however, was that unlike the SVT government, the Chaudhary government was committed to retaining the Agricultural Landlord and Tenant Act (ALTA). This legislation provided for minimum (and maximum) thirty-year leases and was the framework under which most agricultural land was leased. But with most ALTA leases expiring at the end of the 1990s and in the first decade of the new century, the pressure was on to find a successor arrangement that accommodated landowners' needs as well as providing farmers with secure tenure.

The previous government's policy had focused on the resettlement of displaced farmers and had set up the Land Development and Resettlement Unit to either purchase freehold land or acquire leases on other vacant land. The SVT government, together with

the Great Council of Chiefs, had also endorsed an NLTB report that recommended that after leases expire, any new negotiations for leasing Fijian land should be conducted under the Native Land Trust Act. This legislation was seen as more beneficial to landowners than ALTA as it gave them flexibility in issuing rolling leases that had no minimum or maximum time-frame. In general, their policy favored a return of land to Fijians in order to provide them with opportunities for farming and employment creation.

After setting up an ALTA subcommittee to hold talks with the NLTB, Chaudhary announced in July that he was putting on hold the farmer resettlement program. The idea of a five-year moratorium was mooted, where farmers and tenants would be permitted to remain on their land until the future of ALTA was resolved (for Chaudhary this meant an amended version of ALTA being adopted by Parliament). The prime minister also proposed that farmers who did not want to be resettled after the expiry of their leases would be provided with a "rehabilitation grant" of \$28,000. Later in the year Chaudhary disbanded the Land Development and Resettlement Unit, citing dubious deals and waste of public funds. In its place the government planned to establish a Land Use Commission, which would develop and implement policy for ensuring the long-term and productive use of all available arable land.

These moves triggered angry responses from some landowners and high chiefs. A major landowner in Ba province warned that landowners would "die fighting" to keep their

land. Fijian political parties also rejected any attempts to extend ALTA leases, saying they would "resist, by force if necessary, any such unlawful attempt to deprive [Fijians] of their last valuable asset" (*FT*, 10 Aug 1999, 3). A September meeting of the Great Council of Chiefs discussed the government's submissions on land. It reaffirmed its call for future leases to be based on the Native Lands Trust Act, arguing that ALTA was no longer tenable, being inequitable to landowners. It also rejected the idea of a Land Use Commission. By year's end the situation seemed to have deadlocked.

With the land issue stirring up Fijian hostility toward the government, talk again surfaced of a "grand Fijian coalition," based on Fijian political parties. The main proponents appeared to be the FAP backbencher Ratu Tu'uakitau Cokanauto and SVT leader Ratu Inoke Kubuabola. Ratu Tu'uakitau, who had won his seat on a recount, had emerged as a vocal critic of the government and of Adi Kuini's leadership of the FAP. Among other things, he claimed that Adi Kuini had compromised the party's position by accepting only four cabinet posts and that she did not consult the party on its senate nominees. He also criticized government policies, taking the SVT line that it was "not a government for the Fijian people." In September he was elected party leader by an FAP executive meeting, but Adi Kuini applied for a judicial review, which she won, and was subsequently reelected party leader by the FAP's annual general meeting. The split in the party executive was between FAP cabinet ministers who supported the Coalition, and FAP backbenchers who

acted more like opposition members. Early in the New Year (2000), Ratu Tu'uakitau took advantage of Adi Kuini's absence overseas, where she was receiving medical treatment, and his position as acting party leader, to threaten to pull the FAP out of the Coalition.

The FAP was not the only Coalition partner to suffer internal conflict. PANU's leader, Apisai Tora (who had lost his seat in the election), also backed the concept of a "grand Fijian coalition" and had agitated against the Chaudhary government since its election. In September he called for PANU's four members of Parliament to withdraw their support for the government. Instead the members succeeded in ousting Tora as party leader, electing in his place the minister for Youth, Sport and Employment Opportunities, Ponipate Lesavua. The four PANU parliamentarians reaffirmed their support for the Coalition.

