Public Sector Reforms in Fiji:
A Search for Appropriate Governance Structures

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Abstract

New Public Management has been uncritically prescribed as the post-bureaucratic model for both reforms and management in the public sector over close to three decades now. Fiji has followed the global trend and implemented public sector reforms beginning in 1985 through a process that has not been continuous largely because of changing political-economic imperatives. The results have been far from that anticipated for mainly three reasons: one, little thought has been given to the peculiarities of the context in implementing reforms within a “one-size-fits-all” framework; two, gaps and shortcomings in the New Public Management model have largely been downplayed and become pronounced in traditional contexts like Fiji; and three, the roles, motivations and ingenuity of the main players in the reform process have been underestimated through over-riding assumptions that prescribe removal of external/extrinsic controls and heavy reliance on intrinsic controls without prescribing any alternatives in the event of failure.

This research aimed to explore and critically examine the reasons why, despite the purported presence of many of New Public Management’s pre-requisites, public sector reforms have had limited success in Fiji. It focused on investigating and critically analysing the restructuring of one public enterprise into two entities in the aviation industry – this provided the main focus for primary research. In addition, the study also examined and critically analysed the civil service reform process in Fiji within the framework of New Public Management drawing on both primary and secondary data. The research found that in Fiji, reforms were influenced by an inward-looking, structural-functionalist, bias in national decision-making which provided a convenient cloak for vested interests who operated within the traditional Fijian system to capture the reform process and divert opportunities that arose from it to linked groups and individuals. Furthermore, the research found that the New Public Management model has inherent problems emanating from its internal inconsistencies as well as external tensions that arise from its unmodified usage in a traditional Pacific Island context like Fiji. It highlights that the political landscape in Fiji has changed from being bi-polar – with a largely ethnic demarcation – to being multi-polar with a plethora of interests that have emerged over a period of time. Thus any new macro-level proposals for governance will have
to factor in these changes, at both the macro and micro levels, in order to enhance its appropriateness within the context.
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Given the nature of the research, a wide cross-section of interviewees and informants were needed over a protracted period of time. A total of 50 people made themselves available and were interviewed over various periods of time – some more than once. Most of them are listed in chapter five while some forbade this acknowledgement in person – all of them were
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Declaration

I, Subhash Appanna, certify that this thesis:

- contains no material which has been accepted for the award to the candidate of any other degree or diploma, except where due reference is made in the text of the examinable outcome;

- to the best of my knowledge contains no material previously published or written by another person except where due reference is made in the text of the examinable outcome; and

- Where the work is based on joint research or publications, discloses the relative contributions of the respective workers or authors.

Signed

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Subhash Appanna (#1700405)
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1.0 Introduction

Amongst the South Pacific island nations that have had to confront the problems of low growth and high levels of wastage in the public sector is the country of Fiji (World Bank, 1998). In the public sector the new management style that has emerged in response to this is known as New Public Management (NPM). This attempts to introduce management structures, practices and principles based on the precepts of freedom to choose and freedom to manage. It finds its basis in the new institutional economics movement, which is grounded in: Public Choice Theory, Agency Theory and Transaction Cost Theory (Hood 1991; Boston et al. 1996). Public sector reform has thus become a worldwide phenomenon beginning in the early to mid-1980s. In Britain the “Next Steps” initiative, in the United States the Clinton administration’s attempts to produce a government that “works better and costs less”, in Australia the total revamping of the system of public finance among other changes, and in New Zealand the transformation of Government Trading Departments to either State Owned Enterprises (SOE) or privatised entities have led the public sector reform movement. Fiji has followed this trend with the same general aim of improving performance in the public sector.

Fiji has a:

Westminster type of government with political alignments being largely ethnic based…. This has prevented the two main communities from forging political bonds necessary for this type of democracy to work…. (Five) coups have been executed since Fiji attained its independence from Britain in 1970…. (The) “first three were ostensibly justified in the name of ‘indigenous rights’ against the ‘threat’ of ‘foreign domination’ by the Indo-Fijian community (Appana, 2005b, p.35).

The last two, have been justified in terms of providing a functioning democracy that provides equality of access to government and parity in weighting between different votes. The:

fallout from these coups has seen the development of a culture of political patronage and extreme unpredictability in public decision making (Lal & Vakatora, 1997).

In addition to five coups, Fiji has also had three constitutions in thirty years – in fact the constitution building process recommenced in 2012. This has meant that:

Ethnic-based socio-political demarcations, persisting traditional structures, political instability, and a relatively fluid constitutional framework have not helped in the development and maintenance of a strong public sector ethos, strong and respected public institutions of

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1 State Owned Enterprises, referred to here as SOEs are public sector companies that are expected to operate like private sector organizations with their own financial, human resource, etc. management systems.
accountability, and a tradition of robust public discourse necessary for the healthy functioning of a
democratic government…. (Truly) democratic institutions have thus not had the chance to develop
adequately in Fiji (Appana, 2005b, p.36).

There are a number of major factors and developments that have contributed to and distorted
this process. These are discussed later in this thesis. Of central significance to the arguments
developed here is the fact that these reforms assume a culture of service honesty, public
accountability, the pre-requisites of a competitive market mechanism and a vibrant
functioning democratic framework that allows contestability of public decisions with
recognition of the paramountcy of the rule of law – these have encountered major problems
in the country (Siegel, 1999).

In Fiji, reforms have taken place in a context that has been influenced by the unique kinship
based structure of society with the institution of the chief at its apex. This traditional political
power structure has afforded special privileges to chiefs and kinship linked individuals. On
the other hand, a sizeable immigrant Indo-Fijian population clamouring for an “equal”
political voice has provided a rallying point for Fijian unity and limited inclination towards
change. The Indo-Fijian voice has also led to resentments that prevent the Fijian
establishment from recognising and utilising the enormous pool of desperately needed skills
that they possess. This has tended to create an inward-looking structural-functionalist bias in
national decision-making which provides a convenient cloak for vested interests who operate
within the Fijian system. Indeed, the political economy perspective highlights that conflicts
of interest are an integral part of an economic system that interest groups constantly attempt
to influence. It studies the interplay of social forces, political power and economic policy in a
historical context. This thesis attempts to highlight these through an extensive literature
research plus a series of in-depth interviews with a number of key personnel involved in the
public sector reform process in Fiji.

This chapter outlines the main reforms that have taken place in the public sector in Fiji from
1970, when it gained independence, to 2006 when Commodore Bainimarama bequeathed Fiji
its latest attempt to find a functioning model of democracy for the country. In line with the
main focus of the thesis, the chapter attempts to link reforms to the main economic and
political agendas of the time within a changing political milieu. The attendant key economic
and political developments are highlighted to enrich the description of the context within which public sector reforms have been carried out. This chapter has therefore, been designed to understand what is covered in chapter three and make better sense of the theoretical literature covered in chapters two and four. It also allows an opportunity to better focus the argument(s) of the thesis before the methodology and data chapters that follow. The main primary research is focused, after all, on the 1998-2006 era when the public sector reform process had been captured to serve individual and connected interests rather than the interests of the country as prescribed by the reform model.

1.1 Public Sector Reforms in Fiji
Since independence in 1970, Fiji employed the commonly used post-colonial model of nation building and socio-economic development. There was a reliance on the public sector to promote growth. During most of the 1980s, Fiji faced a prolonged recession that demanded strong macro-economic measures. At the same time, however, the trend towards deregulation could not be ignored. Therefore from 1985 onwards, national policy in Fiji became characterized by an outward focus. A wage freeze imposed by the Alliance government in 1985 was the first substantive step towards public sector reforms in Fiji. This was seen as a necessary part of improving efficiency and reducing public sector costs. A subsequent change in government, partly fuelled by developments following the imposition of the wage freeze, led to a coup-de-tat in May 1987 by then Lieutenant-Colonel Sitiveni Ligamamada Rabuka. A period of extreme political uncertainty followed between 1987 and 1990 as attempts were made to drive Fiji back to constitutional government amid an extremely fluid political environment.

The 1987 coup also created a void in the public sector that had to be secured through rapid reaffirmation of the old and/or haphazard implementation of new structures and processes. In addition to this, the fact that the coup was outwardly justified on the basis of Fijian self-determination, led to a plethora of expectations being aroused among the ethnic Fijian (and connected) portions of the population. Prime Minister Rabuka’s fractiousd government had to constantly meet the capricious expectations of changing political alignments. This compromised considerably the tenet of public accountability as:
expectations of certain sections of the community as well as individuals had been raised and
cronyism, nepotism, patronage, etc. became the norm in the civil service (Lal & Vakatora, 1997, p.7).

The National Bank of Fiji (NBF) was featured prominently in efforts to meet the aspirations of preferred sections of the community (Grynberg, et al. 2002, p.46). It was used as a vehicle in this regard, and loans and special assistance schemes became part of the National Bank of Fiji portfolio. This haphazard social focus in a bank that had to underline its economic obligations first, led to a reported loss of some F$250 million (Review, November 1995).

When the National Bank of Fiji:

scam became publicly acknowledged in late 1995, policy makers had begun to see the possibility of covering the resultant F$250 million fiscal deficit via the sale of public assets proposed in government’s public enterprise restructuring programs (Grynberg, et al., 2002, p.47).

The restructuring agenda, therefore, re-emerged, partly because of the National Bank of Fiji problem, and in 1996 the Public Enterprise Act was enacted. This was the first attempt at bringing about public enterprise reforms in Fiji within the framework of New Public Management.

The 1987 coup also necessitated that systematic measures be taken to liberalise the economy and restore investor confidence. Not surprisingly, the main focus of reforms fell on public enterprises. Public enterprise reforms had to be undertaken in both the policy and management areas. The protective measures that aided government businesses gave them advantages over rivals, such as guaranteed access to credits and subsidies were reduced. Four public enterprises were commercialised and corporatized between 1989-1992 during this first phase of public sector reforms. These included: Fiji Post and Telecommunications Limited, IKA Corporation Limited, National Marketing Corporation Limited and Fiji Pine Limited. The initial phase was followed by a hiatus, as the hoped-for outcomes had not materialised. Two important policy documents were produced in 1992 and 1994 (Public Enterprise Unit 1992), but these lacked the thoroughness and comprehensive coverage of the Public Enterprise Act 1996.

At the same time, there appeared to be a lack of preparedness, confusion and apprehension among the main stakeholders on the attendant issue of deregulation. The ill-prepared private sector, some of which felt the effects of foreign competition for the first time and on which
government had come to rely acutely because of the political sensitivity of foreign capital in the aftermath of a coup, brought considerable pressure to bear on government. In an advertisement in *The Fiji Times* (9/11/95 p.11), the Fiji Manufacturers’ Association requested that the government:

- restore balance in the government’s deregulation policy
- create employment and protect local jobs
- enhance export of Fiji made products in line with government’s export led growth objective
- operate truly and fully within the provisions of the General Agreement on Tariffs and Trade/World Trade Organization treaty
- enforce and ensure fair trade practices within the ambit of the fair trade decree (Appana, 2011a, p. 54).

This helped prompt public enterprise Minister Isimeli Bose to question, ‘whether it is wise to open up deregulation and bring in things which undermine our own industry which employs our people’ (FT 21/10/96).

In relation to the possibility of Fiji becoming a dumping ground for imported sub-quality goods, the Department of Fair Trading admitted it did not have the skills and resources to follow up complaints on this issue (FT 21/10/96). Addressing the Fiji Council of Social Services annual conference on 17th August 1998, the Permanent Secretary for National Planning, Robin Yarrow stated the government’s position by pointing out that:

the reduction in size of government will not affect basic services provided to the people. A major aim of the reforms is to create a more efficient and effective government that costs the taxpayer less (Appana, 2011a, p.56).

It was thought that government would then be able to develop a focus on general policy development as well as on coordination, and be less involved in service provision (ibid, p.56). The reforms, it was argued, would also encourage the private sector and Non-Government Organisations to develop and provide enhanced economic opportunities (FT 18/08/98, p.5). This was the classic well-used rationale for reforms and did little to allay public fears and concerns.

From 1996, the policies of Rabuka’s *Soqosogo ni Vakavulewa ni Taukei* (SVT) government focused on private sector led development. In doing so it embarked on a series of programs that led to the establishment of Post Fiji, Telecom Fiji, Airports Fiji Limited, and the Civil
Aviation Authority of the Fiji Islands. In all, sixteen government departments and statutory bodies were re-organized or had undergone some sort of reforms (Department of Public Enterprises, 1998). In addition, another six were slated for some form of reform and eight had either already moved into (or were set to be moved) partly or wholly into the private sector. The SVT’s defeat at the May 1999 election and subsequent installation of the Peoples’ Coalition Government, under the leadership of former unionist Mahendra Chaudhry, meant that there was change in policy focus. Then it began to shift to quasi-privatisation or corporatization. This Government was subsequently, in May 2000, removed by another; this had further ramifications for public sector reform.

An interim government took over after the conflict of 2000, before elections took place in August 2001 and a new government was installed the following month. This new government renewed its commitment to public sector reforms and restructuring announcing that finance reforms would resume in Fiji. The Public Service Financial Management Reform (FMR) was reactivated. The aim was to target inefficiencies and wastage of public funds. An Asian Development Bank review in 1999 called for a slower pace than a 1998 schedule. The deferred *Public Finance Management Act* (1999) was also reviewed to align it with the *Public Enterprise Act* (1996) and the *Public Service Act* (1999) (DP 27/9/01). In his address on 29th September 2001, to the Fiji Employers’ Federation Annual General Meeting, Prime Minister Laisenia Qarase stated that:

We must have an intensive program of public sector reforms to improve the delivery of public goods and services and the allocation of resources. Under-performing public enterprises will be restructured and made more competitive and accountable. While the State will not privatize those public enterprises of national strategic importance like Airports Fiji Ltd, Government will sell some of its shareholding in selected companies like ATH (Amalgamated Telecom Holdings) to broaden public ownership and create more investment opportunities for indigenous Fijians and Rotumans (DP 30/9/01).

Prime Minister Qarase’s *Soqosoqoni Duavata ni Lewenivanua* (SDL) government, therefore, committed itself to further public sector reform. As one of the first major steps in this direction in September 2002, the *National Strategic Development Plan* was adopted. This

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2 Industrial disputes at Airports Fiji Limited and union opposition to the *Soqosoqo ni Vakavulewa ni Taukei* government’s reform program, helped to move public opinion against the government.

3 A number of token convictions followed, but some of the main identified protagonists remained in positions of influence until the 2006 coup of Bainimarama.
plan aimed to save government F$95 million a year from civil servant salaries for a period of three years (fijilive, 3/4/03).

Unfortunately, it was at this juncture (post-2000 coup) that a number of key personnel had consolidated their positions enough to have a virtually-direct influence on important decisions regarding the reform process. It was partly this, and an apparent inability of government to set effective procedures and processes, coupled with the inability of the electorate to influence conformity and transparency in government and public decision making, that led to the Bainimarama coup of December 2006.

At this point in time, a number of reforms have taken place, mainly via decrees because of the unelected nature of the government, but this thesis does not cover the Bainimarama era. It does however; use those reforms and emergent structures as well as programs to make proposals on what structures would best serve the island nation so that public sector reform could be better implemented in order to serve intended purposes. The motivation for this study thus comes from a close observation of and continuing frustrations with developments in the public sector reform process in Fiji. The aim is to use the experiences of the public sector reform process so far to propose appropriate governance structures so that future reforms in the public sector, as well as governance frameworks, in Fiji would finally help deliver in the manner expected for the struggling country.

1.2 Research Problem
Public sector reforms using New Public Management has faced major obstacles and difficulties both in the developed as well as developing contexts. Fiji offers a politically-charged small island economy context that has yet to be researched at the doctorate level. It also offers a context that has always involved democratic government as the backdrop for reforms, a prescribed necessity for effective public sector reforms (Christensen & Laegreid, 2001; 2009). This research aimed to explore and critically examine why despite the purported presence of many of New Public Management’s pre-requisites, public sector reforms has had limited success in Fiji. The study aimed to research the question “what are the appropriate governance structures for Fijian public sector reforms and public enterprise restructuring

4 The researcher has a number of publications in the area spanning over a decade.
using the New Public Management model?” To this end, it describes and analyses the restructure of the Civil Aviation Authority of Fiji into Airports Fiji Limited and the Civil Aviation Authority of the Fiji Islands in April 1999. The main aim was to identify and explore how underlying interests can redirect/distort stated intentions on a major national policy initiative such as the restructuring of public enterprises.

1.2.1 Research Questions: the following research questions were pursued in the course of this study:

*How appropriate is New Public Management as a model for Public Sector Reforms in Fiji?*

Here Civil Service Reforms and Public Enterprise Restructuring have been studied and analysed using a number of cases that have been studied by other researchers as well as one original research over a total period of eight months by the researcher. The primary research involved describing and analysing the restructure of the Civil Aviation Authority of Fiji into Airports Fiji Limited and the Civil Aviation Authority of the Fiji Islands in April 1999.

*How does the context influence public sector reforms in an island economy?*

The Fiji context is established and described in detail; this is then analysed extensively in relation to the reform process using New Public Management. The aim was to identify and explore how underlying structures and interests can redirect/distort stated intentions on a major national policy initiative such as Public Sector Reforms.

*Is there a post-New Public Management model for the developing island economy context?*

New Public Management has had mixed results as the model for reforms in the public sector. This thesis attempts to propose possible alternatives to New Public Management that would be more appropriate to the context and have a positive impact on the Fiji economy as well as those that may wish to emulate it.

The ensuing chapters are organized in the following manner:

**Chapter two** provides a literature review of the theory of bureaucracy. After attempting to define bureaucracy, it provides a critique of the model before making the all-important link
between bureaucracy and democracy as this is a key contextual component of the argument developed in this thesis. The chapter draws on major changes in contexts and circumstances as it traces how the bureaucratic model faced increasing challenges in the public sector where a modified public administration model provided the framework for administering the sector. It then delves to some extent in changes seen in the 1980s that were linked to a philosophical re-orientation in the rationale for resource allocation and public provision of goods and services, a need for resurgence in United States business and the business sector as a driver of national economic growth and the attendant need to reform the public sector. A link is then made between bureaucracy and the emergent model of management in the public sector - New Public Management – to illuminate the need and rationale for change and explain how New Public Management evolved out of the bureaucratic/public administration model. The chapter also attempts to investigate whether the bureaucratic model has really failed because of its nature in order to try to establish later whether it could be modified in ways other than New Public Management to serve its purpose in the developing island context.

Chapter three of this thesis traces historical developments that gave rise to the system of government and its attendant governance structures in Fiji right from colonization in 1874 through independence in 1970 and to subsequent coup-instigated attempts to reform and restructure constitutional frameworks to have a functioning democratic governance system. This is then used to link public sector reforms to changing political and economic agendas of different post-1970 governments. The chapter attempts to show that the political framework in Fiji has changed from being bi-polar – with a largely ethnic demarcation – to being multi-polar with a plethora of interests that have emerged over a period of time linked to political instability. It is this state of change that is highlighted in order to establish the general framework within which public sector reforms and public enterprise restructuring have been carried out in Fiji. It is also this framework that is used to show how the public sector reform process using New Public Management can be subverted to serve narrow personal (and linked) interests.

In Chapter four, the pressures for public sector reform and public enterprise restructuring are identified and discussed. This is followed by a detailed discussion of the use of reforms as a policy instrument and the rationale for restructuring. In focusing on New Public
Management, the chapter outlines what it is and how it works. It identifies and discusses its strengths and weaknesses highlighting in the process, institutional arrangements that are crucial for the introduction of New Public Management. The chapter then discusses how introducing it in a bureaucratic context creates additional problems because of a number of assumptions that do not stand up to scrutiny especially in a traditional island context. It is argued that New Public Management emerges through the traditional model of public administration; it is a variation, not a departure from public administration and this creates tensions that affect outcomes. In this regard, a strong case is made to show that New Public Management has confusions and contradictions that affect its implementation. The main focus of the argument attempts to evaluate whether the New Public Management model is theoretically suited for a traditional context like Fiji. A corollary to this is to try to establish whether the bureaucratic model could be modified in ways other than New Public Management to serve its purpose in the Fiji context.

**Chapter five** outlines in detail the methodology used to gather the data and analyse it. It justifies why the use of qualitative methods was best suited to the context as well as the study. Strauss and Corbin (1990, p.19) say:

> qualitative methods can be used to uncover and understand what lies behind any phenomenon about which little is yet known. It can be used to gain novel and fresh slants on things about which quite a bit is already known. Also, qualitative methods can give the intricate details of phenomena that are difficult to convey with quantitative methods.

All these qualifications are clearly applicable to the subject of this study as it involved extensive secondary research followed by informal interviews, formal interviews, and cross-analysis of findings from the different methods used to collect and sift through data. The chapter thus presents the theoretical rationale for the choice of methods and instruments used as well as a detailed list of and justifications for choosing the interviewees and sources who provided both formal and informal data for the research.

**Chapter six** presents the results of the research with in-depth discussions to illuminate and explain the public sector reform process in Fiji and how it was captured for pecuniary self-interest at the expense of the country. This chapter clearly shows how weaknesses and gaps in the New Public Management model can be used, influenced and exploited by key
personnel in subverting the whole public sector reform process in order to direct it for personal gain.

Chapter seven links key findings to theories in public sector reforms. Theoretical weaknesses in the New Public Management model as well as contextual assumptions are highlighted to help build a case for what should emerge as a post-bureaucratic, non-New Public Management model for better resource allocation, utilization and delivery in traditional contexts like Fiji. Proposals are made on how pitfalls could be avoided through a better coordinated and more contextually suited framework of governance for the small island economy.

Chapter eight concludes the thesis by highlighting key problems that have been encountered in the public sector reform process in Fiji.
2.0 Literature Review on the Bureaucratic Framework

2.1 Introduction
This chapter provides a literature review of the theory of bureaucracy. After attempting to define bureaucracy, it provides a critique of the model before making the all-important link between bureaucracy and democracy as this is a key contextual component of the argument developed in this thesis. The chapter draws on major changes in contexts and circumstances as it traces how the bureaucratic model faced increasing challenges in the public sector where a modified public administration model provided the framework for administering the sector. It then delves to some extent in changes seen in the 1980s that were linked to a philosophical re-orientation in the rationale for resource allocation and public provision of goods and services, a need for resurgence in United States business and the business sector as a driver of national economic growth and the attendant need to reform the public sector. A link is then made between bureaucracy and the emergent model of management in the public sector - New Public Management – to illuminate the need and rationale for change and explain how New Public Management evolved out of the bureaucratic/public administration model. The chapter also attempts to evaluate whether the bureaucratic model has really failed because of its nature in order to try to establish later whether it could be modified in ways other than New Public Management to serve its purpose in the developing context.

2.2 Theory of Bureaucracy
Literature on public administration, bureaucracy and how bureaucrats ought to behave were heavily influenced by Weber’s writings as well as thoughts from Confucius and Plato (Niskanen, 1971, p.6). The term “bureaucracy” has often been used either interchangeably with or incorporated in a wider concept of administration. Weber's rational-legal model of organisation (commonly known as bureaucracy) was considered to be technically superior to any other forms of organization at the time of its conception. Kamenka (1989) says that most of bureaucracy’s definitions arise through the use of wider theories to explain it. One value-neutral descriptive definition coined by Kamenka (1989, p.157) reads:

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\text{bureaucracy’ means a centrally directed, systematically organized and hierarchically structured staff devoted to the regular, routine and efficient carrying out of large-scale administrative tasks according to policies dictated by rulers or directors standing outside and above the bureaucracy.}
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This type of social organization was supposed to be characterised by centrally commanded devoted, specialised and competent staff, closely following rules and procedures to arrive at consistent impersonal decisions efficiently and without too many controversies. Functionally specialized routinisation in operations and predictability in decision-making were meant to lead to superior organizational performance. Weber’s rejection of using distinct universal concepts for the effective study of history shows that he saw bureaucracy as an ideal-type that would work itself out over time within the wider social context (Kamenka, 1989). Bureaucracy as a concept holds within it logical and practical relationships. These relationships have mutually supportive characteristics, attitudes, principles, and traditions that struggle to perpetuate the ideal type against changing internal as well as external stresses and contradictions. This is where the bulk of the criticisms and controversies about bureaucracy arise.

Beetham says that the main focus of studies on bureaucracy, regardless of the perspective of inquiry, falls on bureaucratic power and bureaucratic efficiency (Beetham, 1987, p.2). There are 4 main perspectives from which bureaucracy is studied: comparative government, political economy, public administration and sociology of organization. Each of these is considered here in an attempt to identify and highlight features, principles and concepts surrounding the bureaucratic model that are of particular relevance for analysing the public sector reform process in Fiji; and then evaluating the strengths and weaknesses of the model for public sector reforms in the Fiji context in conjunction with the New Public Management model.

2.3 Approaches to Bureaucracy

2.3.1 Comparative Government
In the 19\textsuperscript{th} Century, bureaucracy involved “rule by the bureau” where ministers were bureaucrats who answered to a monarch. Mill (1861) saw bureaucracy as the only serious alternative to representative government (Shields, 1958). The comparative government approach thus views bureaucracy as an alternative form of government. This study assumes that the governmental context is one of representative parliamentary democracy based on the Westminster model which places the bureaucracy as the executive arm of government. The
linkages with government are thus, from here onwards, viewed from the political economy, public administration and sociology of organization approaches to bureaucracy.

2.3.2 Political Economy
This approach is similar to public administration, but distinguishes organizations in terms of their source of funding as well as the economic environment in which they function (Beetham, 1987). This means that the central question that the political economy approach attempts to answer is: How are organizations financed and how does the form of financing affect the way they function? Bureaucracy is traditionally seen as a non-market organization that is financed by grants. Political economy highlights the centrality and preferability of the market for social coordination by placing the market before government as a provider of services. From this perspective the market is the main regulator; government intrudes only where the market cannot reach. And the market is considered preferable to government as a coordinator and controller of social relations:

since it involves transactions that are voluntary, lateral and decentralised, in contrast to the compulsory, hierarchical and centralized activities of government (Beetham, 1987, p.33).

This provided the rationale for the emergence of commercial activities in government provision of goods and services. It also bolsters the argument for introducing market stimulus into the workings of government organizations.

Thus the funding link of the organization is crucial for control as well as determining efficiency. This perspective highlights the crucial role that the source and context of financing plays in determining the efficiency of an administrative hierarchy (Beetham, 1987, p.28). In fact the funding link between the bureaucracy and government is a major avenue for exercising political control over bureaucracies. These types of hierarchies coordinate the internal division of labour and provide supervision against shirking. The market context is supposed to provide the ultimate discipline for organizational performance, and legislators are supposed to make decisions on fund allocations, as well as raise questions regarding their use. Ironically bureaucracies successfully combine shirking and “making work” because of the characteristic financing structure. Periodic departmental allocations are determined at the
political level in terms of size and number of projects proposed, thus organizational expansion rather than efficiency serves the interests of top bureaucrats.

The degree of involvement of government in public finance differs across countries (and departments) even though governments have continued to make attempts to increase their say in public spending (Schick, 1980; Nethercote, 1982). Governments are able to justify direct involvement in public spending in times of crisis as well as when requirements are placed by lending institutions and treaties and/or agreements that the government involved may be party to. The International Monetary Fund and World Bank policies on reducing expenditure and switching resources in countries that come in their ambit can be viewed from the political economy perspective as having a considerable impact on the size, structure and functioning of bureaucracies in these countries. In an interesting twist to government involvement in public financing, straight after the 2000 coup in Fiji, the interim government of Laisenia Qarase distributed some F$25 million worth of agricultural implements to largely those provinces that provided the most visible support to that coup. This was done in the lead-up to the 2001 elections, which was won by Qarase’s Soqosoqo ni Duavata ni Lewenivanua party amid much controversy.

On the other hand, the market has to be supplemented by two hierarchical forms of control and coordination. The political economy perspective distinguishes two contrasting methods of social coordination and control: markets and hierarchies. The market coordinates actions laterally via the price mechanism without affecting freedom (i.e. each player has equal status), whereas hierarchies coordinate actions vertically via consciously exercised authority and compulsion. From the political economy perspective, bureaucracies are seen to operate outside the market environment. An interesting and central characteristic of the market is that it carries with it its own impersonal/automatic system of rewards and penalties. This assertion has its controversies, but it is an essential starting point from which the political economy perspective develops its theory of bureaucracy. Beetham acknowledges that:

not all social life can be carried on according to relations of exchange, nor all economic activity by means of market relations (Beetham, 1987, p.25).

Thus the market has to be supplemented by two hierarchical forms of coordination: that of the firm, which operates within the market, and the government bureaucracy, which operates
outside the market. In the public sector, Public Enterprises are seen to operate within the market whereas government departments operate virtually free of its fetters. Beetham (1987, p.27) says that:

a necessary condition for the market to operate ( ) is a framework of legal compulsion, to guarantee the security of person and property, the integrity of contracts and the soundness of the monetary system.

These are essential parts of effective governance structures that are crucial for good governance in both New Public Management as well as any other attempts to introduce market discipline into the workings of government organizations.

Finally, the political economy perspective develops a theory of bureaucracy from an abstract conception of the individual without placing him in a context ie. the person is removed from time and space. This raises the question of peculiarities and differences that are likely to arise when the theory is tested in a particular context. The political economy perspective considers the individual as the primary unit of analysis and makes certain assumptions about human nature (rationality and self-interest). The individual is seen as a rational purposive agent who is motivated by self-interest. The organization is developed to serve the individual. It thus sees the development of the organization as an attempt to serve the individual. Thus organizations are understood in terms of their ability to serve the purposes of the individual from this perspective. On the other hand, the individual is seen as a purposive agent who seeks to fulfil his interests rationally through relations of exchange. Mutuality of rational self-interest guides the individual’s rationality, and relationships are established on this basis. This goes to some extent in explaining the efficiency-debilitating phenomenon of “bureaucratic empire building”, and parochial cooperation among rival bureaucrats for maximizing budgetary allocations. In fact, the predominance of the former Civil Aviation Authority of Fiji head (Jone Koroitamana) in its restructure (1999), and his role both during and subsequent to this, provides a clear example of this type of empire building orientation in a senior bureaucrat.

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5 The self-interest assumption about human nature is narrow, but provides a powerful explanatory starting point. This assumption is drawn from an economic context and one may be hard-pressed not to ask: Is it really relevant in understanding government and its bureaucracy?
Niskanen (1971) develops a theory of “supply” by bureaus. He bases this: “on a model of purposive behaviour by the manager of a single bureau” (Niskanen 1971, p.5). His Theory of Bureaucracy is consistent with the instrumental concept of the state ie. as an instrument of the preferences of its constituents. In developing his theory, Niskanen adopts the “compositive” method of economics as opposed to the “collectivist” method of sociology.6 Using the method of economics, Niskanen takes the bureaucrat as a “chooser/maximizer” rather than being a mere “role player”. The environment constrains his choice of possible actions; changes the relationships between actions and outcomes; and influences his personal preferences. In justifying his approach Niskanen says that:

the economist develops models based on purposive behaviour by individuals, not to explain the behaviour of individuals ( ), but to generate hypotheses concerning the aggregate consequences of the interaction among individuals (Niskanen 1971, p.5-6).

Thus he develops a theory of the behaviour of bureaucrats to explain/understand the workings of the bureaucracy. He makes a most pertinent point when he states that:

there is nothing inherent in the nature of bureaus and our political institutions that leads public officials to know, seek out, or act in the public interest (Niskanen 1971, p. vi).

It is this observation that the Public Administration approach to bureaucracy tries to address to a large extent.

2.3.3 Public Administration

This perspective of bureaucracy is developed in contrast to private sector management. It reserves the term bureaucracy for the public sector because it makes a qualitative distinction between public and private.7 Focus is on identifying differences and emphasizing the qualitatively different characteristics of bureaucracy that arise from being in the public sector eg. public accountability, public interest, public ethos, transparency, etc. According to this perspective, anything can be considered to be “public” if it affects society. The focus lies in the implementation of government policy so that it serves the interests of the community –

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6Hayek (1952) proposes the term “compositive” for the method of economics and “collectivist” for the method of sociology. He also prefers “telescopic” as a substitute term for the characteristic method of sociology as this method views social behaviour from far in both space and time.

7Beetham (1987, pp. 33-34) identifies the following meanings for “public”. One, anything that involves or impacts on society as a whole; two, anything that is carried out in the name of the public must come under public scrutiny and accountability; three, a form of administration that is carried out for the public according to some public ethos.
this is where the conduct of bureaucrats comes into question. Niskanen (1971) says that the ethical attitude that somehow it is wrong to profit from supplying public goods arose from and was reinforced within the bureaucratic model. “Public Service” has, therefore, acquired a meaning of its own that is to some extent different from the user-pay emphasis of New Public Management. This “ethical attitude” or public ethos is of particular significance in the absence of market discipline which is considered inadequate for dealing with the complexities of social life.

Downs (1967, p.25) says that:

the major portion of [a bureau’s] output is not directly or indirectly evaluated in any markets external to the organization by means of voluntary quid pro quo transactions.

This is a critical characteristic of the definition of bureaucracy developed in this chapter as the focus of study is on managing in the public domain. Recognition of the absence of market discipline in the operations of a bureaucracy helps highlight the importance of alternative regulatory measures. Thus in contrast with the political economy perspective, which sees the market as the predominant and more efficient regulator and coordinator of exchange, the public administration perspective considers the market to be inadequate in dealing with the complexities of social life. In recognising the importance of some sort of discipline in the absence of the market, it adds that public activity should be both transparent and publicly accountable, and that public administration is carried out “for the public” according to some public ethos. The term “administration” as opposed to “management” also has an in-built distinction. All these considerations appear to arise from the need to establish some sort of non-market controls on the functioning of the bureaucracy. There are a number of institutional and cultural/value elements involved that need closer scrutiny.

2.3.3.1 Regulatory control via public scrutiny and ethos

Political economy notes the absence of market discipline in the public sector, but does not see any other discipline that is unique to it. The public administration perspective however, identifies two sources of this: public scrutiny and public ethos. Public scrutiny is exerted via parliament, public accounts committee, Auditor General, Members of Parliament,

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8 The bulk of the critique focuses on distortions to the principle of “equality” that arise when there is an overemphasis on market allocation (Marsh & Olsen, 1995).
Ombudsmen and courts of law. In the Westminster System of democracy the parliamentary budget debate is supposed to be a crucial forum for questioning departmental performance. However, it is not uncommon for parliament to focus on small parts of budgets and leave major portions virtually unquestioned (Korft, 1984). This could arise from deficiencies in expertise as well as concern for the political pertinence to voters of the extent of their involvement with the budget (Peters, 2001, p.316). On the other hand, legislatures attempt to control the budget by reviewing performance rather than being actually involved in the drafting of the spending priorities of departments. The degree of involvement differs across countries (and departments) even though governments have continued to make attempts to increase their say in public spending (Schick, 1980; Nethercote, 1982). In times of crisis however, governments are able to justify direct involvement in public spending as highlighted earlier.

In a parliamentary democracy, opposition parties often raise a multitude of questions regarding the budget and use of funds keeping in mind the importance and impact of this on the electorate. A potentially counter-productive dilemma arises for government when the opposition raises funding questions that have merit, but could be embarrassing to government. Some institutional structures have to be put in place so that this dilemma is resolved and contributions having merit are incorporated in budget and funding decisions regardless of their origin within parliament. Additionally, the complex nature of the administration makes it very difficult to control all their operations closely. Thus only selective cases are focused on. This is where the media plays a significant role in raising public awareness and creating a sense of urgency and focus in the legislature. Moreover, the increasingly widespread use of macro-economic policy instruments has led to substantive passing of budgetary controls from the legislature to the executive and central banks (Goodman, 1992). This has tended to curtail the influence of the legislature on public funding.

The centrality of parliamentary debate raises the apparently contradictory notions of bureaucratic secretiveness (confidentiality) and public accountability. However, the bureaucratic apparatus has in-built accountability provisions and any issue/decision can become public if it impacts on the public. On the other hand, the public ethos operates as an
internal psychological control device somewhat like organizational culture. In the civil
servant it operates via: concern for public interest, belief in the value of collective provision
of essential services, due regard to law and legal rights, and conscientious performance of
duty. This assertion of public administration obviously downplays the strong and disruptive
influence that self-interest can have on the workings of the bureaucracy. Moreover, there are
questions linked to whether the self-interest assumption can apply across all activities of the
public servant. Furthermore, the term “administration” as opposed to “management” also has
an in-built distinction as the focus of administration is wider than that of management. All
these considerations appear to arise from the need to establish non-market controls on the
functioning of the bureaucracy. There are a number of institutional and cultural/value
elements involved that will be used to elaborate this later.

2.3.3.2 Difficulties in performance evaluation
These distinctions in contrasting public administration with private-sector management also
raise difficulties in defining the concepts of efficiency and effectiveness in the public sector.
For instance, what index of output should be used when effort is coordinated across
departments? For example, security at Nadi International Airport in Fiji is a coordinated
effort between the Civil Aviation Authority of the Fiji Islands, Airports Fiji Limited and the
Fiji Police Force (FPF). All three entities have inputs in the provision of security at the
airport, but it would be extremely problematic to include it in an output index for any one of
them in particular. An additional problem could arise with the use of output-based
performance indicators in the public sector in these types of situations that demand
coordinated cooperative efforts - this could lead to proprietary efforts rather than cooperation
because it is easier to claim recognition for effort that is under the control of one entity. Thus
the focus on performance-based evaluations in the public sector can give rise to a prevention
vs cure dilemma that has the potential to destroy effective operation of public entities. In the
earlier case of providing security at the airport, it is clear that prevention would involve
cooperative effort across the three entities mentioned. However, if the focus is only on cure
as an output, cooperation could be curtailed and the effectiveness of providing security at the
airport could be negatively affected. In fact, effectiveness is often a matter of coordination
across departments in the public sector.
2.3.3.3 Subjective qualitative judgement needed on output due to political character

Additionally, what is effective and constitutes quality service is a subjective qualitative decision. Thus public administration has a political character to its service. What to provide, at what quality levels and costs involves qualitative judgement among competing (sometimes conflicting) values eg. political justification vs cost efficiency. For instance, Airports Fiji Limited’s introduction of departure tax for domestic travel in 2004 attracted tremendous criticism from the public, but management had to think more in terms of the financial health of the entity. The political effects of this were not immediately obvious because of the constitutional time frames involved in exerting control on public policy through the ballot box; government however, dropped the initiative with a firm concern for its public popularity. Beetham (1987, p.36) says that:

the demand to meet business criteria of ‘efficiency’ is itself a political demand which has consequences for the nature and level of the service provided.

There are a number of considerations and values that determine policy, and cost-efficiency is just one of them. Thus policy and its administration are not clearly separable in public administration.

In summary, the public administration approach to bureaucracy is a theory of social and political institutions that says that in order to study and explain them, we need to: understand their character/ethos; nature of their public activity; and values implicit in this activity. Furthermore, the culture of the organization and its practices must be understood; therefore, a comparative analysis is imperative. Here it becomes crucial to note that two of the sources of discipline that are brought to bear on the workings of a bureaucracy - ethos and procedures - differ across countries (and settings).

2.3.4 Sociology of Organization

In contrast with the Public Administration perspective, Weber sees the bureaucracy as a system of administration prevalent across political systems and organizations. This administrative focus raises two contrasts: between administration and policy making; and between modern and traditional methods of administration. It is the former that is of particular relevance to this study. The sociology of organization perspective studies social formations by first identifying the overall structure and systematic interrelationships within
them; then studying the individual in terms of his placement within this whole. According to Weber, the bureaucratic model has a number of distinctive characteristics that account for its superior efficiency. Each one of these is analysed here in some detail. The identification of characteristics comes from differing clusters found in a number of readings on the topic of bureaucracy by: Beetham (1987, pp.15-19); Blau, (1963, pp.1-2); Downs (1967, pp. 24-31); Niskanen (1971, p.21).

2.3.4.1 Structure
There is a clear demarcation between the bureaucracy and the governing body that employs it in terms of nature of position, functions and responsibilities. Members of the governing body are elected and usually work part-time; their function is to formulate general policy directions and make decisions on fund allocations; and their responsibility is “outwards” towards all the stakeholders. Bureaucratic officials, on the other hand, are appointed, trained, and promoted mainly by virtue of their expertise and expected performance within the bureaus. Subjective considerations like *a priori* characteristics or popularity do not figure in personnel decisions. These:

officials work full time, most of their working lives, and receive most of their income from bureaus (Blau & Meyer, 1987, p.20).

They also have the prospect of regular advancement within the hierarchy thus resulting in both continuity of the bureau as well as their careers. The incentive to advance up the hierarchy comes partly from the fact that power, income and prestige increases as one moves up the bureaucratic ladder. The bureaucrat’s responsibility lies in executing policies set by the governing body and administering fund allocations according to set criteria. They also tend to focus “inwards” with the aim of ensuring the continual functioning of the bureau as there is a dependence on the bureau for personal livelihood. This tends to make the bureaucrat subservient to the discipline of the bureaucracy. On the other hand, the career system is supposed to engender greater loyalty to the bureaucracy and foster esprit de corps among its members (Blau & Meyer, 1987, p.21). This should, in turn, lead to greater motivation on the part of the public official.

Bureaucratic work is characterized by the complexity of administration, functional specialization of tasks, and sometimes secrecy of operation. This means that:
specialization of tasks increases the importance of a bureaucrat’s prior formal training and his initial appointment as a result of qualifying in an examination (Blau & Meyer, 1987, p.23).

There is a systematic division of labour with complex problems broken down into simpler tasks to be undertaken by pre-determined offices coordinated by a hierarchy of command. The bureaucracy has a hierarchical structure where each position has a designated level of expertise and clearly specified official duties and rights. This hierarchical structure is necessary for the coordination of large-scale activities where there is an absence of the market mechanism. Relationships among officials are based in terms of authority within this structure, and each officer is answerable to a superior. Officials at the top of the structure are supposed to know more about general policy matters whereas those at the bottom know more about operational matters. Thus no one knows the total workings of the bureaucracy, and this works to balance the distribution of information power (ibid, 1987). It also serves to make the outcomes of bureaucratic processes anonymous. In reality however, this faces contradictions and obstacles that thwart performance as will be seen later.

2.3.4.2 Functioning
Bureaucratic functions are performed on the basis of prescribed abstract rules and procedures with total impersonality. There are a few reasons for this, namely, the bureaucracy is not subject to market discipline, and:

whenever there is no clear linkage between the nature of an action and its value or ultimate end, pressure arises for the development of formal rules to help individuals decide their behaviour (Downs, 1967, p.59).

Secondly, the bureaucracy handles a huge array of complex activities and rules assist in coordinating these by ensuring consistency and uniformity, which, in turn, vastly reduces the volume and costs of communication. Thirdly, the bureaucrat also interacts with the external environment and it is important that personalized interactions are safeguarded against. Rules and procedures act to some extent as safeguards against arbitrariness, biases and other subjective considerations, thus ensuring that the public is accorded equal treatment. Fourthly, bureaucrats handle finances and it is important to control how this is done because use of money has power/prestige connotations and it is in the personal interests of officials to maximise expenditures that they manage (von Mises, 1945). Rules make bureaucratic functioning predictable and free from potential disputes. They also ensure that there is
uniformity in operations. Transactions are recorded in set format and kept for future reference.

The bureaucracy operates on the basis of impersonality in its decision-making. Emphasis on extensive use of rules serves to curtail the tendency towards subjective decision-making by officials. On the other hand, the personnel process focuses on technical expertise rather than ascribed traits in recruitment, retention and promotion decisions. These two related principles serve to enhance impersonality in the operations of the bureaucracy. Downs (1967) says that if the search were for a management approach that curtailed and minimised best the individual, questionable tendencies of the human element in organizational decision-making, the bureaucracy comes very close to being that approach. In fact Weber says that the more the pure bureaucratic form develops:

- the more completely it succeeds in eliminating from official business, love, hatred, and all purely personal, irrational, and emotional elements which escape calculation (Weber in Gerth & Mills, 1958, p.216).

The office and its incumbent are seen as strictly separate entities. Superiors do not own their positions or the means of production; they are simply cogs in a machine that virtually has a life of its own. The subordinate is also as an employee the subject of the bureau’s authority.

2.3.4.3 Authority
The bureaucrat essentially exercises authority over subordinates within the bureau on official matters. This facilitates delegation and control in operations. The Weberian bureaucracy functions on the basis of rational-legal and officials are only able to exercise rational-legal authority if there is widespread acceptance by the rank and file members. Officials must voluntarily accept that superiors have the right (and duty) to issue commands and to be obeyed. This was Herrschaft – legitimate authority and not mere coercion or domination (Kamenka, 1989, p.4). Herrschaft is based on 3 ideal types of legitimate authority: traditional authority arises from time-established beliefs in the legitimacy of some to exercise authority within these traditions; charismatic authority accrues from some special characteristics, achievements, etc. of a person that becomes the order of things; and rational authority is:
rested on a legally established impersonal order which endow(s) holders of an office with the formal legal power to issue commands as long as they (act) *intra vires* (Kamenka, 1989, p.4).

Blau (1963, p. 226) says that:

> authority rests on socially accepted norms that define compliance with certain orders as a social duty (or) as a moral obligation.

Thus effective authority in the bureaucracy is part of the normal thinking framework of the organization as it is part of the social norms. One wielding true bureaucratic authority therefore, does not have to resort to any other means to gain compliance to his commands. On the other hand, one who has to use the “carrot and stick” approach does not really have true authority because this reveals an absence of automatic compliance with directions.

However, as mentioned earlier, it is important for organizational functioning that this authority is accepted by all its members. Authority can be accepted and legitimised because the structures for decision-making and implementation are seen by the organization to be defined with objective purpose. Alternatively, a close adherence to and constant highlighting of the centrality and significance of governance structures would also have a bearing on attitudes towards authority. It is noteworthy that not everyone who works in a bureaucracy can be classified as a bureaucrat. At the same time, officials assigned authority over routine administrative matters may not enjoy a higher power or prestige position than those whom they rule. It is crucial for the predictable and effective functioning of the bureaucracy that the principle of rational-legal authority is followed closely.

### 2.3.4.4 Size

A final distinguishing feature of bureaucracies is that they are large organizations that handle a wide range of complex issues. This is the essential form of public administration for a territorially extensive state (von Mises, 1945, p. 47). A correctly constituted bureaucracy is supposed to operate like a machine in comparison to other forms of production. Its speed, lack of ambiguity, knowledge of files and records, tightly controlled discretionary latitude,

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9Downs (1967, pp.25-26) identifies four characteristics that clearly distinguish the bureaucrat. He is supposed to work for a large organization; be employed full-time and derive a large part of his income from this organization; be appointed, retained and promoted strictly on the basis of technical competence; and his performance cannot be evaluated on any market-based *quid pro quo* criteria.

10Downs (1967, p.59) uses the example of a registrar of a university to illustrate this point.
unity of command and purpose, strict subordination, reduction of disagreements and other personal work disruptions as well as material and personal costs make it particularly suited to industrial society (Weber in Gerth & Mills, 1958). Considerable debate has rotated around the suitability of the bureaucratic model in light of contemporary shifts in focus to the importance of market discipline in ensuring organizational efficiency and effectiveness. This will be discussed later in this thesis.

2.4 Government and Bureaucracy

With the advent of representative government; with the contesting of elections by political parties competing for control over the civil service; and with the recognition that a protected, continuing and specialised civil service was necessary for society (Mosher, 1982), a demarcation was made between policy formulation and policy implementation, between the legislative and executive arms of government. The governing body and the bureaucracy thus differ in terms of their position, function and responsibility. Administration is seen as “coordination and execution of policy” formulated or drafted by government (Beetham, 1987, p.12).

The line of separation of policy from administration or the legislature from the executive is blurred at best. This has important implications for how the bureaucracy actually operates. Mosher (1982, p.3) makes a number of assertions about the relationship between government and bureaucracy: one, that government policy decisions and behaviour have an enormous impact on the manner in which society proceeds to develop; two, that bureaucrats have a heavy influence on the decisions and actions of government; three, that the bureaucrats’ actions depend on their competence and capabilities, orientations and values; and four, these attributes come from their backgrounds as well as their present associations.

The importance of limiting the influence of government on the bureaucracy was recognised by John Stuart Mill as early as 1861 (Shields, 1958). He highlighted the special skills and knowledge that bureaucrats had which placed them in a unique position vis a vis politicians in making bureaucratic decisions. Politicians have a role as advisors, voices of dominant interests, and representatives of diverse public interests. They check, deliberate, criticize and give or withdraw approval on public policy decisions. Bureaucrats on the other hand, have a
significant impact on the actual content of policy through their technical input. It is this expertise gap that allowed bureaucrats to ensconce themselves in key positions in order to influence government policy as well as the reform process after 1987.

At times the bureaucracy might have its own ideas about what government ought to do (Urban, 1982). Peters (2001, p.222) says that these ideas could be seen in terms of “organizational cultures”. And he differentiates between “soft” and “hard” ideas. “Soft” ideas of bureaucratic departments emanate from organizational familiarity and comfort with ongoing programs. Once a “departmental view” is established, proposed changes are likely to be resisted. Bureaucrats might also have their own ideological persuasions to contend with (Brehm & Gates, 1999).11 “Hard” ideas come from a concern for the preservation of existing policies as well as making changes in policy priorities in light of professional developments in relevant fields. In both these instances, the bureaucrat plays a key role in policy direction as well as how the bureaucracy functions. In the process, the intentions of government could either be resisted, or altered in different directions. The existence of the bureaucrat as a source of professional expertise thus has a bearing on his/her influence on government. From bureaucrat’s point of view, it is particularly important in terms of resource allocation in light of bureaucratic concerns for survival and expansion (Peters, 2001).12 The degree of influence of the bureaucrat on policy could be curtailed to some extent through the presence of technical expertise within government.

The bureaucracy has a number of sources of power, other than expertise, that also affect its relationship with government. Bureaus are the main source of information provision and interpretation for governments (Plowden, 1990). This information may be selectively produced or traded for influence over policy (Peters, 2001, p.234). In addition to this, bureaucratic decision-making is faster than legislative decision-making; therefore, authority is increasingly delegated to them (ibid, p.235). They are free from the time-consuming constraints of political sensitivities and processes. The speed of decision-making however, would be dependent on the degree of autonomy from the legislature. Thirdly, the bureau has

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11 See Brehm & Gates (1999) for more on this.
12 See Peters (2001) for more on how the bureaucracy influences government.
its own special-interest political supporters who can be mobilised to influence government in the interests of the bureau (ibid, p.235). The timing of this can be orchestrated.

Governments also have a number of sources of power in dealing with bureaus. Firstly, the legitimacy of the bureaucracy is directly linked to the legitimacy of the democratically elected government (Peters, 2001, p.237). Inherent in this is a power relationship. Secondly, bureaucratic funds come from the government. This power of the purse allows governments to control the amount and use of funds allocated to bureaus. The political economy perspective explores in detail how bureaus are financed and how the form of financing affects the way they function. Thirdly, the degree of autonomy and latitude enjoyed by bureaus is determined by government. This is why bureaus are continually attempting to negotiate and manoeuvre for greater influence and autonomy in policymaking as well as use of funds. And fourthly, governments have a political following that can be mobilised should the need arise. Once public opinion is framed through an agenda-setting exercise, it becomes easier for government to use various means at its disposal to act on the bureau (Peters, 2001, p.238).

However despite this, lack of or ineffective political leadership appears to provide greater leeway for bureaucratic manoeuvrings (Peters, 2001, p.223). The doctrine of ministerial responsibility allows the legislature to exercise some sort of control over the bureaucracy (Marshall, 1989). This makes effective political leadership imperative at least in theory because the minister is politically responsible and publicly accountable through parliament for the workings of his/her Ministry. In fact, the doctrine of ministerial responsibility when combined with a strong political leader increases the scope of leadership and tends to “presidentialize” the position of the prime minister in Westminster Systems of democracy. However ministerial responsibility has become a convenient misconception because politicians are often unwilling to jeopardise their political futures by closely adhering to it (Sutherland, 1991a; 1991b). A number of institutional structures are therefore, needed to ensure the effectiveness of this important link between political responsibility and public accountability.

2.5 A Framework from three of the Approaches to Bureaucracy

The four approaches to studying bureaucracy discussed here, (namely: comparative government, political economy, public administration and sociology of organization), have a number of important commonalities as well as differences that are necessary in researching and analysing the subject of this study. Comparative government falls beyond the ambit of this study as it sees bureaucracy as an alternative form of government, therefore, only the other three approaches are taken here to develop a framework for research. The link between policy formulation and administration or the legislature and the executive is made from different perspectives in all three approaches covered here. Political economy and public administration highlight the funding relationship between bureaucracy and the government. Both see it as a source of discipline for the functioning of bureaucracy although how it exerts this discipline is explained differently. Political economy highlights the source of financing and the context in which the bureaucracy operates (Beetham, 1987, p.28). The global context and financial linkages to international financial institutions (Asian Development Bank, International Monetary Fund, World Bank) have a direct bearing on the bureaucracy in the context of this study. In fact the whole public sector reform agenda originates from these funding institutions. Public administration on the other hand, focuses on the public scrutiny that is brought to bear on funding decisions through parliament (Niskanen, 1971). This is where the constitutional and traditional institutions and practices of parliamentary democracy are central in determining the type and extent of influence and discipline that can be brought to bear on the bureaucracy. There is however, a crucial link that public scrutiny has with the media that the public administration approach does not appear to recognise explicitly.

Sociology of organization on the other hand, does not highlight financing in its demarcation between bureaucracy and government. It has an administrative focus that immediately draws a distinction between policy formulation and policy administration (Blau, 1963, p.3). Formulation is the domain of elected officials whereas implementation (or administration) falls on the appointed public official. This relationship is coordinated through a hierarchy, at the centre of which lies the principle of ministerial responsibility that links the two sets of officials and serves as the main source of discipline on bureaucratic functioning (Kamenka, 1989; Marshall, 1989). Thus it can be seen here that, like the public administration perspective, the relationship that the bureaucracy has with the government provides a
governmental/political source of control on its operations. In addition to this, two other sources of discipline are highlighted by all three approaches: that of the market which is external and the hierarchy which is internal.

Political economy prioritises the importance of the market before government in the efficient provision of services. From this perspective the hierarchy (both of the firm and government bureaucracy) can only provide a supplementary source of discipline where the market cannot operate (Downs, 1967). Thus the bureaucracy is viewed as a non-market organization. The public administration perspective on the other hand, is very clear in placing the bureaucracy in a non-market context within the public domain. It centralises the role of the hierarchy as it sees the market as being inadequate for coordinating and controlling social exchange. Beetham (1987, p.25) does acknowledge that:

not all social life can be carried on according to relations of exchange, nor all economic activity by means of market relations.

Within this hierarchy, discipline comes through public scrutiny via the parliamentary process, and a unique ethos, which is internalised in the public official. The sociology of organization perspective locates discipline in the hierarchy of authority that lies at the basis of the rational-legal bureaucracy. Political economy and public administration also recognise the disciplinary role of the hierarchy, but differ in the degree of importance they place on it and the manner in which they see it operating.

All three approaches highlight the need for some sort of discipline for efficiency in organizational performance. They also show power relations within the hierarchical relationships internal to the bureaucracy as well as that it has with the government. This has important implications for how the bureaucracy actually operates. Mosher (1983, p.3) makes a number of assertions about the relationship between government and bureaucracy: one, that government policy decisions and behaviour have an enormous impact on the manner in which society proceeds to develop; two, that bureaucrats have a heavy influence on the decisions and actions of government; three, that the bureaucrats’ actions depend on their competence and capabilities, orientations and values; and four, these attributes come from their backgrounds as well as their present associations. In addition to these, the values,
competencies and agendas of key politicians cannot be overlooked in attempts to study the functioning of bureaucracy.

**Table 2.1: Sources of Discipline in three Approaches to Bureaucracy**

<table>
<thead>
<tr>
<th>Source of Discipline</th>
<th>Political Economy</th>
<th>Public Administration</th>
<th>Sociology of Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Link between policy formulation and administration – control through funding</td>
<td>highlights the source of financing and the context in which the bureaucracy operates (Beetham, 1987, p.28)</td>
<td>funding relationship between bureaucracy and the government acts as a source of discipline focuses on the public scrutiny that is brought to bear on funding decisions through parliament (Niskanen, 1971)</td>
<td>does not highlight financing in its demarcation between bureaucracy and government has an administrative focus that immediately draws a distinction between policy formulation and policy administration (Blau, 1963, p.3)</td>
</tr>
<tr>
<td>Market Control</td>
<td>prioritises the importance of the market before government in the efficient provision of services</td>
<td>is very clear in placing the bureaucracy in a non-market context within the public domain</td>
<td>market context not considered</td>
</tr>
<tr>
<td>Hierarchical Control</td>
<td>the hierarchy (both of the firm and government bureaucracy) can only provide a supplementary source of discipline where the market cannot operate (Downs, 1967)</td>
<td>centralises the role of the hierarchy as it sees the market as being inadequate for coordinating and controlling social exchange (Beetham, 1987, p.25) within this hierarchy, discipline comes through public scrutiny via the parliamentary process, and a unique ethos, which is internalised in the public official</td>
<td>elected officials vs appointed public officials; relationship is coordinated through a hierarchy, at the centre of which lies the principle of ministerial responsibility that links the two sets of officials and serves as the main source of discipline on bureaucratic functioning (Kamenka, 1989; Marshall, 1989) like the public administration perspective, the relationship that the bureaucracy has with the government provides a governmental/political source of control on its operations locates discipline in the hierarchy of authority that lies at the basis of the rational-legal bureaucracy</td>
</tr>
</tbody>
</table>
2.6 Conclusions
The three approaches to studying bureaucracy discussed here provide insights that help significantly in identifying, analysing and discussing the public sector reform process which is the main focus of this study. Political economy and public administration provide insights into links that the bureaucracy has with governments and financing institutions and sociology of organization helps move focus inside the bureaucracy. Thus approaching the study from the three perspectives provides a holistic framework that should be more useful. All three centralise the study of power and efficiency in the bureaucracy as well as its related institutions of governance.

At this stage it becomes important to make the link between the bureaucratic model and New Public Management which provides the other half of the framework of analysis for this study. The main shortcomings of the bureaucratic model included the fact that it became too static and failed to change with time and changed circumstances. In other words, the bureaucratic model did not operate as an ideal-type that would work itself out over time within the wider social context as envisaged by Weber (Kamenka, 1989). Secondly, that it was too inward-looking and process-driven at the expense of an output focus that was driven by customer demand and quality expectations. Three, that it allowed too many bureaucrats to become “mandarins” through empire-building activities. Four, that it lacked a cost-profit focus in that too much money was being wasted simply through the lobbying efforts of key bureaucrats as the size of budget allocated rather than outcomes became the basis of evaluating performance among senior public officials. Five, that performance evaluation had the wrong focus where length of service rather than quality of input was being used to evaluate performance. All these shortcomings, which could have been rectified within the bureaucratic framework, were coupled with a philosophical reorientation that became global, in the manner in which the public sector and government ought to be organized, led to the creation of a new model of public sector management – this is discussed in-depth in Chapter four. The next chapter outlines and evaluates the context of reforms in Fiji in order to highlight the contextual peculiarities that helped shape government and governance in the country. It was this, in turn, that drove and shaped public sector reforms in the country.
3.0 Context of Reforms

3.1 Introduction
In Fiji, public sector reform and public enterprise restructuring, took place in a context that has been influenced by a unique kinship-based, Fijian social structure, with the institution of the chief at its apex. This traditional political power structure has afforded special privileges to chiefs and kinship linked individuals. On the other hand, a sizeable immigrant Indo-Fijian population clamouring for an “equal” political voice has provided a rallying point for Fijian unity and limited inclination towards change. The Indo-Fijian voice has also led to resentments that have prevented the Fijian establishment from recognising and utilising the enormous pool of desperately needed skills that they possess. This created an inward-looking structural-functional bias in national decision-making which provided a convenient cloak for vested interests who operated within the Fijian system. Indeed, the political economy perspective of bureaucracy highlights that conflicts of interest are an integral part of an economic system that interest groups constantly attempt to influence. It studies the interplay of social forces, political power and economic policy in a historical context.

This chapter traces historical developments that gave rise to this state of affairs and establishes the general framework in Fiji within which public sector reform was carried out. It follows the system of government and its attendant governance structures in Fiji right from colonization in 1874, through independence in 1970, and subsequent coup-instigated attempts to reform and restructure constitutional frameworks to have a functioning democratic system of governance. This is then used to link public sector reforms to changing political and economic agendas of different post-1970 governments. The chapter attempts to show that the political framework in Fiji has changed from being bi-polar – with a largely ethnic demarcation – to being multi-polar with a plethora of interests that have emerged over a period of time linked to political instability. It is this state of change that is highlighted in order to establish the general framework within which public sector reforms and public enterprise restructuring have been carried out in Fiji. It is also this framework that is used to show how the public sector reform process using New Public Management can be subverted to serve narrow personal (and linked) interests.
3.2 Fiji

Fiji is an island economy in the South Western Pacific region with a total land area of approximately 18,333 square km scattered across some 250,000 miles of the Pacific Ocean. About one third of its approximately 300 islands are inhabited. Figure 2.1 shows the main islands and their locations within the Fiji Group.

Figure 3.1: Map of Fiji

The bulk of economic activity is concentrated on the two main islands: Vanua Levu (5,556 square km) and Viti Levu (10,429 square km). Suva, the capital, is located in Viti Levu. It hosts the main offices of central administration with both the houses of parliament, Head Quarters of the Native Land Trust Board (NLTB or the iTaukei Land Trust Board - TLTB\(^1\)), Head Quarters of the military, navy and police, as well as the main offices of banks and financial institutions. Suva also hosts some 50 per cent of Fiji’s total population of around

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\(^1\)This name change was brought about by the Bainimarama regime after the 2006 coup.
837,271 people. Some 57 per cent of these are indigenous Fijians, 37 per cent Indo-Fijians and the rest comprises people of mixed origins. Figure 2.2 shows the population distribution between the two major races during census years. There have traditionally been latent hostilities between the two main communities. The 2007 census showed: 475,739 (Fijians), 313,798 (Indo-Fijians) and 47,734 (others).

**Figure 3.2: Fiji’s Population by Ethnic Origin**

![Fiji Population by Ethnic Origin](image)

Source: Bureau of Statistics, Fiji.

### 3.2.1 The Fiji Economy

After gaining independence from Britain on 10th October 1970, the Fiji economy grew at a rate of 5.9 per cent for the first five years largely on the back of expansion in the primary sector. This slowed down to 3.5 per cent over the next five years as political discord, especially linked to the 1977 elections, appeared to affect investor confidence in the country.

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15 Indo-Fijians are Fijians of Indian origin.
16 The 1996 census established these figures at 51 per cent Fijian and 44 per cent Indo-Fijian, but since the 2000 coup migration has been stepped up especially amongst Indo-Fijians who have consistently been the target of Fijian political and economic frustrations. The figures used here are United States /Central Intelligence Agency estimates as well Bureau of Statistics figures from the 2007 Census.
From 1980-86, Fiji faced the brunt of escalating energy prices and the resultant inflation, three recessions and a highly volatile domestic political environment to post dismal movements in the economy. In 1986 however, the economy rebounded showing an 8.1 per cent growth. This was supposed to propel the ruling Alliance Party back into power, but the wage freeze of 1985 and other drastic economic measures negated the expected impact of this Gross Domestic Product growth on the 1987 elections, which unexpectedly brought the Fiji Labour Party into power and invited the first coup of May 1987. Desperate measures were taken following the political upheavals of 1987 to boost the economy, but from 1987 to 1996, the average growth rate was only 2.5 per cent largely because of political uncertainty (1987-92) and improvements after the 1994 elections. Of significance to this thesis is the fact that economic growth was best in 1999 on the aftermath of the escalated reforms undertaken by the Rabuka government especially in restructuring public enterprises. Table 2.1 below shows movements in the Fiji economy from 1970 to 2010.

Table 3.1: GDP percentage Growth Rates

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>5.9</td>
<td>3.5</td>
<td>8.1</td>
<td>-</td>
<td>2.5</td>
<td>3</td>
<td>3.9</td>
<td>1.4</td>
<td>9.7</td>
<td>-1.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>2.0</td>
<td>3.2</td>
<td>1.0</td>
<td>5.5</td>
<td>0.6</td>
<td>1.9</td>
<td>-0.5</td>
<td>1.03</td>
<td>-2.2</td>
<td>0.32</td>
</tr>
</tbody>
</table>

Sources:
Presentation to the Fiji Institute of Accountants, Yanuca, Fiji, 11 June 2010.

Of significance to this thesis is also the fact that just prior to the escalated period of reforms leading up to the 1999 elections, about 40,000 people were employed in the public sector ie. 40 per cent of the workforce (FT 12/7/97, p.9). This figure had dropped to a record low of approximately 31,000 by 1999. After that, the reform program stuttered based on the
imperatives of precariously positioned governments. Figure 2.3 shows the trends in employment in the public sector in Fiji from 1999 to 2011.\textsuperscript{17}

**Figure 3.3: Employment in the Public Sector in Fiji (1999 – 2011)**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>30,868</td>
</tr>
<tr>
<td>2000</td>
<td>34,201</td>
</tr>
<tr>
<td>2003</td>
<td>32,220</td>
</tr>
<tr>
<td>2004</td>
<td>32,443</td>
</tr>
<tr>
<td>2005</td>
<td>34,042</td>
</tr>
<tr>
<td>2006</td>
<td>34,881</td>
</tr>
<tr>
<td>2007</td>
<td>38,000</td>
</tr>
<tr>
<td>2009</td>
<td>33,665</td>
</tr>
<tr>
<td>2010</td>
<td>33,372</td>
</tr>
<tr>
<td>2011</td>
<td>31,229</td>
</tr>
</tbody>
</table>

Sources:

Apart from Fiji’s main exports garments/apparel and sugar, tourism also is a key export earner. Tourism earned F$1074 million at the end of 2011 (Bureau of Statistics, 2012) – this amounted to about 20 per cent of a Gross Domestic Product of F$5217.4 million and 30 per cent of total exports (services plus merchandise). Tourism is thus the largest export earner and is directly linked to the aviation industry – the main focus of this research. Nadi Airport

\textsuperscript{17} For some obscure reason, it was extremely difficult to get these figures in one report; they have therefore, been compiled from a number of sources.
serves more than 1.2 million international and 450,000 domestic passengers annually; this amounts to 96 per cent of all international passengers to Fiji. Nadi Airport also handles 20 airlines with connections to 14 international cities. On average 30 international flights come through Nadi Airport on any given day.  

Focusing on sugar (Fiji’s other major export earner), cane growers are predominantly Indo-Fijians who plant cane on land leased from Fijian landowners and supply cane to the Fiji Sugar Corporation which is a government-controlled public enterprise. Sugar production has declined drastically since 2000 because of a movement out of cane lands by tenants whose leases had not been renewed by disgruntled landowners who own over 90 per cent of all the land. This has led to unprecedented levels of internal migration to urban areas like Suva which now hosts 50 per cent of Fiji’s squatters. The land problem remains an unresolved item on the government’s agenda. This has created a political impasse that has turned public attention away from the public sector reform program being implemented. Public sector reform and public enterprise restructuring, therefore, do not feature prominently on the public agenda. This tends to remove the necessary public scrutiny that could keep the reform process focused.

3.2.2 Model of Government

Fiji has so far (apart from during coup eras) had a Westminster style of government. It does, however, also have political alignments that are largely based on ethnic groups. Five “coup” have been carried out since the country gained its independence in 1970. The first three of these were carried out, ostensibly, in the name of ‘indigenous rights’. One result was the growth of a culture of increased patronage and greater volatility in government decision-making (Lal & Vakatora, 1997). As well as the coups, the country has seen three constitutions in the past thirty years with another one introduced in 2014. Truly democratic institutions have, therefore, not developed consistently over time and the country has never

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18 This data was picked from an Airports Fiji Limited advertisement for management services at Nadi Airport (FS 13/3/13, p. 39). It was also confirmed by two contacts in civil aviation in Fiji.  
19 Attempts are being made by the Bainimarama regime to revive the sugar industry.  
20 Only three are covered here as the Bainimarama regime is still in power and ongoing changes are proposed for 2012 to prepare Fiji for elections in 2014.
had a functioning democracy because of concerns about “indigenous interests”. There are a number of major factors and developments that have contributed to and distorted this process.

3.3 The Fijian

Fijian society, which is largely a colonial construct, is the overriding factor that underpins the environment in the country. Society in pre-contact Fiji was different from that in colonial times, which in turn is different from contemporary society. What was ‘frozen’ in 1875 by the British Governor of Fiji, Sir Arthur Hamilton Gordon, as ‘Fijian Society’ was created from the state of affairs at that point in time (Routledge, 1985). Fijian society was thus divided into 14 provinces with these then grouped into three artificially-constructed confederacies – the province/confederacy links are shown in Table 2.2 below.

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21 See Appana (2009) for details on the “façade” of democracy that has prevailed in Fiji.
22 The term “Fijian” is used to refer to ethnic Fijian indigenes of Fiji throughout this thesis.
Table: 3.2: Fiji's 14 Provinces linked to the 3 Confederacies

<table>
<thead>
<tr>
<th>Order</th>
<th>Province</th>
<th>Confederacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ba</td>
<td>B’basaga/Kubuna</td>
</tr>
<tr>
<td>2.</td>
<td>Bua</td>
<td>Tovata</td>
</tr>
<tr>
<td>3.</td>
<td>Cakaudrove</td>
<td>Tovata</td>
</tr>
<tr>
<td>4.</td>
<td>Kadavu</td>
<td>Burebasaga</td>
</tr>
<tr>
<td>5.</td>
<td>Lau</td>
<td>Tovata</td>
</tr>
<tr>
<td>6.</td>
<td>Lomaiviti</td>
<td>Kubuna</td>
</tr>
<tr>
<td>7.</td>
<td>Macuata</td>
<td>Tovata</td>
</tr>
<tr>
<td>8.</td>
<td>Nadroga-Navosa</td>
<td>Burebasaga</td>
</tr>
<tr>
<td>9.</td>
<td>Naitasiri</td>
<td>Kubuna</td>
</tr>
<tr>
<td>10.</td>
<td>Namosi</td>
<td>Burebasaga</td>
</tr>
<tr>
<td>11.</td>
<td>Ra</td>
<td>B’basaga/Kubuna</td>
</tr>
<tr>
<td>12.</td>
<td>Rewa</td>
<td>Burebasaga</td>
</tr>
<tr>
<td>13.</td>
<td>Serua</td>
<td>Burebasaga</td>
</tr>
<tr>
<td>14.</td>
<td>Tailevu</td>
<td>Kubuna</td>
</tr>
</tbody>
</table>

Governor Gordon also aligned himself with, and entrenched a skewed structure that was overly influenced by the eastern Fijian hierarchy (Tovata). This would later lead to inter-provincial strife as well as problems with Fijians from the western parts of Fiji whose lives were organised in different non-hierarchical ways. An inter-provincial and East-West divide thus emerged and continues to influence Fijian social and political conduct (Robertson & Tamanisau, 1988). In addition, the growth of education and modernization led to the rise of an urban Fijian community, which was physically removed from its traditional base. This new community found itself torn between the dictates of modern urban living and traditional obligations. Thus in order to understand contemporary Fijian society, and the contradictions it finds itself faced with, it is essential to follow its historical development.
### 3.3.1 Fijian Social Structure

The Fijian:

> derives his identity from his links with the *qelev* and the *vanua* to which he belongs and which belong to him (Appana, 2005a, p.3).\(^{23}\)

Fijian society is centred on the *turaga* (chief), and every Fijian belongs to a *yavusa* whose head (*turaga*) claims a line of descent from some founding ancestor. Every *yavusa* is comprised of a number of *mataqali* (extended family groups) and positions in the hierarchy are made by proximity to the founding ancestor. In turn, each *mataqali* is comprised of a number of linked *i tokatoka* (family sub-groups). Circumstances also forced the *yavusa* to merge into larger units called *vanua* (state). Routledge (1985, p.5) in his landmark study on power in pre-colonial Fiji, points out that:

> the traditional socio-political order consisted of small, kinship-structured and locality-oriented entities fighting and intriguing for advantage over one another.

Kinship bonds and strategic alliances took on a new importance with growing contact with the outside world.

The unit of the *matanitu*, which lies at the centre of this changing organisation of society, is a significant part of politics in contemporary Fiji. This is so because:

> Fijians speak of Fiji in terms of *Kubuna, Burebasaga*, and *Tovata* (Tuwere, 2002, p.30).

Confederacies are taken as being separate “governments” (or *matanitu*) which, together, form Fiji. In his work, Routledge (1985, p.5) stated that the intrigues between “kinship-linked and locality-oriented entities” made the creation of extended power extremely “difficult”. Routledge discusses the *vasu* relationship in particular where a man’s sister’s son had privileged access to the household, properties and support of his uncle.\(^{24}\) In addition to this, Fijian society has a number of other traditional kinship relationships that tend towards reciprocal expectations. These kinship-linked groupings of *matanitu* have been used by

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\(^{23}\) *Qele* (soil or land) is the physical boundary of his origins. And *vanua* adds on the more spiritual dimension which incorporates a whole conglomeration of vertical and horizontal social relationships. This concept of the *vanua* is not different from the political entity that it is often used to refer to.

\(^{24}\) Perhaps the most prominent example of the importance of the *vasu* relationship is seen in the dominance of Ratu Sukuna in both the Houses of Bau (where his father came from) and Lau (where his mother came from). Ratu Sukuna went on to become the second Tui Lau (paramount chief of Lau) after the Tongan Maafu.
successive administrations in the governing of Fiji and the institution of chief stands at the
centre of this organization of disparate groups in Fijian society.

3.3.2 Who is a Chief?
The Fijian social hierarchy has a chief at every level. At the apex of this structure is the
paramount chief of the matanitu (Appana, 2005a, p.4). The position of chief was historically
an achieved position (Nayacakalou, 1975, p.39). Seniority of descent and political dominance
today, however, has become important in the selection of chiefs. Support is today, augmented
by incomes, knowledge-ability, personalities and official positions. Thus it is in the chief’s
personal interest to achieve bureaucratic and political positions. The modernising
environment has, however, led to the mana of the chief having lost some of its lustre in recent
times.

Participation by Chiefs in the British colonial administration was first facilitated by the
establishment in 1876 of the Great Council of Chiefs (GCC) by Governor Gordon. On this
event Howard (1991, p.27) states that:

the council was used by Gordon to help legitimate his efforts to create a stable and uniform
colonial state, and his power over the council was considerable.

The Chiefs were therefore co-opted into the administration of the colony as minor
functionaries. This was also the beginning of a distortion of the role of chiefs, which was
created by the part-imposition of the colonial administrative system on the traditional system
(Appana, 2005a). In addition to the creation and involvement of the Great Council of Chiefs,
Governors Gordon and Thurston developed and institutionalised an administrative apparatus
called the Fijian Administration for the management of Fijian affairs.

3.3.2.1 Chiefs as Bureaucrats
Fijian Administration was modelled closely by the boundaries set by traditional socio-
political agents, which Gordon artificially established. The chiefs, themselves, also learnt
how to adapt to colonial rule (Robertson & Tamanisau, 1988, p.10). By 1905, the cost of

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25The consultation process was merely token at the outset, but acquired relative importance as Ratu Sukuna’s stature
and influence increased in the early 1900s. By 1940, the Great Council of Chief’s voice became increasingly louder.
2612 provinces were created at this point to be later increased to 14. There have recently been calls for the creation of
other new provinces eg. Navosa.
maintaining the chiefs had escalated enough for Governor im Thurn to centralise authority in the hands of white officials. Despite this, the centrality of the chiefs in the colonial administration still persisted due to support from: “hard-pressed European mercantile capitalists” (Robertson & Tamanisau, 1988, p. 12). The 1944 Fijian Administration establishment continued to institutionalize the chief as a part of the country’s formal bureaucracy.

3.3.2.2 Chiefs in Politics
Between 1904 and 1965, Fijian representation in the Legislative Council was made up of government selected nominees from the Great Council of Chiefs. Fears of Indo-Fijian political domination, given the fast increasing population of this ethnic category, and its increasingly strident calls for ever-increasing political representation, prompted Fijian concerns. On the other hand, European commercial interests often attempted to influence Fijian opinion against the Indo-Fijian. For instance, in January 1920, a strike by Indo-Fijian Public Works Department workers, the cane strike of 1921, and a second cane strike in 1943 saw direct chiefly involvement in quelling the strikes. The chiefs clearly possessed a significant role in the political landscape, and they would strive to perpetuate this.

Given the role played by chiefs in the colonial administration, it was inevitable that the chiefs would be at the centre of negotiations for Fiji’s independence. The Constitution of 1970 tried to create a legitimate place in government for the chiefs; this involved a numerical dominance of the Senate, and veto powers over Fijian land and customary rights.

Beyond that, their influence has been important because:

chiefs are recognised by many as the guardians of those values that are essential to the life of a particular group or society (Powles, 1997, p.333).

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27 The Indian economic “threat” from 1917 onwards was one of the factors that prompted the Europeans to prop up chiefs and forge shared concerns.
28 European prompting in this regard is well documented in Lal (1992). It is also discussed in Robertson & Tamanisau (1988).
29 See Gillion (1977) for more details of this strike where one Indo-Fijian was actually killed.
30 Senate comprised 22 members; eight of these were to be nominated by the Great Council of Chiefs, seven by the Prime Minister, six by the Leader of the Opposition, and one by the Council of Rotuma. There was an assumption that the bulk of the nominees from the two political leaders would also be chiefs. Section 68.2 of the 1970 Constitution stipulated that any Bill or Act of Parliament that affected Fijian land, custom or customary rights had to have the support of not less than six of the eight Great Council of Chiefs-nominated Senators.
The influence of the chiefs however, was increasingly reliant on political and economic importance. Appointments to public offices or partnerships in businesses enterprises, therefore, became increasingly important – the public sector reform program opened up major business opportunities that were linked to this as will be seen later.

In addition to this:

chiefs (through the Great Council of Chiefs) have been called upon to find ‘solutions’ whenever Fiji has faced political uprisings (Appana, 2005a, p.7).

When Fiji entered its worst political crisis in 1987, the chiefs deliberated long and hard before deciding to support it. In the process, and later in 2000, the Great Council of Chiefs had a stabilizing and healing effect on the general populace. Routledge (1985, p. 221) wrote that the:

importance (of the traditional) as a cohesive force will continue, giving life and strength to Fijian society in the multi-cultural complexities of the contemporary state.

The 1997 landmark constitution was only finalised after the Great Council of Chiefs gave it its blessing. This participation of chiefs in national politics means the chiefs are vulnerable in the face of change. In 1975 Nayacakalou saw this problem when he stated that:

There are already changes toward a more democratic type of leadership. But the process is difficult owing partly to the resistance of groups which have a vested interest in the preservation of the old order, and partly to actual conflict of authority between traditional and modern leaders (Nayacakalou, 1975, pp.7-8).

The chiefs have indeed been subjected to increasing pressure right from the turn of the 20th Century. The siege of the chiefly institution is followed in detail in chronological order in Appana (2005a) and later in Appana (2011c).

The original source of open opposition to chiefs can be traced back to Fijian economic aspirations as seen in the struggles of Apolosi Ranawai. However, the main source of challenge to the chiefly institution stems from the fact that Fiji-style democracy was a hybrid of the traditional Fijian system and the Westminster system of governance – a modern democracy juxtaposed on the traditional chiefly system. When the chiefs entered the sphere of party politics after independence in 1970, they suddenly found themselves faced with
commoner and public political criticism.\textsuperscript{31} The elevated position of the institution has thus been increasingly challenged. Despite these pressures, the chief remains at the centre of a changing Fijian society today even though Bainimarama has declared himself resolutely opposed to the involvement of chiefs in national politics based solely on their chiefly status.

3.4 Contemporary Fijian Society
Fijian society today is different from what Gordon and Thurston tried to form. A burgeoning urban population of Fijians and the advent of education have fostered the forging of new associations, the creation of new expectations and has raised the challenges being confronted by old values and allegiances.

3.4.1 The Urban Fijian
In 1996, the proportion of urban Fijians was 41 per cent while it stood at 44.5 per cent in 2007 (Census 2007). This urbanization has continued into the new millennium. The urban Fijian is thus faced with an ever-changing and vastly alien set of conditions of existence.\textsuperscript{32} He gets requests for help from:

his near kin, his extended family, his wife’s family, his clan, his tribe, his village, his island, his district, his province, his church ( ), his friends, his workmates, his professional associates, sporting and cultural groups and, at times, in plural Fiji, even the call of his (Fijian) race (Vusoniwailala, 1986, p.171).

Nayacakalou (1975, p.110) says:

Confronted with new situations, they have developed new forms of associations to meet the new conditions and while some of these follow traditional lines, others derive their basic ideology from wholly non-traditional sources.

Urban Fijians have an important relationship with politicians and the government. They expect assistance from government in obtaining jobs and for entering the business sector.

\textsuperscript{31}Powles (1997, p. 333) questions whether it is advisable to have chiefs governing constituencies other than their own in plural societies. “Advisory roles for chiefs would leave nation-wide representative institutions such as the legislature free to govern in the interests of all citizens,” he says.

\textsuperscript{32}Vusoniwailala (1986) uses the “kinship field” to show how traditional expectations can become an unbearable economic burden on the urban Fijian. The “kinship field” is defined as a geographical area within which ones genetically linked village is located. This field expands for offspring and carries with it the related traditional obligations.
This attitude impacts negatively on the bureaucratic principles of impersonality in decision making.

3.5 Provincialism and Kinship Relationships

Fiji is made up of 14 provinces with tribal and kinship relationships still influencing the conduct of people. In the modern urban environment, instead of weakening because of exposure to the full brunt of the monetized economy, these bonds have strengthened because the Fijian has attempted to use them as a means of coming to terms with their changed existence.

The May 1987 coup has also been explained in terms of an Eastern Fijian (or Tovata) conspiracy using extensive kinship bonds to thwart and suppress ambitious aspirations from urban educated as well as Western Fijians.33 There were however, significant players from outside Tovata that showed a political thread rather than a tribal one in that conspiracy. Events clearly highlighted that the primary motivation for the 1987 coups was to restore authority to the Fijian ruling class. Tovata people dominated because of their commanding position within the Fijian ruling class after 17 years of national rule under the Tui Nayau, Ratu Mara (Robertson & Tamanisau, 1988, p.98).34 If this was indeed a Tovata-inspired conspiracy, the 2000 coup was spearheaded by Kubuna, which later had elements of Burebasaga in it as opportunities were seen and taken in order to exploit the decision-making void created by the political impasse between Speight’s group and the military. Prime Minister Laisenia Qarase was quoted as saying that during the 2000 coup crisis:

the indigenous community was in a state of ferment. Provincial resentments and rivalries which had simmered for years came out into the open.35

A majority of the influences involved in the 2000 coup subsequently assumed formal positions of power and influence.36 The immediate impact of this was seen in the

34The dominance of Lauans (and Easterners) in the civil service and in positions of power was to become a cause for Fijian resentment later.
35Qarase at the Round Table Conference of the Council of Pacific Education at the Forum Secretariat (fijilive5/12/03).
36Ratu Naiqama Lalabalavu (Deputy Prime Minister), Simione Kaitani (Information Minister), Ratu Rakuita Vakalalabure (Deputy House Speaker), Isikia Savua (Ambassador to United Nations), Ratu Epeli
uncontrolled manner in which the government administered its affirmative action policies. The full impact however will only be realised after the “investigations phase” into the coup is over – this continues at present under the Bainimarama regime. With the 2006 elections, new political alignments among Fijians hardened as the politicians’ dependence for political support was complemented with a changing reciprocal dependence of the voter for economic support.