The prospects of a "grand Fijian coalition" emerging as a real threat to the government appeared limited, for now, by the desire of Fijian cabinet ministers to keep their jobs and the lack of any clear leadership of such a coalition. However what remained a weak spot for the government (and a potential source of trouble) was the perception of the Chaudhary government as being "not for Fijians." An end-of-year assessment of the prime minister was that he had not shown enough sensitivity to Fijian protocol; nor had he "reached out" enough to the Fijian chiefs, in particular over the land issue (*Review*, Jan 2000, 20-22). So suspicious had landowners become of the government that it was impossible to hold a rational debate about

the future of land, despite the merits of the government's proposed Land Use Commission. It did not help when Deputy Prime Minister and Labour stalwart Tupeni Baba, in an interview with the *Fiji Times*, admitted that the government needed to be more careful in the area of Fijian tradition. He also acknowledged that some Fijian civil servants felt marginalized by the transfers and appointments made by the new government.

Some of the blame for this problem lay with Chaudhary's leadership style and his tendency to not consult or take advice. As was remarked on a number of occasions, Chaudhary tended to run his government the same way he ran a union or a political party: with an iron fist. Although by no means the first prime minister to be branded arrogant, Chaudhary proved extremely intolerant of criticism, and his relationship with the media at times bordered on open warfare. He also showed a stubborn disregard for good public relations, stirring controversies over such issues as the appointment of his son to be his private secretary and renovations to his private home paid for by the government.

In a revealing insight, Chaudhary described former Singaporean Prime Minister Lee Kuan Yew as a visionary and leader he admired. "Some people say he is a dictator. But he is a strong leader and he has delivered" (*Review*, Jan 2000, 25). Whether or not Chaudhary and his government deliver remains to be seen. There is no doubt that Chaudhary has engineered a historic electoral victory and political realignment in Fiji. With an end-of-year approval rating of 62 percent, he has an unprecedented opportunity to

guide the country toward greater prosperity and a more promising future. The hope is that this opportunity is not squandered.

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NEW CALEDONIA

The year 1999 saw the first real test of New Caledonia's new governing statutes, based on the Noumea Accord of May 1998. Just before Christmas 1998, the French Parliament in Paris passed into law provisions that would irreversibly transfer powers to New Caledonia over the next fifteen to twenty years, allow for a local president to be elected by Congress, and also permit that legislative body to enact "laws of the country" (PIR, 23 Dec 1998), thus granting significantly more self-government in a transitional period of shared sovereignty. Highlights of 1999 would be the May elections and their impact, quasi-political labor union unrest, and debates about the future.

Some critics of the Noumea Accord had warned that it would empower anti-independence politicians from the multiethnic, industrial Southern Province (where the capital, Noumea, is located and 70 percent of the population lives) to make the new "laws of the country" and thus would relegate

the nationalist parties to a minority, opposition role in Congress (MacLellan 1999). Rock Wamytan of the *Front de Libération Nationale Kanak et Socialiste* (FLNKS) and Jacques Lafleur of the loyalist *Rassemblement pour la Calédonie dans la République* (RPCR) had both heralded the accord, but for different reasons. Lafleur was pleased at assuredly forestalling independence during his career, while Wamytan was content with the concessions made short of independence, that is, increasing autonomy as a step toward decolonization. As the May provincial elections neared, gamblers lined up behind two emerging patronage systems, that of the FLNKS and the RPCR, while splinter groups took their own stands or crossed over the political divide.

The election results were more encouraging for the RPCR than for the FLNKS, but neither could claim a clear majority in the Congress. The RPCR won 24 of 54 seats, but Lafleur voiced disappointment that the right-wing *Front National*, which doubled its seats to 4, had kept his party from clear control by scaring people about the future. In addition, dissident loyalist Didier Leroux' *Alliance pour la Calédonie* won 3 seats (an increase of one) by campaigning against Lafleur's monopolism. On the nationalist side, the FLNKS won 12 seats, the *Parti de Libération Kanak* (Palika) 6, and Nidoish Naisseline's *Libération Kanak Socialiste* 1, for a total of 19 pro-independence seats. Dissident moderates from the nationalist camp had formed the gradualist *Fédération des Comités de Coordination Indépendantistes* (FCCI) and won four seats, which provided Lafleur with the ally he needed to form the requisite

majority of 28 in Congress. He called the FCCI “a party of peace” (PIR, 11 May 1999).