3.5.1 Clientele Relationships
In addition to the above, the issue of patronage is of significance to this thesis. Mara’s rule after independence in 1970 was based to some degree on patronage (Robertson & Tamanisau, 1988, p.104). The fact that he was positioned within the system as a chief, helped him, but did not prevent him losing elections in 1977 and 1987. Governance and public accountability arrangements were compromised by this patronage in the public service (Lal & Vakatora, 1997). The coup in 2000 raised expectations of special treatment for Fijians. The Soqosoqo ni Duavata ni Lewenivanua government’s “Blueprint for Fijians was a hastily drawn plan for Fijian affirmative assistance” (Appana, 2005b, p.43). In what appeared to be politically-motivated attempts to meet the interests of Fijians, it made assumptions about unity amongst Fijians and the resultant uniformity of demands.

3.6 The Illusion of Fijian Unity
Fijian society today is characterised by fragmentation. Lawson (1991, p. 276) states that:

Fijian cultural homogeneity is not grounded in fact, either historically or in terms of contemporary political reality. It is a myth which has its origins in the colonial era and which has developed, partly by accident and partly by design, into a powerful rhetorical device to serve the political interests of the chiefly establishment.

This myth of cultural homogeneity and Fijian unity served the interests of political alliances based on ethnic groups. Wah (1997, p.152) explained this by saying that the itaukei have a unique idea of political correctness that prevents open dissent. This lies in the elevated psychological position that permeates the entity of the chief who is often also a public office holder. It also stems from the fact that beyond a point, public dissent can lead to violence as

Kanaimawi (earmarked for Ambassador to Washington), Ratu Filipe Tuisawau (Human Resources Manager, Air Terminal Services), Adi Samanunu Talakuli (Ambassador to Malaysia), Jeremaia Waqanisau (Ambassador to Brussels), etc.
has been seen in an increasing number of instances. These considerations become particularly significant when viewed in light of the fact that governments make resource allocation decisions.\textsuperscript{37}

Contemporary ethnic Fijian politics, therefore, comprises a variety of interests (Lal, 2000). These interests not only have the potential to create political upheaval, they also encourage unproductive compromises in politics. Many of the constantly-emerging and ever-changing aspirations of Fijians that underpin these conflicts are conveniently submerged and tend to prevent a dispassionate discourse on ethnic Fijian politics.

3.7 Fijian Economic Pursuit

The notion of Fijian economic enterprise is closely linked to concerns about cultural preservation. It has been argued at different times with differing degrees of impact that economic pursuit would essentially unhinge or threaten existing structures in Fijian society. It is partly for this reason that repeated calls continue to be made to “preserve” the Fijian “way of life” even though the conditions of existence of the Fijian has continued to undergo drastic change. The straightjacket in which the colonial administration “froze” “Fijian society” also froze enterprise in land utilization, position of chiefs, and the mobility of Fijian labour. Not surprisingly, this was supported and encouraged by chiefs and bureaucrats who worked for and had influence in the colonial Fijian Administration as well as representative governments. Fijian economic pursuit is therefore, linked to the notion of preservation of the Fijian way of life, chiefly system and the now out-dated notion of security of the Fijian race.

As early as 1903 the “communal system” that underpinned colonial policy regarding matters Fijian was being recognised as an impediment to individual effort. The Colonial Secretary issued a rare policy pronouncement that certain individual effort and self-reliance must be encouraged amongst Fijians (Scarr, 1980a, p.111). In 1905, Governor im Thurn found Fiji sufficiently stable to suggest that access to land needed to be improved for commoner Fijian participation in the economy. This was opposed by the chiefs who appealed with limited success to ex-Governor Gordon in England (Robertson & Tamanisau, 1988, p.10). Not

\textsuperscript{37}Widespread Fijian dissent against governments has led to changes in government. Hence fears of negative reaction have never featured in the decision to protest. Militant trade union protests have only been supported by Fijian trade unions when the case for support has been overwhelming.
surprisingly, this shift in policy was also in tandem with white settlers’ desire for fertile, accessible land for cultivation.\(^{38}\) At the same time, development assistance began to be focused on individual Fijian economic initiatives rather than on communal chief-controlled activities.\(^{39}\) This was the rationale of colonial policy in Fiji for the next three decades. Fijians were encouraged to let government lease out their lands on their behalf, as well as to sell their labour freely on the labour market.

In 1914 Apolosi Ranawai, a revolutionary Fijian leader who fought against the ideology of colonial rule in Fiji, launched *Viti Kabani* or Fiji Company with seven white directors and a capital of 14,000 pounds.\(^{40}\) Not surprisingly, this endeavour was viewed with suspicion and antagonism by European traders who felt threatened and saw it as a development that would eat “deeper and deeper into the vitals of native loyalty and orderliness”.\(^{41}\) The chiefs also expressed antagonism because Ranawai was a westerner and proposed a new order for the Fijians. Ranawai’s disruptive anti-colonial inclinations led to his subsequent imprisonment and exile. In this case, which was radical at best, colonial concern appeared to be focused more on preserving the status quo rather than on allowing aggressive enterprise among the native population. It appeared that Fijian economic pursuit was acceptable so long as it did not pose a threat to European interest, and so long as it did not have the potential to disrupt the colonial administration in any way. Government policy thus continued to encourage individual initiative, but it had a restrictive element to it.

This did not go unchallenged for too long as discontent among the chiefs led to repeated calls for a Great Council of Chiefs meeting which eventually convened in November 1922. The mood of this meeting was antagonistic to the colonial administration and some of the resolutions passed included: condemnation of labour recruiters; and a return to 19\(^{th}\) Century

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\(^{38}\) In May 1905 Fijian land was made alienable and by July 1908, some 104,412 acres of fertile, accessible Fijian land had been sold. Another 170,000 acres was obtained on long leases before the process was halted through Sir Arthur Gordon’s (now Lord Stanmore) intervention with the Colonial Office.

\(^{39}\) For the first time there was unanimity in the colonial administration’s support of free enterprise for the Fijian commoner. See Lal, (1992), Scarr (1980a, p.113) and Robertson & Tamanisau (1988, p.10).

\(^{40}\) Apolosi Ranawai was the most prominent early Fijian advocate for the participation of Fijians in business. In a reflection of some incomprehensible logic, he used up 3,000 pounds of the 14,000 start-up capital for Viti Company saying that it was a personal present. For this he was subsequently jailed. For more on Ranawai, see Lal (1992, p.48-54).

\(^{41}\) Barrow quoted in Lal (1992, p. 52). The potential for violent native uprising was well recognised through encounters with the hill tribes of Colo and the highlands of the interior of Viti Levu.
rules where a Fijian would need community consent before engaging in paid labour (Scarr, 1980b, p. 71). The disapproval of the Fijian establishment towards Fijian economic enterprise without chiefly consent was clearly articulated by Ratu Sukuna after the 1922 Great Council of Chiefs meeting when he wrote to King George V and said:

The knowledge fills us, in these days, with apprehension, when we see custom, the law of our existence, being weakened – prematurely we believe; for we have not yet acquired the mental equipment necessary to a life of individualism as lived (in Britain).  

Ratu Sukuna and the Great Council of Chiefs were clearly apprehensive of the “loosening” influence of wage labour and money enterprise on Fijian society. This inclination could be seen as noble befitting chiefs as custodians of Fijian culture and protectors of the people. It could also be seen as being self-centred because it ensured the survival and perpetuation of chiefly control. The colonial administration, through persistent prompting from European planters desperate for labour with the abolishing of indenture, however, continued to encourage Fijian participation in the wage economy. In the mid-1930s the colonial Secretariat made renewed efforts to “individualise” Fijians:

freed from the calls of the community in the program of work, enabled to preserve and reinvest the fruits of their own labour and assisted to become like Indians and Europeans in order to compete with them (Scarr, 1980b, p.99)

The Governor justified this somewhat prophetically by saying that the communal system was a constraint that would break up in time, but the pace of this disintegration needed to be hastened so that the Fijian would not lose out completely on both the economic and political fronts.

Chiefly opposition however, returned with new vigour. The subsequent setting up and entrenchment of the Native Lands Trust Board in 1940 institutionalised these constraints as it was the chiefs and bureaucrats who were the major beneficiaries of land rentals and the

42Sukuna quoted in Scarr (1980b, p. 72).
43It needs to be noted that Ratu Sukuna did encourage commercial agriculture, but his inclination in this direction appeared to be ambivalent over time.
44From the mid-1930s the colonial administration had been urging Fijians through the Great Council of Chiefs to utilise their lands for economic enterprise. Leasing excess tracts of land through the Native Lands Trust Board and the Native Land Trust Act of 1940 was seen as a step in this direction.
Fijian system propped these institutions. A 1943 District Commissioners’ Conference decided that “it is imperative to maintain the closest possible connection between the individual and the land.” Furthermore, it exhorted the revitalising and retention of village society that lay at the basis of Fijian culture (Lal, 1992, p.135). The Great Council of Chiefs endorsed this and the Fijian Administration, attempted to stem the tide of change by sheltering the Fijian within the umbrella of what Lal (1992, p. 135) calls “a government within a government”. Part of the rationale for this can be seen in the fact that Fijian attachment to land, like any agrarian community, is etched in folklore and mysticism. Land is the most valuable asset that the Fijian holds and his relationship to land derives from the tribal bases of Fijian society. However, only this derivation remains static in the face of changes. Robertson & Tamanisau (1988, p. 146) say that:

the subsistence basis of tribal land relations is inadequate to feed a growing non-farming population and satisfy the expectations of rural people.

Subsistence farming offers no incentives for further development of land, neither does it allow the farmer to participate and share more meaningfully in the national economy. An important training opportunity for commercial endeavour was thus missed by the Fijian. This came back in the 1950s to haunt the colonial administration. In fact this has again been recognised in recent times, with interruptive hiccups in between, as a renewed and growing interest is being shown by landowners to enter into commercial farming.45

The apparent lack of economic progress among the Fijian community, even though they owned greater than 83 per cent of land, became a matter of concern for the colonial administration in the 1950s. In June 1958, Professor Oskar Hermann Khristian Spate was commissioned to conduct an investigation into the matter. He concluded that the lack of economic progress among Fijians was due to: static social institutions and structures within Fijian society; and lack of effective leadership in economic enterprise from traditional

45 There has been a marked interest towards cane farming by Fijians especially since 2000. Whether this has been motivated by attempts to deprive the Fiji Indian cane farmer of the main means to continue in the industry or to genuinely attempt to utilise land to realise its full worth as amply demonstrated by the tenant farmers is a moot point. Since 2006, Fijians have also ventured into varied small and medium ventures with government support. See Appana (2010b) for more on this.
Another commission of inquiry conducted by Sir Alan Burns in 1960 came up with, among other things, recommendations to abolish the Fijian Administration because of its stifling influence on the economic integration and advancement of Fijians. The Burns Report was roundly criticised on this point by the Fijian establishment. Despite this opposition, widespread recognition of the stifling effects of the traditional communal system led to a relaxation, in late 1960, of the village regulations that had constrained Fijians in their villages since the 1940s. Lal (1992, p. 186) aptly encapsulates the situation of the Fijian at this stage when he says:

Caught in a bewildering whirlpool of criticism and facing an uncertain future, the Fijian people were harking back to the simple life of legend and myth, uncomplicated by the problems of living in a competitive modern environment.

The Fijian was indeed caught up in a whirlpool, inadequately prepared for life in a modernising economic environment, and saddled with an unresolved sizeable foreign presence in the form of the Indo-Fijian immigrants who were clamouring for a stronger equal political voice. His predicament was compounded by the fact that he did not trust the Indo-Fijian because of a number of historical factors. European planter (and colonial) treatment of girmitiyas, deliberate manipulation of sentiments against them, legislative restrictions on living in the same vicinities, segregation in education, segregation in union membership, public strike actions by desperate cane farmers and their suppression by force through Fijian-European cooperation, repeated cantankerous-appearing calls by Indo-Fijian leaders for political equality, the deliberate refusal to accept Indo-Fijian participation in the war efforts and the political spin later given to this “lack of patriotism”, all combined to make the Indo-Fijian a despised “outsider” or vulagi in Fiji. His economic orientation and quest for education and fair treatment could not have been admired and emulated.

Beginning in 1970, the Mara government undertook a number of programs to help the Fijian come to terms with the rapidly monetising economy. Special assistance was offered to Fijians in education. Recruitment and enhancement programs targeted establishing Fijians in

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46 See Lal (1992, p. 182); Lasaqa (1984, p. 26) and Nayacakalou (1975, pp. 132-134). The fear and personal conservation concern of chiefs can partly be seen from this perspective. On the other hand, the chiefs themselves were ill-equipped to lead their subjects into a largely unknown domain.
47 Some of the Fijian reactions are recorded in Lal (1992, pp. 185-186) and Nayacakalou (1975, pp. 133-134).
meaningful positions in the civil service.\textsuperscript{48} The Fiji Development Bank, established in 1967, set up a soft loans scheme for Fijians under its Commercial and Industrial Loans and Joint Venture Loans schemes.\textsuperscript{49} The Ministry of Fijian Affairs set up a unit called Business Opportunities and Management Advisory Services (BOMAS) in June 1975\textsuperscript{50} to provide expert assistance, finance and training for Fijians aspiring to enter business. A total of F$6,721,553 had been disbursed to Fijian business aspirants through Business Opportunities and Management Advisory Services between May 1975 and December 1984.\textsuperscript{51} However, despite this, Fijian success remained an unrealised aspiration.

Mismanagement, even corruption and outright plunder, a communal culture incompatible with the commercial ethic, and simply, incompetent advice were all responsible for the failures (Lal, 1992, p.233).\textsuperscript{52}

This has never dampened Fijian aspirations towards commerce. Neither has it weakened the political spin-off potential of this perceived inequity. Campaigning for the 1977, 1982, 1987, 1999, 2001 and 2006 general elections invariably highlighted the need to rectify the ethnic imbalance in commerce and the professions. Much of the blame has been placed on the Indo-Fijian community who have simply watched with disbelief. The Spate Report of 1959 emphatically found that the Fijians lagged behind other ethnic categories in the commercial sector not because of the success of these other groups, but because of the static social institutions within the protected and protective Fijian communal system. One year later, in its submissions to the Burns Commission, the Great Council of Chiefs refuted this and placed the blame on “lack of finance”.\textsuperscript{53} The Indian bogey was again refuted by the 1984 Report of the Fiji Employment Mission which showed that Fiji Indians were not economically better off than Fijians (FT 5/2/86, p.7).\textsuperscript{54} A number of poverty reports confirmed emphatically that

\textsuperscript{48}The section on affirmative action programs discusses this and assistance in education in detail.
\textsuperscript{49}See Lal (1992, pp. 232-233) for details.
\textsuperscript{50}This was preceded by the Project Evaluation Unit set up in February 1974.
\textsuperscript{51}Qarase in Lal (1992, p. 233).
\textsuperscript{52}The first head of Business Opportunities and Management Advisory Services was a graduate trainee at Carpenters Group before being recruited by government. He would later play a key role in Rabuka’s failed Equity Investment Company Limited venture with Fiji Development Bank in assisting Fijians in business through the acquisition of a number of supermarkets around Suva.
\textsuperscript{53}See Lal (1992, pp. 180-186) for details of the Spate and Burns Commissions of Inquiry.
\textsuperscript{54}In fact the number of unemployed Indo-Fijians had begun to increase, and their presence in squatter settlements around Suva stood at 58 per cent. This report also showed marked increases in the proportion of Indo-Fijian unemployed, and decreases in the proportion of Fijian unemployed between 1976-1983.
the Indo-Fijian community dominated the lowest socio-economic strata in Fiji. The perceived economic deficiency of the Fijian has been addressed by governments through various means since 1970 as seen earlier with Business Opportunities and Management Advisory Services (BOMAS), Equity Investment Company Limited (EIMCOL) and other exclusively Fijian schemes. The 1987 coups have also been largely justified on this basis. Subsequently, between 1988 and 1994, the National Bank of Fiji (NBF) was used to channel money to socially-oriented loan schemes. It became technically bankrupt in 1991, but continued to disburse loans until its collapse in 1995.

Renewed calls for direct assistance for Fijians surfaced after the 2000 coup and the Soqosoqo ni Duavata ni Lewenivanua government came to power on the solemn pledge to close the gap between Indo-Fijians and Fijians. The basis of its policies since its assumption of government in September 2001 was a Blueprint which was targeted at achieving by 2020 a 50/50 ethnic parity. The main asset that the Fijian possesses, land, was once again being overlooked as perhaps the most potent means to enhancing the economic position and participation of Fijians in business.

A government-commissioned study in 2002 produced the 2002 Seeto Report (fijilive, 17/9/02) which proposed a massive review of the Fijian administration in order to make it more effective in meeting the concerns, needs and interests of both rural and urban Fijians. The general feeling among the Fijians sampled was that the Fijian Administration may have helped to preserve Fijian culture and tradition, but it had not done enough to improve the capacity of Fijians to participate in Fiji’s socio-economic development. The Report highlighted that in order to realise their business aspirations, Fijians would have to accept that government funds are limited, and they themselves would have to become financially self-

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55 A 2002 Government taskforce on poverty alleviation found that some 22,150 Indian families fell under the poverty line in comparison to 17,760 Fijian families and 1370 families classed as Others (fijilive, 14/9/02). Another report by Professor Subramani titled “Poverty in Indian and Minority Communities of Fiji” cited the Fiji Poverty Report of 1997 in establishing that Indo-Fijians were economically the worst off category in Fiji (fijilive, 3/4/03).


57 See fijilive (15/9/02) for more of this address. Ratu Jone went to great lengths to assure the rest of Fiji that “the Affirmative Action Plan for Indigenous Fijians does not undermine the aspirations and interests of other ethnic groups or promote ethnic domination or discrimination by indigenous Fijians. It merely attempts to bridge the gap between indigenous Fijians and other ethnic groups.”
reliant through various innovative income generating activities. With this movement of responsibility away from government, participants would have to “change their attitudes to realise that they determine and control their own success”. It emphasised that the “people ( )^58 must have the will and commitment to changing their values, attitudes and behaviours”.

Native Lands Trust Board distributions of around F$20 million per year to the Fijian was specifically mentioned as a source of funds that was not being used for investment or business purposes. This could be harnessed for the economic advancement of the Fijians in conjunction with other government allocations. It advised the Fijian Administration to channel part of its resources into inculcating a culture of savings in the Fijian community. And on a more ambitious note, it recommended the removal of certain inefficient and costly traditional practices. It went on to say that “if Fijians are to be able to effectively participate in business, commerce and employment, one of the crucial roles of chiefs ( ) and leaders is to lead the change required in certain customary practices of Fijian society that conflict with the principles of the free market economy and modernisation”. In other words, it called for fundamental changes in Fijian attitudes that are closely tied in with aspects of Fijian culture. This appeared to have been recognised by cabinet when it rejected the report and called for substantive revisions to it. The Great Council of Chiefs was more emphatic when some chiefs condemned the Seeto Report saying that it was supposed to identify and propose ways in which the Fijian establishment could be protected and secured. Instead, they felt that the report tried to destroy the foundations of Fijian Society (fijilive 15/11/02). This cultural preservation-economic progress tension has always plagued Fijian economic aspirations.

The commercial aspirations of Fijians have not been realised despite repeated attempts to do so. One major obstacle in this regard has been the Fijian communal system, which has hampered the Fijian from developing the cognitive systems and behaviours necessary for business enterprise. In addition, the system of chiefs has also hampered the Fijian because of its fear that economic enterprise would weaken the very bases of its existence. Assistance schemes have not had effective accountability mechanisms. This has tended to mitigate commitment from individual business aspirants. Failed businessmen have simply come back to claim more monies in later years to launch new business experiments. Fifthly, assistance

^58 These brackets are used throughout this thesis to show portions of quotations that have been broken up.
schemes have had an in-built political popularity dimension. This has made it easy to disburse assistance, but extremely difficult to control and sanction abuses. Sixthly, the traditional context has compromised the all-important merit consideration that would have improved markedly the chances of success in these assistance schemes. Seventhly, a dependency relationship exists between the Fijian and governments in Fiji. This was established through colonial paternalism even though it was meant to be a temporary 25 year measure in Gordon’s estimate (Lal, 1992, p.16). Post-independence governments simply inherited this policy legacy as expectations were already well established. And lastly, assistance schemes have been abused to reward cohorts, cronies, and potential threats as political power and survival became important considerations during times of political instability.

The end result of chiefly opposition to integrating Fijians more directly into the money economy, and the obstacles mentioned above, was that it prevented Fijians from developing the necessary skills for living in a fast developing and modernising economy. This created a marked socio-economic dichotomy between the rural and urban Fijian populations in later years. Political platforms have played on this dichotomy over the years, and affirmative action programs were partly grounded in this disparity even though the race comparison was used to gain political justification for these essentially inequitable programs. Repeated myopic comparisons of Fijian economic enterprise with that of Indo-Fijians can only be understood through a historical review and analysis of the arrival of the Indian in Fiji and the complex process of his conversion to being an Indo-Fijian even though, after three generations, he is still seen as an outsider in the country of his birth by the indigenous community.
3.8 The Indo-Fijian

Since his/her arrival in 1879 into a relatively unstable British colony, the Indo-Fijian has played an important role in providing cheap labour. The Indo-Fijian currently comprises some 37 per cent of Fiji’s total population of just over 844,000 people. This sizeable presence and concentration in selected urban and rural farming areas in Fiji has made the Indo-Fijian appear like a “threat” to the Fijian population. It also gave policy makers and office holders a convenient scapegoat for diverting public attention from questionable government decisions, especially during the public sector reform process. In order to understand why it is easier for the Fijian to refuse to accept the Indo-Fijian civic voice of concern and dismiss it as “noise”, it is necessary to trace the arrival and struggle of the Indo-Fijian in a land that was foreign at the outset, but that later became an uneasy home to a periodically reviled community.

3.8.1 The Arrival - Girmit

The arrival of the girmitiya in Fiji is directly linked with Britain’s express desire to have economically viable colonies in its domain. The first resident colonial governor, Sir Arthur Gordon, when he arrived in Fiji in 1875, was faced with three major problems: land, labour and capital. Capital arrived with the Colonial Sugar Refinery Company (CSR) from Australia in 1882, and stayed till 1973 when it decided to leave because of heightening discomfort arising from a changed set of circumstances emanating from Fiji’s independence in 1970. Labour on the other hand, was brought in from India for a number of reasons. One, Gordon was well aware of the favourable characteristics of imported Indian labour from his earlier stints as Governor in Trinidad and Mauritius. Two, Gordon foresaw dangers in introducing the decimated Fijian population into paid labour as he felt that Fijians were not only

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59 There is much controversy about the use of this term to denote 2nd, 3rd, 4th and 5th generation Indians in Fiji. Allegations have been made of “identity theft” by nationalists inspired by the coups of 1987 and 2000. The term “Fijian” for all Fiji’s people has been opposed for a long time now. I believe identity is a socio-cultural construct that must take into account the individual’s (and therefore, the group’s) emotional attachment to the place of his/her birth and upbringing. The Indo-Fijian has very little to do with India, very few have actually visited the country of origin of their girmitiya forefathers. Fiji is the country that they belong to, and that is what makes sense to them. Hence I’ve chosen to use the word Indo-Fijian for this category of people through this thesis. The Bainimarama regime has decreed that Indo-Fijians are Fijians, but whether this will be allowed to take root is moot at present.

60 See Gillion (1962, pp. 6-7) for details.

61 Girmitiya referred to the person/people who came to Fiji on Girmit from India.
disinclined, but ill prepared for it. And three, Pacific sourcing for labour had become both morally tainted and too competitive. Thus the first batch of 479 indentured labourers arrived in Fiji aboard the *Leonidas* in May 1879 (Gillion, 1962). By 1916, when the indenture system ceased, 60,639 immigrants had arrived in Fiji from India. Called “whores of capitalism” by one academic (Naidu, 1980), the girmitiya left his/her homeland to escape from poverty, family disagreements and feuds or trouble with authorities. A sizeable population of immigrants from a remote cultural background had arrived in a remote land. Over the years they would develop a lifestyle and make Fiji their home.

Plantation work for the girmitiya was forced under extremely inhumane conditions. Each girmitiya arrived on a five-year contract, and had to work nine hours per weekday, and five hours on Saturdays. For this a male received a shilling and a female, nine pence. There was a surcharge for housing and medical facilities. A worker’s living quarters (or “lines” as they were called) comprised one cluttered room, infested with flies, mosquitoes, smoke and soot from cooking fires (Gillion, 1962, p.105). The female girmitiya had a particularly difficult existence as she was traded by her own man (or men), abused (both sexually and otherwise) by white overseers, and blamed for the ills of the immigrant community. She had to shoulder the blame for the fact that the male girmitiya in Fiji had the highest suicide rate in all the Colonies at the time. Family life was not what one would have expected in normal society and breakups, fights, outbreak of diseases, etc. were common. At the end of the period of five years, one was free to return to Indian at one’s own expenses. A choice was provided to go into small holder farming or enter into another indenture contract and remain in Fiji for another five years as an “industrial resident” at the end of which government paid for the return passage to India. A total of 24,000 girmitiya returned to India from Fiji. There was widespread desire to become “free” of the shackles of indenture and few were willing to return to it. New sources of livelihood were found as hawkers, “watermen”, agriculturists and

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62 Lal (1992, p.13) says that “Fijians were little attracted to the drudgeries of plantation work”. Gordon was also concerned about leaving Fijian society undisturbed by the ravages of colony. See also Robie (1989, p. 206).
63 “Blackbirding” had attracted lots of criticism because of its inhumanity, and Pacific labourers were being taken to Queensland in Australia on more competitive terms.
64 See Gillion (1962), Lal (1986), Naidu (1980); Sanadhya (1991), and Scarr (1980a, pp. 95-100).
65 It was not uncommon for women to have more than one man with the tacit approval of the group as demographics and the depravity of the circumstances dictated this at the time.
66 Jealousy has been blamed for the high incidence of suicide among girmitiya males, but there were other more compelling reasons for this. See Lal (1992, p. 44), Naidu (1980) and Scarr (1980a, p. 99) for more on this.
small shopkeepers (Lal, 1992, pp. 39-40). The bulk of the Indo-Fijians however, entered into harsh new contracts with the Colonial Sugar Refinery Company as cane planters and labourers.

3.8.2 Worker Agitation
Pre-1920 protests by the predominantly Indo-Fijian workers against the excesses of their white employers were ignored, deflected through laws, or removed by force. Major strikes inevitably followed on 15th January 1920 and 1921. In both cases armed force using Fijian personnel was deployed to quell the strikes. In both cases, Colonial Sugar Refinery refused to give Indian labour the recognition it deserved. Colonial Sugar Refinery’s 1921 response was to advise the Governor that Indo-Fijians:

Will only work long enough each week to produce (a subsistence) income and will idle the rest of the time. Even if it were desirable to make wages in an educated democracy fluctuate up and down with the fortune of individual businesses – which we gravely doubt – there cannot, in our opinion, be any question that to thus attempt to regulate wages with ignorant and in many respects uncivilised people is wholly wrong (Lal, 1992, p.82).

It is clear that Colonial Sugar Refinery and the colonial government’s apparent lack of concern for institutional disadvantages being faced by Indians needed to be questioned vigorously. This led to a new political assertiveness amongst the immigrant community and political agitation became a necessity. In November 1937, the Fiji Kisan Sangh (a farmers’ association) was formed by Mohammed Taiyab Khan and Ayodhya Prasad to provide a unified voice for the farmers. A rival body the Maha Sangh was formed in June 1941 by Ambalal Dayabhai Patel and Swami Rudrananda. In the meantime, escalating farmer grievances and the intransigence of Colonial Sugar Refinery led to a major strike in 1943 right in the middle of World War II. In 1944, a commission of inquiry chaired by Professor Cecil Yaxley Shephard vindicated most of the claims of the farmers, but failed to get positive responses from Colonial Sugar Refinery which appeared to be operating above the law. The Shephard Commission found in 1944 that between 1939-1943 the average price of cane had

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67 For details see Lal (1992, pp. 80-81).
68 For list of grievances see Lal (1992, pp. 82).
69 At the forefront of these struggles was British trained lawyer Manilal Maganlal Doctor who arrived in Fiji on request in 1912.
only risen by 50 per cent while cost of living had escalated by 115 per cent. Both the Indo-Fijian demand for pay parity in the army and the cane payment grievance with Colonial Sugar Refinery were closely linked to his socio-economic circumstances at the time.

A third cane farmers’ strike took place in July 1960. A series of developments in the 1950s led to circumstances that ultimately forced this strike. The population of Indo-Fijians had begun to show marked increases while the land area for cane cultivation had failed to match this. Between 1946-1956 average cane acreage had shown a 77 per cent increase from 90,816 to 160,732 acres, while the Indo-Fijian population had increased by 91 per cent from 100,943 to 193,464 during the same period (Lal, 1992, p.172). In addition to this, a number of other factors had a role in developing farmer grievances. The Eve Commission was then appointed to look into sugar grievances. Its report, released in 1961 was heavily influenced by the Colonial Sugar Refinery position. A later commission of inquiry under Britain’s Master of the Rolls, Lord Denning recognised this emphatically when he remarked in laying out the Denning Awards in 1969:

During (the 1960s) the costs of the millers have been covered, they have received considerable contributions to their capital improvements and, in addition, they have had good reward. They have not gone short. But the growers have. In settling the terms of the new contract, I have tried to restore the balance. I have tried to give the growers the reasonable remuneration which the Commonwealth Sugar Agreement intended that they should have. ( ). The great public companies of today owe a duty, not only to their shareholders to make a profit, but to the people amongst whom they live and work, to do the best for them.

The 1960 strike and tenor of the Eve Commission Report led to a number of developments that were to set the scene for political developments later. In 1963, the Federation Party was launched by supporters of the Federation of Cane Growers. A rival cane faction, the Kisan Sangh and the Vanua Levu Farmers’ Union formed the backbone of Indo-Fijian support for the Alliance Party. Fijian cane farmers, with public support from the administration, broke

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70 For more details see Lal (1992, p. 132-133).
71 For details see Lal (1992, pp. 172-173.
72 The Commonwealth Sugar Agreement appeared to have been given scant regard by the Eve Commission.
74 This faction had broken away from the Cane Growers Federation and signed the agreement that broke the growers’ strike on 24th July 1960. The Alliance Party comprised three ethnic-based components: Fijian Association, Indian Alliance and General Electors Association. The power positions of the three reflected colonial inclinations in
away from the Indo-Fijian led strike. Ex-Servicemen (who were overwhelmingly Fijian) and the Great Council of Chiefs offered manpower to “protect” those who didn’t support the strike. Security forces, with clear ethnic demarcations, were once again deployed in the sugar belt. Alarming public utterances against the Indo-Fijian community by Fijian leaders, European planters, and the Fiji Times set the Indo-Fijian apart as one who was an outsider, could not be trusted and warranted severe punishment. This image would persist into independence and ultimately become a convenient excuse for justifying unconstitutionality, non-performance, mismanagement and questionable conduct in the public domain.

3.8.3 Political Agitation

Political agitation by Indians began of necessity, and gained momentum at the turn of the 20th century. Petitions began to be sent to government on a number of issues including land policy, social problems and political representation. The first secretary of Indian Affairs, Junior Robert Pearson, summarised the scenario quite succinctly when he observed in 1928 that Indians were impatient for political change, Europeans too resistant to it, and Fijians too willing to support the Europeans in order to constrain the Indians (Lal, 1992, pp.86-87). The Indo-Fijian thus acquired the debilitating cloak of “political threat” to Fiji, and Fijians in particular, for posterity. Fijian fear and distrust of the Indo-Fijian, planted and cultivated by business (capitalist) interests, conveniently led to a dependency relationship between the Fijian and the European at this stage. The European would, over time, be gradually subsumed into and replaced by a comprador class of business interests in Fiji.

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75 The multi-racial 1959 Oil and Allied Workers strike also led to fractures in the union movement with ethnic based membership encouraged subsequently.
76 Social issues like access to education, right to fair trial, atrocities against labourers in plantations, etc. were numerous. For details see Lal (1992, pp. 46-48; pp. 83-86).
77 Fiji was ruled by a Legislative Council comprising the governor and his nominees from 1875 to 1903. European demands for elected representation led to changes in 1904. The composition of the now clearly racially composed Legislative Council became: ten appointed senior public servants, six elected Europeans, and two Great Council of Chiefs nominated Fijians (Lal, 1992, p. 36). One appointed Indo-Fijian joined in 1916. The method of entry into and composition of the Council clearly showed the racial order of importance in the colony. By 1920, the scenario had changed to 11 nominated officials, seven elected unofficial European members, two Fijian chiefs appointed by the governor on the Great Council of Chiefs recommendations, one unofficial nominated Indo-Fijian member (Lal, 1992, p. 87).
78 European resistance was motivated by capitalist interests as the newly freed Indo-Fijians as well as new free immigrants were fast developing into a formidable petty bourgeoisie. See Robertson & Tamanisau (1988, pp. 12-13) for more on this.
Continued Indo-Fijian agitation for greater political representation led to reform of the Legislative Council in 1929, 1937, 1963, and 1965. The parliamentary structure of independent Fiji followed deliberations in both 1965 and 1969. In all these cases voting was to be largely communal based even though the Indo-Fijian position had consistently been for common roll. This was to have grave repercussions later as it prevented the forging and bonding of cross-cultural alliances. The ignominy of indenture and its accompanying trials and tribulations since the arrival of the Indo-Fijian in Fiji some 132 years ago has left a perpetual demand for the right to a dignified and equal existence in a “primitive” colony that they helped develop through their toil, tears, sweat and tax. This expectation is not without moral and legal justification. There are certain ambiguous sections of the Deed of Cession as well as the conduct of British colonial administrations that have led the Indo-Fijian to conclude that they have always been supposed to be an irrevocable and integral part of post-Colonial Fiji. Firstly, the chiefs had “determined to tender unconditionally” the sovereignty of Fiji to Britain in return for Christianity, civilization, security, and stability (Deed of Cession appended to Derrick 1950). This meant that it was the Colonial administration that had the sole authority over matters pertaining to the Colonies. Secondly, the girmitiyas had arrived on a British colonial program sanctioned by the Indian government with a clearly articulated proviso that:

Indian settlers who have completed the terms of service to which they agreed, as the return for the expense of bringing them to the Colonies, will be in all respects free men, with privileges no whit inferior to those of any other class of Her Majesty’s subjects resident in the Colonies (Lal, 1992, p.16).\textsuperscript{79}

This has been evoked repeatedly as a charter of rights for the Indian immigrants as it purported to accord them permanent residency rights in the Colonies.

The moral justification comes from the background of deprivation, hardship, pain, suffering, self-denial and sacrifice. This is what makes the Indo-Fijian particularly insistent that he deserves to belong to Fiji and partake of all that it has to offer without fear or favour, pain or prejudice. And it is this insistence that contributes to his/her alienation. This alienation and non-acceptance, in turn, weakens the voice of the Indo-Fijian in matters of national importance. The colonial quest for cheap amenable labour and its adoption of the “divide and

\textsuperscript{79} Lord Salisbury’s dispatch quoted in Lal (1992, p. 16).
rule” doctrine has thus bestowed on Fiji a race cancer that continues to fester indefinitely and lead to not only unprecedented political upheavals, but a confusedly compromised public ethic and national culture. It is this culture that hampers and compromises the effectiveness of governance structures and other institutions of accountability from performing effectively in Fiji. This calls for elaborate external control mechanisms that serve to ensure the paramountcy of the rule of law. This element in the overall governance framework in Fiji is perhaps the most important given historical experiences with a compromised attitude towards the law.

3.9 Law and Order
A necessary precondition for the orderly functioning of society is the public recognition of the paramountcy of the rule of law. This recognition has to be complemented with the visible enforcement of the laws of the land for instilling in the populace a healthy respect and appreciation for the importance and non-negotiability of the rule of law. In Fiji, there is little doubt that the rule of law has been compromised with a visible reluctance on the part of the law enforcement apparatus to pursue the dictates of the rule of law to its logical conclusions in a number of high-profile cases. This has led to a culture of unpredictability where corruption and abuse of office have acquired the proportions of “normal” practice. This state of affairs suits certain vested interests, but it does much harm to the country as a whole. A number of experiences, both deliberate and inevitable, over the years have led to this confused understanding, which has tended to distort and frustrate the expectations systems in both those who intend to abuse the law and those who fall victim to this abuse. It is this that was first cited by Commodore Bainimarama when he executed his coup in December 2006.

3.10 History of Privileged Treatment
Privileged Fijians learnt early the pecuniary and material possibilities their traditional and institutional positions offered them. As early as the late 19th century when “free” Indian immigrants started agitating to free themselves of the yoke of girmit by looking for land to plant, a complex procedure that lent itself to corrupt undertakings had to be followed (Gillion, 1962, p.141). The land lease process involved identifying and selecting a block of land then applying to the Immigration Department or a stipendiary magistrate. This government official then passed the application to the native commissioner or Buli who often
had to be humoured before granting permission. The process not only allowed the
government to establish an “unofficial” source of returns for senior native officials, but it also
had more ominous transformative implications. The native official, who was often of chiefly
rank, saw these types of unofficial practices as being acceptable, and in the process,
developed persisting expectations for such rewards. Later still, a concomitant resentment
towards any questions regarding these benefits evolved. There are also implications in this
for the “right to receive something for nothing” or “rewards without effort” mentality that
appears to characterise the Fijian psyche. The law thus appeared to recognise that some
people were more equal than others. This was later seen in affirmative action programs used
by all governments after 1970. In particular, it was this that led to the rationale that was used
to subvert the aims of the public sector reform programs for personal gain. This expectation
of privileged treatment and a lack of appreciation of the accountability provisions of the rule
of law were earlier enforced by the impunity with which European planter atrocities towards
Indo-Fijian labourers were either overlooked or treated with leniency by magistrates during
and in the aftermath of indenture.80 During the 1920, 1921, 1943, 1959 and 1960 worker
strikes, threats of force and the actual use of state violence was employed to break up the
strikes. These were precursors to the armed coups against the political arm of the trade union
movement in Fiji. These were also precursors to justifications for privileged treatment and
non-universal application of the rule of law.

3.11 Coups
On 13th April 1987, Fiji saw the swearing in of its first trade unionist commoner Fijian Prime
Minister, Dr. Timoci Bavadra. For the 17 years since independence, Fiji had been ruled by
the Alliance Party under Ratu Mara with a slight aberration in 1977.81 Bavadra’s assumption
of Prime Ministership was not accepted by certain powerful elements in the Fijian
establishment and a coup followed on 14th May 1987. This was the “father of all coups” in
Fiji and it was justified on the basis of Fijian self-determination, cultural preservation and

80 See Lal (1992, p. 41-42) and Sanadhya (1991, p. 17 and pp. 42-52) for more on the Narayani case and other cases
of such atrocities where the white perpetrators of violence and cheating on the girmitiya were either not punished at
all or let off with light punishment.
81 In April 1977, the National Federation Party defeated Ratu Mara’s Alliance Party. Internal bickering within the
National Federation Party on the issue of leadership led to the formation of a minority government under Ratu Mara.
Subsequent elections in September saw a fractured National Federation Party fail to deter the Alliance which
returned to power with a resounding majority of 36 seats out of 52. For details see (Lal, 1990, pp.50-67).
“Indian” threat. In the lead up to that coup and in its aftermath, members of the Methodist clergy, peripheral/ignored chiefs, failed politicians, failed businessmen, minor unionists, ethno-nationalists and plain hoods were seen to lead the marches, mayhem and violence. It appeared that violence against Bavadra supporters (who were largely Indo-Fijian) was officially sanctioned. The law also appeared to be partial in that none of the hoodlums involved in this rampage was punished by the courts of law. In fact, a number of the ring leaders of this mob were later given monetary assistance from the Poverty Alleviation Fund to start off their own businesses. No certain links however, have been made between the riots and the funds disbursed even though one notorious ex-convict told the researcher that his two miraculously acquired taxis were “saumi” or pay for his role in a gang rampage through the city during which a prayer vigil was violently disrupted.

Rabuka and his associates received pardons and promotions after the coup of 1987 mainly because the Fijian felt that the Bavadra government would favour the Indo-Fijian over Fijian interests. This is the paradigm within which a large portion of the Fijian polity conceptualizes politics in Fiji. More importantly the perpetrators of this coup were rewarded and so a culture of political patronage was encouraged in the aftermath of the Rabuka coups that subsequently brought the country to the brink of bankruptcy (Lal & Vakatora, 1997).

There is little arguing that public accountability was compromised after the 1987 coup. This coup and the one in 2000 were both justified in terms of protecting the indigenous Fijian community. A lack of widespread acceptance of the 1997 constitution has often been blamed for the 2000 coup and there is some substance to this argument. It is also true, however, that both parliament and the Great Council of Chiefs had endorsed it. Dissatisfaction only arose after plans were disrupted by the unexpected victory of the Fiji Labour Party in the 1999 elections. Latent fears of the Fijian were successfully aroused by individuals and groups with vested interests. The 2000 coup aimed to mobilise full Fijian support because of its racial rationale, but it unravelled when overt military support failed to materialise. A final military assault on 27th July led to the capture of 369 rebels (including 12 soldiers), plus one dead and 33 hospitalised rebels.

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82Fiji-style democracy was meant to ensure power in perpetuity to the ethnic Fijian elite. See Appana (2009) for details of this.
Most of these people were charged and given suspended sentences. Three of the leaders were sentenced to life imprisonment for treason. A further seven were sentenced to varying stretches in gaol. A number of soldiers who commandeered the Sukanaivalu Barracks in Labasa in 2000 were sentenced to longer terms (eight years as opposed to two years for those convicted on similar charges in Suva), but government attempts to have these made consistent with the Suva rulings were refused endorsement by the Army Commander. 83 Trials of rebel soldiers continued with the leader of the November mutiny copping a life sentence. The public however, recognised that the trials involved only the front people for the coup. Some of the “unknown faces” went on to quickly acquire elevated public positions. They pointed to the coup of 1987 and the subsequent election of Rabuka as Prime Minister as justification for their own intriguing “progress”.

3.12 Corruption and Abuse of Office
There have been numerous recorded cases of corruption, abuse of office and over-expenditure in public offices in Fiji over the years (Appana, 2011a). Arrogance in public office and blatant disregard for procedures has been traced to the 1987 coups with the demise of the National Bank of Fiji cited as the epitome of this abuse. 84 After 2000, the annual reports of the Ombudsman and the Auditor General have documented this escalating trend (fijilive 7/8/02). 85 The Police Commissioner’s involvement in the 2000 coup was the subject of a commission of inquiry which exonerated him without answering any of the major questions posed by the public. This seemed to compromise the position of the commissioner and shake public confidence in the police force. 86 Auditor Generals’ Reports have been more alarming (fijilive, 25/9/02). In one noteworthy case, the Prime Minister hired a speechwriter at the rate of $155/h without following set civil service procedures. 87 Prime Minister Qarase subsequently voiced disapproval of the 2002 report of the Auditor-General, stating that the job of the Auditor-General was to audit accounts and not make recommendations or express

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83 A number of unsuccessful attempts were made by government to circumvent the Commander to lower the Labasa sentences. See the Review (1 July, 2003) for more on this.
85 More abuses appear in this report.
86 Amid escalating public disquiet and distrust, Police Commissioner Isikia Savua was posted to New York as Fiji’s Ambassador to the United Nations. These types of diplomatic postings have been used by governments after the 1987 and 2000 coups to remove controversial personalities from the public eye.
87 See fijilive (9/10/02) for more on this report.
opinions (fijilive, 16/10/02). The Auditor-General’s reports were thus given cursory regard. Another case that shocked public confidence was where approximately F$25 million was disbursed mainly to villagers and farmers in the Tailevu and Naitasiri areas as agricultural assistance after the 2000 coup and in the lead-up to the 2001 elections. Interestingly, only one official was indicted after he threatened to go public with first-hand information on the “agricultural scam”. He subsequently filed a writ against the government through his lawyers.

A lack of predictability in public office and corruption became a part of the work environment in the Fijian public service. Public Service Commission chairman, Sakeasi Waqanivavalagi: “admitted at a press conference that scams, nepotism, favouritism and visible corruption are rife in the Fiji civil service” (Appana 2005, p.45). The police force was in the middle of major changes after the appointment of a new Commissioner following the redeployment of Commissioner Savua in the aftermath of the 2000 coup. The law courts also exhibited a questionable level of inconsistency in dealing with coup-related crimes. There was inconsistency in concluding cases against those who were charged. The F$250 million National Bank of Fiji scandal (1987) and the F$25 million agricultural scam (2001) are now “water under the bridge”. Tender approvals by the Native Lands Trust Board, Airports Fiji Limited and Telecom have raised public concerns.

The Auditor General’s office has been likened to a “toothless tiger”. Permanent Secretary of Agriculture, Peniasi Kunatuba, issued an ultimatum to government to lift his suspension or he’d reveal names in the scandal (fijilive, 5/4/02). He was later sacked and filed a writ in the High Court against his dismissal (fijilive, 20/6/02 and 21/6/02). Details were revealed of questionable orders and disbursements through 11 government ministers. He said this in making a case for the restructuring of the top posts in the public service so that Permanent Secretaries positions become upgraded to Chief Executive Officers. Under a proposed system, permanent secretaries would operate as Chief Executives and disciplinary functions would be delegated to them. Any laxity on their part to adhere to the strictest standards, he said, “could easily lead to a non-renewal of their one-year employment contracts” (fijilive, 12/12/02). Those public Chief Executive Officers were later hired on 5-yr contracts! Cases against Ratu Naqama Lalabalavu (Deputy Prime Minister), Ratu RakuitaVakalalabure (Deputy House Speaker), Ratu Jope Seniloli (Deputy President), Isireli Leweniqila (Sports Minister), Simione Kaitani (Information Minister), etc. continue to be dragged with no clear reasons being forwarded.

Fijilive (5/3/04) reported that the Native Lands Trust Board had awarded a F$5m IT tender to a United States company when a local tender had been for F$2.7m. Fijilive (20/9/02) reported that a controversial Pakistani businessman was awarded the tender to provide identification cards for delegates and journalists at the 2002 African Caribbean Pacific Summit after it had already closed. The tender had apparently been awarded to a local company and then withdrawn. The police spokeswoman was reported to have said, “This man had a lot of connections – most of Government jobs such as printing, provision of computers and IDs for the Africa Caribbean Pacific Summit was awarded to him.” Telecom’s Chief Executive Officer and Chief Operating Officer were accused of circumventing
3.13 Media

A free, fearless and vibrant media operates as a bulwark in the path of abusive practices against society. Successive governments have recognised this and made various attempts to control the media so that negative reports could be suffocated and propaganda amplified. Harassment by soldiers in the aftermath of the 1987 coup led to the closing down of the Fiji Sun.\(^93\) The Soqosoqo ni Duavata ni Lewenivanua government attempted to introduce a Media Bill in early 2003 in order to “strengthen ties with the media”, but this was dropped after overwhelming opposition began to mount.\(^94\) Its predecessor, the Chaudhry government, had managed to antagonise the media after only a few months in office. Chaudhry’s downfall can be partly attributed to widespread publicity given to the appointment of his son as his press secretary, his sacking of his tea lady for having leaked information about a tryst in his office with a female journalist, and his continued refusal to meet with Ratu Tu’akita Cokanauto, a high chief and faction leader in his coalition partner, the Fijian Association Party (FAP).\(^95\) The media thus does play a constructive role in Fiji through a number of outlets.\(^96\) The problem lies in the quality of reporting and access to good quality reports. The vernacular press shows an ethnic bias that tends to reflect political alignments along ethnic lines. The three English language dailies are accessed to a limited extent as some 70 per cent of the public are rural dwellers. Television access is limited at best. In addition to this, investigative journalism is not a marked feature of news reporting in Fiji.

There is another element on the issue of the media as a control agent. As mentioned earlier, a “culture of silence” influences contentious public discourse in Fiji. This inhibits the type of incisive public discussion necessary for the effective functioning of the media as a public watchdog. The ouster of Prime Minister Chaudhry via the 2000 coup showed a lack of widespread acceptance of his pugnacious, confrontative style of open, robust political discourse. This was largely because it grated against the respected:

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93 See Robertson & Tamanisau (1988, pp. 71-72) for details. The Fiji Sun had become a major critic of the coup and the excesses of Rabuka’s troops in its aftermath.
94 Information Minister Kaitani in fijilive (29/11/02).
95 Fijian Association Party Members of Parliament and supporters were later involved in the siege of parliament.
96 Daily newspapers include: The Fiji Times, The Daily Post and The Fiji Sun. Vernacular weekly newspapers include: Shanti Dut (Indian), Nai Lalakai and Vola Gauna (Fijian). Magazines include: The Review, Pacific Islands Monthly and Islands Business. In addition to these, there is the weekly Wansolwara, Fiji TV, Fiji Broadcasting Corporation TV, Mai TV and a number of radio channels in all 3 languages.
tradition of more allusive and indirect discourse, conscious of well-defined cultural protocols, rank and hierarchy (Lal, 2000).

This non-acceptance of abrasive public disagreement led to a number of threats of violence against TV personality, Riyaz Saiyad Khaiyum. The effectiveness of the media therefore, is curtailed by an almost instinctive negativity from a considerable number of Fijians. Useful information is discarded as “noise” even before it has a chance to make a difference. This raises the dangerous prospect of selective information processing which fuelled sentiments during the three coups Fiji had to endure prior to 2006. It also limits the potentially constructive role played by the media as an essential mechanism within the apparatus of governance in Fiji. This problem persists through the current Bainimarama regime.

3.14 Proposals for New Control Mechanisms
A number of proposals have been made to supplement the obviously ineffective mechanisms that exist in controlling the behaviour of public servants. Public Service Commission’s Sakeasi Waqanivavalagi also mentioned the possibility of setting up an ethics commission tasked with investigating allegations of corruption and abuse of office (fijilive, 12/12/02). Presently ministers, members of parliament and public officials are not deterred from using public office for personal gain because the procedures involved in dealing with cases are lengthy and there is no legislation to prosecute those found guilty of misconduct. The idea of setting up a Corruption Commission has also been mooted for Fiji. The Queensland model has been proposed because it enables a concerned tax payer to report any malpractices with evidence against high office holders. This commission, comprising a cross section of personalities, would then investigate the matter and pass on its findings to Cabinet. All these remain mere proposals at this stage. Whether they would be established and whether they would operate effectively are moot points. Another mechanism that does exist at a higher level however, is the house of parliament. Although exponents of democracy differ on its institutional requirements, Fiji has been bequeathed a Westminster system of democratic government.

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97 Khaiyum used to anchor the “Close Up” program which is Fiji’s answer to “60 Minutes”.
98 Duncan & Lukes, 1970, p.191
3.15 Democratic Politics

From a classical viewpoint, democracy is seen as “rule or power of the people”. This does not mean “majority rule” *per se*, but implies a system that takes into account minority rights and interests with appropriate provisions for legitimate opposition and dissent. In the Westminster system of government parliament is the central forum for debate on issues of national importance. The composition of parliament in Fiji has historically been based on ethnic lines. This has tended to distort the functioning of parliament.

In the past, the British colonial administration was heavily influenced by the thinking of Ratu Sukuna, who clearly rejected western-style democracy, universal voting rights, and widespread modern education while supporting the rule of chiefs (Scarr, 1980b). The Fijian, therefore, traditionally saw the concept of government as rule by the chiefs. Thus unquestioning loyalty to the chiefs was seen as patriotic loyalty to government; this is what suffocated dissent and debate that is an integral part of a functioning parliamentary democracy (Robertson & Tamanisau, 1988, p.106; Lal, 1998, p.70). This requirement for a hold on power has now been extended to include certain ‘inner’ ruling elites, who are able to influence opinion and control the national purse strings. After the coup of 1987, the concept of the chiefly state became a prop on which rural support was mobilised to project special groups into positions of authority and influence. When the Bavadra government came into power in April 1987, a considerable portion of the Fijian population were faced with the confusing prospect of having to accept a government not run by chiefs. One high chief was reported to have complained at a Fijian Association protest meeting at the Raiwai Youth Centre on Easter Monday (1987): “I cannot imagine us listening to Government leaders who are not chiefs.”

It was this confusion in the psyche of the Fijian that presented a promising opportunity for vested interests to push their agenda for destabilising the Bavadra government.

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99 Constitutional review proposals have consistently attempted to marginalise the influence of the urban Fijian vote (in favour of the rural vote) because dissent has continued to come from the urban voter.

100 Scripture Union Secretary Mesulame Nainoca tried to explain this confusion between loyalty to government and loyalty to chiefs by saying that it stemmed from the fact that the Fijian Bible used the word for chief to refer to government (Robertson & Tamanisau, 1988, p.66).

101 Bulou Eta Vosailagi (the *Ka Levu* of Nadroga). Quoted in Robertson & Tamanisau (1988, p.66).
Lawson (1991, p.12) states that constitutional opposition is a: “sine qua non of modern democratic politics”. It is a form of institutionalised opposition that is focused on expressing dissent on policies and programs rather than on: “the legitimacy of the constitutional regime itself” (Hofstadter, 1969, p.4). Opposition to the Chaudhry regime evoked negativity and suspicion towards the constitution. It continues to be pointed out that eight of the 14 provinces had refused to support it at provincial council level even though the Great Council of Chiefs and both houses of parliament had subsequently endorsed it unanimously. The post-coup elections of 2001 brought in a new Soqosoqo ni Duavata ni Lewenivanua government which was not endorsed by the Fiji Labour Party. Firstly, a judicial review was called for on the issue of electoral rigging. Then a major controversy arose on the constitutional provision for a multi-party cabinet. This ended up in court battles until in July 2003, the Supreme Court of Fiji declared that the majority party (Soqosoqo ni Duavata ni Lewenivanua) was obliged to make an “unconditional” offer to the Fiji Labour Party to join cabinet. Since that historic ruling, there continued to be disagreement on the composition of the new multi-party cabinet. Thus it appeared that the “constitutional regime” itself was under question in Fiji. So far the discussion has focused on parliamentary, bureaucratic and individual modes of control on the behaviour of politicians and public officials in Fiji. There is another independent source of control that is central to the New Public Management model which is being used for public sector reforms in Fiji.

3.16 Market Structure

New Public Management prefers the market to government as a coordinator of social relations:

- since it involves transactions that are voluntary, lateral and decentralised, in contrast to the compulsory, hierarchical and centralized activities of government (Beetham, 1987, p.33).

Contracting out of public services is considered an important means of introducing market stimulus into the public sector. Therefore, there is widespread use of contacts in New Public Management as term contracts and competitive public tendering procedures are seen as a way to use rivalry to lower costs and improve standards. Public Choice Theory, Agency Theory, and Transaction Cost Theory, lie at the basis of New Public Management therefore, it exhibits a preference for private ownership, contestable provision and contracting out of public services. Unfortunately, in Fiji this type of competition is not prevalent across
industries. A sizeable number of sectors operate either within a monopolistic or oligopolistic market. Fiji is also not endowed with an abundance of potential service providers who could effectively deliver on competitively acquired government contracts, making it virtually impossible for the market mechanism to operate effectively so that the positive outcomes of reform can be realised. Furthermore:

a necessary condition for the market to operate ( ) is a framework of legal compulsion, to guarantee the security of person and property, the integrity of contracts and the soundness of the monetary system (Beetham, 1987, p.27).

A University of the South Pacific/Reserve Bank of Fiji study clearly identified weaknesses in the rule of law as a major reason for the slow infusion of investment funds into Fiji. It pointed out in particular, difficulties in the enforcement of contracts. This appears to render the use of the market mechanism virtually meaningless in the Fiji context.

3.17 Conclusions
Fiji offers a challenging traditional context for public sector reform that uses the New Public Management model. There are structures within the context that need to be understood before any meaningful reforms can be undertaken. These include the institution of the chief, the structure of Fijian society, ongoing changes to this structure, Fijian economic and political aspirations, the Indo-Fijian problem, state of rule of law, the public ethic and expectations, contextualised role of the media, system of government, and market structures. Each of these poses problems in unique ways to the successful utilisation of New Public Management as a model for reform.

The fear of Indian domination has been used to rally Fijians behind their chiefs in order to preserve the traditional structure. This has compelled chiefs to forge socio-political and economic alliances, and to aspire to public and positions, as well as to engage in business enterprises. Demands for special privileges and concessions had heightened in the pre-Bainimarama era. Fijians expect preference (as of right) in appointments to public positions, loans and business opportunities. Governments acquiesce with an eye on vote and political threat implications because of the traditional sway of chiefs largely over the 55 per cent of Fijians who are rural dwellers.

102 Jayaraman & Seruvatu in fijilive (29/3/03)
Chiefly appointments to boards of public enterprises as well as other public entities became routine. Companies have been set up with chiefly participation to bid for public contracts in order to enhance the chances of success with public tenders. Chiefly involvement also ensures political and business clout. Loan applications to banks have been approved more easily because of chiefly involvement. On the other hand, public criticism of chiefs is resented and the effectiveness of the legal apparatus becomes questionable whenever unacceptable practices involving chiefs are identified. This compromises the principles of meritocracy, transparency, accountability and good governance. The chief remains an unclarified and ambiguous institution within the governance framework in Fiji.

Special privileges for chiefs have been reflected with similar expectations from educated and enterprising Fijian commoners who feel better qualified for these public appointments and privileges. Justification is invariably provided using the Indo-Fijian bogey with virtually all of the permanent secretaries (Chief Executive Officers) and public enterprise heads being Fijians. A 2003 global search for Chief Executive Officers to head government ministries by Australian firm, Mercer Consulting, found 21 Fijians and two Indo-Fijians to fill these posts. Since the 1987 coups, provincialism, paternalism, political patronage and nepotism were blatantly used in public decision making. This made it extremely difficult to identify and expect conventional objectivity in decisions on appointments, promotions, reprimands, dismissals, tender approvals, license approvals, etc. The hallowed principles of meritocracy and considered objectivity had therefore, virtually ceased to operate in the upper levels of the public sector in Fiji. This spawned a culture that totally mitigated against the upright honesty expectations of New Public Management.

In its submissions to the sector standing committee on economic services deliberating on amendments to the Public Enterprise Bill in 2002, the Fiji Trades Union Congress (FTUC) attributed the poor performance of public enterprises to: “deficient management abilities of executives, absence of strict accountability from board level, lack of incentives and conducive environment within for employees and disdain for human rights aspects” (fijilive, 5/11/02). In reference to Chairmanships on the boards of these public entities, the Fiji Trades

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103 The National Bank of Fiji saga revealed this emphatically. One chief was allowed to pay back a ludicrous F$1 per month on a F$70,000 loan after a requested reschedule.
Union Congress called for a removal of all hints of “partisan appointments especially in critical areas such as the civil aviation sector as serious problems can arise as demonstrated by events at Airports Fiji Limited, Civil Aviation Authority of Fiji and the Air Terminal Boards in recent times.” They also called for wide consultations on board appointments so that the most capable board was selected. They proposed that this board should then elect “the most meritorious and capable person” for chairmanship at the first full board meeting (fijilive, 5/11/02). This was ignored by government.

Furthermore, the rule of law is not respected in Fiji because it has not operated in a predictable manner largely because of personalised considerations that it should not have (Appana, 2011a). Three coups (prior to Bainimarama’s coup) with mixed responses from the law enforcement apparatus had shaken public confidence. The media made valiant attempts to operate as a watchdog, but this was compromised and led to mixed results. Voices of dissent from the public against the excesses of powerful personalities who had the backing of the establishment had been either ignored or rubbished as the rantings of Indo-Fijians and anti-Fijians. The parliamentary system also failed to operate effectively because of this reason. Political alignments are ethnic based and this creates an anti-Fijian image whenever issues are raised. Perhaps most importantly, the Fijian has yet to learn and appreciate the full ramifications of a constitutional democracy.

Other institutions of public accountability like the Auditor General’s office and the office of the Ombudsman have not been effective because they lack the necessary powers of enforcement even though Bainimarama has brought about encouraging changes. On the other hand, contractualism assumes the presence of perfect competition for the market to realise its allocative efficiencies. The market mechanism, in turn, requires all these institutions in addition to a competitive number of providers and suppliers to operate effectively. These are available in limited numbers and strengths in Fiji. Thus the market has limited use value as a control mechanism in the Fiji context. It is for these reasons that New Public Management, as a model for public sector reform, has difficulties delivering its expected outcomes in Fiji. This will be analysed and discussed in detail in the ensuing chapters using cases researched

104Thakur Ranjit Singh’s MA thesis (Auckland University of Technology, 2011) clearly showed how the media, especially the Fiji Times, had become partisan before and during the 2000 coup.
for this thesis. The next chapter outlines and evaluates the New Public Management model as a framework for informing, determining and guiding public sector reforms in Fiji.
4.0 New Public Management as a Model for Reforms

4.1 Introduction
In this chapter, the pressures for public sector reform and public enterprise restructuring are identified and discussed. This is followed by a detailed discussion of the use of reforms as a policy instrument and the rationale for restructuring. In focusing on New Public Management, the chapter outlines what it is and how it works. It identifies and discusses its strengths and weaknesses highlighting in the process, institutional arrangements that are crucial for the introduction of New Public Management. The chapter then discusses how introducing it in a bureaucratic context creates additional problems because of a number of assumptions that do not stand up to scrutiny especially in a traditional context. It is argued that New Public Management emerges through the traditional model of public administration - it is a variation, not a departure from public administration and this creates tensions that affect outcomes. In this regard, a strong case is made to show that New Public Management has confusions and contradictions that affect its implementation. The main focus of the argument attempts to evaluate whether the New Public Management model is theoretically suited for a traditional context like Fiji. A corollary to this is to try to establish whether the bureaucratic model could be modified in ways other than New Public Management to serve its purpose in the Fiji context. Finally, discussion centres on institutional/governance requirements that have become an important part of public sector reform and public enterprise restructuring using the New Public Management model.

4.2 Pressures for Reforms and Public Enterprise Restructuring
The reform of the public sector in general and public enterprise restructuring in particular took place in part as a reaction to a number of internal and external pressures.

4.2.1 External Pressures
In 1985, a wage freeze was imposed in Fiji as a first step towards cutting costs in the public sector. That year also saw an interest in aligning government policy with changes that were linked to globalisation. This orientation was given greater impetus by political developments in 1987 that made foreign investment particularly important. Globalisation impacted on Fiji as it did elsewhere. Public sector reforms, which started in the late 1970s in Western countries, began to be adopted in the developing world (Turner and Hulme, 1997). In
addition, reform in Australia, along with the widespread introduction in neighbouring New Zealand prompted a re-evaluation of the Fijian public sector (Duncan and Bollard, 1992).

The 2002 International Monetary Fund Mission Report on Fiji advised the authorities to recognise the limits of their ability to add value, especially with regard to management, and not to delay privatisation. It added that, “privatisation proceeds should be used for reducing debt, not for financing the fiscal deficit”.

Management and financial reforms were proposed as essential elements in the medium term strategy of raising growth and achieving fiscal consolidation. Structural reform, involved a sequenced withdrawal of administrative controls, restraint in public expenditure and wage controls. An improved tax regime and an increase in the value-added tax rate were all recommended as alternatives that could assist financing an increase in public investment expenditure. In line with its ideological dictate, it also recommended a reduction in administrative impediments to investment, the dismantling of price controls, and the elimination of “distortionary” import quotas and licenses (IMF, 2002). In response, government announced continued privatisation of public enterprises although it indicated that there were no immediate plans for further privatisations as their priorities were to improve enterprise management and financial control within the public sector. Earlier, in finalising its three-year national strategic plan, government had announced progressive sales of its shares in state-owned companies and statutory authorities between 2003 and 2005. A minimum of 10 per cent return on investment (ROI) was expected from efficiency gains through better organisation and reforms of these commercial entities. Reforms to public enterprises would, it was hoped, mean that:

Government achieve higher returns on investment, that the framework is effective, that privatisation focuses towards achieving economy wide gains, that public monopolies do not become private monopolies and that ownership of wealth and the benefits of privatisation are spread equitably among the population (fijilive, 4/09/02).

At the 2003 Roundtable Donors Co-ordination meeting in Suva, Finance Minister Kubuabola underlined the importance and influence of donor agencies on government policy when he said that government considered its partnership with the donor community and international financial institutions crucial in its efforts to improve Fiji’s economic and social development.
We are looking to ourselves as well as you, our development partners, to ensure that we take the right route. The meeting’s theme ‘effective donor co-ordination for Fiji’s future’ strongly conveys our approach in this regard. It is important that we work together to ensure that our mutual objectives are met – but beyond that, it is important that we work together to ensure that your assistance is fully utilised and properly accounted for in mutually-agreed programmes and projects (fijilive, 11/04/03).

In addition to these pressures from outside, there were internal pressures that prompted the public sector reform process in Fiji.

4.2.2 Internal Pressures
Public enterprise reform was first introduced as part of public sector reform policy in government’s 1993 budget address to parliament even though the Public Enterprise Act was enacted in 1996 (Ministry of Public Enterprises and Public Sector Reform, 2002). All of the government enterprises were found to be operating at low levels of efficiency prior to the commencement of reforms in 1996. The reasons identified for this included: a lack of accountability, over-staffing, corruption, and cronyism (Department of Public Enterprises, 1998, p.6). A high share of the country’s credit was granted to these malfunctioning public enterprises, which increased the burden on the taxpayer. In 1998 government investments in government enterprises was more than F$800 million, the return on assets was only 2.7 per cent on average. At the time the Government required a return on assets of 15 per cent, which meant that there was a drain of an estimated F$25 million per annum in terms of lost tax and other opportunity costs (Department of Public Enterprises, 1998). The stage was set for major reforms in the management of Public Enterprises in Fiji.

4.3 From Public Enterprise to Restructuring
Public enterprise reform was part of the discourse on public sector management. The restructuring of public enterprises has largely been equated with privatization. This does not offer a clear picture of what actually happens in the restructuring process as privatization has narrowly been defined to mean the transfer of majority shareholding from the public sector to the private sector. Restructuring takes various forms that include transfer of shares, transfer of assets, transfer of responsibilities through contracting out, breaking up of public enterprises into separate entities, and drafting of policies and programs that introduce competition into the public enterprise sector. The rationale has been to increase the incidence
of competition on the public enterprise so that performance is improved through market stimulus. For this study, restructuring is defined as a process leading to privatization which is seen as the end result of the process of restructuring. Public enterprises are seen as corporations that are wholly-owned by government (Curwen, 1986). They are usually a hybrid of government and private enterprise involved in public production for private consumption (Jones, 1982). In Fiji there were some 28 public enterprises in 1996 that fell into two types: government commercial companies and statutory authorities.

Some of these public enterprises came about as a functional response to market failure because the products involved could not be provided efficiently by the private sector. Fiji Post and Telecommunications (FPTL), Fiji Electricity Authority (FEA), the Ports Authority of Fiji (PAF), and the Civil Aviation Authority of Fiji (CAAF) were some of these. Market failure explanations are based on the neoclassical economics assumptions of “rational” man and “independent” markets therefore; they ignore the impact of competing social forces in the emergence of public enterprises (Jones & Mason, 1982). Public enterprises could also be seen to be arising from nationalism and a state desire for sovereignty as with the euphoria of independence in 1970 also came a gradually increasing desire for “localisation”. The establishment of these public enterprises was a source of tremendous pride and achievement for both Fiji and the Fiji government in the 1970s. By 1996, they accounted for 25 per cent of investment and 30 per cent of employment (Department of Public Enterprises, 1998, p. 9). Thirdly, apart from the usual economic arguments, domestic political considerations add another dimension to the shift to public enterprise as there are numerous socio-political reasons for it (Hood & Schuppert, 1988, p. 41; Hood, 1994, p. 42).

There are a number of ways in which public enterprises enable politicians to gain benefits not achieved by regulatory instruments. Public enterprises can be used as “exits” or “waiting rooms” for politicians (Derivery, 1975, p. 222). The political selection process inevitably leads to the “dropping” of certain personalities from the political line-up for new elections. Governments can “reward” and retain the loyalty of dropped candidates by awarding them positions within public enterprises. On the other hand, candidates who have been unsuccessful at the polls can be drafted into public enterprises while they wait for the next elections. Much of this was seen in public enterprise board appointments in Fiji in the 1990s.
eg. The Civil Aviation Authority of Fiji and Fiji Post and Telecom Limited. Public enterprises also allow direct political patronage in the issuing of jobs and contracts. This became particularly pronounced after the 1987 coups when at one stage a ludicrous situation existed in Fiji Post and Telecom Limited where a board member also held a senior management position. Thus supporters can be rewarded, non-committed fence-sitters won over, and enemies placated through public enterprises (Cook & Minogue, 1990, p. 396). Public enterprises can also be used as a resource in “territorial politics” whereby development is pushed directly to marginal constituencies eg. The National Marketing Authority (NMA) was used to help in the marketing of rural produce in the 1980s and 90s. This helped ascertain the loyalty of rural Fijian voters who comprised some 70 per cent of the total Fijian vote base at the time. In Fiji, patronage via public enterprises was also used to strengthen further, traditional kinship relationships, old-boy networks, and (after 1987) military linked clientele power bases. In addition to this, the public enterprise allows a convenient avenue for “timing business decisions” to coincide with political cycles eg. no rate increases before elections, publicised wage raises prior to elections, etc. Finally, the public enterprise conveniently “combines the possibility of maximal hands-on influence with minimal political accountability” through the use of “independent boards” (Hood, 1994, p. 44).

These “independent boards” are open to government influence even though they are publicly portrayed as being independent. The “arms-length” principle allows government to have a direct influence over public enterprise decisions and at the same time not be held directly accountable for these decisions even though “rational” management regimes have been designed to make this government-board relationship transparent through public directives, public subsidies for unprofitable, politically favoured activities, etc. Governments have been able to work around these with a keen eye on the popularity potential of these public decisions. On the other hand, public enterprises being different from government departments have conveniently been able to operate outside the ambit of rigorous public accountability regimes (Hood, 1976). Ahmed (1982, p. 53) underlines the political significance of public enterprises with his argument that because authority is vested very strongly in the state and government in developing countries, due to weak institutions of mobilisation and modernisation, dominant interests can use public enterprises to consolidate their power
positions. There is therefore, a heavy political significance to the use of public enterprise as a policy instrument.

This attractiveness however, was overshadowed by dismal economic performances in the public enterprise sector. In the 1990s government had been losing around $20 million per year through subsidies and foregone taxes to public enterprises. Annual return on assets stood at 1.95 per cent compared to government’s eight per cent cost of borrowing (Department of Public Enterprises, 1998, p. 8). A prolonged recession in the 1980s had demanded strong macro-economic measures from government and effects of the global trend towards deregulation necessitated an outward focus in economic policy from 1985 onwards. With the successes seen in Australia and New Zealand, and pressures from donor agencies, Fiji embarked on public sector reforms. These reforms were subsequently implemented in stages because of unique political and economic developments.

In addition to these, there are a number of other not-so-obvious factors that prompted the shift in policy from traditional public enterprise to restructuring towards privatization. A major push for restructuring comes from senior management of public enterprises themselves especially where there is some assurance of gaining lucrative positions after the restructure. There is the attraction of unprecedented salary raises as:

- top managerial salaries can soar after privatization, as has typically occurred in the United Kingdom, since there will neither be market checks on their pay (in the form of threat of bankruptcy or takeover) nor the restraints imposed by public opinion on top public servant salaries (Hood, 1994, p. 52).

Managers who continuously manoeuvre for “organizational slack” push for policy changes if it reduces the constraints within which they operate. Hood (1994, p. 51) says that:

- though privatization rhetoric tends to harp on ‘market discipline’ and consumer benefits, reality needs to conform to stereotype.

Management accountability therefore, can actually be reduced, with sensitive decisions being shielded from public scrutiny as ‘commercially confidential’ information. Additionally, if public shareholders are inadequately informed in the economics of the public enterprise,

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105 This figure has been arrived at by adding 2.6 per cent Return on Assets for wholly government-owned enterprises and 1.3 per cent Return on Assets for statutory authorities, and then dividing the total by two to obtain an average figure.
management performance cannot be effectively scrutinized by the public. Thus management push for restructuring is partly motivated by effecting changes on the oversight regime. This was clearly the case at the Civil Aviation Authority of Fiji where senior management supported the change enthusiastically until the perception of “threats” began to emerge in 1998 just prior to the restructure.

There are also political reasons for the change from public enterprise to privatization just as there were political reasons for the shift to public enterprise. Demands for patronage might exceed supply at some point as expectations have a tendency to develop auto-dispersion mechanisms especially in traditional contexts like Fiji where almost everyone knows everyone else. This use of patronage and allocating jobs for politicians and strategic supporters could reduce the performance of public enterprises to such an extent that national economic performance would be affected. The National Bank of Fiji saga was a classic case of patronage where a F$250 million bankruptcy left a substantial fiscal deficit in the national budget (Grynberg, et al., 2002). Consequently, a sagging economy would have impacted on voter inclinations plus orientation of international financial institutions and aid donors. Therefore, it was in the interests of vote-seeking politicians to consider privatization as a means of reversing the economic slump. Restructuring followed at Fiji Post and Telecom (FPTL) which became Post Fiji and Telecom Fiji. A large part of the purchase of Telecom Fiji shares by the Fiji National Provident Fund (FNPF) was used to offset this deficit in the 1998 budget with a keen eye on the impending 1999 elections. Thus privatization appears to reflect that politicians desire to acquire power, and do not necessarily behave in the manner assumed in much of economic literature ie.

politicians running the government behave as public policy maximisers, devising and pursuing primarily those policies which promote the greatest benefit to the general public (Dobek, 1993, p. 24).

Dobek argues that political considerations always supersede economic ones as in the case of Thatcher in the United Kingdom. Privatization is used as a means to expand the electoral base and weaken that of opponents. In Fiji, the negative fallout from public sector reforms was miscalculated and the Soqosoqo ni Vakavulewa ni Taukei government was voted out of power in 1999.
The restructuring and privatization programs were undertaken with gusto between 1998 - 1999, and then resumed with renewed vigour after the 2000 coup as there were other political advantages to be realised. A restructured public enterprise offers a means of buying votes and rewarding friends. Hood (1994, p. 50) says that:

a fire sale of public assets below market value will offer potential campaign contributors or marginal voters with spare cash the kind of no-lose investment opportunity that is all too rare in the perilous world of stocks and shares.

This strategy was a marked feature of privatization under Thatcher in the United Kingdom in the 1980s. In Fiji, the sale of shares in restructured public enterprises had a twist in that block reserves were placed on purchases for Fijians in a direct reflection of ethnic-based vote concerns. Restructuring of public enterprises also makes available more lucrative jobs for politicians “in-between” or “post-politics”. Consultancy fees and top post salaries are less politically construed “since it can be claimed that salaries are commercially confidential and/or that they spring from ‘market forces’” (Hood, 1994, p. 50). A number of ex-politicians were appointed to public enterprise boards in what was largely seen as “rewards” by both the Soqosoqo ni Vakavulewa ni Taukei government (1992-1999) and the Soqosoqo ni Duavata ni Lewenivanua government (2001-2006). Restructuring also creates a number of business opportunities through its contracting out facilities. This was an opening that was targeted by the Soqosoqo ni Duavata ni Lewenivanua government to bring Fijians into business. Awarding public contracts to potential political foes in order to neutralise them also featured between 2001-2006.

In addition to these, the shift from public enterprise to restructuring public enterprises can be explained in terms of control system dynamics. Hood (1976) argued that no control system can be perfect, they wear out over time. Therefore, control frameworks in public policy are dynamic and subject to change among simple steering\textsuperscript{106}, homeostasis\textsuperscript{107} and collibration,\textsuperscript{108} the three modes of control proposed by Dunsire (1978). Control in public enterprises could

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\item \textsuperscript{106} “simple steering” is where controllers change direction whenever they find the need eg. politicians with government departments.
\item \textsuperscript{107} “homeostasis” involves the setting of explicit targets and mechanisms for monitoring progress and taking corrective action.
\item \textsuperscript{108} “collibration” involves the setting up of “opposed maximisers” so that the system operates within the constraints of “double binds” (Hennestad, 1990) which can be tuned selectively to influence outcomes eg. the use of the colonial British “divide and rule” doctrine.
\end{itemize}
\end{footnotesize}
have been under the single command of a trusted person (“Platonic Guardian”) to deliver results. This was the case with the Civil Aviation Authority of Fiji where from 1982 to 1998 one man acquired the “face” of the organisation through his dominance. Dissatisfaction with performance led to the adoption of a homeostatic style of control which did not result in much difference as it became difficult to measure “success”. Hood (1994, pp. 53-54) highlights the British experience when he says that “in practice public enterprises seem to have quickly learned to live with the targets and investment criteria with little basic change in their behaviour”. A new type of control became necessary and collibration followed with independent regulation pulling against profit-focused providers. This brought to the fore the importance of elaborate governance structures in effectively controlling both the restructuring process as well as the restructured public enterprises. A homeostatic as well as collibrative control systems thus emerged as an integral part of New Public Management which is the model widely used for restructuring public enterprises.

4.4 New Public Management

New Public Management:

assumes a culture of public service honesty, the presence of effective institutions of public accountability, a vibrant democratic political framework, and the pre-requisites of a competitive market mechanism…. (further) building democratic institutions in traditional contexts (like Fiji) requires fundamental changes in society, politics and public administration (Siegel, 1999, p.367, 368).

It is within this framework that reform was implemented using the New Public Management model. New Public Management however:

is not just a change in management structure or techniques; rather, it is an on-going change effort to alter administrative process and culture that in turn takes place within a larger economic, social, and political reform context (Klingner, 2000, p.369).

It will be noted here that it was pointed out earlier that the Fijian context of reforms had structures that hindered the use of New Public Management, and also compromised and distorted its impact.
4.4.1 Theoretical Underpinnings of New Public Management

New Public Management’s theoretical roots can be traced to the Chicago and Austrian schools of political economy (Friedman, 1953; Hayek, 1978). These developments were in line with those later developed as part of the new institutional economics of Arrow (1963) and Niskanen (1971).

New Public Management, therefore, comes from new institutional economics, which has its basis in Transaction Cost Theory, Public Choice, Agency Theory, and Theories of Bureaucracy. Administrative reform doctrines arising from this movement include the portability of technical expertise, the need for high discretionary powers (free to manage) in management, and its centrality and indispensability for better organizational performance through the development of better organizational cultures (Peters & Waterman 1982), as well as active measurement and adjustment of organizational output. Thus changes brought about through New Public Management have been informed by what is widely referred to as the “New Right”.

On the other hand, the management and organizational ideas contained in New Public Management, can be traced back to earlier debates on public administration (Savoie, 1995). New Public Management, therefore, combines management theory and economic organizational theory, and so creates a hybrid model with inherent tensions (Aucoin, 1990; Hood, 1991). New Public Management has also been linked to a number of other theories, including: managerialism, deconstructionism, postmodernism, reengineering, Total Quality Management, democratic theory, cyber theory, etc. (Terry, 1999; Kamensky, 1996, Ledema, 2003). Thus New Public Management’s conception is characterized by in-built tensions. Hood (1991, p. 4) argues that New Public Management does not have a single intellectual provenance, and Ferlie, et al. (1996, p. 10) states that New Public Management has:

unconnected and at times contradictory characteristics with no clear and agreed definition of what it actually is.

In addition Stark (2002, p.137) states that this implies a lack of theoretical clarity.

However, despite the contradictions and tensions outlined and discussed above, New Public Management is made up of:
competition, decentralization, delayering of government bureaus, citizen choice, output measures of performance, finance-based performance contracts for public servants, creation of internal markets, and use of other private sector-type management practices (Adapted from Stark 2002, p. 137).

Thus there appears to be little dispute about New Public Management’s fundamental objectives, which are to create an innovative, problem-solving, and more entrepreneurial culture (Barzely, 1992; Kettl, 1997; Rosenbloom, 1998).

4.4.2 Features of New Public Management

A number of features have been identified as being characteristic of New Public Management (Hood, 1991, pp. 4-5; Pollitt, 1993, p. 134; Boston, et.al., 1996, 26). Each of these is interrelated with the others, with the overall objective being to create an environment, both internally and externally, that is conducive to the use in the public sector of private sector type management practices. Despite these arrangements however, partly because of the fact that there is no clear formulae for bridging the gap in introducing into the public sector private sector management practices, each of the unanimously identified features of New Public Management is fraught with confusions and contradictions. They also ultimately come up against restrictions that are both internal and external. New Public Management has a number of in-built assumptions that question its use-value in traditional contexts like Fiji. Additionally, the sometimes-conflicting values of New Public Management with those associated with traditional public sector management pose a further source of problems in implementing public sector reforms and restructuring public enterprises in contexts like Fiji. The following section outlines and discusses contradictions and confusions that arise from some of the widely identified features of New Public Management while the issue of conflicting values is discussed later on in this chapter.

4.4.2.1 Managerial Autonomy

One central distinguishing feature of New Public Management focuses on hands-on professional management. This has an in-built contradiction that is not too obvious at the outset. Firstly, on the one hand managers are given more discretion (Kaboolian, 1998); while on the other hand New Public Management attempts to curtail discretion in the ambit of operation of the public servant (Barberis, 1998). This clearly appears contradictory even though it can be argued that the “freedom to manage” precept of New Public Management is
focused on the managerial levels of public organizations and in relative terms, managers do enjoy a greater degree of freedom in New Public Management. Furthermore, New Public Management has been linked to the idea of “letting managers manage” as well as “making managers manage” (Kettl, 1997). This again brings into question the precept of “freedom to manage” and what it actually means in New Public Management.

Hood (2001) places the autonomy of public managers under New Public Management on a continuum having one extreme where the manager sees his/her job as a zen-type state of mind that does not require any institutional changes in order to ensure accountability and responsibility. It is not very clear what he means by this, but it can be assumed that he is referring to the rules and procedures-ensconced bureaucrat who thinks and acts managerially in a clearly prescribed, predictable work environment. On the other end of the continuum, managers enjoy a strong form of institutional autonomy where their decisions are not subject to either prior approval or retrospective appraisal (Hood, 2001, p.301). This form tends to raise the question of democratic accountability of governments as it weakens substantially the link between the public manager and government. It also tends to weaken the ability of governments in using public entities to fulfil their roles as providers of public goods and custodians of the public good.