In the provincial assemblies, the RPCR dominated the South, holding 25 of 40 seats, but the FLNKS and other nationalist parties kept control of the North (14 of 22 seats) and Islands (10 of 14 seats), perpetuating the quasi-partition of the country into two political camps that has tended to prevail for a decade and a half. Former Northern Province President Leopold Joredié found himself in the opposition, as a representative of the FCCI, while Paul Neaoutyine, mayor of Poindimié, led the largest bloc in the North, that of Palika, which outpolled the FLNKS 8–6. In the Islands, the nationalists made enough gains to avoid power-sharing, as Naisseline had done with the RPCR after 1995, but in the South loyalist parties controlled all but 6 seats out of 40. French High Commissioner Dominique Bur assured people that his office would continue to “be the guarantor of public liberty, also of legalities” (PIR, 12 May 1999), despite a rather biased record of Parisian support for loyalists in the courts. *Les Nouvelles-Calédoniennes*, the local daily paper, called the elections a victory for both the RPCR and the FLNKS but also noted that the *Front National* had established itself in New Caledonia, having drawn votes away from other loyalists (NC, 10 May 1999).

Tensions emerged as the newly elected representatives formed a government. When Lafleur bragged in advance that his coalition would make the anti-independence mayor of Noumea, Jean Lèques, president of the executive, Nicole Waia, the out-

spoken head of the radical Kanak station Radio Djiido who had just won a Congressional seat, proposed that the presidency rotate between the RPCR and FLNKS (PIR, 13 May 1999). Lafleur’s prediction about Lèques was accurate, and the RPCR-FCCI took 7 of the 11 seats in the new cabinet, including economics, education, and labor, while the FLNKS received only 4, such as health and culture. The vice-presidency went to Joredié of the FCCI. Wamytan immediately accused the new government of “drifting away from the spirit and the letter of the Noumea Accord” (RAN, 31 May 1999), and he also criticized Joredié’s position, arguing that the FCCI was not a true independence party. Raphael Mapou, former Palika leader and now president of the FCCI, retorted that the FLNKS “has fulfilled its historical mission. Today the challenge of the Noumea Accord is to move on, to bring people together.” He justified the FCCI-RPCR alliance, saying it would bridge the two sides and change people’s attitudes (PIR, 7 June 1999). When the dissident FCCI first organized a year earlier, Mapou had accused the FLNKS of losing touch with its base, since the goal of a Kanak socialist state was “no longer relevant in the current political context [and] too abstract” (ABC, 19 May 1998). Sadly for the FCCI, Vice President Joredié ended 1999 under a cloud of financial scandal, for nepotism during his tenure as former FLNKS president of the Northern Province (NC, 13 Dec 1999).

The new government began meeting in early June, but French Minister of Overseas Territories Jean-Jack Queyranne swore it in officially on

21 June, hailing it as a step toward decolonization, as the territory builds its own identity in the region, apart from France (PIR, 21 June 1999). A few days later, Thierry Lataste replaced Bur as French high commissioner, a promotion after two years of service under Bur in New Caledonia (NC, 24 June 1999). The French National Assembly allocated the equivalent of more than one billion US dollars to be spent in its overseas departments and territories in 2000, an increase of 3.6 percent over 1999. Queyranne explained that the French state would not withdraw from its dependencies simply because “autonomy becomes more prominent” (PIR, 19 Nov 1999). In Honolulu in September, French Ambassador Pierre Garrigue-Guyonnaud, permanent secretary for the Pacific, announced that his goal was to expand French engagement with the Pacific via its territories. In the 1980s, New Caledonia had been “stumbling around in crisis, bumping into walls,” he said, but the Noumea Accord represented a consensual solution of shared sovereignty (Garrigue-Guyonnaud 1999). France had agreed to continue funding training courses and personnel exchanges with Vanuatu (PIR, 29 Mar 1999), and it sent a thousand New Caledonian soldiers on a UN peacekeeping mission to East Timor (NC, 15 Oct 1999).