Somewhere in the middle of this continuum lies a third positioning of the public manager where he/she has some degree of discretionary powers in decision-making while being answerable to politicians who can direct them within prescribed limits. This is the type that is used predominantly largely because of its political appeal. Restrictions are placed mutually between the Chief Executive Officer and the government via contracts or agreements, which also allocate risks of blame between politicians and managers. Drawing up these contracts is an exercise fraught with difficulties and dangers for a number of reasons that are discussed later. Operational responsibility is usually placed on the manager in a major departure from the doctrine of ministerial responsibility, which forms an integral part of traditional public administration. Removal of the doctrine of ministerial responsibility makes the public manager directly responsible for the functioning of his/her department or organization.
because placing administrative/managerial responsibility at the political level complicates the 
process of control and covers public managers from being held accountable publicly.\textsuperscript{109}

The intermediate form is a hybrid that attempts to strike a delicate and at times politically 
insurmountable balance in creating the “decision space” for the public manager. Obstacles 
and problems usually arise in the form of unclear political agendas and objectives. This is a 
major problem in Fiji where most of the public enterprises and public offices are located on 
traditionally-owned leased land. This fact is often cited by landowners claiming priority 
rights on recruitment as well as board appointments (fijilive 1/11/02). These types of 
traditional pressures compromise the government’s as well as the Chief Executive Officer’s 
attempts at recruiting the best candidates for the civil service as well as Public Enterprises as 
etnicity becomes a criterion for selection. A further complication comes from government 
affirmative action policies that require the award of at least 50 per cent of all government 
contracts to business entities that are at least 51 per cent ethnic Fijian-owned (fijilive 
5/12/02). Once again, restrictions are placed on public officials in choosing suppliers as the 
best (in terms of quality, cost, speed of delivery, back-up service, etc.) might not fall within 
the “ethnic category” prioritised by government.

The fact that New Public Management has been linked to both “managerialism” and 
“entrepreneurialism,” which are not interchangeable concepts in business management, adds 
another dimension to the contradictions faced by the public manager. Terry (1999) says that 
these two concepts are incompatible. Thus the “freedom” that New Public Management 
envisages in public managers and what transpires in actual reality, not only has the potential 
to cause confusions, but can lead to awkwardness and potentially damaging decisions. In 
order to clarify this confusion on the degree of autonomy that public managers ought to be 
given, New Public Management features greater use of private-sector type management 
practices, and explicit standards and measures of performance with a preference for output-
based controls.

\textsuperscript{109} It has been discussed earlier how the doctrine of ministerial responsibility has been particularly distorted and fails to serve its intended purpose in Fiji.
4.4.2.2 Discipline and Parsimony in Use of Resources

New Public Management prescribes an increased use of private sector styles of management. It more specifically means the use of short-term employment contracts, strategic planning, performance-based pay systems, new Management Information Systems and a greater concern for image of the corporation (Hood 1991, Boston, et.al. 1996).

Furthermore, in order to reinforce the efficiency, effectiveness and economy (triple-E) bottom line, greater discipline and parsimony in the use of resources is also prioritised. The rationale is to place tight controls on resource use in the public sector so that more is achieved with less. The traditional emphasis of Public Administration on bureaucratic procedures, rules and standards is seen to be both inadequate and misplaced.

4.4.2.3 Measures of Performance and Controls

New Public Management lays great emphasis on placing responsibility and accountability at the same point on the public entity in a direct departure from traditional public administration where the doctrine of ministerial responsibility renders the public manager/official anonymous. New Public Management thus attempts to remove anonymity and permanence so that there is greater leeway in eliciting performance (Stark, 2002). It links a person’s actions more closely with consequences that are also direct and range from firing to unprecedented rewards. This totally shakes the pillar of permanence (or career system) of traditional public administration and introduces a more direct focus on individual performance.

Moreover, the doctrine of ministerial responsibility that lies at the centre of traditional public administration means that the minister accepts responsibility for both the actions of the public servant as well as contractors who may carry out public work. Borins (2001) identifies this anonymity as the major impediment to effecting accountability as the vagrant contractor is provided with a convenient escape if he can overcome legal wrangles. Additionally, with New Public Management the principle of alternative delivery makes agents responsible to ministers as well as any other partners involved in the arrangement (Lindquist & Paquet, 2000). This, when coupled with the now-prevalent focus of quality management, adds the customer as another point of accountability.
However, for effectively evaluating the performance of both the manager(s) and the public entity, it is important to have explicit standards and measures of performance because New Public Management links performance directly to merit-based rewards and penalties (Hood, 1991; Boston, et.al., 1996). Thus clear mutually agreed upon objectives and timeframes need to be set for effective control as necessitated by the accountability provisions of New Public Management. New Public Management attempts to replace detailed control by a more competent central capacity for control. This competence is supposed to be made possible through the contractual setting of specific numerical targets and objectives that facilitate better monitoring and measurement of results (Christensen & Laegreid, 2001, p.104). Setting clear objectives in the public sector however, is a task fraught with contradictions in itself. Political concerns of governments and economic concerns of public enterprises might not be compatible as is seen in the requirement of Fiji’s affirmative action program that 50 per cent of all public contracts be awarded to ethnic Fijian businesses (fijilive 5/12/02). This not only makes it difficult for the Chief Executive Officer to meet set economic targets, it makes it difficult for government to enforce the performance provisions of the contract if targets are not met because the Chief Executive Officer or public manager will have been provided with a ready explanation for non-performance in the fact that affirmative action programs tend to compromise strict economic concerns.

Furthermore, in line with the precept of “freedom to manage” where managers need to be given the leeway to plot a path to set targets, New Public Management moves away from the rules/procedures focus of traditional public administration and places emphasis on output controls with the “need to stress results rather than procedures”.

However, in order for an output based control system to work effectively, it is imperative that the outputs are clearly specified within set timeframes. This can prove to be a highly problematic exercise when political and social concerns of government impinge on and compromise the economic concerns of public managers. Perhaps this is why New Public Management: “accepts a degree of risk-taking and acknowledges intent as well as results” (Lindquist & Parquet, 2000, p.84) even though this tends to water down the results-focus of New Public Management. Sometimes the objectives of government might not be aligned with popular concerns making it imprudent to specify these in concrete terms. Performance
expectations from the first Airports Fiji Limited Chief Executive Officer (Alan Lodge) were specified in economic terms by government. At the same time, assurances were given that redundancies would be considered as a last resort. The fall of the Soqosoqo ni Vakavulewani Taukei government in 1999 could in no small measure be attributed to the fact that public enterprise restructuring in particular and public sector reforms in general were identified with job losses by the general public. This highlights the significance and crucial role of work contracts because it is here that expectations are specified and security provided to all the parties involved. Contractualism is designed to infuse competition into the public sector in recognition of the fact that the market stimulus is largely missing in traditional public sector management. This is discussed in detail later on in this chapter.

4.4.2.4 Disaggregation and Infusing Competition
Governments’ commercial and non-commercial activities need to be clearly separated for this, in addition to policy advice from delivery and regulation. Justification for this is seen in the need to create manageable units. Improved reporting, monitoring and accountability mechanisms need to accompany this shift. There are a number of problems associated with this especially in developing country contexts. Firstly, it is not easy to demarcate exactly what government activities can be classified as “commercial”. Some activities like providing water are more problematic to commercialise than providing electricity because of the fact that water is seen as a necessity with no real substitutes whereas there are substitutes to electricity given the context. Secondly, disaggregation could easily lead to duplication in the use of public resources that countries like Fiji can ill afford. Airports Fiji Limited and the Civil Aviation Authority of the Fiji Islands were created from the disaggregation of the Civil Aviation Authority of Fiji in 1999. Both these entities now operate as separate public enterprises. Their performance however, has fallen well below expectations. In 2001, Airports Fiji Limited paid out F$1 million in dividends to the Fiji government which was well below expectations (fijilive, 8/8/02). Later after a high of F$3 million in 2010, dividends again dropped to F$1 million in 2011 (Annual Report, 2011, p. 22).

Thirdly, the clear separation of policy advice from delivery and regulation necessitates the establishment of a number of institutional structures that often end up creating confusions and conflicts. On the other hand, New Public Management’s emphasis on encouraging more
competition introduces a new source of control emanating from market forces in the public sector. This is the focus of the next section.

4.4.2.5 Contractualism

There is widespread use of contacts in New Public Management as term contracts and competitive public tendering procedures are seen as using rivalry to lower costs. It, therefore, exhibits a preference for private ownership, contestable provision and contracting out of public services. Agency Theory says that social and political life can be understood as a series of contractual arrangements between Principals (Parliament, Ministers, Chief Executive Officers, etc.), and Agents (Chief Executive Officers, workers, suppliers, etc.). These contracts should be professional rather than relational in nature for maximum returns. The reason for these contracts is an attempt to realise efficiencies that arise from specialization and division of labour, and the best contractual arrangement between the principal and agent ensures minimum costs and maximum profits. Moreover, the Principal/Agent relationship should reflect efficient organization of information and risk-bearing costs. The role of Agency Theory can be seen in the fashioning of policies on institutional design and governance structures in New Zealand (Boston, et.al., 1996). This change influenced incentive structures, employment relations, remuneration systems and performance management. However, despite the intentions of contractualism and the structures that have been put in place to facilitate its use, principal/agent relationships are fraught with complications that inevitably affect organizational performance. There are four factors that affect Principal/Agent relationships: incomplete or asymmetrical information, uncertainties, adverse selection and moral hazard.

Information asymmetry arises because Agents generally have access to information that Principals do not; and Principals also have access to information that Agents do not. This creates an incentive to exploit the information gap for personal gains, which could be detrimental to the greater good (be it organizational performance or wider government objectives). When Fiji Post and Telecom Limited (FPTL) was disaggregated into Post Fiji and Telecom Fiji Limited in 1996, the first Chief Operating Officer was an Israeli with dubious American academic qualifications (Appana, 2011a). The fact that his MBA was not authentic only came to light after questions emerged within the organization due to tightening
tension between the then General Manager (Emori Naqova) and the Chief Operating Officer (Aharon Amit). This revelation led to what amounted to a trial by media until the Chief Operating Officer’s contract was bought off him. It is still not clear why Amit was paid off when clearly he was the party at fault. This case however, serves to highlight the fact that governments usually do not have the means to verify personal data provided by aspirants to key public positions. At the same time, they may also lack the expertise and resources to pursue litigation processes to their conclusion. A further consideration emerges on the issue of incomplete and asymmetrical information. This information is usually scrutinized by the Chief Executive Officer or the Board (or both) on behalf of the public entity and the shareholders (which usually means the government in Fiji). Thus the authenticity of the information supplied by interested parties is usually not available for public scrutiny until a decision has already been made on entering into a contract which could very well lead to adverse selection as was the case with Telecom Fiji in 1996 when a bogus MBA was used to get selected as Chief Operating Officer.

Adverse selection happens when Agents who have been selected turn out not to be the best for the organization. In virtually all cases, not all information is available on the agent applying for a job. Agents also only highlight positive points about themselves in their applications. This tends to present an asymmetrical picture for good, balanced decisions. The problem of adverse selection is particularly noteworthy because it can lead to a host of problems later. Airports Fiji Limited’s Chief Executive Officer (Jone Koroitamana) joined the public enterprise on the aftermath of the 2000 Speight Coup in Fiji. Political instability at the time led to the appointment of an interim government where Koroitamana was allocated the Ministry of Civil Aviation, which was the line ministry for both the Civil Aviation Authority of Fiji Islands and Airports Fiji Limited. Appointments to the boards of both organizations was largely determined by the minister who then successfully applied for the post of Chief Executive Officer of Airports Fiji Limited and moved into his new appointment as the interim government made way for an elected government in 2001. Koroitamana’s selection then led to escalated strife between Airports Fiji Limited and the Fiji Public Service Association as old grudges from Koroitamana’s former days as Chief Executive Officer of the Civil Aviation Authority of Fiji re-emerged for settlement (FT, 7/07/00). The Daily Post (16/04/02) reported that a high court ruling ordering Airports Fiji Limited to recognise the
Fiji Public Service Association as the representative of Airports Fiji Limited workers was not being followed two years later. This prompted the then Public Enterprise Minister, Irami Matairavula, to say that the Airports Fiji Limited Chief Executive Officer would have to abide by this ruling. “He is not a small child that I will have to tell him …. he should just do it,” he said. The tug of war between the Chief Executive Officer, the Minister and Fiji Public Service Association continued to incur a heavy unnecessary cost on Airports Fiji Limited.

In addition to the possibility of being encumbered with the wrong contractual counter-part, there are often uncertainties about the way an Agent’s actions are translated into outputs/outcomes sought by the Principal. This problem could be avoided if expectations of him/her were to be more clearly specified before he/she is actually selected. However, as has been discussed earlier, clearly specifying outcomes and objectives in advance is a task fraught with doubts and uncertainties. The popular appeal considerations of governments tend to compromise drawing up clear contractual specifications. It is difficult to spell out socio-political objectives in the same way as economic ones. Furthermore, once the outcomes are specified, principals usually do not have a direct input in the manner in which these outcomes are reached. This is sometimes referred to as moral hazard, which arises due to the unobservability of Agents behaviour after the contract is signed. When an employment contract is signed for instance, performance appraisal systems are often relied on to monitor the performance of the agent. However, Agents might then only focus on those jobs (or aspects of work) that are highlighted in the performance appraisal system. This could easily lead to goal-displacement behaviour. The emphasis on external audits is a clear innovative attempt to externally manage and control public entities via numbers at the expense of more traditional internal control mechanisms (Power, 1994). This renewed recognition of the need for controls in the aftermath of restructuring using New Public Management moves focus to the more widespread and embracing concept of governance structures.

4.5 Governance Structures
The classic private sector definition of "corporate governance" is that it is a system or set of processes by which a company is directed and controlled in order to protect and maximise the interests of shareholders. With the establishment of companies as “corporate citizens”, this definition has been extended to encompass not only shareholders, but also all the
stakeholders that organizations usually have. There is an obvious political appeal in this wider definition as it makes it easier to import the concept of corporate governance into the public sector. To a broader degree:

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governance encompasses the complex mechanisms, processes, relationships and institutions by which citizens articulate their interests and mediate their differences (Bardouille, 2000, p. 83).
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There are a number of governance structures that are essential for controlling and counteracting the “maximizing tendencies” of the stakeholders of public entities. These include a functioning parliamentary democracy, an impartial judiciary and a free press. Cheung & Scott (2003, p.17) say that,

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Administrative competence cannot be achieved without strengthening the capacity of the state to govern and mobilise social resources and support. Similarly, methods and procedures to bring about efficiency, accountability, coherence, probity, ( ) cannot fully work if devoid of the wider contexts of policy capacity and state capacity.
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The effectiveness of governance structures as control devices is thus largely dependent on the context of reforms. It is therefore, the context that determines the effectiveness of using New Public Management in public sector reform and public enterprise restructuring in order to address deficiencies identified in the Public Administration model. In the next chapter we focus on the methodology used to collect data for this research that attempts to evaluate the use of New Public Management in effecting reforms in the public sector in Fiji.

### 4.6 Conclusions

It has been argued in this chapter that New Public Management attempts to allow almost carte blanche freedom to public managers to plot the path to realising its 3E objectives – efficiency, effectiveness and economy. This freedom to manage however, tends to compromise the public accountability requirements of government. The economic objectives of restructured public entities often do not coincide with those of governments who can only choose to ignore the social contract that they have with the citizenry at their own electoral peril. This makes it imperative for governments to return to seeing public entities as national assets that need to be used to realise wider governmental objectives that also have political motivations to varying degrees.
Thus it becomes inevitable that governments attempt to influence and control public entities through any means that they may have at their disposal, as long as the public does not view it as unwarranted “political interference”. Christensen and Laegreid (2001, p. 104) say that:

the price for more devolution, flexibility, autonomy and discretionary power for managers (in New Public Management) is a more formal, rigid, hierarchical control system that makes extensive use of contracts.

The resultant internal contradiction of New Public Management between its tenet of freedom to manage amid a tight control regime that is not overtly restrictive brings to the fore the main reason behind the interest in identifying and designing elaborate governance structures in the aftermath of public sector reforms and public enterprise restructuring using the New Public Management model. The aim of any innovative structures and control mechanisms is clearly to attempt to supplement the shortfalls experienced through New Public Management which has been found to be long on promises and short on actual delivery. It will be seen later in this research how gaps in both the ideology as well as structures that comprise New Public Management necessitates a move in focus to more widespread and embracing concepts and structures that help tighten the overall governance framework for public sector reforms. The next chapter outlines and justifies the research methodology chosen for this thesis.
5.0 Research Methodology Used

5.1 Introduction
Chapter three described and analysed in detail the context of this research. Chapters two and four provided a review of the literature on the Theory of Bureaucracy and New Public Management as models for management in the public sector. This chapter attempts to outline a research methodology that would allow an acceptable level of critical investigation into the plethora of questions and issues surrounding public sector reforms and public enterprise restructuring in Fiji. The first section outlines the research aims of this study. This is followed by an evaluative discussion of the main issues of contention in studies of this type before an epistemological framework is proposed. The research design is then outlined in detail with an overview of case study research in general. This is followed by an introduction to the case study site. Information gathering and data analysis techniques used are then described with an ensuing discussion on issues concerned with the question of validity and reliability of the findings of this research.

Physical and social phenomena can be studied using a range of quantitative and qualitative approaches. The appropriateness of the approach adopted derives from the nature of the phenomena under investigation (Morgan & Smircich, 1980). This study used a combination of inductive and deductive approaches to research. Themes and issues were allowed to emerge through the research while findings were derived inductively from these as prescribed by the grounded theory approach (Glaser & Strauss, 1967; Strauss & Corbin, 1990). On the other hand, theoretical issues situated within the broad theoretical framework explicated in Chapters two & four, were explored in a deductive manner. It is significant to this study that no particular hypothesis was tested, or finely detailed questions pursued as reliance was placed primarily on meanings and recreations of events through recall of subjects/informants. It should go without saying that the authenticity and reliability of information gathered depends heavily on the type of methodology used. The credibility of the research findings thus depends largely on the integrity of evidence supplied and the sources accessed during the course of the research.
5.2 Research Problem
Public sector reforms using New Public Management has faced major obstacles and difficulties both in the developed as well as developing contexts. Fiji offers a politically-charged small island economy context that has yet to be researched adequately. It also offers a context that has always involved democratic government as the backdrop for reforms, a prescribed necessity for effective public sector reforms (Christensen & Laegreid, 2009). This research aims to explore and critically examine why despite the presence of many of New Public Management’s pre-requisites, public sector reforms has had limited success in Fiji.

5.2.1 Research Questions: This study intended to examine the following questions:

*How appropriate is New Public Management as a model for public sector reforms in Fiji?*

Here Civil Service Reforms and Public Enterprise Restructuring are analysed using a number of cases that have been studied by other researchers. The original research involved two points of focus: describing and analysing the restructure of the Civil Aviation Authority of Fiji (CAAF) into Airports Fiji Limited (AFL) and the Civil Aviation Authority of the Fiji Islands (CAAFI) in March 1999; and describing and analysing the parallel civil service reform program through in-depth interviews with key public officials.

*How does the context influence public sector reforms in an island economy?*

The Fiji context is established and described in detail in Chapter three; this was then analysed extensively in relation to the reform process using New Public Management and the Theory of Bureaucracy. The aim was to identify and explore how underlying structures and interests can redirect/distort stated intentions on a major national policy initiative such as public sector reforms. This portion was explored in detail through the data collected.

*Is there an appropriate post-New Public Management model for the developing island economy context?*

New Public Management has had mixed results as the model for reforms in the public sector. This thesis attempts to propose alternatives to New Public Management that would be more appropriate to the context and have a positive impact on the Fiji economy as well as those that may wish to emulate it with their virtually unending reform programs.
5.2.2 Research Aims
The study’s propositions direct attention to what should be examined within the scope of the study (Yin, 1994). It is however, not uncommon to have studies without propositions. Yin (1994) states that instead of having propositions, an exploratory study should have a stated purpose. Eisenhardt (1989b) supplements this by recommending that theory building research should begin with no theory under consideration. Furthermore, there should also not be any hypothesis under consideration. Thus researchers should formulate a research problem and identify key variables, with reference to some existing literature. Every attempt must be made to avoid specifically linking variables and theory in the beginning. This research had the following focused aims:

1. To investigate and critically analyse the restructuring of one public enterprise into two entities in the aviation industry AND to investigate and critically analyse the civil service reform process in Fiji within the framework of New Public Management;

2. To analyse the institutional framework of public sector reforms in Fiji with special emphasis on political, social and cultural issues that provide a unique contextual background;

3. To provide a conceptual and analytical foundation for the analysis of public enterprise restructuring and public sector reforms in small island economies; and

4. To propose a more appropriate post-New Public Management model for public sector reforms in small island economies.

5.3 Issues in Organizational Research
The primary issue of contention in choosing an appropriate research strategy revolves around the debate on positivistic quantitative vs interpretive qualitative approaches to research. The main argument of critics of positivistic methods is that contexts are often disjointed from meanings in the process of developing quantified measures of the phenomena being researched (Guba & Lincoln, 1994, p. 106). The subjects’ meanings, interpretations and feelings are often inadequately considered or ignored, thereby creating significant gaps for the imposition of meanings and interpretations on the subject of research by the researcher
(or outsider) based on perceived general trends in opinions, views and perceptions – this opens up too much space for misinterpretation and misrepresentation of the phenomena researched. More importantly for this study, “quantitative and positivistic methods tend to exclude discovery from the domain of scientific inquiry” (Gephart, 1999, p. 1). This tends to place undue emphasis on objective reality while downplaying or ignoring the importance of “sense-making” by the human subjects of the study.

Interpretivists, on the other hand, assume that knowledge and meaning are constantly created and recreated by thinking, reasoning humans through their interpretations of their changing conditions of existence. Interpretivists deny the existence of undisputable objective knowledge, and contend that positivists, in the process of imposing a worldview on subjects, fail to capture, describe and understand the world views of the subjects being studied. Knowledge and truth therefore, are the result of perspective (Schwandt, 1994, p. 125) and, all truths cannot be removed from meaning, context or perspective. Interpretive research is fundamentally concerned with meaning and it seeks to derive knowledge from the social subjects' definitions or interpretations of a given situation (Schwandt, 1994, p. 118). Of relevance here is the fact that interpretive research in management and organization studies has traditionally been closely identified with the understanding of local meanings and everyday symbolic worlds. This is of particular significance to this study because it is the subjects who were involved with the restructure and reforms at first hand, and their perspective/interpretations and recall are used to help reconstruct what took place during the restructure and reforms in 1995 and ensuing years in order to recreate a holistic picture of the phenomenon being studied.

Qualitative research is therefore, used where quantitative methods cannot be employed to arrive at meaningful findings. Van Maanen (1979) pointed out that:

(Qualitative methods) is at best an umbrella term for covering an array of interpretive techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world (Van Maanen, 1979, p. 530).

Creswell (1994, p. 15) defines qualitative research as:
an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem. The researcher builds a complex holistic picture, analyses words, reports detailed views of informants, and conducts the study in a natural setting.

Denzin & Lincoln (1994, p. 2) add to this by saying that:

Qualitative research is multimethod in focus, involving an interpretive, naturalistic approach to its subject matter. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them (Denzin & Lincoln, 1994, p. 2).

Interpretive/qualitative inquiry has gained popularity and relevance in management and organisational studies that enhance the researchers’ depth of understanding of “the symbolic dimensions of organizational life” by addressing issues that cannot be adequately answered via quantitative means. Qualitative research questions generally arise because little is known about the problem or phenomenon being studied. In such cases either there is no existing theory or existing theory is underdeveloped and inadequate in its explanatory value (Merriam 2002).

Qualitative methods were used for the current study because the factors influencing public sector reforms and public enterprise restructuring in Fiji have not been clearly delineated. In addition to this, existing theory ie. New Public Management and the theory of bureaucracy did not seem to “fit” the local context, and developments reported in the news media appeared to show a move away from the paths/outcomes proposed by these theories. Furthermore, qualitative research can be used to gain new insights into problems about which information already exists (Creswell 1994). In such cases it can be used to provide new perspectives on questions that have already been studied or to gain additional information that might be difficult to obtain via quantitative means. Variables arising through the research could also be tested later using quantitative methods. Strauss and Corbin (1990, p. 19) say that:

qualitative methods can be used to uncover and understand what lies behind any phenomenon about which little is yet known. It can (also) be used to gain novel and fresh slants on things about which quite a bit is already known.

The use of New Public Management for public sector reforms in Australia (Hughes, 1998), New Zealand (Duncan & Bollard, 1992; Boston, et al., 1996), United Kingdom (Hood, 1995;
Politt, 1993), as well as in selected developing countries (McCourt & Minogue, 2001) has been well documented. Thus this study was not only expected to “gain novel and fresh slants on things about which quite a bit is already known”, it was also expected to help “uncover and understand what lies behind” public sector reforms in Fiji. Reforms are theoretically meant to be driven primarily by political-economic concerns with managerial objectives. This however, has been found to be intertwined with predominantly political objectives in the case of Fiji. Further inquiry in this direction was therefore, expected to unveil instructive revelations. Strauss & Corbin (1990, p. 19) say that:

qualitative methods can give the intricate details of phenomena that are difficult to convey with quantitative methods.

The fieldwork for this study was conducted between August – November 2003, then between December 2003 – February 2004, and again between December 2012 – January 2013, whereas the primary entity studied (ie. the Civil Aviation Authority of Fiji), was restructured in April 1999 after a drawn out process. There was therefore, a centrality of the element of recall and reconstruction in hindsight on the part of the subjects interviewed. In addition to this, the exact roles played by the interviewees and the personal stakes involved, as well as the individual impacts of the fallout from the restructure of the Civil Aviation Authority of Fiji had to be considered in order to “interpret” and understand their revelations within the wider context of this study.

On the other hand, the context of restructuring has to be recorded and analysed in detail because of the significance of both its uniqueness as well as the fact that it has had a direct bearing on the shape, direction and content of public sector reforms and public enterprise restructuring in Fiji. Furthermore, Lincoln & Guba (1985) point out that qualitative research involves a holistic view of diverse situational factors that have a bearing on the case being studied. Thus this study essentially involves qualitative research. There are various methodological approaches that could have been adopted to conduct this research. Grounded Theory has been chosen because the focus of this study involves a complex interconnected array of subjects, concepts, institutions, etc., as well as their political, social and cultural settings in conjunction with articulated as well as unarticulated objectives of individuals and
groups involved. This calls for a conceptualisation and “grounding” of the research within the various contexts involved.

5.4 Epistemological Framework

Discussions on epistemology attempt to create an understanding of how we know the world. It allows us to explore the:

assumptions about how knowledge is obtained or created (Hatch, 1997, p. 47).

These assumptions, in turn, have a direct bearing on the types of research questions posed, the manner in which the research is conducted, and the way the collected data is interpreted in order to find meanings in the results of the research effort. In order to gain an in-depth understanding of the issues surrounding public sector reforms and public enterprise restructuring in Fiji, a contextual approach was considered to be necessary. Strauss & Corbin (1999) say that grounded theory is a general methodology, a way of thinking about and conceptualising data, therefore, it can be adapted to the study of diverse phenomena. Grounded theory studies are empirical studies that use a range of data sources including published accounts like annual reports and company brochures, public records, newspaper reports and articles, minutes of company meetings, intensive interviews, observations, etc. Furthermore, grounded theory methods can be used in approaches ranging from highly interpretative to structured positivist analysis. The main theorists (Glaser and Strauss 1967; Strauss 1987; Strauss and Corbin 1990) portray grounded theory methods as being compatible with traditional positivist assumptions of researchers being able to discover and record an external objective reality. This raises a number of issues associated with this approach in researching social phenomena.

Interpretive Analysis attempts to describe, explain and understand the lived experience of a person or group from the “inside”. Description focuses on situations, thoughts, feelings and actions of the subjects. The idea is to learn how the subjects construct their reality/experience through their actions, intentions, beliefs and feelings. Thus it is the subject who shapes the direction and form of this portion of the research, as this part of the research is dependent on and led by the interviewees. Their responses to the questions posed in the in-depth interviews were largely accepted as given and then interpreted in light of the theoretical framework(s)
used as well as developments in the environment. In this research an added dimension was introduced by attempting to ascertain how the restructure affected the subject(s) personally. Strauss and Corbin (1999) say that researching involves interpretive work and these interpretations must include the perspectives and voices of the subjects studied. Furthermore, grounded theory researchers do not believe it sufficient merely to report or give voice to the viewpoints of the people, groups or organizations studied. Researchers assume the further responsibility of interpreting what is “observed, heard or read” (Strauss & Corbin, 1999, p. 74).

It is in this stage of interpretation by the researcher that the positivist assumptions of grounded theory become apparent. Grounded theory assumes that there is a describable, predictable world from which discoveries may be made by the researcher as he tries to interpret the subjects’ behaviour (and thoughts) from “outside”. The researcher must portray, document minutely and interpret objectively the lives and worlds of the subject. This:

he does so because grounded theorists typically provide dispassionate, objectivist accounts of their data and assume that by being objective observers they will discover processes in an external world of their research participants that remains separate from themselves (Charmaz, 1995, p. 31).

There are difficulties incumbent in this position as well because it assumes that researchers can be objective enough to be able to observe, describe and interpret correctly the phenomena being researched. Charmaz (1995) qualifies this by saying that:

 despite its analytic thrust, grounded theory researchers can both gain thick description and foster theoretical development by listening closely to their respondents, attempting to learn the unstated or assumed meanings of their statements and shaping their emerging research questions to obtain data that illuminate their theoretical categories” (Charmaz, 1995, pp. 34-35).

From an epistemological perspective, the researcher and the subjects involved are closely linked in an interactive manner so that the “findings” emerge or are created and recreated as the research progresses (Guba & Lincoln, 1994).

In this study the objective circumstances of existence of the public enterprises as well as the public sector studied are described with the utmost care towards objectivity. On the other hand, the words, nuances, mannerisms, personal stakes, type of language used, relationship of the subject with the original and new entities, perceived motivations as well as the organizational identity of the subject(s) have been carefully recorded by watching, listening,
asking, recording and examining (Schwandt, 1994, p.119). However, interpretation is heavily involved in drawing linkages and relationships between developments, organizations, people, decisions, etc. The theoretical propositions used provide a framework within which these interpretations take place even though this does not pre-empt entirely the possible incursion of personal biases of the researcher. The pitfall of non-bounded interpretations is overcome by grounded theory through continuous action and reflection between research and analysis. In fact, grounded theory is sometimes referred to as the Constant Comparative Method because it involves constant interplay between data collection and analysis in the process of the evolution of theory (Glaser & Strauss, 1967, p.vii). The two parts of grounded theory ie. generating theory and conducting research are thus integral parts of the same process (Glaser, 1978, p.2). This constant and explicit linkage to actual research distinguishes grounded theory from other approaches to generating and elaborating theory even though the sources of data are the same as with other modes of conducting social research ie. interviews, observations and documents. In sum therefore, it could be said that grounded theory is marked by the following ontological and epistemological positions: **Ontology:** modified or "critical" realism which believes in the existence of reality independent of the inquirer, but this reality can never be fully known. **Epistemology:** modified objectivist epistemology, in that objectivity remains the "regulative ideal". It is clear that pure objectivity as conceived by positivism cannot be achieved, but it is possible to obtain objectivity reasonably closely even though postmodernists propose disregarding researches that use thinking, feeling and acting human beings in research.

The current study proceeded, despite these early theoretical positivist caveats imposed through the ontological proposals of grounded theory because as discussed earlier, there is an interpretive dimension to grounded theory research which allows for inquiry towards “acceptable” discovery. For this study, the researcher immersed himself in the lives of three organizations (Airports Fiji Limited, the Civil Aviation Authority of Fiji Islands and Air Terminal Services) over a period of approximately five months during which he attempted to create patterns, meanings, categories and themes through which he tried to understand and

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110 The researcher had been researching aspects of the public sector reform process since 1998 – his involvement was therefore, not confined to the five months during which the fieldwork was conducted. In fact, research continued afterwards as a number of journal/conference papers were written.
interpret the data collected from individuals as well as records with which he interacted. According to Guba and Lincoln (1994) three questions need to be addressed when working through any paradigm:

- “what is the form and nature of reality and therefore what is there that can be known about it?” – an ontological question

- “what is the relationship between the knower or would be knower and what can be known?” – an epistemological question and

- “how can the inquirer go about finding out whatever he or she believes can be known?” – a methodological question

Denzin & Lincoln (1994) say that because:

qualitative research is multi-method in focus, ( ) a qualitative researcher deploy(s) a wide range of interconnected methods, hoping always to get a better fix on the subject matter at hand (Denzin & Lincoln, 1994, p. 2).

For this study, the researcher conducted an extended newspaper research involving The Fiji Times and the Daily Post for the years 1998 to 2003 before approaching the three organizations that formed the subject of research. After this, when permission was granted he visited the organizations on a daily basis over almost five months; this was followed six months later with follow-up interviews with four key personnel. During this period the researcher attempted to strike up conversations with personnel at random while he made a list of those that would serve as key informants later. Appointments were also made during these informal conversations. Formal extended open-ended interviews followed; these were repeated wherever it was considered necessary to follow-up on emerging queries and themes. There were therefore, two points of interpretation and two points of construction: one involved the subjects’ interpretations of the restructure of the Civil Aviation Authority of Fiji four years earlier, and a reconstruction of the various events and issues that arose; and one involving the researcher’s interpretation of the stories and responses, emerging, and reconstruction(s) of the restructure through these various responses. Findings however, were not imposed but allowed to emerge through the research as far as reasonably possible. Later
in December 2012 and January 2013, key interviewees were again approached for interviews to confirm that the findings were accurate.

5.5 Research Design
This study is exploratory, descriptive, and explanatory therefore, it adopted the case study approach to research. Yin (1994, p.13) defines case study as:

an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. The link between government and traditional public administration has never been clear. In Fiji, this link has been even more tenuous given the important role(s) that the public sector and public enterprises have had to play in the economy. On the other hand, political instability, coupled with the economic imperatives of different governments, have cast the public service and public enterprises in multiple roles, some clear and some not so evident. The case study method helps investigate many of these unclear linkages. Furthermore, the case study method was considered to be most appropriate for this research because the governance structures, procedures and relationships investigated were particular to the main entity researched as well as each of the two public enterprises that emerged from its restructure even though the context is shared.

Yin (1994, p.13) further states that the case study approach uses “multiple sources of evidence”. These include documentation, archival records, interviews, direct observations, participant observations and physical artefacts. Case study research also allows the researcher to:

orient to complexities connecting ordinary practice in natural habitats to the abstractions and concerns of diverse academic disciplines (Stake, 1995, p. 239).

This allows the researcher to incorporate influences from a number of disciplines into his/her inquiry. However, the case study method needs to be grounded into the context through a wider methodological approach. Strauss & Corbin (1999, p. 72) say that:

grounded theory is a general methodology for developing theory that is grounded in data systematically gathered and analysed.

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111 Woodrow Wilson tried to bridge this gap in the literature on bureaucracy, but the relationship between government and public administration remained murky.
This is the link between grounded theory and the case study method.

5.5.1 The Case Study Method

Yin (1994, p. 3) says that:

the case study (method) allows an investigation to retain the holistic and meaningful characteristics of real-life events.

This calls for a close loyalty to details as well as consistent adherence to interpretive schemes used. The fact that this study attempted to re-enact a restructure that took place some four years earlier made this demand on details imperative. A case has to be both specific and bounded. Smith (1978) says that the case is a “bounded system” with different working parts. Each of these parts behaves in a patterned manner. Thus internal features that are significant to the case must be included as part of the case for better understanding. Yin (1994) further says that the case study method is most suitable where the researcher is interested in “how” or “why” questions. How things get done is therefore, very much a part of the case study design. However even though Yin (1994) emphasizes the use of “How” and “Why” questions, he adds that sometimes “What” questions may be acceptable. They are particularly useful when used to study a contemporary phenomenon over which the researcher has no control. Hartley (2004, p. 323) adds to this by saying that:

the case study is particularly suited to research questions which require detailed understanding of social or organisational processes because of the rich data collected in context.

Denzin (1989), Glaser & Strauss (1967) and Yin (1984) presented the case study method as exploration leading to generalizations or as a step in theory building. Stake (1998) delineates three kinds of case studies: intrinsic, instrumental and collective. Intrinsic case study is undertaken because of an interest in the unique case itself. There is no attempt to extract from it understandings of a general nature. This study, therefore, falls out of the ambit of the intrinsic case study. An instrumental case study is undertaken to provide insights into an issue or refine existing theory. Stake (1998, p.88) says:

The case is often looked at in depth, its contexts scrutinized, its ordinary activities detailed, but because this helps us pursue the external interest. The case may be seen as typical of other cases or not. The choice of case is made because it is expected to advance our understanding of that other interest.
On the other hand, using several cases for instrumental purposes is referred to as a collective case study. Their choice is supposed to lead to a better understanding, and ultimately better theorizing about a wider population of cases. Yin (1994) later placed case studies into three categories: exploratory, descriptive, and explanatory.\textsuperscript{112} A clear distinction between each type is extremely difficult to make clearly, therefore, the researcher’s intentions and formulation of the research question(s) is of critical importance. Hartley (2004) says that

in conducting organizational research, the case study method is likely to involve one or more organizations, groups and/or individuals operating within and/or around the organization.

In this study, three public enterprises, two of which (the Civil Aviation Authority of Fiji Islands and Airports Fiji Limited) emerged from the restructure of the Civil Aviation Authority of Fiji and one (Strategic Air Services Limited) which then began to provide air traffic management services, were chosen from the aviation industry in Fiji. Each of them was expected to provide important and substantive insights into the subject of public sector reforms and public enterprise restructuring in Fiji. Stake (1998) warns against this by saying that even though a number of cases can be chosen for “instrumental” purposes, a commitment to generalisation can draw attention away from features important in understanding the case itself. Yin (1994) makes a compelling case for the multiple-case design saying that this tends to make the overall research design more robust. He however, warns that each case needs to serve its own specific purpose in the overall scope of inquiry. Stake (1998) further argues that even though using multiple cases allows for comparative analysis, which is considered a powerful conceptual device, there is an element of compromise in developing “thick description”. Eisenhardt (1989) adds to this by saying that the selection of an appropriate population controls extraneous variation and helps define limits for subsequent generalization of findings. Cases may be chosen to replicate previous cases, extend emergent theory or fill theoretical categories by providing examples of polar types.

The case study approach facilitates analysis of the relationships between individuals and their environments using the techniques of selection of cases, method of data collection and validity and reliability of research design. This study focused on attempting to get an

\textsuperscript{112} Scapens (1990) adds “experimental” as a fourth type, but this is beyond the ambit of this study.
adequate number of informants/subjects who were directly involved with the restructure of the Civil Aviation Authority of Fiji until February 1999 and who continued to be involved with the functions of the Civil Aviation Authority of Fiji through the Ministry of Public Enterprises, the Civil Aviation Authority of Fiji Islands, Airports Fiji Limited and Strategic Air Services Limited. The Civil Aviation Authority of Fiji, the main entity being studied was no longer in existence in 2003 when the initial phase of this study was conducted, but the focus of research was on following the restructure, ascertaining what was done, by who, how and why.

5.5.2 Emergent Design

The case study method provided the overall methodological framework for this study. This however, was supplemented by an emergent design that best helped collect data and capture the peculiarities of the various themes and issues involved. Van Maanen (1979, p. 540) describes this approach to data collection as being “guided as much by drift as design”. This approach was adopted because:

- information was gathered from informants who were involved in different capacities during the restructure
- informants displayed differing understandings, expectations and motivations in relation to the restructure
- informants displayed different degrees of recall (after almost four years) even though the effects of the restructure were still being felt (acutely in some cases)
- informants were spread into various organizations (Airports Fiji Limited, the Civil Aviation Authority of Fiji Islands, Air Terminal Services, Strategic Air Services Limited, government and unions) at the time of research
- knowledge about new issues, events and the existence of documents was gained during the course of the research
- gaining access to reports required tremendous tact and use of personal resources
access to documentation came intermittently
informants were spread over a wide geographical area making successive arrangements (following indicators as they arose) of interviews difficult

The path followed during research was therefore, emergent and in line with Lincoln & Guba’s (1985) succeeding methodological steps based on the steps already taken.

5.6 Motivation for the Research
Public enterprise restructuring has featured as a prominent part of the public sector reform program in Fiji. Contrary to expectations, restructuring has led to massive redundancies and performance declines. The restructuring process encountered a range of problems that even led to a change in government in 1999. In 1998, the researcher wrote a newspaper column in *The Fiji Times* on public enterprise restructuring after having conducted some research in the area which led to the writing of a conference paper. This kindled his interest further and he decided to make this study the main focus of his PhD research. The researcher chose to focus on the two main Public Enterprises in the aviation industry in Fiji because they operate as monopolies, enjoy government support and yet have not showed adequate quality, cost and profit levels. The aviation industry has strategic significance for the economy because tourism accounts for more than 20 per cent of Fiji’s Gross Domestic Product. Thus this research was a search for a better reform model so that this problem could be solved for the benefit of Fiji as well as other similar island economies.

5.7 Research Sites
The researcher chose to focus on the two main Public Enterprises, namely Airports Fiji Limited and the Civil Aviation Authority of the Fiji Islands involved in the aviation industry in Fiji because they operate as monopolies, enjoy government support and yet have not showed adequate quality, cost and profit levels. It needs to be established at the outset that his main aim was to research the restructure of the Civil Aviation Authority of Fiji into the Civil Aviation Authority of Fiji Islands and Airports Fiji Limited in 1999. The Civil Aviation Authority of Fiji Islands and Airports Fiji Limited became the main focus of research because all personnel who were not made redundant through the restructure of the Civil Aviation Authority of Fiji were absorbed by these two entities. Air Terminal Services which is not considered a public enterprise, because it is 49 per cent owned by its workers, was chosen
because it provides ground handling services at Nadi International Airport, therefore, it had a large number of informants who either witnessed closely or were directly involved in the restructure of the Civil Aviation Authority of Fiji. A fourth company, Strategic Air Services Limited was also chosen as a source of information because it was established soon after the restructure and continued to have an interesting contractual relationship with Airports Fiji Limited (until 2007) where it was contracted to provide Air Traffic Management (ATM) services to Airports Fiji Limited even though Airports Fiji Limited had its own Air Traffic Controllers. Strategic Air Services Limited thus had a number of major restructure players who were targeted for information gathering. Air Pacific, the fourth major participant in the same industry, was excluded from this study mainly because it operates in an entirely different type of market. Air Pacific has a longer history of having operated commercially i.e. right from its inception. Furthermore, Air Pacific is 46 per cent owned by QANTAS. This provides an entirely different governance structure with a foreign interest having board representation as well as virtual control given the dependency relationships involved. The two public enterprises chosen (the Civil Aviation Authority of Fiji Islands and Airports Fiji Limited), on the other hand, are entirely under the control of the Fiji government. This was an important consideration in the whole rationale for this study.

5.7.1 Research Considerations in Selection of Cases

The research sites for this study were also chosen for the following reasons:

- The restructure of the Civil Aviation Authority of Fiji into Airports Fiji Limited and the Civil Aviation Authority of the Fiji Islands was a major public affair because of a number of controversies that arose leading up to and during the restructure. This provided initial insights via the media

- The controversy surrounding the restructure of the Civil Aviation Authority of Fiji continued strongly into 2003 when the bulk of this research was conducted. It only lessened in early 2005 when the then Chief Executive Officer, appointed in 2003, managed to control the various contentions that had simmered especially within Airports Fiji Limited. This meant that during the actual fieldwork in 2003, the researcher would

113 Most interviewees were revisited in 2012 in order to seek clarifications and re-obtain permission for use of the data collected through interviewing them earlier.
have had access to a wider range of information especially from disgruntled elements within the two organisations.

- The researcher also had a number of personal contacts in Airports Fiji Limited, the Civil Aviation Authority of Fiji Islands, Air Terminal Services, Strategic Air Services Limited, the unions and government who it was believed would provide him with the requirements for further entry and access to information. This trust was vindicated later.

5.8 Gaining Access for Interviews
Potential initial participants were identified as two ex-Prime Ministers, two ex-Ministers, the current Minister, the Chief Executive Officers of the three public enterprises chosen and Chairmen of the various boards and committees identified. An advertising letter was sent to the then Minister, the Chief Executive Officers of the three public enterprises and Chairmen chosen as potential participants (see Advertising Letter). The Civil Aviation Authority of Fiji Islands sent a response refusing the request, Airports Fiji Limited accepted the proposal, but wanted further discussions and clarifications, Air Terminal Services never responded to the initial letter. No response was received from the Minister. Later a number of key personnel accepted to be interviewed on record as well as off record. Those who wished to be interviewed on-record included the following:

5.8.1 Politicians
1. Major General Sitiveni Rabuka – ex-Prime Minister and leader of the Soqosoqo ni Vakavulewa ni Taukei Party; was Prime Minister when the restructuring of public enterprises began in 1992, and was still Prime Minister when 12 public enterprises were restructured in 1998-99

2. James (Jim) Ah Koy – Ex-Minister of Finance, strong advocate of privatization in the Soqosoqo ni Vakavulewa ni Taukei government, senior member of Soqosoqo ni Vakavulewa ni Taukei Party, and very prominent Fijian businessman who believed in opening up opportunities for Fijian participation in business

3. Isimeli Bose – former Minister for Public Enterprises, senior member of the Soqosoqo ni Vakavulewa ni Taukei Party, nationalist Fijian who believed in opening up business opportunities to Fijians through the reform process

5.8.2 Board Members & Consultants
4. Sitiveni Weleilakeba – managing director of Fijian Holdings Ltd, board chairman of Airports Fiji Limited during the restructure of the Civil Aviation Authority of Fiji, joined
in January 1999 and removed in June 1999; involved in the Strategic Air Services Limited contract, had a falling out with Strategic Air Services Limited chair/consultant Navitalai Naisoro

5. Max Underhill – Director of Maximize (consultancy firm), Maxumise was/is heavily involved with the reform process and government contracts

6. Harvey Probert – chairman of the charter preparations committee, managing director of Fiji Gas, Chair/ the Civil Aviation Authority of Fiji January-December 1998; prominent in boards and government committees during the 1996-2002 period

5.8.3 Senior Management

7. Jone Koroitamana – Chief Executive Officer/ the Civil Aviation Authority of Fiji from 1982-1998, removed to facilitate the restructure of the Civil Aviation Authority of Fiji; ex-Queen Victoria School, from Kadavu, interim Minister for Civil Aviation following 2000 coup, Chief Executive Officer / Airports Fiji Limited from January 2001 to March 2003, Chief Executive Officer / Airports Fiji Limited again briefly from December 2006 to February 2007 following the Bainimarama coup

8. Mohan Lal – acting-General Manager/ the Civil Aviation Authority of Fiji Islands, ex-Civil Aviation Authority of Fiji, long-term staff

9. Sakiusa Tuisolia – Chief Executive Officer / Airports Fiji Limited from 2003, appointed from Prime Minister Qarase’s office to help solve the festering factional problems, had problems with renewing the Strategic Air Services Limited contract in 2003/4

10. Watesoni Nata – Manager Training at the Civil Aviation Authority of Fiji, lost his Air Traffic Control licence five times, formed and was secretary of Fiji Air Traffic Controllers Officer Association at the Civil Aviation Authority of Fiji, Chief Executive Officer / Strategic Air Services Limited; removed from Strategic Air Services Limited in 2006; originally from the province of Lau

11. Josefa Baivatu – Acting Chief Operating Officer/ Strategic Air Services Limited, Manager Administration, founder member of Strategic Air Services Limited, from Lau

12. Apenisa Nagatalevu – General Manager Infrastructure Airports Fiji Limited, acting manager (air traffic services), ex-General Manager Jone Koroitamana’s brother

5.8.4 Civil Aviation Authority of Fiji Staff

13. Satendra Deo Gupta – air traffic center manager/ Airports Fiji Limited since January 2001, returnee from Strategic Air Services Limited; in aviation for 16yrs

14. Satya Kumar – training officer (Airports Fiji Limited), returnee from Strategic Air Services Limited; in aviation for 26 years
15. Mohammed Faruk – Quality Assurance/Training Officer (Airports Fiji Limited), contractually barred from joining a union

16. Seeto Momoivalu – Quality Officer (Airports Fiji Limited), Station Officer Telecommunications, long-term employee

5.8.5 Other Aviation Industry Staff
17. Ashok Nath – Manager Human Resources/ Airports Fiji Limited from July 2001, ex-Queen Victoria School


19. Peter Banner – Air Traffic Controller and long-term Fiji Public Service Association member

5.8.6 Unionists
20. Luke Koroi – assistant engineer with Airports Fiji Limited, formed and registered Civil Air Workers Association in 1998 as Secretary, formed Contracted Staff Workers Committee as Chairman just before the May 2000 coup after joining Airports Fiji Limited, formed and registered Airports Fiji Limited Staff Association in late 2001.

21. Nirbhay G. Singh – Fiji Public Service Association Administration Officer (East/West), was a senior unionist involved in Camp 500 in April/May 1999, was Section Chief of communication services at the Civil Aviation Authority of Fiji prior to the restructure

22. Daniel Urai – President of the Fiji Trades Union Congress, former Member of Parliament

23. Patrick Henry – President of the Nadi Branch of Fiji Public Service Association for 15 years till April 2003, opposed the Civil Aviation Authority of Fiji restructure, terminated early 1999, reinstated by the Chaudhry government in 1999, became Clerical Officer Airports Fiji Limited

24. Mrs. Lin Chetty – the Civil Aviation Authority of Fiji staff, Airports Fiji Limited staff, wife of the key Fiji Public Service Association secretary directly involved with the Civil Aviation Authority of Fiji restructure and Camp 500 (she was interviewed because Krishna Chetty was not available at the time)

5.8.7 Senior Civil Servants
25. Brian Singh – Chief Executive Officer/Labour (2005-6), first permanent secretary of the Ministry of Public Enterprises

26. Christopher Singh – Principal Economic Planning Officer with the department of Public Enterprises, ex-University of the South Pacific student, joined in October 1997 when the
Civil Aviation Authority of Fiji Charter was being formulated, Board Member/ Airports Fiji Limited

27. Mohammed Shareen – Principal Economic Planning Officer, Department of Public Enterprises (policy and research division), ex-University of the South Pacific student, joined in October 1997 when the Civil Aviation Authority of Fiji Charter was being formulated

5.8.8 Others

28. Rohit Prakash - joined Maxumise in March 2003 as an analyst, ex-University of the South Pacific student, was with the Ministry of Finance when the Public Enterprise Act was enacted in 1996,

29. Uday Prasad – former Human Resource Manager (National Bank of Fiji), current Public Service Commissioner

30. Josefa Makaba – Fiji Times senior reporter

31. Shailendra Singh – Fiji Business Review senior reporter

32. Shiva Sankaran – retired unionist

33. Dr. Desmond Amosa – University of the South Pacific academic, did similar study in Samoa

34. Dr. Mahendra Reddy - Acting Director of Development Studies/ University of the South Pacific; current Dean/Fiji National University/ College of Business, Hospitality and Tourism Studies

35. Professor R.D. Pathak – University of the South Pacific academic, published in the area

36. Dr. Ganesh Chand – Vice Chancellor/Fiji National University

37. Dr. Anirudh Singh – University of the South Pacific academic

38. Professor Wadan Narsey – University of the South Pacific academic, researched Fiji Post and Telecom restructure

39. Ben Coutman - senior lecturer in Accounting/ University of the South Pacific, conducted research on financial management reforms in the public sector

40. Azam Khan – former Town Clerk (Nasinu Town Council)

Over 50 personnel were interviewed, some more than once, for this research. A number of key personnel wished to remain anonymous.
5.9 Information Gathering Techniques
Information gathering techniques used in this study included: newspaper research, informal discussions, observation, written documents, interviews and in-depth interviews. The choice or combinations thereof, depended on contingencies peculiar to each of the cases. Field notes were taken in each of the cases and kept for further reference. These involved taking brief notes during discussions, followed by detailed summaries made straight afterwards based on recall. During interviews, notes were taken in conjunction with the tape recording. This allowed the researcher to record a “feel” of the environment within which the respondent operated. A tape recorder was used for interviews where permitted. Even though this allowed for quick referencing during the analysis phase, it also tended to intimidate some of the interviewees making them careful in what they said. On the other hand, the use of the tape recorder tended to make some of the respondents speak more than they were asked as they tried to make their “case” regarding the restructure. This became important because of the political undercurrents especially at Airports Fiji Limited where there were two factions, and with people who felt they had suffered through the restructure. The tape recorder therefore, was of particular value in this research. The fieldwork, in effect, had a formal-informal interplay throughout as the researcher tried to work out the best approach to get at the best quality information for both overly-inclined and little-inclined respondents. This allowed him to glean information from various sources with differing motivations as he attempted to weave a cohesive picture from conflicting, ambiguous, and complex information on the restructure of the Civil Aviation Authority of Fiji in April 1999.

5.9.1 Triangulation
There was an element of triangulation throughout the research as well as during the analysis stage. This is necessary when using multiple methods as it helps enhance the trustworthiness of qualitative research (eg. Denzin & Lincoln, 1998; Lincoln & Guba, 1985). This is because with triangulation the weaknesses of one method are overcome by another method. Stake (1998) says that triangulation helps clarify meanings and verify repeatability of an observation or interpretation through the use of multiple perceptions. The next section discusses each of the information gathering techniques used with attendant qualifications and explanations.
5.9.2 Informal Discussions
Informal spontaneous discussions help establish necessary initial rapport and provide invaluable insights that help contextualize the researcher (Fontana & Frey, 1994). When the researcher first entered the research domain, it was crucial to establish rapport with key people and immerse himself in the situation that he was intending to study. This was despite the fact that he had personal contacts in all of the organizations involved. His conversance in all three languages used in Fiji (English, Fijian and Hindi) greatly helped in gaining acceptance through these informal discussions. The importance of language in establishing “shared meanings” was highlighted by Fontana & Frey (1994, p. 371). These discussions also helped pick up important information and pointers for further research eg. an informal conversation on the streets of Suva with an ex-student pointed him to Maxumise as the firm that handled consultancy for government in the area of public sector reforms. There were many other such pointers that helped drive this study to its conclusion.

In many instances, it was through informal discussions that the researcher was able to get a “feel” of the environment and identify the various undercurrents that were influencing what people were sharing with him. These discussions were particularly fruitful whenever they were conducted over a bowl of kava (a non-alcoholic brew drunk in the Pacific to get relaxed and intoxicated). These discussions also helped set the platform for more formal recorded interviews that followed at mutually agreed times with the same personnel.

5.9.3 Semi-Structured Interviews
This was the main technique used for information collection in this study. Lee (1999, p. 62) says that these tend to:

have an overarching topic, general themes, targeted issues, and specific questions, with a pre-determined sequence for their occurrence.

This should not however prevent the interviewer from pursuing suddenly-emerged matters of interest that may have a direct relevance in understanding better the subject of research. The semi-structured interview allows the flexibility and leeway of an unstructured interview, and also provides structure for comparison, contrast and focus. This was the approach adopted with language changes used whenever it was felt necessary to maintain rapport and put the
interviewee at ease. This appeared to invoke amusement at first\textsuperscript{114}, but as he continued in the Fijian language, respect and acceptance gradually crept in. In studies of this sort it is advisable to collect data from a wide range of informants from different levels of the organizations involved. In this case, primary data was obtained through in-depth interviews with a number of key current and past members from government, relevant government departments, the Public Enterprise Unit and its two committees, relevant unions, the two public enterprises studied, Air Terminal Services as well as other important personnel involved in the industry. This method allowed subjects to reflect on the domain of discussion in a relatively unbiased and free-flowing manner. It also promoted in-depth analyses and fuller understanding of the particularities involved from the perspective of people directly involved in the process of reforms.

Laddering was incorporated into the interview technique to allow for further probes into the research participants’ detailed interpretations of comments that appeared to have a general character at first. This helped better ground the data within the specific domain of the research participant(s) (Hunter, 2002). Follow-up interviews were conducted in this regard. At times follow-ups were made simply to say “hello” and reinforce gratitude to the participants in keeping with local cultural expectations. This not only served the public relations purpose, but led to important pointers for further inquiry and phone introductions to difficult-to-get people in many instances. Both ex-Prime Minister Sitiveni Rabuka and “Civil Aviation Man” Jone Koroitamana, need to be mentioned in this regard.

5.9.4 Written Documentation
Written documents used for this study included: annual reports from the organizations researched, annual reports of the Public Enterprise Unit/Department, other reports and brochures from the three sources mentioned; union reports from the Fiji Public Service Association; available publications on Airports Fiji Limited/ the Civil Aviation Authority of Fiji the /Civil Aviation Authority of Fiji Islands; and newspaper/magazine reports on public sector reforms in Fiji as well as the two public enterprises studied. This secondary data was supplemented by theories presented in publications on New Public Management,

\textsuperscript{114} The main reason for this is probably the fact that most Fiji citizens of Indian extract speak broken-Fijian if at all. Attempting to speak in the language during a formal interview with Fijian respondents from elevated social backgrounds was a risky strategy that could have backfired had the researcher not been conversant with both the language and culture involved.
Bureaucracy, Control and Public Enterprise. In addition to the above, a novel dimension was introduced through informal access to company correspondence via the internet. Groups of workers were actively involved in accessing either legally (through top-level leakages) or illegally (through hacking) email correspondence within Airports Fiji Limited. This provided the researcher with an invaluable opportunity to cross-check what he was being told during interviews and probe diplomatically wherever he could for confirmations, clarifications or alternative explanations.

5.10 Data Analysis
For organizing and analysing data, Yin (1994) recommends the approach described by Campbell (1975) as “pattern matching”. This technique relates several observations or data collected in the course of the case study to those suggested by theory. Glaser and Strauss (1967) advocated a similar method for exploratory studies calling it “comparative analysis”. This involves systematically choosing comparative groups and generating theory from patterns of observation. Glaser and Strauss (1967) stress the importance of generating “grounded” theory from data rather than deducting theory using logical means. Huberman and Miles (1998) propose three linked processes in data analysis: data reduction, data display and conclusion drawing/verification. This is presented diagrammatically in the following manner:
For this study, data reduction involved writing daily summaries of information collected during the day as the research progressed, drawing bigger themes and patterns as more data was collected and clustering them with continuous notes and summaries on emerging “findings”. Data display involves organising, compressing and displaying the collected data. In the next chapter, all of the data collected is displayed in an organised manner. Participants’ voices and their organizations (current/former) have been included in detail in order to underline points of particular relevance to this study. Conclusions drawn from this research are outlined and discussed in chapter seven with further discussions on theoretical contributions and practical implications of the current study. Chapter six therefore, has more detailed “rich” description and analysis while chapter seven has more in-depth analysis which is required to make meaningful and cohesive interpretations, inferences and conclusions.

In analysing the volumes of data collected, Huberman and Miles (1998) assertion that there are continuous and linked processes occurring in a focused research helped greatly in
clustering the various summaries that were drawn throughout the research. These often disparate-appearing clusters of data were then organised into themes that tended to blend together at a later stage into a cohesive research theme as anticipated. This approach also helped discard extraneous data as the analysis progressed and major themes began to take shape.

5.11 Reliability and Validity Issues
According to Lincoln and Guba (1985), generalisability determines the predictive value of a research. This means that the findings of a research need to endure across contexts. In this research the aim was to provide a conceptual and analytical foundation for the analysis of public sector reforms and public enterprise restructuring in small island economies with a more ambitious proviso to also identify an alternative model for the reform process. Thus the generalisations arrived at have a contextual limitation. It is this very limitation that led to the formulation of the research question at the outset because it was felt that the “one size fits all” ambitions of New Public Management did not seem to hold true in the case of public sector reforms in Fiji.

Validity, credibility and reliability of the study largely depend on the research methodology utilised and the procedures followed in data collection and analysis. The earlier extended discussion on research methodology established the appropriateness and validity of the chosen research methodology for this study. Data was collected using a multi-method approach. This allowed shortcomings in some methods to be compensated for via the strengths of other methods used. Elements of the current research that ensured credibility included: prior familiarity with the research organizations via an extensive newspaper research; prolonged engagement of the researcher with the researched over a combined total period of five months where there was constant follow-ups with informants to cross-check on data collected; persistent observation throughout this period; and extensive use of triangulation. Interviewing, which was the main method of data collection was unstructured and conversation-type as opposed to question/answer type, thereby enhancing the quality, validity and reliability of information obtained.
5.12 Conclusions
In this chapter, we have outlined and discussed in detail the epistemological and methodological underpinnings of this study. Furthermore, we have described and evaluated a number of methods adopted to explore, describe and explain the restructure of the Civil Aviation Authority of Fiji into Airports Fiji Limited and the Civil Aviation Authority of the Fiji Islands in Fiji. This was followed by an outlining of the approach used to analyse and manage the data collected. Finally, issues of validity, trustworthiness and credibility of the research were discussed. In the following two chapters the data collected will be “reduced” and presented in an orderly manner keeping in mind the importance of including all relevant “thick” details. The second of the two chapters will involve an in-depth analysis of the data collected in order to make meaningful interpretations, inferences and conclusions for the purposes of establishing the generalisability of research findings.
6.0 Research Findings

6.1 Introduction
This chapter presents the results of the research with discussions to illuminate and explain the public sector reform process in Fiji and how it failed to deliver on its expressed outcomes. In fact it becomes clear as the findings proceed that the public sector reform process was captured for pecuniary self-interest at the expense of the country by a set of connected individuals. This arose because of contextual peculiarities that fell outside the ambit of that assumed within the New Public Management framework as well as structural shortcomings within the New Public Management model itself. Thus key contextual peculiarities are highlighted in evaluating the case of restructuring the Civil Aviation Authority of Fiji (CAAF) into Airports Fiji Limited (AFL) and the Civil Aviation Authority of Fiji Islands (CAAFI). Theoretical weaknesses in the New Public Management model as well as contextual assumptions are evaluated to help later build a case for what should emerge as a post-bureaucratic, revised-New Public Management model for better resource allocation, utilization and delivery in traditional island economy contexts like Fiji. This chapter clearly shows how weaknesses and gaps in the New Public Management model can be used, influenced and exploited by key personnel in hijacking the whole public sector reform process in order to subvert it for personal gain. The following are findings that came out of the more than 50 or so interviews and discussions (many repeated) that were used to collect the primary data for this research. In the course of this chapter the restructuring process is recounted and analysed, along with the periods both before and after the period covered. In doing so, references to past theoretical explanations of bureaucratic reform are made although the relationship of this case study to past theories of public sector reform is considered more fully in the following chapter.

6.2 Charter Preparations

6.2.1 Pre-Charter
The Civil Aviation Authority of Fiji was formed in 1979 after New Zealand handed over civil aviation to Fiji. Enacted via Act No.18 of 1979, the Civil Aviation Authority of Fiji was established as:
a body corporate …. to do all such acts and things as are necessary for or incidental to the performance of its functions (Laws of Fiji, Chapter 174A).

The Civil Aviation Authority of Fiji had two major functions: Air Traffic Management and Airport Management. Jone Koroitamana\textsuperscript{115}, was the Chief Executive Officer of the Civil Aviation Authority of Fiji from 1982-1998 when he was removed to facilitate the restructure of the Civil Aviation Authority of Fiji. An International Civil Aviation Organization (ICAO) report titled, “\textit{Organizational Study at the Civil Aviation Authority of Fiji\textquoteright}”, prepared on behalf of the Civil Aviation Authority of Fiji in March 1990 recommended reengineering of the Civil Aviation Authority of Fiji processes. An internal restructure was recommended, not the restructuring of the Civil Aviation Authority of Fiji into the Civil Aviation Authority of Fiji Islands and Airports Fiji Limited as as was to happen later. This was strange because even though the report was prepared by the main international body governing civil aviation worldwide - International Civil Aviation Organization – and that also ten years after the reform wave had begun, it recommended keeping both the regulatory and commercial operations of the Civil Aviation Authority of Fiji within one entity. This was contrary to one of the basic proposals of the reform framework that saw a direct conflict of interest between the regulatory and commercial operations of public entities like the Civil Aviation Authority of Fiji. In fact, New Public Management:

\begin{quote}
proposes disaggregating large public sector organizations into ‘corporatized units around products’ funded separately and interacting with one another on an ‘arms-length’ basis (Boston, et.al. 1996, p.26).
\end{quote}

This is clearly aimed at ensuring the:

\begin{quote}
adaptability of private sector styles of management in the public sector as well as streamlining and removing size complications from cumbersome public entities so that it becomes easier to manage them in a private sector manner (Appana, 2003, p.54).
\end{quote}

It clearly advocates that governments’ commercial and non-commercial activities need to be clearly separated, in addition to policy advice from delivery and regulation. Justification for this is seen in the need to create manageable units and:

\begin{quote}
to gain the efficiency advantages of franchise arrangements inside as well as outside the public sector (Hood 1991; Boston, et.al. 1996, p.33).
\end{quote}

\textsuperscript{115} Jone Koroitamana was identified and groomed by Ratu Mara to become Fiji’s leading hand in the aviation industry. He was sent on a number of overseas training programs to assist in localizing the industry.
Research showed that the 1990 International Civil Aviation Organization report was undertaken on Koroitamana’s initiative, with approval from both government and the Board, in anticipation of the necessity to restructure; Koroitamana had approached International Civil Aviation Organization for an international position on how to improve performance at the Civil Aviation Authority of Fiji (Interviewed 26/08/2003). Following this, Koroitamana embarked on a gradual process of “reorientation towards commercial focus” in 1996 (Interviewed 26/08/2003). He believed that a: “tightening of management rather than wholesale restructure was the answer at Civil Aviation Authority of Fiji” (Interviewed 26/08/2003). Koroitamana’s proposals in this regard were ignored by the Soqosoqo ni Vakavulewa ni Taukei government as, according to Koroitamana: “advisors at the Public Enterprise ministry were too impressed by the New Zealand model” (Interviewed 26/08/2003). These advisors were obviously following the disaggregation proposals of New Public Management (Hood 1991, Boston, et.al. 1996). There were also other, not-so-obvious reasons that will become clearer as this chapter progresses.

The New Zealand model of reform involved a number of elements generally accepted in New Public Management approaches. The first is that the commercial and regulatory elements should be separated into different organisations so as to reduce conflicts of interest. They should then be set goals relevant to the nature of their functions. In terms of the commercial elements, the hope is that a more focused organisation will be able to improve its cost efficiency and increase returns to the government. In terms of the regulatory element a more focused organisation, it is hoped, will be able to achieve its goals as well. In making this split, any conflicts of interest between maximising returns and meeting regulatory requirements can be diminished.

The second element of reform is the separation of potentially competitive elements of the commercial organisation and concentration of monopoly elements into a standalone entity. In the case of an airport, because of land requirements, they are often monopolies whereas ancillary services can often be provided through competitive tendering (i.e. catering, related transport services, traffic control, etc.). Competitive tendering, it is hoped, would lead to greater efficiencies in this area. Whether these gains are realised or not depends upon the level of potential competition in these markets. Although there are potential gains from this process, there are also potential losses as well. These are the losses associated with greater transaction
costs between the new entities and the lack of pooling of knowledge that a single organisation might do.

When pressed on the issue of why an International Civil Aviation Organization report prepared in 1990 was acted on six years later in 1996, Koroitamana pointed at the *Public Enterprise Act* that was only enacted in 1996. A closer look at the political-economic scenario shows that government’s position was fluid from 1987 to 1994 and very few major decisions were being made. Koroitamana thus had the luxury of considering the 1990 International Civil Aviation Organization report at his leisure as the Rabuka government attempted to overcome its factional weaknesses before refocusing on the public sector reform program.

Interviewees were virtually unanimous that the *Public Enterprise Act* of 1996 was enacted after a long process of haggling and deliberations with financial viability of the new entity being a central concern. In the meantime, Koroitamana commissioned a number of training programs at the Civil Aviation Authority of Fiji aimed at reorienting the workforce, apparently mainly as a pre-emptive measure (to stall the restructure), to improve productivity with a commercial focus towards the end of his term beginning in 1996 (Interviewed 26/08/2003). It needs to be noted that it was only after the *Public Enterprise Act* was enacted in 1996, and the government clearly outlined its plans to restructure identified public enterprises, that Koroitamana began implementing changes at the Civil Aviation Authority of Fiji. A French consultant referred to only as “Diane” from the University of Hawai’i was based at Nadi for a while. During this time a Professor from Hawai’i also conducted a number of workshops and “the profitability level between 1995 and 1997 jumped from about F$3 million to F$7 million” according to a number of senior managers (Lal informal interview 24/08/2003; Koroitamana interviewed 26/08/2003; Singh informal interview 03/09/2003). Koroitamana’s actions could partly be explained from the perspective of the bureaucrat being a “chooser/maximizer” rather than being a mere “role player” (Niskanen, 1971). As the Chief Executive Officer of the Civil Aviation Authority of Fiji over a period of some sixteen years, Koroitamana had established a wide network of relationships based on his rational self-interest. And as a “purposive agent” of the political economy perspective he had engaged in “bureaucratic empire building” to the extent that he appeared to operate outside the ambit of the governance structures that were supposed to control and guide his actions. Koroitamana’s repeated refusals to accept the path proposed in the Charter clearly showed his
political power-position within the Fiji aviation industry. This became such a problem that, as he revealed, his contract was not renewed in 1998 because he: “didn’t see eye to eye with the Ministers” (Interviewed 26/08/2003).

It was clear from the research that by the end of 1997, as his support among senior managers began to wane; Koroitamana’s voice had become a minority at the Civil Aviation Authority of Fiji. He had unsuccessfully made repeated (4-5 times) presentations to the Civil Aviation Authority of Fiji Board asking for more time before the restructure (Interviewed: Koroitamana 26/08/2003, Probert 09/10/2003). During the interviews, he lamented that he was not allowed to become a member of the Charter Committee that was set up to plot the restructure of the Civil Aviation Authority of Fiji. Regarding Koroitamana’s removal, Nagatalevu said “they had to kick him out because he was an obstacle. Once he went out, things started to move” (Interviewed 01/09/2003). Thus in January 1998, Harvey Probert took over from Charles Walker (a Koroitamana sympathizer) as Chairman of the Board of the Civil Aviation Authority of Fiji, with a clear mandate to begin the restructure process.

6.2.2 The Charter Committee (May - December 1998)
The Charter Committee comprised: Harvey Probert, Graham Rouse, Carl Smith, Max Underhill (engaged as consultant at the time) plus one more who remained unnamed through the research for some obscure reason. A senior former official of the Ministry of Public Enterprises later said that this person was probably Sitiveni Weleilakeba, the first Board/Chair of Airports Fiji Limited. The Charter Committee also did not have any union representative because “the Public Enterprise Act 1996 does not provide for it” (Singh, interviewed 09/09/2003); this handicapped the consultation/communication process with the workers. It also appeared that there was no real concern for worker inclusion in the charter process; this would have complicated the reform process “unnecessarily” by bringing in another stakeholder. However, it was evident that leaders of newly-created unions such as Civil Air Workers Association and Fiji Air Traffic Controllers Officer Association were treated as “insiders” against Fiji Public Service Association members who were seen as “outsiders”.

It is obvious that the agenda for the restructure was being influenced and set by special-interest groups both within and outside the Civil Aviation Authority of Fiji. Plowden (1990, p.235) says that political supporters can be mobilised to

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116 This will be expanded on later in discussions on unions.
influence government in the interests of (groups within) the bureau. Moreover, a lack of or ineffective political leadership can provide greater leeway for bureaucratic manoeuvrings (Peters, 2001, p.223) – the Rabuka government was fraught with factional concerns that weakened it. It is noteworthy that Koroitamana, although obliquely involved in the planning processes before the Charter Committee was established, was not allowed to become a member of the Charter Committee, so he kept making unacknowledged written submissions to the committee based on what he was obviously hearing about the directions it was taking (Interviewed: Koroitamana 26/08/2003, Probert 09/10/2003). It was difficult to identify his source(s), but with the length of his stay at the Civil Aviation Authority of Fiji and his paternalistic style of management, he would have had lots of loyal supporters both within and outside the Civil Aviation Authority of Fiji – this was acknowledged by him as well as others.

Maxumise and PricewaterhouseCoopers were involved as consultants to the Charter Committee. Weleilakeba was quick to point out that commissioning Maxumise was Probert’s decision as the Chair of the Civil Aviation Authority of Fiji (Interviewed, 09/10/2003). There is some confusion about the main players at this point as Probert was replaced by Dixon Seeto as Chair of the Civil Aviation Authority of Fiji in January 1999 when the restructure process became a matter of absolute urgency. Plowden (1990, p.235) says that political supporters can be mobilised to influence the timing of government policy in an orchestrated manner. According to Weleilakeba, it was also in January 1999 that he became Chairman of Airports Fiji Limited even though Airports Fiji Limited only existed on paper in the Charter at that point in time (Interviewed 09/10/2003). The link between this January 1999 replacement of Probert as Chair of the Civil Aviation Authority of Fiji by Seeto, appointment of Weleilakeba as Chair of Airports Fiji Limited, and the chairmanship of the Charter Committee could not be directly established from the interviews. What could be confirmed is that Weleilakeba was preferred over Probert by Minister Bose to lead the final stages of the restructure process – January 1999 to May 1999. This decision by the minister appeared to reflect that within the reform process politicians pointedly desire to acquire power, and do not necessarily behave in the manner assumed in much of economic literature ie.:

politicians running the government (do not) behave as public policy maximisers, devising and pursuing primarily those policies which promote the greatest benefit to the general public (Dobek, 1993, p. 24).
It will be seen later that Bose had more parochial concerns than the “general public” in mind at that point in time. Thus Weleilakeba took over from Probert to lead the process in its final five months. It is these types of administrative arrangements that further confused and distorted the restructure process. It also allowed unfettered arrogation of power to individuals and whichever group(s) had the support of government at that stage. Thus in January 1999, with the removal of Probert and Koroitamana, different interests found it easier to strike deals from, and influence, the restructure process to its conclusion.

6.2.3 Multiple Agenda
There were clearly a number of articulated as well as unarticulated concerns that the Charter Committee was commissioned to deal with. This in itself did not make for an easily outlined, understood and transparent process for the restructure. The primary overriding concern was government’s interest in seeing that a key public enterprise was restructured so that its service provision as well as economic performance was improved. This would not only remove the need to financially prop up a public enterprise, but with time, have it pay taxes as well as dividends to government. It was an attempt to change an organization from being financially dependent on government, to becoming independent and at the same time providing a new source of income for the national coffers. In addition to this, government also saw the restructuring of public enterprises presenting an excellent opportunity to facilitate ethnic Fijian involvement in the commercial sector through contracting-out services to Fijian-owned private contractors (Bose, interview 08/10/2003; Blueprint for the Protection of Fijian & Rotuman Rights and Interests, and the Advancement of their Development, presentation to the Great Council of Chiefs by interim-Prime Minister Qarase, 13 July 2000, in fijilive 14/07/00) – contracting out is one key instrument used to reduce government and increase private-sector participation in the national economy as per the rationale for New Public Management-informed reforms (Hood 1991, Boston, et.al. 1996). Government thus saw an immediate opportunity to meet ethnic Fijian business aspirations in the lead-up to the 1999 elections – this was a political populist as well as a national structural concern because Fijian participation in the civil service was not seen as a political issue; rather it was the lack of Fijian participation in the business sector that had dogged successive governments. It is this that was of particular interest to a number of individuals and groupings – politicians as well as bureaucrats - involved in the restructure of the Civil Aviation Authority of Fiji.
It needs to be emphasised that the decision making processes in the restructure of the Civil Aviation Authority of Fiji involved power relations within the hierarchical relationships internal to the bureaucracy as well as that it has with the government. Focusing on the interplay between politicians and bureaucrats, Mosher (1983, p.3) asserted that bureaucrats have a heavy influence on the decisions and actions of government depending on their competence and capabilities, plus orientations and values. Moreover, these attributes come from their backgrounds as well as their present associations. In addition to these, the values, competencies and agendas of key politicians also play a role in the dynamics involved. Thus, apart from government, there were basically three other directions in which the charter process was being negotiated. One was led by Probert and his backers in the Charter Committee, the second by Koroitamana and some senior personnel of the Civil Aviation Authority of Fiji, and the third by a nebulously-knit group that was most interested in snaring contracts that would become available through the contracting-out provisions of the restructure process (Interviewed: Nata 05/02/2004, Koro 03/09/2003). The workers were not directly involved in the negotiations even though leaders of the newly-formed non-Fiji Public Service Association unions were very much involved in the peripheries. Here we look at the positions taken by each of these three groupings.

6.2.4 Jone Koroitamana – incremental change (Civil Aviation Authority of Fiji must stay)
Jone Koroitamana initially supported reforms in the Civil Aviation Authority of Fiji, but strongly opposed the Charter after failing to influence the direction of the restructure away from that proposed by the Charter Committee. Hood (1994, p.52) says that a major push for restructuring comes from senior management of public enterprises themselves especially where there is some assurance of gaining lucrative positions after the restructure. This was clearly the case at the Civil Aviation Authority of Fiji where senior management supported the change enthusiastically until “threats” began to emerge in 1998 just prior to the restructure (Interviewed: Koroitamana 26/08/2003, Nata 05/02/2004). Probert revealed that: “(Civil Aviation Authority of Fiji) management spent a huge amount of time opposing (the report)” (Interviewed 09/10/2003). Koroitamana’s focus was largely on justifying the stand he took in 1997 in opposition to the speedy restructure demanded by the Soqosoqo ni Vakavulewa ni Taukei government. His was a shifting position largely determined by how he would personally be affected in the different scenarios. Koroitamana stated that separating regulation and service provision by restructuring the Civil Aviation Authority of Fiji would produce two sets of management, hence increasing
costs. He had difficulty accepting why this was necessary in a relatively “small” entity like the Civil Aviation Authority of Fiji when it had been returning “healthy profits”. Koroitamana also pointed out that the inevitable job loss would have a large negative impact on worker morale.\textsuperscript{117} Koroitamana’s implicit argument was that in a small entity with multiple functions and limited resources (knowledge and expertise), it pays to pool these resources in a single organisation.

According to him, government had not considered the “pitfalls” of the New Zealand experience and a closer appreciation of the \textit{1990 International Civil Aviation Organization Report} which pointed out that the Civil Aviation Authority of Fiji was much smaller than its New Zealand counterpart. The Civil Aviation Authority of Fiji only handled “about 30 aircraft with only four big ones” whereas New Zealand counterpart handled “thousands” (Koroitamana interviewed 26/08/2003). This, he said, provided an inadequate revenue base to justify the formation of three organizations: the Civil Aviation Authority of Fiji Islands, Airports Fiji Limited and Strategic Air Services Limited – this was the first admission by a key interviewee that Strategic Air Services Limited was very much a key consideration in the restructure process. The restructure according to Koroitamana “ha(d) increased costs, but not revenue”. In his opposition to the restructure, Koroitamana highlighted the welfare net that the New Zealand counterpart had to cater for the inevitable redundancies that accompanied Public Enterprise restructuring there. New Zealand reorganized its aviation industry in the 1980s. Koroitamana had earlier contended that there would be a major fallout in Fiji because of the absence of a social welfare safety net as in New Zealand. According to Nagatalevu, Koroitamana’s proposal was to phase the restructure over a five-year period. “Identify the workers that need to be changed, that need retraining. Then we retrain them so that again there is no other work that needs to be outsourced. ( ) Get them up-skilled and then at the end of the five years, we get them to change from a government body to a commercial entity” (Nagatalevu: interviewed 01/09/2003).

It is clear that both Koroitamana and Nagatalevu\textsuperscript{118} were against outsourcing, a key requirement for the formation of Strategic Air Services Limited – this would create a lasting rift with the group that formed Strategic Air Services Limited and lead to seemingly-unsolvable management

\textsuperscript{117} This sentiment proved to be Machiavellian after he returned in 2001 and began to openly defy pro-worker decisions and rulings by external authorities.

\textsuperscript{118} Nagatalevu was Koroitamana’s brother even though in no interview did either brother volunteer this information. This was discovered later by the researcher.
woes at Airports Fiji Limited later. Koroitamana’s belief in the stance he took is seen in the fact that Airports Fiji Limited’s mission statement was partly a result of his initiative (Interviewed: Nagatalevu 01/09/2003, Koroitamana 26/08/2003).

After unsuccessfully petitioning Minister Bose against the Charter, Koroitamana said he resigned in January 1998 – others revealed he was removed by Bose. This was also reported in a later news item which stated that: “Jone Koroitamana ( ) was sacked by Mr Bose in (1998) when he was minister in the wake of airport reforms” (DP 6/11/2002). Probert added that: “(the Civil Aviation Authority of Fiji) management spent a huge amount of time opposing (the report). So what we delivered to the Minister after ninety days was the report, after it had comment on it from management (Koroitamana plus Nata & Co.) who wrote to the minister ( ). The report didn’t change” (Interviewed 09/10/2003). This report was the Charter that mapped the restructure of the Civil Aviation Authority of Fiji. According to Bose, he tried to talk Koroitamana into supporting the restructure. Bose said: “I asked him, please, why don’t you join… because obviously we’ll give you…” (Interviewed 08/10/2003). Here Bose did not specify what he offered Koroitamana, but it can be assumed that Koroitamana was asked to apply for the post of Chief Executive Officer of Airports Fiji Limited. On the other hand, Koroitamana probably doubted his acceptability for the job given the findings of the Charter Committee and his intense disagreements with Probert. There was another angle to this conflict; Bose and Koroitamana were part of the Queen Victoria School Old Boys network.119 This fact particularly rankled with Koroitamana because, as a senior in the Queen Victoria School Old Boys network, he would have expected Bose’s support. When this failed, Koroitamana made a presentation to the Ba Provincial Council120 in an attempt to have Bose’s support of the Civil Aviation Authority of Fiji restructure withdrawn through Council pressure (Koroitamana interviewed 26/08/2003). Bose said he resisted this at the expense of his political popularity (Interviewed 08/10/2003). Thus Koroitamana made enemies within the organization as well as outside (at the political level) with his opposition to the speedy restructure.

119 The Queen Victoria Old Boys (QVSOB) network comprises important people in key positions (largely in the public sector) in Fiji. This is a close-knit grouping that operates as an old-boys network with all of the attendant expectations and benefits. The 2006 coup was partly aimed at busting these types of networks (Bainimarama interviewed by Time magazine’s Australian editor Steve Waterson – reported in New Zealand Herald http://www.nzherald.co.nz/world/news/article.cfm?c_id=2&objectid=10787821.

120 Bose was a member of the Ba Provincial Council by birth as the Fijian Register identifies individuals based on the province where they are registered. Koroitamana used his wife’s connections in Ba province to make this appeal to the Ba Provincial Council.
On the other hand, there were four unions within the Civil Aviation Authority of Fiji, but Koroitamana referred to the air traffic controllers union as “our union” (Probert interviewed 09/10/2003). This was the union headed by Watesoni Nata and Inia Tueli – these two would become the point men in the formation of Strategic Air Services Limited. In 1997, Koroitamana had openly parted ways with this group because he wanted to keep Air Traffic Management within the Civil Aviation Authority of Fiji whereas Nata and his backers wanted Air Traffic Management to be contracted out to Strategic Air Services Limited – this was the famous Strategic Air Services Limited contract that will be scrutinized later in this thesis. Nata stated that Koroitamana was for the restructure in the beginning, but then started opposing it (Interviewed 05/02/2004). He added that Koroitamana was never going to support the restructure, “I think he planned this move, quite calculated and I was part of the bloody move to refuse” (Interviewed 05/02/2004). Thus the parting of ways between Nata’s group and Koroitamana had primarily to do with the proposed Strategic Air Services Limited contract that Koroitamana opposed – these two groups would continue to engage in political intrigue and economic manoeuvres until 2006 when Strategic Air Services Limited virtually imploded amid internal rifts and inevitably fell out of favour with the coup-installed Bainimarama government later the same year.