Meanwhile, the Melanesian Spearhead Group discussed arrangements to facilitate free trade among its members, which include not only four sovereign states but also the FLNKS. Spearhead foreign ministers voiced concern over “the level of involvement by Melanesians in the new New

Caledonian Parliament,” since the FLNKS held a minority of cabinet seats (PIR, 30 Mar, 29 June 1999). In August, delegations from both the South Pacific Forum and the United Nations visited New Caledonia to speak to the leading political parties about progress toward self-determination under the Noumea Accord. Wamytan complained to them about the lack of “collegiality” in the new government, but Lafleur claimed that the FLNKS and the RPCR were no longer adversaries but “partners” (NC, 20, 25 Aug 1999). France attempted to send New Caledonian President Lèques to Palau to attend the annual South Pacific Forum summit for the first time, but his French military plane broke down in Australia, leaving only Wamytan to represent his country at the Forum, though he was officially not allowed to speak because he was not head of state (NC, 5 Oct 1999). The FLNKS had been attending the Forum informally for thirteen years already, to pave the way for wider participation by the country in international organizations (NC, 6 Oct 1999). Despite Lèques’ absence, the Forum formally granted New Caledonia observer status at future meetings, based on its apparently clear path of advancement toward self-government (RAN, 12 Oct 1999).

These ongoing contradictions reached a peak in October, when the French Senate was due to vote on a constitutional amendment passed by the French lower house, the National Assembly, the previous year. The amendment would change French Polynesia from an overseas territory to an overseas “country” (without full sovereignty), allow New Caledonia

and French Polynesia to have their own citizenship, and limit the electorate that could vote in a future referendum on New Caledonian independence. The FLNKS wanted to freeze the electoral roll as of 1998, while the RPCR wanted a more liberal criterion of ten years' residence in New Caledonia (NC, 30 Sep 1999). Lafleur had already objected to French Polynesia's being allowed to become an overseas country, arguing that it would amount to "independence within France," adding, "If France pours so much money into French Polynesia, it should have control of it" (NC, 24 June 1999). He and Pierre Frogier, both RPCR members of the National Assembly, went to France to consult with Queyranne and Gaullist President Jacques Chirac. The posturing in Paris included a threat by Wamytan to pull out of the New Caledonian cabinet because the RPCR was failing to share power as the Noumea Accord prescribed (PIR, 1 Oct 1999), and a threat from Lafleur to resign from Chirac's metropolitan *Rassemblement pour la République* if the Caledonian electoral rolls were frozen. Lafleur told the press, "The Noumea Accord, that's me" (NC, 7, 21 Oct 1999), thus paraphrasing the famous seventeenth century claim by King Louis XIV of France that he was the state. After lobbying by both sides, the Senate passed the bill, defining New Caledonian citizens as having resided in the country for ten years before 1998, and Chirac called for the full French Congress to convene in January 2000 to give its combined approval to the measure (NC, 13, 27 Oct 1999).

Even more dramatic than the May and October politicking was ongoing

industrial action by New Caledonia's powerful labor unions, which in the past have often served to put pressure on political leaders to make progress. The year began with the arrest and imprisonment of four dock workers for instigating a militant blockade of Noumea's port during the campaigning for the referendum that approved the Noumea Accord in November 1998 (RAN, 28 Jan 1999). Sectors of intense union strike actions would include the nickel mining industry, commercial companies run by Lafleur or his family and friends, and the fire department, airports, port, and radio station. In mid-May, the Nakety nickel mine in the Northern Province was closed and occupied by local residents after the owners, the Ballande Group, laid off thirty workers. Rival villages blockaded the site, a mining company employee was shot by a sniper, and electric power was sabotaged, in what *Les Nouvelles-Calédoniennes* called a "tribal war" (NC, 8 Sep, 20 Aug 1999). In response, nickel truckers protested with sixty-three vehicles in Noumea's streets, on the same day that Noumea firemen demanded pay equal to that of their counterparts in France (NC, 11 Oct 1999). Meanwhile, a two-month strike paralyzed the domestic airport at Magenta, because the pro-FLNKS *Union Syndicaliste des Travailleurs Kanak et Exploités* (USTKE) objected to the hiring of a nonindigenous worker when young Caledonians who had been trained were unable to find jobs (NC, 10 June, 2 Aug 1999).

A broader pattern of strike actions against Lafleur's financial empire took on even more obvious political overtones. In June, the powerful *Union*

Syndicaliste des Ouvriers et Employés de la Nouvelle-Calédonie (USOENC), began a three-month campaign against three companies owned by Lafleur's family—Cellocal, Sotrapa, and Sofraplast, manufacturers of packaging and toilet products—because thirty-six employees had been fired. As strikers blockaded the companies and even Lafleur's political headquarters, occupied buildings, and chained them shut, Tontouta airport and the port also suffered blockades, and anyone who tried to cross the barriers was roughed up. Within a month, USOENC, USTKE and two other unions organized a general strike, and perhaps eight thousand protesters marched through Noumea to present a petition to the High Commission and the Employers' Federation, asking for more recognition and representation, as well as an increase in the minimum wage to the equivalent of US\$1,000 per month. Lèques, Frogier, and Lafleur all accused the unions of playing politics, and their leaders obliged by calling the general strike "historic." Didier Guénan of the USOENC told his people, "You have proved that in this country there are free men and women. New Caledonia will never develop if workers don't have their say" (NC, 9 July, 26 Aug, 8 Oct 1999; RAN, 11 June 1999).

After a court ordered that the protesters be removed, Lafleur climbed the barricade outside Cellocal, shouting "I'm President of this Province. This is like living under a totalitarian regime!" Guénan replied, "Look who's talking" (NC, 23 July 1999). In late August, a government-company-union settlement mandated that US\$300,000 be paid to the thirty-six dismissed

employees and that other jobs be found for them. Lafleur commented, "I'm tired. My fighting spirit is intact, but I'm 66. And I'd like to have time to play the piano, paint, visit Central Europe. . . . Already, I don't chair the Southern Province's sessions any more, and I'm tired of the National Assembly meetings in Paris." He named Frogier as his preferred successor (NC, 30, 31 Aug 1999). Then a strike led by USTKE at Radio France Overseas antagonized not only the RPCR and the French state but also USOENC. After initial protests in September, USTKE shut down the radio station for a week in October, because three Kanak employees had been suspended for trying to prevent a conservative businessman from expressing his views on a live talk show, thereby raising a number of difficult issues. When Radio France Overseas rebroadcast the show, but also agreed to suspend its disciplinary actions pending a court ruling and to encourage the promotion of Kanak workers at the RFO, both Lèques and USOENC objected strongly over the issue of freedom of speech and equal treatment for all races. USOENC closed down the station itself to show disapproval (NC, 27 Sep, 5–22 Oct 1999). In addition, tourism declined because of the strikes (NC, 8 Dec 1999).

The latter part of the year saw planning to implement the transfer of power from Paris to the territory, including primary education, labor relations, external trade, and mining (NC, 20 Aug 1999), but the cost of such devolution to local agencies meant that revenues had to be increased. In December, the Congress reinstated a defunct general tax on

services of 4 percent, as well as a general tax on imports (NC, 8 Dec 1999). Economic indicators remained fairly robust despite all the industrial actions: an increasing money supply yet low inflation (PIR, 13 Jan 1999; NC, 31 Aug 1999), optimism by foreign investors due to the Noumea Accord, the recovering nickel market, and the prospect that the world's largest deposit of natural gas may lie in local waters (PIR, 29 June 1999, BH 1999; RAN, 10 Nov 1999). Meanwhile, the new sixteen-member Senate of traditional chiefs began its task of articulating and safeguarding Kanak identity, including land settlements (NC, 30 Aug 1999), and the Congress passed its first "law of the country," aimed at reducing health costs (NC, 20 Oct 1999).

There were some encouraging signs of national reconciliation and local autonomy in 1999. The French University, for example, separated from its parent in Tahiti and entered into cooperative arrangements with universities in Fiji and Australia (RAN, 9 Feb 1999); tales from Wallis and Futuna, whose migrants make up almost 10 percent of the local population now, were featured along with Kanak storytellers at the Jean-Marie Tjibaou Cultural Center (PIR, 19 Aug 1999); and a multiracial Green Party formed to address growing environmental issues in New Caledonia, such as strip-mining (PIR, 2 Feb 1999). In addition, the names of Kanak soldiers who fought for France in the world wars will be added to those of European residents on the War Memorial monument in central Noumea, and letters from World War I soldiers (half of whom were Kanak) were shown at

the Noumea Museum (NC, 7 June 1999; PIR, 12 Nov 1999). Some controversy arose over whether to rename Possession Day, celebrated every 24 September to commemorate the first landing by the French and their claim of annexation in 1853. Moderate Kanak on the new Citizenship Commission wanted it called Citizenship Day, but the local Council on Indigenous Peoples opposed the change, as a reminder to everyone of the colonial legacy (NC, 21 Sep, 1 Oct 1999).