It was clear that the two main protagonists at the stages before the final push by the Charter Committee in January 1998 were Koroitamana and Probert. Probert made no attempt to hide his disapproval of the position taken by Koroitamana (Interviewed 09/10/2003). In fact Probert went to great lengths to justify the need for restructure, and in the process, highlighted the shortcomings of Koroitamana’s management approach. Probert said, at the Civil Aviation Authority of Fiji Board meetings the “(board members) would be sitting around the board table and sitting against the wall were eight directors, director commercial, finance, technical, etc.” (Interviewed 09/10/2003). These directors had offices in the Civil Aviation Authority of Fiji building along a passage called “directors corridor” with “director” plaques on each door. Koroitamana’s office was upstairs, “just above the directors’ corridor”. And any “board discussion was ( ) privy to everybody in the Civil Aviation Authority of Fiji because all of those (directors) were union members” (Interviewed 09/10/2003). Probert changed this set-up to assert his authority as Chair/ the Civil Aviation Authority of Fiji straight after Charles Walker resigned in late 1997 from the same Chair after three months.
6.2.5 Probert & Co – Restructure based on the New Zealand model
Harvey Probert was appointed to the Civil Aviation Authority of Fiji Board in March 1997; he was subsequently appointed Chairman of the Civil Aviation Authority of Fiji Board in January 1998. In May 1998, Probert was appointed Chairman of the Charter Committee, and in January 1999 he was removed from that Chair by Minister Bose. Probert was chair of the Civil Aviation Authority of Fiji Board for exactly one year, a practice uncommon in Fiji at the time. When pressed on whether he saw this as strange, he retorted, “I think that one of the problems with the Civil Aviation Authority of Fiji board was that it changed every year” (Probert interviewed 09/10/2003) – this was another clear indication of conflicting (and changing) interests at play in the Civil Aviation Authority of Fiji restructure. This sudden change would have affected continuity in the restructure process. It also shows that after Probert “pushed through” the Charter, he had upset opposing power blocs, particularly that headed by Koroitamana and the group anticipating the lucrative Air Traffic Management contract – this last group had Minister Bose’s (and by extension the government’s) support. Koroitamana’s negativity towards Bose later and his successful attempt at blocking Bose’s appointment to the Chair of Airports Fiji Limited in November 2002 (DP 6/11/2002) clearly showed that he saw Bose as the key political support for the restructure of Civil Aviation Authority of Fiji.

It is clear that Probert was supported on the Charter Committee by Max Underhill. Underhill’s company, Maxumise, was established in 1998 to bid for the consultancy contracts that were emanating especially from government’s public enterprise restructuring projects. As mentioned earlier, there was an interesting link between Harvey Probert and Max Underhill as Maxumise had Probert’s Fiji Gas among its clients. According to Singh, Maxumise was commissioned as consultants because the charter preparation committee “(was) given a timeframe for the task, and ( ) our budget was so huge they asked the government ( ) they (meaning Probert) needed a full-time consultant to work with them” (Singh interviewed 09/09/2003). Probert and Underhill’s insistence that they “worked very hard” and the fact that Maxumise was formed at the same time, appears to highlight that both were trying to justify the commissioning of Maxumise. Furthermore, Underhill seemed to view an intriguing directive to drop KPMG, who had been accepted as a consultant partner, and work with PricewaterhouseCoopers, as a remarkable development (Interviewed 11/09/2003). The Civil Aviation Authority of Fiji restructure project was obtained by Underhill through a public tender bid made through a joint-venture with KPMG.
Underhill said: “we were advised (by Civil Aviation Authority of Fiji) that we were awarded that project about midday Australian time and a phone call two hours later said, we don’t want you to use KPMG, we want you to use PricewaterhouseCoopers from Brisbane” (Interviewed 11/09/2003). Something had happened in the meantime that changed the preference. The connections become even more intriguing when Dixon Seeto’s (Acting Chair of the Civil Aviation Authority of Fiji, January 1999) involvement with the aviation industry is considered in conjunction with the fact that his wife, Jenny Seeto, is a senior partner with PricewaterhouseCoopers (Fiji).

Probert was also pitting against Bose as seen from the fact that even though Bose clearly agreed with the need for the Charter Committee to be involved in the implementation of the charter, in the case of Civil Aviation Authority of Fiji, Probert was removed in January 1999. This is what paved the way for frantic changes that helped accommodate and facilitate the formation of Strategic Air Services Limited. Probert said, “when I came onto the Board, we were sort of a couple of strong characters appointed to the Board, there was myself and Graeme Rouse, subsequently there was Carl Smith (... what I’d ( ) and Graeme Rouse had been put on the Board to do was the restructure. We were told you guys will only be here for a year” (Interviewed 09/10/2003). He continued, “I mean we were so strong that, ( ) Charlie Walker who was the chairman of the Civil Aviation Authority of Fiji resigned after three months.” Probert used the example of the Civil Aviation Authority of Fiji Chief Executive Officer Koroitamana’s influence over Chairman Charles Walker as an example of “board capture” (Probert interviewed 09/10/2003). Walker supported Koroitamana’s opposition to the restructure and resigned when he found himself outnumbered.

Probert’s group appeared to have been very much guided by the “New Zealand model” which was essentially informed by New Public Management. Thus Probert’s focus on the restructure of the Civil Aviation Authority of Fiji appeared to be totally business focused as prescribed within the New Public Management framework (Hood 1991; Boston, et.al. 1996). One of the more contentious proposals made by the Charter Committee was to sell Air Terminal Services to the employees because according to Probert, “(Air Terminal Services) has a monopoly service

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121 Dixon Seeto has been a senior mover and shaker within the closely-linked aviation and tourism industries in Fiji for a long time.
provision at the airport and everybody (was) unhappy with the level of service and all the rest of it” (Interviewed 09/10/2003). Probert went to great lengths to justify the sale of Air Terminal Services to the workers. This sale would have opened up ground handling services for competitive public tender as Air Terminal Services would have lost the privileged position it had because of its 51 per cent ownership by government. The Civil Aviation Authority of Fiji restructure however, did see Air Terminal Services commence paying taxes to government. Probert was also aware of impending business openings in air traffic management and telecommunications services – his recommendations however, were different from what transpired later with the Air Traffic Management and Airport Management and Technical Support contracts – details of these appear later.

6.2.6 Government – populist position on Contracting-Out
Sitiveni Rabuka was Prime Minister when the restructuring of Public Enterprises began in 1992, and was still Prime Minister when 12 Public Enterprises were restructured in 1998-99; among them was the Civil Aviation Authority of Fiji. Rabuka’s main concern was a South Pacific Forum (SPF), and aid donor, concern that aid money was being used to supplement shortfalls arising from sub-quality management in the public sector. Highlighting the impact of the National Bank of Fiji debacle on the orientation of government towards public sector reforms, Rabuka said “all these were geared towards reducing the operational cost of running the government” (Interviewed 02/10/2003). Rabuka thus appeared to view restructuring as a sound avenue to remove government responsibilities and move it to the private sector – this was very much in line with the rationale of small government and private sector-led growth. Moreover, Rabuka had become a central figure in the South Pacific Forum (now Forum Secretariat) after Ratu Sir Kamisese Mara (Prime Minister of Fiji) and Sir Michael Somare (Prime Minister of Papua New Guinea) had faded from the scene. This made him a key member of the Pacific Island Leaders Conference sub-committee and as such, he had to lead the pressing public sector reform agenda by example. There was little doubt that Rabuka firmly believed in the rationale of New Public Management that commercial public activities should be managed in a commercial manner, and identified portions should be contracted out to realise better efficiencies overall. He said, “I’m definitely a private sector (led growth man), that’s the engine room. I’ve stated many times in my speeches and I believe that’s the way a country is driven… by the private sector. I think the size of our public sector is inversely proportional to our own development. The bigger
the public sector the less or slower is our development” (Rabuka interviewed 02/10/2003). On
the question of what he hoped to achieve from the reforms, Rabuka said “a manageable size of
government and much more of our funds spent on development” (Interviewed 02/10/2003).

The Civil Aviation Authority of Fiji restructure thus had the full support of Prime Minister
Rabuka (who was endorsing Ah Koy’s recommendations on public sector reforms), Finance
Minister Jim Ah Koy, Public Enterprise Minister Isimeli Bose and Aviation Minister David
Pickering. The former three were the “big guns” of public sector reforms in Fiji at the time.

When the Charter was presented to the three ministers involved, there was some disagreement on
the issue of Return on Investment until ten per cent was reluctantly agreed to (from interviews:
Ah Koy 14/10/2003, Bose 08/10/2003, Singh 09/09/2003). At the time of this research the Public
Enterprise Ministry was touting two per cent as an acceptable Return on Investment given its
experiences since the restructure in 1999 (Singh interviewed 09/09/2003). Rabuka revealed that
he had asked Koroitamana not to leave the Civil Aviation Authority of Fiji and that this may
have created negativity towards Rabuka later when Koroitamana was removed from the process
– this was part of the political fallout later (Interviewed 02/10/2003). According to Nata,
Navitalai Naisoro was brought in by Bose to be part of the team involved in the restructure so
that he could provide an additional opinion for government (Interviewed 05/02/2004). This
appeared like another step in an orchestrated move to ensure that the restructure did not move
away from a pre-ordained direction as theorized by Plowden (1990). Furthermore, Bose clearly
stated his preference for Weleilakeba over Probert in dealings during the restructure. He said,
“Probert was pretty tough at times. I could feel there was a big tension. I was more comfortable
with Weleilakeba, I trusted him and ( ) knew he was a hardworking man” (Bose interviewed
08/10/2003) The fact that Probert was the Chair and not Weleilakeba who the Minister “trusted”
and preferred to deal with would have created major problems in the restructure process as there
were unarticulated as well as articulated objectives involved – the Strategic Air Services Limited
contract was part of this. Thus Strategic Air Services Limited had some key supporters as Bose
intervened for Strategic Air Services Limited when Strategic Air Services Limited’s demands
began to be opposed by the Airports Fiji Limited Board. This face-off between Strategic Air
Services Limited and the Airports Fiji Limited Board stemmed partly from the fact that Nata had

122 A foreign educated former bureaucrat who after the 1987 coup gradually manoeuvred himself into becoming a
key behind-the-scenes consultant.
become too insistent on the formation of Strategic Air Services Limited on the basis of the air traffic management contract. Probert had proposed a gradual process of change involving opening up the Air Traffic Management contract for public tendering within a year. Later, Weleilakeba also took a slightly opposed stance partly because of the fact that Naisoro was the “business advisor” to Strategic Air Services Limited whereas Weleilakeba was on the Airports Fiji Limited Board and these two protagonists had a personal disagreement.\(^\text{123}\)

Apart from the economic rationalizations for reforms, government’s interest was also political; it was particularly interested to see that business opportunities arising from the whole public sector reform process were channelled to ethnic Fijian concerns so that government’s aims of assisting ethnic Fijians into the commercial sector were realized. In other words, there was an unarticulated affirmative action policy at play aimed at ensnaring and directing business opportunities to ethnic Fijian business concerns - merit considerations appeared to be incidental within the decision making frameworks involved (Interviewed: Bose 08/10/2003, Rabuka 02/10/2003). Hood (1994) says that a major push for restructuring comes from senior management of public enterprises themselves especially where there is some assurance of gaining lucrative positions after the restructure. In this case, it was also in the personal interests of the presiding government and the minister concerned to push for the restructure of the Civil Aviation Authority of Fiji. With the May 1999 elections pending, the restructure would have allowed direct political patronage in the issuing of jobs and contracts. Thus supporters could be rewarded, non-committed fence-sitters won over, and enemies placated through the restructure (Cook & Minogue, 1990, p. 396). In Fiji, patronage via public enterprises was used to strengthen traditional kinship relationships, old-boy networks, and (after 1987) military linked clientele power bases – this continued until December 2006 when Bainimarama promised to “clean up” government.

6.2.6.1 Fijian Business Aspirations

It was no secret that the Soqosoqo ni Vakavulewa ni Taukei government saw the public sector reform process as an opportunity to facilitate greater participation by ethnic Fijians in commerce in Fiji (Interviewed: Bose 08/10/2003, Rabuka 02/10/2003). Fijian business aspiration had partly

\(^\text{123}\) Both Navitalai Naisoro and Sitiveni Weleilakeba were part of the Queen Victoria School Old Boys network. In this case the antipathy stemmed from the fact that Naisoro was having a publicly-known affair with Weleilakeba’s wife, Laisa Digitaki.
fuelled the rationale for the Rabuka coup of 1987; in response, Rabuka had made numerous public undertakings to address this concern (Chand & Naidu, 1997; Robertson, 1998). The contracting out of services that had been formerly undertaken by departments of government offered a ready opportunity to facilitate the easing of ethnic Fijians into business in quick time. A firm believer in ethnic Fijian “aspirations” and “rights”, Rabuka saw the opportunities arising from the restructure of Public Enterprises as a highly useful way to meeting these political aims. He however, was more realistic in his assessments saying “you cannot do that without direct intervention from the public allocation of funds” (Interviewed 02/10/2003). From this, it would appear that the restructures of 1998-9 (including the Civil Aviation Authority of Fiji) were more a speeded pre-election exercise than a carefully planned longer-term undertaking. Bose, a committed Fijian nationalist, was also a strong advocate for the involvement of ethnic Fijians in the business sector in Fiji. The restructure of Public Enterprises presented him with a unique opportunity to fulfil this agenda (Bose interviewed 08/10/2003). At the same time, the next general elections in 1999 was seen as a major hurdle for the Soqosoqo ni Vakavulewa ni Taukei government, and opportunities arising from public sector reforms and the restructuring of Public Enterprises took on political significance in the quest by the Soqosoqo ni Vakavulewa ni Taukei to return to power. Reforms however, also presented an opportunity for other connected individuals who could influence the decision-making processes to allocate contracts wherever it suited them best. The one man who is widely seen as the architect of the link between public sector reforms and indigenous Fijian business aspirations in Fiji was Navitalai Naisoro\(^\text{124}\), one of the bureaucrats who rose to prominence through the 1987 coup. Naisoro, as mentioned earlier, was involved in the charter preparation process as advisor to a number of individuals (like Nata).

6.3 Was the Charter Revised?
There is some confusion on whether the charter prepared by the preparations committee chaired by Probert was revised. For some reason Probert was extremely defensive on the issue of having to reconsider the charter on the minister’s request after Strategic Air Services Limited members

\(^{124}\) Naisoro was on a flight with Reserve Bank Governor, Savenaca Siwatibau on 14\(^{th}\) May 1987 when the Rabuka coup was executed. In an era when there were no cell-phones and quick computer links, he was reported to have walked over to the Governor in-flight and told him that his services had been suspended – this was a clear indication that Naisoro was aware of the impending coup at 10:00 that morning. Naisoro then went on to hold key advisory and, where necessary, senior management positions within the Rabuka governments. He was also linked closely to the Speight Coup of 2000 and is currently wanted for questioning on this and a number of business deals and contracts negotiated during the Qarase reign of July 2000-December 2006.
reportedly raised points of concern. He said, “so what we did, we did the full report, okay, which was information overload for the politicians so they asked us to condense the charter. But that is the actual charter signed by Mister Bose and I believe that Mister Bose actually read this one” (Interviewed 09/10/2003). There were therefore, two versions to the Charter: one detailed, and one abbreviated even though Probert denied this saying, “there was only one charter ever done - it was the charter that the minister signed” (Interviewed 09/10/2003). He added, “it is very important for politicians to read what they sign and if they are unsure, to ask advise.” This was a side reference to the “bungled” restructure at Ports Authority\textsuperscript{125} (Narayan, 2008).

Probert went on to say that what was delivered to the Minister after ninety days was the report, “plus comment on it from management (Koroitamana plus Nata & Co.) who wrote to the minister” (Interviewed 09/10/2003). He insisted “the report didn’t change.” This report was the Charter that mapped the restructure of the Civil Aviation Authority of Fiji. It is obvious that Probert did not want to accept that the report was changed due to pressure from contending groups and especially from Bose. Instead, he appeared to be attempting to imply that changes were made after the Charter Committee had delivered its charter. Probert’s insistence that “the report didn’t change” and “we ( ) worked probably day and night for three months on the project” – appeared like an emphatic attempt to deny any changes were even requested by the Minister.

The original \textit{Civil Aviation Authority of Fiji Reorganization Charter} of 1998 clearly stated that:

\begin{quote}
There are no parts of the Airport Company or any government entity that are recommended to become a subsidiary of the Airport Company. It is not recommended that the Airport Company forms or acquires a company that is a wholly-owned subsidiary. It is not recommended that Civil Aviation Authority of Fiji or the Airport Company transfers to a wholly-owned subsidiary assets, liabilities or undertakings (Civil Aviation Authority of Fiji Reorganization Charter, 1998, pp.9-10).
\end{quote}

Koroitamana was unequivocal in asserting that the “Civil Aviation Authority of Fiji reorganisation charter”, signed on 9\textsuperscript{th} January 1998, did not make any mention of contracting-out services – it did however state that “no parts of the Airport Company … are recommended to become a subsidiary of the Airport Company” (Koroitamana interviewed 26/08/2003). Probert revealed that “(the Civil Aviation Authority of Fiji) management spent a huge amount of time

\textsuperscript{125} See Narayan (2008) for details on the restructure of ports in Fiji.
opposing (the report). (But) the report didn’t change” (Probert interviewed 09/10/2003). This report was the Charter that mapped the restructure of the Civil Aviation Authority of Fiji. From this, it appears that two reports were prepared for the restructure of the Civil Aviation Authority of Fiji, one in 1998 and one in 1999. Furthermore, the Charter forwarded to Bose in January 1999 was substantially revised by the time of the actual restructure in April 1999.

Weleilakeba denied that the Charter was revised as revealed by Bose (Interviewed Weleilakeba 09/10/2003). When pressed however, he admitted that it was done to give it a more commercial orientation. Probert on the other hand, was insistent that there was only one Charter. What the preparations committee proposed and what was actually done differed significantly; thus showing that indeed the charter was significantly revised to mainly make way for the formation of Strategic Air Services Limited and that Naisoro (and Weleilakeba) both key stakeholders in Strategic Air Services Limited, had a pivotal input in this revision. It was established that Naisoro was again involved later in reviewing the Reorganization Charter as a consultant (Interviewed: Koroi 03/09/2003, Nata 05/02/2004). This review helped remove the main contentions that arose during the charter process. According to Underhill, an International Civil Aviation Organization endorsed report called “Reorganization of Civil Aviation Authority of Fiji” was prepared earlier by Naisoro with input from Alan Alager, a consultant hired by the Civil Aviation Authority of Fiji in 1998 to train air traffic controllers in preparation for the restructure. This was supposed to ensure that Strategic Air Services Limited became a reality because Naisoro would later become Strategic Air Services Limited Chairman and Alager had a direct percentage stake in its formation. It was Naisoro’s involvement that paved the way for the legal establishment of Strategic Air Services Limited. Furthermore, a new company had to be formed to contractually undertake the Air Traffic Management functions of the Civil Aviation Authority of Fiji (and then Airports Fiji Limited), while ensuring that it also obtained unobstructed rights to the use of existing Air Traffic Management infrastructure and equipment. This required political contacts, business negotiation skills and a direct input into the restructure - Naisoro was the man for the job. In fact a little after the formation of Strategic Air Services
Limited, Naisoro became a Board member of Strategic Air Services Limited and then it’s Chair/Board where he continued to formulate its business plans.\textsuperscript{126}

6.4 Strategic Air Services Limited (SASL)
Strategic Air Services Limited was formed in 1997 in anticipation of getting the air traffic management contract that was expected to be on offer upon the planned restructure of Civil Aviation Authority of Fiji. According to the then, the Civil Aviation Authority of Fiji /Board Chair, Harvey Probert, the idea of Strategic Air Services Limited originated six weeks into the Charter preparation process in 1998. Work on the formation of Strategic Air Services Limited however, began two years before the Civil Aviation Authority of Fiji restructure. Watesoni Nata, the main protagonist in the drive to acquire contracts emanating from the restructure of the Civil Aviation Authority of Fiji, was involved in the formation of three companies in 1997 in anticipation of the Civil Aviation Authority of Fiji restructure. These were Strategic Air Services Limited, Airport Management and Technical Support and Aviation Security Limited. The Airport Management and Technical Support cleaning contract of F$90,000 per year was terminated by the Chaudhry government in 1999 (Interviewed: Koroi 03/09/2003, Nagatalevu 01/09/2003). Aviation Security Limited never got off the ground while only Strategic Air Services Limited persisted. Koroi said “the thing is they did their homework prior to the restructure. They were way ahead, and maybe that is where links with political people comes in handy. We were surprised when talk of forming companies came up, they already had a company” (Interviewed 03/09/2003). By “political people” Koroi was referring, amongst others, to Naisoro who emerged as Strategic Air Services Limited’s Business Advisor and liaison man at the time of the restructure.

Probert said Nata, an Air Traffic Controller and Manager Training within the Civil Aviation Authority of Fiji, was the only person who appeared to understand the implications of the proposed restructure. “(Nata) came to see us and said ‘what does all this mean’ so we sat down and went through it” (Probert interviewed 09/10/2003). At this stage, support was needed from a number of sources to make Strategic Air Services Limited a reality. At the political level, Nata mentioned Sitiveni Weleilakeba (Airports Fiji Limited/Chair), David Pickering (Aviation

\textsuperscript{126}In January 2004, Naisoro attempted to negotiate a contract for the management of Fiji’s second largest airport, Nausori, which Airports Fiji Limited was reported to have been running at a loss of US$750,000 a year. Later he even got to the stage of negotiating a merger between Airports Fiji Limited and Strategic Air Services Limited.
Minister), Prime Minister Rabuka, Isimeli Bose (Commerce Minister) and Jim Ah Koy (Finance
Minister), as having been particularly supportive in the formation of Strategic Air Services
Limited. He said he spoke to them about assistance for “Fijian business” and the difference
between political rhetoric and reality (Nata interviewed 05/02/2004). Probert added in his
narration, “so (Nata) said, air traffic management, we can do it in-house with you guys if we set
up a company” (Interviewed 09/10/2003). This was the birth of Strategic Air Services Limited,
which was formally set-up in August 1998. Nata said that Viliame Leqa was the first Chairman
of Strategic Air Services Limited as he was involved in the initial negotiations for the F$3.5
million contract (Nata interviewed 05/02/2004). This is significant because Leqa was the
Executive Chair of Airports Fiji Limited in 2003 when the Strategic Air Services Limited
contract was surprisingly\textsuperscript{127} renewed despite contrary expectations\textsuperscript{128}. He was then replaced by
Kalivati Bakani\textsuperscript{129} as Chair Strategic Air Services Limited in 2000. According to Nata, later
when Bakani left because of his appointment as Chief Executive Officer of Native Land Trust
Board in 2003, Strategic Air Services Limited needed to retain political connections with the
\textit{Soqosoqo ni Duavata ni Lewenivanua} government “and that’s when Naisoro (who had been
acting behind the scenes as business advisor) was brought into the Strategic Air Services Limited
Board primarily because of this” (Nata interviewed 05/02/2004). Naisoro was also a key
architect in the formation of the \textit{Soqosoqo ni Duavata ni Lewenivanua} party after the 2000 coup.
It was this party that ruled from 2001-6 when Bainimarama executed his “clean-up coup”.

\subsection{6.4.1 Strategic Air Services Limited Board}
The Board composition of Strategic Air Services Limited reflected a careful strategic mix of
politicians and bureaucrats with powerful traditional as well as government power positions. The
Strategic Air Services Limited Board comprised:

Navitalai Naisoro – powerful behind-the-scenes consultant with foreign Master’s Degree.
Chair a number of public Boards in the 1990s under the Rabuka government and was an
indispensable figure in Qarase’s post-2000 coup aspirations for his \textit{Soqosoqo ni Duavata ni
Lewenivanua} party. Naisoro was widely attributed to be the “brains” behind the Strategic Air

\textsuperscript{127} See \textit{Daily Post} (28/4/02, 05/11/2002, 17/03/2003, 13/05/2003, 20/05/2003) and \textit{Fiji Times} (27/9/01)
\textsuperscript{128} It is significant that Viliame Leqa, the first Chair of Strategic Air Services Limited, was the Chair/Airports Fiji
Limited when the Strategic Air Services Limited contract was renewed against expectations in 2003.
\textsuperscript{129} Kalivati Bakani was the deputy General Manager of the National Bank of Fiji when it bankrupted. He was on
trial (with former Prime Minister Laisenia Qarase and Business Consultant Keni Dakuideketei) for seven counts of
abuse of office as General Manager Native Lands Trust Board when this thesis was written.

Ratu Inoke Takiveikata – powerful Naitasiri chief who rose to prominence as the “peace-broker” during the 2000 hostage crisis. A founding member of the resultant *Soqosoqo ni Duavata ni Lewenivanua* party, Takiveikata was one who could “direct” the interim as well as subsequent *Soqosoqo ni Duavata ni Lewenivanua* governments at the time. He is currently in jail for his role in the November 2000 mutiny that aimed to remove Bainimarama from Fiji’s power scene – military as well as interim-government at the time. Later he was again convicted for conspiring to have Bainimarama assassinated in 2007.

Jale Galuinadi – brother of former Fiji Sugar Corporation/ Chief Executive Officer and senior minister in the interim and subsequent *Soqosoqo ni Duavata ni Lewenivanua* governments, Jonetani Galuinadi. Jale Galuinadi was a bureaucrat with key political connections.

Adi Koila Nailatikau – prominent daughter of the Mara household, Adi Koila had been held hostage by the rebels during the 2000 crisis. Chief Executive Officer of Strategic Air Services Limited, Nata, was from her province of Lau; hence her presence would have provided leeway with traditionalists feeling that she had been wronged.

Inia Tueli (Board/Secretary) – an educated bureaucrat and consultant with announced business aspirations, Tueli was Nata’s partner in ensuring that Strategic Air Services Limited got the Air Traffic Management contract at the restructure of the Civil Aviation Authority of Fiji. He was one of the “inner circle” of the *Soqosoqo ni Duavata ni Lewenivanua* party with Naisoro as “chief strategist”. By 2005, Tueli and Nata had had a falling out at Strategic Air Services Limited and violence followed. In June 2006, Tueli took over as Chief Executive Officer of Strategic Air Services Limited from Nata.

### 6.4.2 Tussle in Formation of Strategic Air Services Limited

The main opposition to the formation of Strategic Air Services Limited came from Koroitamana and (to a lesser extent) Harvey Probert and Max Underhill. Mohan Lal, who had been with the Civil Aviation Authority of Fiji and Civil Aviation Authority of Fiji Islands for more than 25 years, worked closely with Koroitamana and Norman Yee in opposing the restructure proposal.
from the Charter Committee and proposing alternatives. Lal felt that “the politicians didn’t seem to understand the process itself as well as its wider implications” (Informal interview 24/8/2003). Nata, the first Chief Executive Officer of Strategic Air Services Limited, had a tussle with Probert and “consultants who were his friends” because of the differing directions preferred for the restructure – by “consultants” (Interviewed 05/02/2004). Nata clearly meant Underhill who took a diametrically opposed stance to that of Nata. Professing his utter dislike of Underhill who was engaged as consultant at the time, Nata added that “when (Probert) started understanding the whole concept then he became, ( ) my very good friend… since you understand both bullshit together” (Interviewed 05/02/2004). He seemed to see the exercise as a tedious process one had to go through in order to achieve what had already been determined. Indeed, this does appear to have been the nature of the process through which Strategic Air Services Limited was formed.

It also appears from this that Probert had changed his stance significantly, which in fact did happen when Underhill’s position is considered. Underhill said “there were proposals for those companies (Airport Management and Technical Support and Strategic Air Services Limited) to be formed, but not in the way they were formed” (Interviewed 11/09/2003). The proposal was to set them up as subsidiaries of Airports Fiji Limited with “the government favouring giving them a twelve month monopoly contract and then opening it up to commercial” competition. Koroitamana concurred with this saying that the Charter allowed for monopoly provision contracts to worker-formed companies for a set period of time (Interviewed 26/08/2003). After that, it would be put through a public tender process. It appears from this that Strategic Air Services Limited was meant to be a temporary measure that would have an immediate political impact given the pending May 1999 elections; Air Traffic Management would then be opened up to the best bidder. Underhill added that Air Traffic Management was not to be part of Airports Fiji Limited because “(it) needed significant investment or management offshore” (Interviewed 11/09/2003). Maxumise had identified Australian Air Traffic Services (Brisbane) as the most economical provider of Air Traffic Management services even though they had not been approached for a tender at that point in time. This showed that Underhill appeared to have a professional as well as personal interest in seeing that Air Traffic Management was tendered out at some stage. Strategic Air Services Limited was thus formed against the provisions of the Charter prepared by the Charter Committee. It came about through the personal clout and
lobbying by a group of Air Traffic Management-linked senior managers within the Civil Aviation Authority of Fiji with active support from the Rabuka government at the time.

6.4.3 Strategic Air Services Limited Contract Negotiations
From January 1999, when Weleilakeba became Chair of Airports Fiji Limited to the Civil Aviation Authority of Fiji restructure in April 1999, a series of extended contract negotiations took place between Weleilakeba, Nata and a consultant, Alan Alager who Weleilakeba said “(he) never trusted” (Interviewed 09/10/2003). Strategic Air Services Limited members negotiated for a business establishment fee from Airports Fiji Limited as part of the Strategic Air Services Limited contract involving Airports Fiji Limited putting up a sum of money as establishment fees – the amount was not revealed for this research. What is noteworthy is that this fee came from Airports Fiji Limited rather than Strategic Air Services Limited who were vying for the Air Traffic Management contract. When questioned about what they brought to the negotiating table, Nata said, “this” pointing to his head (Interviewed 05/02/2004). He meant that Strategic Air Services Limited was bargaining from a position of strength because they had all the Air Traffic Controllers and Airports Fiji Limited needed Air Traffic Management services. This was one of the key indicators of how the restructure process was hijacked by powerful groupings that ensured that the Air Traffic Management contract made Strategic Air Services Limited a reality. The Strategic Air Services Limited contract was not agreed to at first, but somewhere along the line it became a reality according to both Koroi and Nagatalevu (Interviewed: Koroi 03/09/2003; Nagatalevu 01/09/2003).

Probert said Strategic Air Services Limited had to be given the Air Traffic Management contract because all air traffic controllers were members of the union (Nata’s union) that bid for it, and Airports Fiji Limited had no choice (Interviewed 09/10/2003). A site visit of the Strategic Air Services Limited offices in 2004-5, showed that all stationary, equipment, etc. needed to carry out the everyday functions of Strategic Air Services Limited were provided by Airports Fiji Limited; this was later confirmed to be part of the Strategic Air Services Limited’s Air Traffic Management contract. According to Weleilakeba, Strategic Air Services Limited’s initial demand was F$7.5 million per year, but this was negotiated to F$3.5 million per year with the efficiency gains from the succeeding two years to be split 50/50 (Interviewed 09/10/2003). Weleilakeba said “I screwed them to F$3.5 million, fixed for three years with an efficiency gain
after the first twelve months to be split 50/50 either way” (Interviewed 09/10/2003). Weleilakeba was trying to justify his input in the Strategic Air Services Limited contract negotiations as being purely professional. He repeatedly emphasized that his concern was primarily commercial and he was well qualified for the job. He was also particularly concerned about “explaining” the Strategic Air Services Limited deal as a triumph in business negotiation.

6.4.3.1 Air Traffic Management Consultant - Paul Alager
Paul Alager came to Civil Aviation Authority of Fiji in 1998 as an AusAid funded consultant to train staff in preparation for the restructure. His contract was for four months after which Nata, who had befriended him, took him on as a (F$360,000) consultant for getting the potential Air Traffic Management contract (Nata interviewed 05/02/2004). This sum of money for a consultant, when taken in light of the work involved, was staggering to say the least. Nata later had a falling out with Alager because he registered Strategic Air Services Limited in Australia and New Zealand as the Air Traffic Management Company in Fiji “under his own name” according to Nata (Interviewed 05/02/2004). This meant that any off-shore deals would have had to involve him as principal. Nata admitted that he had to involve Alager “even though (he didn’t trust him) as (there was) nobody else” (Interviewed 05/02/2004). Alager’s later association with Strategic Air Services Limited was blocked by Naisoro when he got rid of Alager as Chairman of Strategic Air Services Limited. Nata added about Alager, “he knows the job.” The lucrative Air Traffic Management contract had apparently attracted a pooling of skills and expertise by individuals who knew about it.

6.4.3.2 Different Positions on the Strategic Air Services Limited Contract
The agreement was to separate the two functions: air traffic management from airport services. Air Traffic Management was to be operated under the Strategic Air Services Limited banner and airport services under Airports Fiji Limited. There appeared however, to be major questions and misgivings linked to the Strategic Air Services Limited contract after it was signed. It was mentioned earlier that the Strategic Air Services Limited contract resulted from a firm belief that Air Traffic Management services had to be contracted out. The rationale for this was based on the disaggregation proposal of New Public Management. As discussed earlier, New Public Management proposals attempt to ensure the adaptability of private sector styles of management in the public sector. One of these:
proposes disaggregating large public sector organizations into ‘corporatized units around products’ funded separately and interacting with one another on an ‘arms-length’ basis (Hood, 1991, pp. 4-5; Pollitt, 1993, p. 134; Boston, et.al., 1996, p.26).

That was the position ultimately adopted by all the protagonists except Underhill and Koroitamana – Koroitamana however did appear to support the idea at an earlier stage. His position had overwhelmingly been to oppose the restructure of the Civil Aviation Authority of Fiji even though he acknowledged the need for reforms. He insisted that as a former air traffic controller, he could not see how a private company could be delegated the task of ensuring the safety of air passengers when the responsibility to manage the flight information region (FIR) rested with government. Koroi also felt that Air Traffic Management was too critical a function to be assigned to a private entity like Strategic Air Services Limited (Interviewed 03/09/2003). This was a potent argument that appeared to have been given inadequate thought as the Civil Aviation Authority of Fiji restructure had become a political necessity for the Rabuka government. More on the Flight Information Region and government responsibility will be seen later.

Probert, on the other hand, went to great lengths to justify what was, in essence, a highly lucrative contract for Nata and his group of air traffic controllers (Probert interviewed 09/10/2003). He highlighted that should this tender have been opened abroad, it would have had major political fallout because of the impending 1999 elections. This appeared like an attempt to explain his support for the shift from a one-year temporary Air Traffic Management contract followed by open tendering for Air Traffic Management services, to what became the three-year renewable Strategic Air Services Limited contract for as long as Strategic Air Services Limited provided the service acceptably. Probert continued with an array of costs and benefit figures to justify his support for the contracting out to Strategic Air Services Limited. He then added that he was not there during the final stages of the negotiations and later when the Strategic Air Services Limited contract was signed. This appeared to show that Probert had misgivings about the contract, but was not prepared to admit that. Koroitamana, on the other hand, reckoned that Airports Fiji Limited could fulfil its Air Traffic Management requirements at “60 per cent of the Strategic Air Services Limited cost” (Koroitamana interviewed 26/08/2003). The Strategic Air Services Limited contract, he said, should have helped reduce labour costs for Air Traffic Management from F$7 million to F$3 million per year for Airports Fiji Limited. He highlighted
that the Strategic Air Services Limited contract “made sense politically, but not commercially” (Koroitamana interviewed 26/08/2003). The Strategic Air Services Limited contract also did not consider the fact that changes were imminent in the Flight Information Region.

Another major protagonist, Weleilakeba was insistent in his attempts to take credit for the “escalator downward” provision in the Strategic Air Services Limited contract which he negotiated. He also seemed to have changed his original position saying “if I was still there, I would have convinced government to basically do (away) part of the Strategic Air Services Limited (contract) because it’s to do with the sovereignty issue. What I negotiated was basically a fixed contract, three years subject to review with an airstrip escalator downwards” (Weleilakeba interviewed 09/10/2003). Weleilakeba therefore, was also concerned about potential problems and the sovereignty issue surrounding the Strategic Air Services Limited contract preferring direct government involvement. The Fiji Times (FT 6/7/06) later emphasized in a report on Strategic Air Services Limited that the company was the first private company globally to be awarded an air traffic management services contract. Research revealed that this point was made by Nata as the key interviewee for that report as a sign of accomplishment on his part. It was however, also a sign of weak managerial decision making on the part of the Civil Aviation Authority of Fiji, and later Airports Fiji Limited, because this key service is not usually considered for contracting-out within the framework of airports management. Weleilakeba agreed that if only Airports Fiji Limited and the Civil Aviation Authority of Fiji Islands had been created by the Civil Aviation Authority of Fiji restructure, fewer ensuing problems would have persisted (Interviewed 09/10/2003).

A closer look at the New Public Management proposal for disaggregation:

disaggregating large public sector organizations into ‘corporatized units around products’ funded separately and interacting with one another on an ‘arms-length’ basis (Hood, 1991, pp. 4-5; Pollitt, 1993, p. 134; Boston, et.al., 1996, p.26)

shows that in the case of the Air Traffic Management contract, Strategic Air Services Limited was corporatized around Air Traffic Management, but not “funded separately” and it was not structured to interact with Airports Fiji Limited on an “arms-length” basis. Thus it was no surprise that everyone involved in the restructure of the Civil Aviation Authority of Fiji appeared to be trying to justify the positions they took in the reform process – this could be interpreted as
acknowledgement that they were aware that the restructure, especially that involving Air Traffic Management services, was mishandled. Senior Manager, Gupta said unequivocally that the Strategic Air Services Limited contract “was a one-sided contract” (Interviewed 03/09/2003). Underhill corroborated this saying “that (was) a very unusual situation to walk into …. where expensive Flight Information Region management equipment is purchased and then left to another company to use to provide Air Traffic Controllers services”. Underhill asked “(why should) we go in and buy the equipment and get somebody else to operate it when there is actually better equipment, surplus equipment just sitting over in Brisbane or in Auckland” (Interviewed 11/09/2003). Underhill was clearly interested in seeing Air Traffic Management services put on public tender for foreign bidders as per the reform model. It is not an exaggeration to conclude from this that Nata was given “special” treatment during the restructure process – this was absolutely against the reform model. This becomes all the more obvious when the issue of air safety and liability is considered.

6.4.4 Air Safety and Liability
Strategic Air Services Limited was modelled on a United Kingdom concept where North Atlantic Traffic Services (NATS) was set up to operate independently with its own management, but legally under the umbrella of the Civil Aviation Authority (United Kingdom). This placed the liability for air safety on the United Kingdom government rather than on a private company like North Atlantic Traffic Services. With the setting up of Strategic Air Services Limited as a private entity and the contracting out of Air Traffic Management services to it, the responsibility for air safety was moved to a private company even though the Fiji government via Airports Fiji Limited was still liable as per International Civil Aviation Organization conventions. Thus in this case government operated as the guarantor for the operations of a private entity that functioned independently. This was not only against the proposals of New Public Management (Hood, 1991; Pollitt, 1993; Boston, et.al., 1996), but there was no apparatus to ensure that Strategic Air Services Limited operations met expected standards – “no supervision from Airports Fiji Limited” according to Koroitamana (Interviewed 26/08/2003). On the issue of safety, Nata said “safety is only how much you can afford to provide” (Interviewed 05/02/2004) – clearly he did not see safety as an issue for Strategic Air Services Limited; that was for Airports Fiji Limited to worry about. On the issue of liability, Nata talked about a cover insurance premium of F$1 million per year paid for by Airports Fiji Limited. He added that Strategic Air Services Limited
held an AU$2 million insurance policy “just in case” (Interviewed 05/02/2004). This would have been entirely inadequate in the case of an air disaster involving the Nadi Flight Information Region; compensation claims of this type easily run beyond F$1 billion. Nata highlighted that he ran Air Traffic Management with 82 staff compared to the 152 that the Civil Aviation Authority of Fiji used to have (Nata interviewed 05/02/2004) – it can be hazarded that this lean and mean philosophy of private-style management could easily have led to compromises on safety issues. Beetham (1987, p.36) says that:

the demand to meet business criteria of ‘efficiency’ is itself a political demand which has consequences for the nature and level of the service provided.

According to Koroitamana, the “struggle for scraps” and the political power play that characterized the restructure of the Civil Aviation Authority of Fiji was partly to blame for this deficiency (Interviewed 26/08/2003). This point about government liability for airline safety was repeatedly made by Koroitamana, but ignored by government. Koroitamana said “they have not done anything because it’s all political” (Interviewed 26/08/2003). As an alternative Koroitamana proposed that if Strategic Air Services Limited could not be denied, it should be turned into a Public Enterprise responsible to government, and not a private entity because of the nature of its responsibilities; this was clearly in line with part of the proposals contained in New Public Management. Koroitamana referred to the Singapore model which “kept civil aviation under one entity despite the high volume of traffic unlike what happened in the United Kingdom, New Zealand and Fiji” (Interviewed 26/08/2003). The problem with this line of logic however, lay in its contradiction with New Public Management’s insistence that regulation has to be separated from service provision for an effective restructure of a profit-focused public entity (Hood, 1991; Martin, 1983). There is an inherent conflict of interest in having both the regulatory and service provision functions within the same public entity. The rationale for the separation of these is therefore, not only rational but also logical. Still focusing on the involvement of a private entity, Koroitamana added that Strategic Air Services Limited and Airports Fiji Limited must merge “under a public enterprise arrangement as a government entity because of ( ) international responsibilities and obligations” (Interviewed 26/08/2003). All this fell on deaf ears as the Civil Aviation Authority of Fiji was restructured and Strategic Air Services Limited took over Air Traffic Management from Airports Fiji Limited via the Strategic Air Services Limited contract. This would plague Airports Fiji Limited for a long time to come.
6.4.5 Strategic Air Services Limited Contract Timeline

1999 – three year contract; the original Strategic Air Services Limited contract, signed on 12th April 1999, was supposed to be reviewed on 12th April 2000. There were indications that it would come under close scrutiny by the Chaudhry government. Barely a month later on 19th May 2000, while discussions were still “open”, the Speight coup removed that government.