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VANUATU

1999 has seen the consolidation of political events in Vanuatu from the mid-nineties onward. It began with sadness for Vanuatu with the death of Father Walter Lini in February. He had suffered a stroke in 1987, but had

remained active in politics, and at the time of his death was the leader of the opposition. In order to understand Vanuatu's current political situation some awareness of the historical political alliances within Vanuatu is necessary. It is therefore appropriate to begin a consideration of 1999's political situation with a brief review of Lini's role in politics from the founding of Vanuatu.

Lini had been instrumental in Vanuatu's struggle for independence, and, as leader of the Vanua'aku Party (VP) had headed a stable government until 1987. The party's major opposition came from the Union of Moderate Parties (UMP) which was formed by the union of several small francophone parties. These parties were largely distinguished by their support bases, with the Vanua'aku Party attracting anglophone and the Union of Moderate Parties francophone voters. This francophone-anglophone divide continues to be a presence in Vanuatu's politics. After Lini's stroke in 1987 his leadership began to be challenged by Barak Sope, whose challenges to VP policy led to his dismissal from the cabinet. In late 1988 Sope broke from the Vanua'aku Party and formed the Melanesian Progressive Party (MPP). Instability and dissatisfaction in the VP ranks continued to grow and in 1991, following a vote of no confidence, Donald Kalpokas replaced Lini as prime minister and leader of the Vanua'aku Party. As a result Lini formed the National United Party (NUP). In the elections of 1991 the Union of Moderate Parties, headed by Maxime Karlot Korman, narrowly defeated the Vanua'aku Party and quickly formed a coalition govern-

ment with the National United Party.

Since 1991 the political situation has remained fluid, with politicians switching allegiances between parties fairly freely, to the detriment of governance. The only significant changes to the political parties since 1991 are Korman's formation of the Vanuatu Republican Party (VRP) in 1998 after rivalry between Korman and Serge Vohor, the leader of the Union of Moderate Parties, and the presence of members of Parliament drawing support from the Tanna-based John Frum movement.

The appointment of Vanuatu's first ombudsman, Marie-Noelle Ferrieux-Patterson, in 1994 resulted in the exposure of a number of scandals involving prominent politicians. As a result of these reports attacks on the position of ombudsman increased, with the Council of Ministers attempting to terminate her employment in 1997. Although that move was unsuccessful, after some legal scuffling the Ombudsman's Act was repealed. A new Ombudsman Act (no 27 of 1998) was passed in 1998, alongside a Leadership Code Act (no 2 of 1998). These new pieces of legislation can be used effectively to ensure transparent and accountable governance but have yet to be fully tested. In the middle of 1999 Ferrieux-Patterson came to the end of her term as ombudsman and was replaced by Hannington Alatoa. Since that time the office has been maintaining a lower profile, while the new ombudsman adjusts to his job.

The wrangle over the ombudsman helped to increase dissatisfaction in the government, and in early 1998, following an ombudsman's report detailing improper management

within the Vanuatu National Provident Fund, rioting occurred. This resulted in a state of emergency being declared. Money that was paid out of the Provident Fund after this incident led to increased liquidity in the economy. As a result a 20 percent devaluation of the vatu was announced by the Reserve Bank. Although this devaluation was immediately revoked, the resultant instability deterred foreign investors. It also had a significant detrimental impact on tourism, which is a major area of economic activity for Vanuatu.

In this very unstable atmosphere, the elections were held in March 1998. No party gained a clear majority, and eventually the Vanua'aku Party, headed by Donald Kalpokas, and the National United Party, headed by Walter Lini, entered a coalition to form a government with Kalpokas as prime minister and Lini as deputy. This coalition was stable until October 1998, when the National United Party was sacked from the coalition after alleged breaches of the coalition agreement. The Vanua'aku Party immediately entered into a coalition with breakaway members from the Union of Moderate Parties and two John Frum members of Parliament.

The year 1999 saw the continuation of a Kalpokas government, and continuation of policies that were committed to the furtherance of the Comprehensive Reform Programme (CRP). This program, endorsed by the National Summit in June 1997, is similar to many other structural adjustment programs in the Pacific Islands region. Its features include redefining the public sector and making it more efficient and accountable,

encouraging private-sector-led growth, and improving equity between sections of the population. The reform program is largely being funded by concessionary loans from the Asian Development Bank.

In accordance with this reform program various pieces of legislation were passed in 1998. Acts to increase efficiency and accountability in the public sector included the aforementioned Leadership Code Act. Acts that were passed in order to ensure effective financial management and responsibility, in both national and local governments, include the Expenditure Review and Audit Act (no 3 of 1998), the Public Finance and Economic Management Act (no 6 of 1998), and the Government Contracts and Tenders Act (no 10 of 1998). The government also underwent major restructuring in accordance with the Government Act (no 5 of 1998). Nine ministries were created, each with responsibility over a number of departments. This replaced a previous structure of almost thirty ministries, each with smaller responsibility. Each ministry is managed by a director general, who has a managerial rather than a political role. The number and role of political advisors has also been reduced. CRP also aimed to right-size the public sector by 10–15 percent, and by the end of 1998 one hundred and sixty-eight government employees had received redundancy notices (*QER*, Dec 1998). A Transition Unit, which aimed to support those receiving redundancy notices and provide retraining, was established and came to an end in 1999.

The most significant act to encourage private sector growth was the

Foreign Investment Act (no 15 of 1998), which established the Foreign Investment Board, whose purpose is “to receive assess and approve project proposals from foreign investors. This will be organised purely at a technical level to fast track applications of foreign investors” (*QER*, Sept 1998). It is made up of various government departments responsible for processing applications relating to foreign investment, and is essentially a “one-stop shop” for foreign investors to deal with. The taxation regime was also altered, with a value-added tax being introduced to Vanuatu. The Value Added Tax Act (no 12 of 1998) introduced a tax of 12.5 percent on most goods and services and became effective from 1 August 1998. Most import tariffs were reduced as a result of the new value-added tax.

While the Kalpokas government remained in power in 1999, the political front remained steadily committed to the CRP. The bulk of the political change instituted by Kalpokas’ government was implemented in 1998, making 1999 seem quiet. Taxation revenue fell by 7.3 percent in the first quarter of 1999 because of the introduction of the value-added-tax system and the reduction of import taxes, and continued to be lower than projected throughout the year (*QER*, March, June 1999). The revenue from overseas grants was also significantly lower than had been projected. The laws encouraging the private sector also seemed to affect the economy, with the level of foreign investment being satisfactory in the first half of 1999, sustaining levels of over 800 million vatu each quarter (*QER*, June 1999).

However, by the end of 1999 support for the Kalpokas government dwindled. In August four by-elections changed the balance of power. The opposition, led by Mokin Stevens, began expressing concern with the Kalpokas government, largely because it was “listening too much to foreign advisors” (*PIR*, 29 Nov 1999). On 25 November Kalpokas resigned in order to avoid a vote of no-confidence. Barak Sope, leader of the Melanesian Progressive Party, was elected prime minister and immediately announced a government composed of his party, the National United Party, the Union of Moderate Parties, the Vanuatu Republican Party, and the John Frum ministers. The new cabinet includes former prime ministers Serge Vohor and Maxime Carlot Korman, whose bitter rivalry within the Union of Moderate Parties in 1997 led to Korman forming his own party in 1998 (*PIR*, 30 Nov 1999).

Preelection and immediate post-election comments about there being too many foreign advisors in Vanuatu, and questions about the value-added-tax scheme raised some doubt as to the future of the reform program. In early December a petition calling for the government to get rid of the reform project, which had gathered six thousand signatures, was presented to Parliament. The immediate response by Sato Kilman, minister in charge of the Comprehensive Reform Programme, was that the petition was “an insult and an embarrassment, as the present Government is committed to reforming this country” (*TP*, 8 Dec 1999). Reducing the value-added tax to around 6–8 percent and reintroducing a turnover tax

remains a policy, however (*TP*, 1 Dec 1999).

Of further concern were statements made by Sope and directed at opposition leaders, journalists, and the public that conspiracy and treason are criminal offenses carrying a life sentence (*TP*, 15 Dec 1999). Although Sope's comments are not legally correct, there is some concern about whether freedom of speech will be interfered with by the current government.

Although the government appears to be stable at the moment, with a number of potentially volatile politicians in the cabinet, it remains to be seen how long this situation will last. The ousted Vanua'aku Party has also

been reported in the media as trying to rally support for a no-confidence vote against the current prime minister. As yet it is too early to see what effect the change in government will have on the economy, and whether this spells the beginning of another unstable time in Vanuatu's politics.

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