2001 – The contract was then renewed for three years under conditions of extreme political instability by the interim government through the interim minister for civil aviation in 2001. No one wanted to talk about this renewal as it was either too shrouded in mystery or too few were directly involved. Some even mentioned that Strategic Air Services Limited received a ten year exclusive license to operate and manage air traffic and accounts on behalf of Airports Fiji Limited (anonymous sources, FT 6/07/06). There was a bigger issue involved. According to Singh, if Airports Fiji Limited did not support Strategic Air Services Limited and was unable to provide Air Traffic Management services, International Civil Aviation Organization could have given the contract to Australia or New Zealand for F$10 million (Singh interviewed 09/09/2003). They in turn, could contract Strategic Air Services Limited for the same; and Airports Fiji Limited would lose out $10 million of fixed revenue.

2002 – In 2002, Public Enterprise Minister Konisi Yabaki directed that the Strategic Air Services Limited contract be continued for six months from April 2002 to October 2002. Uncertainties surrounded the Strategic Air Services Limited contract in late 2002 as its renewal date approached in October 2002. Amid intense negotiations between Airports Fiji Limited, Strategic Air Services Limited and government, Koroitamana (who had returned as Airports Fiji Limited Chief Executive Officer) announced in September 2002 that a new company would be formed with shareholding from both Strategic Air Services Limited and Airports Fiji Limited to take over Air Traffic Management services at the airport because Airports Fiji Limited had internal capacity through the 20 Air Traffic Controllers that had returned from Strategic Air Services Limited in early 2001. After this, frantic behind-the-scenes manoeuvring saw Chairman Airports Fiji Limited Viliame Leqa renew the Strategic Air Services Limited contract on the same terms and conditions for a further six months to 31st April 2003. Union leader, Henry said government intervention prevented the termination of Strategic Air Services Limited and movement of its workers into Airports Fiji Limited (Interviewed 02/09/2003).
2003 – The 3rd Strategic Air Services Limited contract was renewed on 8/8/03 by Chief Executive Officer Sakiusa Tuisolia and Chairman Leqa. It was a three year contract worth F$3.5 million a year plus F$0.5 million for overheads. In addition, all infrastructure, equipment and intellectual property owned by Airports Fiji Limited were made available to Strategic Air Services Limited. The signed contract being bandied around in September 2003 was more an “agreement to reconsider the Strategic Air Services Limited contract” according to a very senior manager who wished to remain anonymous, but it was apparent from Nata that it was a clear acceptance of continuation of Air Traffic Management services by Strategic Air Services Limited. The fact that Leqa was Executive Chairman of Airports Fiji Limited at this time (while Chief Executive Officer Sakiusa Tuisolia was being “trained”) provided a highly useful lever in the renewal of the Strategic Air Services Limited contract in 2003 as Leqa had earlier been Chair of Board of Strategic Air Services Limited.

A copy of the renewed Strategic Air Services Limited contract was being circulated in late 2003 even though the new trainee Chief Executive Officer Tuisolia said it was “not confirmed yet” (Informal interview 01/09/2003). Many of the interviewees revealed “off record” that the new Chief Executive Officer had been placed under sustained pressure by the Strategic Air Services Limited lobby group “and its advisors” which included Naisoro and Alivereti Malo (Chief Executive Officer of Air Terminal Services). Tuisolia’s appointment as Chief Executive Officer of Airports Fiji Limited was considered a major surprise at the time as he was not a professional manager with private sector experience as envisaged by New Public Management (Hood, 2001; Kettl, 1997). There is little doubt that Chief Executive Officer of Airports Fiji Limited Tuisolia was a political appointee as, he had been working at Prime Minister Qarase’s office, and as he was only a Bachelor’s graduate with no management experience in the private sector. This would have placed him at a distinct disadvantage in dealing with the myriad problems at Airports Fiji Limited as well as the Strategic Air Services Limited interest group. It was also unlikely that he was ready to make any major decisions like changing or terminating the Strategic Air Services Limited contract at that point in time when he was a trainee under the Executive Chairmanship of Leqa. And finally, the fact that Leqa had been the founding Chairman of Strategic Air Services Limited must have impacted on the 2003 decision to renew the Strategic Air Services Limited contract for a further three years as he was Executive Chair/ Airports Fiji Limited at the time.
Moreover, the Air Traffic Management contract does not only entail Air Traffic Management activities which is provided by Strategic Air Services Limited, but a host of support services like aerodrome engineering, telecommunications, electrical, mechanical, and fire services. Airports Fiji Limited has to provide these support services because of a number of obligatory regulatory concerns and compliance items that are a part of International Civil Aviation Organization requirements. This “contrived” structure made the functioning and management of Airports Fiji Limited “extremely awkward” according to Chief Executive Officer Tuisolia (Informal interview 01/09/2003). Attempts were being made in 2003 to renegotiate the Strategic Air Services Limited contract with these concerns, but at the time of the initial research a verbal agreement had been reached to renew the contract for another three years with no major changes.\footnote{The Strategic Air Services Limited contract was renewed without any major changes in 2003.} It appeared that, instead of weakening, the Strategic Air Services Limited lobby continued to strengthen and get bigger and better conditions vis-à-vis Airports Fiji Limited in successive versions of the contract. The \textit{Public Enterprise Act 1996} requires Airports Fiji Limited to provide Air Traffic Management services and manage the airports’ other commercial activities. The presence of Strategic Air Services Limited, with its insistence on only supplying Air Traffic Management services, complicated the management structure. A confidential report highlighted that if all obligatory services were to be consolidated under Air Traffic Management, Airports Fiji Limited could be freed to pursue its commercial activities. This meant that the creation of Strategic Air Services Limited was not only unsound from a management perspective, but it failed also on a business basis from the perspective of Airports Fiji Limited. Strategic Air Services Limited thus continued to act as a constraint on Airports Fiji Limited’s management.

Airports Fiji Limited tried to publicly justify the Strategic Air Services Limited contract (amid increasing questions from the public) through a paid advertisement in 2004 stating that the aim of the joint venture was to have a permanent, profitable, commercial arrangement providing world class Air Traffic Management facilities, services and safety standards in Fiji and the region. Furthermore, Strategic Air Services Limited would be the initial vehicle in the development of strategic alliances with other airspace owners and air navigation service providers in the region. This was clearly “business-speak” trying to justify a highly questionable decision in a key area of government activity – civil aviation. It was also an attempt to position
Strategic Air Services Limited for further expansion at the expense of Airports Fiji Limited – attempts would continue to be made to take business away from Airports Fiji Limited as in January 2004, the Chair of Strategic Air Services Limited Naisoro, announced that Strategic Air Services Limited was in the process of taking over the management of Fiji’s second largest airport, Nausori Airport, from Airports Fiji Limited (RadioNZ International, 12/01/04). Initial discussions, according to Naisoro, indicated that Airports Fiji Limited was willing to sell a management contract to Strategic Air Services Limited as it was incurring an annual loss of US$750,000 through its Nausori operations (RadioNZ International, 12/01/04). Given the links between the Soqosoqo ni Duavata ni Lewenivanua government, Naisoro and the other key players involved at this juncture, it was almost certain that another Strategic Air Services Limited-type deal was being negotiated. For some reason that might be linked to festering fractures within Strategic Air Services Limited, this got delayed until it never eventuated. Strategic Air Services Limited however, was heading for a crisis.

6.4.6 Strategic Air Services Limited Disintegrates (2006)
On 30th June 2006, shareholders sacked Nata and appointed chief executive Inia Tueli as the interim managing director of Strategic Air Services Limited; board members were also changed. The sacked board members included Adi Koila Nailatikau, Reverend Tomasi Kanailagi and Navitalai Naisoro. This was apparently supported by the then Minister for Tourism and Transport, Tom Vuetilovoni. Just after that weekend on 3rd July, Nata was back at his office claiming that it was all a “joke” (FT 4/7/06) and that everything remained the same except that Tueli was no longer part of Strategic Air Services Limited. Police however, saw this as a criminal act as Nata had taken a gang of 20 men and forcefully entered the Strategic Air Services Limited offices on that day, 4th July 2006 (FT 6/07/2006). He was charged for this and for taking files, documents and equipment that belonged to Airports Fiji Limited from the Strategic Air Services Limited offices (FT 6/07/06). The situation escalated when threats were exchanged and security was beefed up at Nadi Airport before Nata was remanded in custody on 5th July 2006. Nata was later charged by police for allegedly misappropriating F$600,000 from the company from June 1999 to June 2005 even though he denied this (FS 29/09/10). Nata subsequently served a jail term for the same and later won a cleaning and inter-island shipping contract from government. Inia Tueli returned at the helm of Strategic Air Services Limited in

131 This uncharacteristically swift police action did not lack political intrigue.
late 2006, but the Bainimarama government decommissioned Strategic Air Services Limited as the contracted provider of Air Traffic Management services for Airports Fiji Limited in early 2007.

After taking over Air Traffic Management services from Strategic Air Services Limited in 2007, Airports Fiji Limited continued to invest in setting up a new Air Traffic Management (ATM) system (FT 2/03/12). Part of this involved the appointment of Epeli Naivalu as its new general manager, Air Traffic Management & Aviation Training in November 2010 (FT 20/11/10). Naivalu is a Fiji-born Australian, a former Royal Australian Air Force officer, and an experienced aviation man with management skills according to the Chair of Airports Fiji Limited, Rick Rickman (FT 20/11/10). This is clearly an undertaking aimed at ensuring that a new Automatic Dependent Surveillance (ADS) system is set-up and commissioned to ensure safety in the flight information region covered by Fiji. Apart from Strategic Air Services Limited, another company, Airport Management and Technical Support, was formed during the Civil Aviation Authority of Fiji restructure of April 1999 – the Airport Management and Technical Support team negotiated a F$90,000/year contract to provide technical support to Airports Fiji Limited (Koroi interviewed 03/09/2003).

6.5 Airport Management and Technical Support (AMATS)

Following the path of Strategic Air Services Limited, Airport Management and Technical Support was formed largely from the Civil Air Workers Association (CAWA) with the other members coming from Fiji Public Service Association. Civil Air Workers Association had been formed in anticipation of the restructure by Luke Koroi in 1998. This was done with full support from management in a tested attempt to split the workers so that the group of workers would present a smaller, more manageable stakeholder in the already-evidently fractious restructure process. After all, one of the points of focus of New Public Management is to reduce the disruptive influence of unions by moving workers to “finance-based performance contracts” (Stark 2002, p. 137). In Fiji, this breaking up of worker solidarity is much easier to achieve because of the political-linked ethnic alignments in society. Airport Management and Technical Support was born from the telecommunications section where after the restructure, the number of employees would have been reduced from fifty to five. The intention was to create an alternate organization that would retain all the workers via a service-provision contract with Airports Fiji
Limited. Airport Management and Technical Support was promised a service provision contract by Airports Fiji Limited Chairman Weleilakeba on the condition that they accepted a redundancy package and severed ties with the Civil Aviation Authority of Fiji (Koroi interviewed 03/09/2003). The bulk of Airport Management and Technical Support /Civil Air Workers Association members signed the redundancy agreements on Friday (09/04/99). Over the weekend, negotiations apparently continued among different factions as the restructure loomed the following Monday (12/04/99). It is noteworthy that it was only after Strategic Air Services Limited leaders confirmed it was getting the Air Traffic Management contract that Airport Management and Technical Support members signed their severance on Friday 9th April 1999 from the Civil Aviation Authority of Fiji. This was done with the understanding that if Strategic Air Services Limited got their contract, so would Airport Management and Technical Support. Airport Management and Technical Support thus followed Strategic Air Services Limited after Strategic Air Services Limited managed to get its contract even though the understanding, according to Koroi, was that both services would remain within Airports Fiji Limited (Interviewed 03/09/2003).

Over that weekend, a number of strange decisions were made without the direct involvement of Civil Air Workers Association according to Koroi. “We don’t know what actually was going on in the negotiating table,” he said (Interviewed 03/09/2003). It is however, highly unlikely that he did not know what was transpiring given the social dynamics involved and the fact that he was Koroitamana’s boy at a time when Koroitamana had been removed and the key people – Bose, Weleilakeba, Leqa, Nata - were united in pushing through the restructure. It is indicative that when asked who was involved in the negotiations, Koroi responded, “I won’t name anyone” (Interviewed 03/09/2003). Airport Management and Technical Support members had their Airports Fiji Limited identity cards taken away earlier and were given Airport Management and Technical Support cards that Airports Fiji Limited refused to recognize on 12th April 1999. On Monday morning (12/04/99) Airport Management and Technical Support personnel met the new Manager (Technical Services/ Airports Fiji Limited)132 – a recently recruited New Zealander – and were told that their promised service-provision contract could not be signed by him as he was not authorized. The fact that Airports Fiji Limited already had a Manager (Technical

132 This person was reported to be related to Harvey Probert.
Services) clearly showed Koroi that Weleilakeba had reneged on his earlier promise and that they had been taken through a “luring process”. Airport Management and Technical Support personnel felt that they had been “tricked” when Airports Fiji Limited refused to sign the promised service-provision contract. Immediately after that, before midday on that Monday, all Airport Management and Technical Support personnel were told to clear out from Airports Fiji Limited premises. Out of approximately 50 members, two left the group and joined Airports Fiji Limited at “supervisor/supervisory level” (Koroi interviewed 03/09/2003). Both senior managers who handled this, Alan Lodge and the Manager (Technical Services) were from New Zealand.

As mentioned earlier, there were two unions within the Airport Management and Technical Support group: Fiji Public Service Association and Civil Air Workers Association. Straight after being locked out, members picketed at the Fiji Institute of Technology (FIT) campus in Nadi, and as time progressed the group disintegrated. According to Koroi, “some joined up with Fiji Public Service Association because they were members of Fiji Public Service Association. Some jumped to Airports Fiji Limited” (Interviewed 03/09/2003). The Fiji Public Service Association portion then joined Camp 500, which became a major political issue. Some Party of National Unity (PANU) members visited the Civil Air Workers Association picket while the Fiji Labour Party (FLP) supported the Camp 500 group through Fiji Public Service Association. None of the Civil Air Workers Association members broke ranks and joined Airports Fiji Limited according to Koroi. They, as the originators of Airport Management and Technical Support, still expected a realization of their contract aspirations. This hope appeared to be irrational, but Civil Air Workers Association was predominantly Fijian and Strategic Air Services Limited had managed to get a contract on the basis of “affirmative action for Fijians in business”. It was this ethnic divide that led Fiji Public Service Association members away from Civil Air Workers Association members. Koroi said that “because Civil Air Workers Association had formed this company, that opportunity was for them to come with Airport Management and Technical Support if they wanted a job. So that’s when the whole group split” (Interviewed 03/09/2003). Fiji Public Service Association members apparently did not trust Civil Air Workers Association management, and moreover, they were being enticed by Airports Fiji Limited as well as the larger striking faction of Fiji Public Service Association, Camp 500.

133 Snell (2001) has more on the use of foreign contracted personnel in the Civil Aviation Authority of Fiji restructure.
Later, only eight members of Civil Air Workers Association from the telecommunications section remained unemployed after the Fiji Labour Party won the 1999 general elections and ordered the reinstatement of all members of the Fiji Public Service Association-sponsored Camp 500. These eight members, referred to as G8, “were all the senior people from the Telecom section, the bulk of them, including the head of Telecom section from the Civil Aviation Authority of Fiji days” (Koroi interviewed 03/09/2003). The G8 then went on a four-month campaign to get back into Airports Fiji Limited. Weleilakeba and Lodge still led Airports Fiji Limited when the G8 were reinstated amid recriminations that Civil Air Workers Association had split the 1999 Camp 500 strike, by holding a separate picket. Koroi went to great lengths to justify the reinstatement on the basis of lack of skills. He said “so Airports Fiji Limited basically… all their capital projects to do with us, came to a stop because they didn’t have the people to handle it. They reached a stage where they thought they couldn’t move forward unless they get back to us” (Koroi interviewed 03/09/2003). This was probably in reaction to workplace whispers that the G8 had been rehired, even though there was no real work for them within Airports Fiji Limited. The Civil Air Workers Association/Fiji Public Service Association split resurfaced in Airports Fiji Limited’s technical section when the G8 were reinstated. This was led by Camp 500 star134, Krishna Chetty, who according to Koroi wrote damaging notes against the G8 to Prime Minister Chaudhry and others in power. Other Airport Management and Technical Support personnel who had been re-absorbed, were given small contracts like “cleaning the terminal, gardening and cleaning of the compound” according to Koroi (Interviewed 03/09/2003).

The tussle with Fiji Public Service Association was going to take further turns as Koroi, the key figure in the formation of Civil Air Workers Association, was again seen in the formation of the Contract Staff Workers’ Committee (CSWC) during the 2000 coup. The Contract Staff Workers’ Committee was formed in May 2000 – just after the 2000 coup - by the G8 despite sustained opposition from the Fiji Public Service Association. This was supported by both the Chair of Airports Fiji Limited and Chief Executive Officer of Airports Fiji Limited (Shankar) lending credence to Koroi’s contention that the G8 possessed special skills needed by Airports Fiji

134 The term “star” is used here because Krishna Chetty became a celebrity during the Camp 500 picket in the lead up to the 1999 elections as he was in the news daily and the press was always looking for him according to his wife (Lin Chetty interviewed 07/02/2004).
The G8 actually went on to form the Engineering Development Unit of Airports Fiji Limited, but by then the Fiji Public Service Association opposition had been weakened considerably because of Chaudhry’s removal from government. Throughout this research, repeated references were made of the intrusion of politics in the restructure of the Civil Aviation Authority of Fiji and subsequent developments within Airports Fiji Limited. Koroi said that the Airports Fiji Limited Staff Association was also being “infiltrated by political interests” in 2003 when he decided to vacate the position of Secretary. When Koroitamana joined in January 2001, the power balance changed and a number of people left Airports Fiji Limited (through various ways – forced and voluntary); the telecommunications section had a new manager who helped reduce the number of Fiji Public Service Association members in telecommunications to three out of a total of 28 (Koroi interviewed 03/09/2003). Formed in 2000 the Contract Staff Workers’ Committee became the Airports Fiji Limited Staff Association in late 2001. This was in reaction to the deteriorating employment relations environment that had accompanied the return of Koroitamana as Chief Executive Officer in January 2001. This continued at Airports Fiji Limited at the time of the initial research (2003) and long afterwards especially due to the return of Koroitamana.

6.6 Jone Koroitamana

As seen earlier, Jone Koroitamana played the predominant role in the Civil Aviation Authority of Fiji restructure and its aftermath even though he was removed from the process in January 1998. Looking at Koroitamana’s background, after joining the then South Pacific Transport Council comprising the United States, United Kingdom, Australia, New Zealand and Fiji straight from Queen Victoria School in 1963, Jone Koroitamana was sent to Australia and New Zealand for extensive training. He returned in 1966 and went through the ranks before joining management in 1979. Koroitamana thus had an Air Traffic Controller background. The Civil Aviation Authority of Fiji was formed in 1979 after New Zealand handed over civil aviation to Fiji. Jone Koroitamana, was the Chief Executive Officer of the Civil Aviation Authority of Fiji from 1982-1998 when he was removed to facilitate the restructure of the Civil Aviation Authority of Fiji. In 1987, he was part of the Taukei Movement that helped oust the Bavadra government through the Rabuka coup (Lal, 2010). The Chaudhry government brought Koroitamana back from retirement

by appointing him to the Board of the Civil Aviation Authority of Fiji Islands in 1999. It needs to be noted that Koroitamana’s wife, Akanisi Koroitamana, was part of Chaudhry’s People’s Coalition Government that was formed after the May 1999 elections. Koroitamana’s membership of the Civil Aviation Authority of Fiji Islands Board ceased with the 2000 coup and he was subsequently appointed interim-Minister for Civil Aviation in June 2000 – this clearly showed the unpredictability and fluidity of power alignments in Fiji at the time. As interim-Minister, he appointed Viliame Gonelevu as Board Chairman of Airports Fiji Limited. In a strange-looking twist, Gonelevu then brought him in as Chief Executive Officer of Airports Fiji Limited in January 2001. At Airports Fiji Limited, Koroitamana engaged in a number of factional battles and negotiated a number of contracts that were questioned later in Parliament (DP 28/11/2002). After a prolonged face-off with unions and the government, he was removed in March 2003 by the Qarase government (DP 29/03/03). This was immediately followed by an attempt by a group led by Koroitamana to establish an Airports Fiji Limited political branch within Qarase’s Soqoso ni Duavata ni Lewenivanua party at a Northwest Fijian Urban Constituency Annual General Meeting in Natokowaqa, Lautoka. Upon being denied, the group turned violent and threw away a tanoa of yaqona in front of a number of chiefs – some of the yaqona actually spilled on Soqoso ni Duavata ni Lewenivanua President, Ratu Kalokalo Loki who is also a chief (DP 22/5/03). This amounted to an insult of the highest order within the traditional Fijian system. After the 2006 coup, Koroitamana was again given the helm of Airports Fiji Limited in January 2007. He was subsequently removed in late 2007 as old rivalries resurfaced and government became uncomfortable with his management style.

6.6.1 Koroitamana Returns (January 2001)
Jone Koroitamana returned after the May 2000 coup as interim-Minister for Civil Aviation and then took over as Chief Executive Officer/ Airports Fiji Limited in January 2001. A point to note in the relationship between the January 2001 Airports Fiji Limited Board/Chair (Viliame Gonelevu) and the Chief Executive Officer (Koroitamana) was that Gonelevu had been brought back from retirement to Chair the Airports Fiji Limited Board by Koroitamana in 2000 in his fortuitously acquired capacity as Interim Minister for Civil Aviation following the May 2000 coup. The Board itself had also been endorsed by Koroitamana as Interim Minister. A debt of gratitude therefore, existed between the Board, its Chairman (Gonelevu) and Chief Executive Officer (Koroitamana) of Airports Fiji Limited. Furthermore, Koroitamana still wielded
considerable clout within the overall power structure in Fiji after abdicating his ministerial position and taking up the post of Chief Executive Officer of Airports Fiji Limited in January 2001. This emanated from the fact that he was historically seen as “Mister Aviation” in Fiji and from January-September 2001 when Koroitamana was interim Minister for Civil Aviation, an interim government with no clear mandate as well as plans for Airports Fiji Limited, ruled the country. Then after the 2001 general elections, Konisi Yabaki, a native of Kadavu, became the Minister for Civil Aviation. It is noteworthy that Koroitamana outranked him within the traditional power structure of Kadavu. This was seen in the fact that after Koroitamana returned to Airports Fiji Limited and employment relations reached alarmingly low levels, the Minister repeatedly failed to “resolve” repeated union/management stand-offs even though Koroitamana flagrantly ignored arbitrator as well as court decisions, until he was replaced unceremoniously in 2003 by the newly appointed Minister, Irami Matairavula (DP 29/03/03). A soft-spoken person, Matairavula was brought in as Public Enterprise Minister for two reasons: to get rid of Koroitamana and to allow Konisi Yabaki to bow out of civil aviation without any loss of face (anonymous sources).

When Koroitamana joined Airports Fiji Limited in January 2001, he said “the place had been run in such a way that the union had taken over control and productivity was very low and there was a lot of differences between the people that were working there” (Koroitamana interviewed 26/08/2003; FT 11/01/01). This problem had persisted to 2003 after Koroitamana had exacerbated it with his heavy-handed management in 2001-2002 (DP 16/04/02). Probert said “when Koroitamana came back he wanted to be a big chief again” (Interviewed 09/10/2003). Koroitamana also had many disagreements with Chairman Leqa during the latter part of his headship at Airports Fiji Limited – most of this involved dealing with Strategic Air Services Limited. Strategic Air Services Limited was thought to have ditched Koroitamana and supported the restructure of the Civil Aviation Authority of Fiji for the Air Traffic Management contract in 1999. This was the reason for Koroitamana’s attempt to destabilize Strategic Air Services Limited by inviting back 20 Air Traffic Controllers from Strategic Air Services Limited without

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136 Kadavu is a closely-knit island province that has considerable clout within the power structure in Fiji through its “Sons of Kadavu” network – Kadavu thus has a disproportionately large presence in the higher echelons of the public sector in Fiji.

137 This has been concluded from interviews as well as extensive newspaper research on the escalating number of employment disputes, decisions and subsequent actions of senior management at Airports Fiji Limited at the time.
requiring them to pay back the severance portion of their redundancy packages after his return in January 2001. Koroitamana’s aim was to withdraw the Air Traffic Management contract that Strategic Air Services Limited had and one way to do this was to entice back its Air Traffic Controllers (DP 7/06/02; Interviewed: Nagatalevu 01/09/2003, Gupta 03/09/2003). Close associate, Satya confirmed that after the 20 Air Traffic Controllers left Strategic Air Services Limited for Airports Fiji Limited in 2001, the composition of old members to new became almost 60/40 (Interviewed 02/09/2003).

6.6.2 20 Air Traffic Controllers Return from Strategic Air Services Limited

The first Strategic Air Services Limited contract ran from 1999-2001. In 2001, while interim-Minister, Koroitamana encouraged an Air Traffic Controller strike within Strategic Air Services Limited in anticipation of re-absorbing Air Traffic Management into Airports Fiji Limited and moving over to take over as Chief Executive Officer/ Airports Fiji Limited shortly afterwards because the impending elections would have changed his status as an appointed interim-minister. According to Singh, Koroitamana enticed the 20 Air Traffic Controllers back into Airports Fiji Limited in 2001 with 20 per cent pay increases (Interviewed 06/02/2004). Koroitamana’s brother, Nagatalevu, who had 18 years’ experience as an Air Traffic Controller, was tasked to lead the return of Air Traffic Controllers back from Strategic Air Services Limited to Airports Fiji Limited. According to Nagatalevu, he and his band of Air Traffic Controllers “were recruited in preparation for the changeover (in 2001)” (Interviewed 01/09/2003). This was seen as an attempt to weaken and ultimately rearrange Strategic Air Services Limited under the Airports Fiji Limited structure. A key aim of this move, according to a number of sources, was to get the Strategic Air Services Limited contract voided. This was clear proof that Koroitamana had had a falling out with Nata’s group during the restructure. On the other hand, Bose was critical of the fact that some Air Traffic Controllers re-joined Airports Fiji Limited from Strategic Air Services Limited, attributing this to ministerial laxity. The interim-Civil Aviation Minister at the time (2001) was Koroitamana; he was replaced by Konisi Yabaki, a native of Kadavu, the home province of Koroitamana – Yabaki later continued to overlook defiance by Koroitamana at Airports Fiji Limited. This prompted Public Enterprise Minister Matairavula to declare, “(Koroitamana) is not a small child that I will have to tell him …. he should just (abide by the employment dispute) rulings” (DP 16/04/02). Bose thus again clearly showed that he was partial to the group lobbying for and supporting Strategic Air Services Limited. Nagatalevu added that
the Air Traffic Controllers who had gone to Strategic Air Services Limited went on strike, so the Qarase government told Airports Fiji Limited to absorb them back and fully employ them (Interviewed 01/09/2003).

This was contradicted by Nata who said, “Qarase refused to support Koroitamana’s attempts to bring back Air Traffic Management under Airports Fiji Limited” (Interviewed 05/02/2004). This probably again had to do with the fluid political alignments at the time and the fact that Qarase was aiming to return as elected Prime Minister after the polls later in the same year, 2001. More “deals” were being struck even as this orchestrated strike panned out at Strategic Air Services Limited. According to Singh, Nata demanded that if Airports Fiji Limited wanted Air Traffic Management back in Airports Fiji Limited, it had to extend the 20 per cent raise (offered to the 20 Air Traffic Controllers) to all Strategic Air Services Limited members and buy out the Strategic Air Services Limited contract for F$12 million (Interviewed: Singh 09/09/2003; Nata 05/02/2004). This was refused because when the move to Airports Fiji Limited took place, it was known that the Strategic Air Services Limited contract would not run for more than six months and it would not be renewed anyway as it had been part of the Koroitamana-initiated, Board approved 2001-2002 corporate plan.

It was also at this stage that Airports Fiji Limited started closing all the other contracts apart from that held by Strategic Air Services Limited because of the timeframe stipulated on it. Another factor that is cited for the move to Airports Fiji Limited was Strategic Air Services Limited’s style of management according to Gupta, Nagatalevu and Satya – all three had had a falling out with Nata who used to be a fellow unionist in the Civil Aviation Authority of Fiji (Interviewed: Nagatalevu 01/09/2003, Satya 02/09/2003, Gupta 03/09/2003). According to Gupta, in a typical Fiji-type attempt at using the race card, Strategic Air Services Limited management invoked race when the Air Traffic Controller group left in 2001 (Interviewed 03/09/2003). Strategic Air Services Limited started with 92 staff, but 58 had left by 2002, 30 of these were experienced Fijians. The bulk of these joined Airports Fiji Limited. Nagatalevu’s Air Traffic Controllers did prove however, that Air Traffic Control services could be provided “within Airports Fiji Limited with a fraction of the sum of money that (was) being paid to Strategic Air Services Limited” (Nagatalevu interviewed 01/09/2003). When the Qarase
government unexpectedly indicated in 2001 that it would renew the Strategic Air Services Limited contract, the 20 Air Traffic Controllers (who had defected to Airports Fiji Limited) were offered places in Strategic Air Services Limited in October 2002, but they turned it down because of insecurities and fears. They were then retained at Airports Fiji Limited until they were fired by Chief Executive Officer Tuisolia in 2006 as it cost the company F$800,000 per year to retain them “for nothing” according to Tuisolia (Informal interview 01/09/2003; DP 5/11/02). In early 2002, Public Enterprise Minister Matairavula directed that the Strategic Air Services Limited contract be continued for a further six months till October of 2002. Koroitamana complained about government interference in the day-to-day running of Airports Fiji Limited through Chairman Leqa. He said that the Chief Executive Officer is not allowed to “run the show”, but he was largely referring to his own experience when government had little choice (Interviewed 26/08/2003). Then in late 2002, Airports Fiji Limited (led by Koroitamana) started looking to set up a joint-venture with a foreign firm to take over Air Traffic Management from Strategic Air Services Limited whose contract had lapsed. Government however, insisted that the Joint Venture had to have cabinet approval and Strategic Air Services Limited would continue to provide Air Traffic Management services as it was the only recognised entity under International Civil Aviation Organisation regulations. Government thus was not prepared to let Strategic Air Services Limited fall out of any new deals. Cabinet sources added, that “Strategic Air Services Limited could not be eliminated as it was the ‘brainchild’ of air traffic operations and the Nadi Flight Information Region would be under risk should they be removed from the joint venture” (DP 6/12/02). Thus escalating opposition from Strategic Air Services Limited leadership (and their government supporters) as well as factions within Airports Fiji Limited, led to a heightened acrimonious face-off that continued until Koroitamana was removed from Chief Executive Officer of Airports Fiji Limited by an increasingly irate new minister, Irami Matairavula in March, 2003 - the year of the initial research for this thesis as well as the year of expiry of the 2000 Strategic Air Services Limited contract.

While the intrigue with Strategic Air Services Limited unfolded, other potential business deals were being considered closely by management at Airports Fiji Limited.

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138 This renewal would have had to do with Navitalai Naisoro’s key roles within Strategic Air Services Limited as well as Qarase’s Sososo ni Duavata ni Lewenivanua party.

139 The estimate in this Daily Post report was F$5 million, but that was 11 months earlier.
6.6.3 Business Deals at Airports Fiji Limited

It appeared that after the Strategic Air Services Limited contract became lasting reality following the 2001 renewals against his many attempts to block it, Koroitamana decided he needed to be involved in any other subsequent business opportunities if he could get re-involved. As Chief Executive Officer Airports Fiji Limited in 2002, Koroitamana commissioned Singapore consultants to plan and help implement a controversial F$23 million renovations project carried out at the Nadi Airport to be completed before the South Pacific Games in 2003 (DP 15/04/02). In early 2004, numerous leaks appeared at the Nadi Airport complex after a sustained period of heavy rain. This was barely a year after the airport had been renovated by the Singaporean contractor, International Shopfittings (commissioned by Koroitamana as a joint enterprise with Tappoos Limited140) at a cost of F$23 million. Repair costs were estimated at F$1 million by the new Chief Executive Officer, Sakiusa Tuisolia (DP 19/02/04).141 This commissioning had been questioned in 2002 as it had been finalized in an irregular manner (DP 29/11/02). An unnamed senior executive of Airports Fiji Limited had told the *Daily Post* that no cost-benefit analysis had been carried out and that there had been a lower bid of F$19.86 million (DP 8/12/02). He called for a government inquiry on the case to help save Airports Fiji Limited F$7.5 million, but nothing came of it and the renovation took place. According to an Acting Manager Finance of Airports Fiji Limited, there was a big gap between middle and top management when Koroitamana joined Airports Fiji Limited as Chief Executive Officer in 2001. Finance people were not involved in any of the decision making as it was arrogated to Chief Executive Officer Koroitamana. Koroitamana’s political clout, management style and heavy-handedness is better seen by following the negotiations for Nadi’s flight information region (FIR) with Samoa and Tonga between 2000 and 2003.

6.6.4 2001 Flight Information Region Negotiations

For three years Tonga and Samoa had been asking the Civil Aviation Authority of Fiji to reimburse some of the money that was being charged by the Civil Aviation Authority of Fiji for airspace passage. Citing “lack of formula”, Koroitamana refused to accede (Koroitamana interviewed 26/08/2003). In 2003, with New Zealand backing, Tonga and Samoa got International Civil Aviation Organization approval to move this right to New Zealand. In return, New Zealand gave each country F$600,000 from the F$1.3 million that it collected in revenues.

140 Tappoos Limited has a number of shops in the Nadi and Nausori Airport complexes.
141 This estimate changed at different times as the issue became a news item.
annually (Singh interviewed 09/09/2003; DP 30/06/03). Probert said, “that’s how Koroitamana’s neglect led to a reduction in the size of Fiji’s Flight Information Region (FIR)” (Interviewed 09/10/2003). The earlier Civil Aviation Authority of Fiji Board (with Probert) had allocated F$150,000 to Koroitamana to ascertain and negotiate these issues with Australia, New Zealand and countries of the region – he failed (Probert interviewed 09/10/2003). Alan Lodge (first Chief Executive Officer of Airports Fiji Limited) had made these visits earlier according to Probert. Christopher Singh, who was closely involved with the 2001 Flight Information Region negotiations, said that talks should have been conducted at government level with Samoa and Tonga. Instead, Minister Yabaki \(^{142}\) “gave (Koroitamana) a free hand (and) the Samoans ( ) told us, the last straw was when (Koroitamana) actually threatened them: ‘You go and try; you think International Civil Aviation Organization will move your airspace? You try.’ So that’s why Samoa and Tonga went ahead. It became a personal thing” (Singh interviewed 09/09/2003).

Koroitamana blamed the loss of part of Civil Aviation Authority of Fiji’s Flight Information Region to New Zealand on problems arising during the period leading up to the restructure. He said “we were coming through our reorganization period. We completely ignored our obligations with (International Civil Aviation Organization) ( ); we were concentrating on our political problems in Fiji (and International Civil Aviation Organization) started to ignore us” (Koroitamana interviewed 26/08/2003). He added that it was also due “to the coup and the fact when we were reorganizing, there wasn’t enough study done.” This was an extended attempt to shift the blame on a major indictment of his legacy. As interim Civil Aviation Minister in 2000, Koroitamana attempted to make a late bid to thwart the New Zealand-backed Tonga/Samoa claim on Fiji’s Flight Information Region by making submissions to the International Civil Aviation Organization Council in Montreal, but this failed (Koroitamana interviewed 26/08/2003). A second presentation to the International Civil Aviation Organization Council in 2001 led by Koroitamana also failed. Koroitamana said “I think the main reason we lost it was we were not really giving it the importance that it deserved” (Interviewed 26/08/2003). This was at a time when Koroitamana was embroiled in controversy after controversy (largely with the workers and management) at Airports Fiji Limited. Koroitamana said that he should have been accompanied by the Civil Aviation Minister in 2001 because Tonga and Samoa had “very high-

\(^{142}\) The Kadavu connection continued to play its destructive role.
powered delegations”. Unfortunately, Koroitamana had a traditionally-clouded relationship with the interim government at the time and he was expected to be able to swing the deal as an ex-Minister. Koroitamana thus adopted a highly irregular style of management that seemed to show dismissive disregard for authorities above and around him. This stemmed partly from his status within the aviation industry as well as his political clout both within the modern as well as traditional structures of power at the time.

6.7 Conclusion

The restructure of the Civil Aviation Authority of Fiji into Airports Fiji Limited and the Civil Aviation Authority of Fiji Islands plus the birth of Strategic Air Services Limited through political lobbying and astute business negotiations was used here to determine and discuss how a reform process can go wrong in a small island economy like Fiji. It is seen that in the lead-up to the restructure, there were too many interest groups who tried to influence the direction and content of the process. This led to a prolonged phase of what appeared like decisional dithering and paralysis until a sudden directive from the then Minister for Public Enterprises, Isimeli Bose. Despite numerous attempts to bring about some sort of consensus, there were too many divergent interests who appeared too keen on the pecuniary potential that the restructure inevitably promised. Some of these were deliberately created because of political considerations (both internal and external) while others just sprang out of a desire to capitalize on unprecedented opportunities that emanated from the restructure of the Civil Aviation Authority of Fiji. A few had learnt (and gained) from the earlier restructure of Government Shipyard and Public Slipways of Fiji (Narayan, 2008) – this group became prominent in the reform process, and as they gained experience, they became more adept at subverting and ultimately capturing the reform process. The Civil Aviation Authority of Fiji was thus restructured on 12\textsuperscript{th} April 1999 through an order from a time-pressured and frustrated Minister Bose who set a midnight deadline. This is why the restructure looked so disorganized and scrambled; this is also why multiple factions were born from the restructure and continued to challenge it afterwards. The Civil Aviation Authority of Fiji restructure was thus not a well-planned concerted effort that had a unanimously accepted program to follow nor was the restructure allowed to flow through a structured timeframe.

The next section - Chapter seven – links key findings of this research to theories of public sector reforms. It highlights key problems that were (and continue to be) encountered in the public
sector reform process in Fiji and proposing how pitfalls could be avoided through a better coordinated and more contextually suited framework of governance for the small island economy. The relationship of the Fiji reforms to past work on New Public Management and bureaucracy theories are considered in some detail.
7.0 Research Findings and Theories of Public Sector Reforms

7.1 Introduction

Fiji’s public sector reform process as well as the restructure of the Civil Aviation Authority of Fiji (CAAF) into Airports Fiji Limited (AFL) and the Civil Aviation Authority of Fiji Islands (CAAFI) were analysed and evaluated in the previous chapter within the framework of New Public Management as well as from the perspective of the bureaucratic model. The focus of the exercise was to: identify how/why the New Public Management model falls short in informing and guiding reforms in a traditional island context; and help build a case for what should emerge as a post-bureaucratic or revised-New Public Management model for better resource allocation, utilization and delivery in traditional island contexts like Fiji. The last chapter clearly showed how weaknesses and gaps in the New Public Management model can be used, influenced and exploited by key personnel in hijacking the whole public sector reform process in order to subvert it for personal gain. It is these inadequacies and shortcomings that need to be addressed through innovative systems and governance structures so that the public sector reform process delivers on its promise.

It has been pointed out earlier by the researcher that the main point of difference between the bureaucratic model of public administration, its offshoot, the public administration model and New Public Management clearly falls on the question of negotiating the degree of freedom and control. New Public Management combines management theory and economic organization theory, which creates a hybrid resulting in tensions that affect its use (Aucoin, 1990; Hood, 1991). Within the New Public Management framework, control is switched from direct political involvement via the line Minister, to set performance-based contracts. These contracts are set on the basis of which the public servant is held accountable by a managerialism-informed corporate-type structure. It is supposed to prevent direct political interference in the public service. Another pivotal point of control is exerted by market forces. The general public also has an influence through political processes.

Thus in order to propose appropriate governance structures that would ensure better control while still managing to encourage an outward-looking, proactive focus in management in the public sector, it becomes imperative to revisit key points where the expectations of New Public Management proved to be either inadequate or inappropriate given the peculiarities of the
context of reforms in Fiji. The rest of this chapter focuses on controls within the framework of governance in an attempt to propose improvements to the framework of public sector reforms within the island context that is Fiji.

### 7.2 Controls on Government

The content and nature of reforms, the manner in which it is carried out, and the outcomes of the process are all linked to the public popularity of the reigning government. On the other hand public sector reform has consequences for representative democracy (Laegreid & Roness 1999, Suleiman 2003). In this case Peters (2008) points out that New Public Management and bureaucracy exist in terms of output-democracy and input-democracy. This means that people share an interest in the collective state and delegate their authority to bureaucrats and politicians (Olsen, 1988). This means that power is centralized in the hands of bureaucrats and politicians who consciously modify the government apparatus to achieve collective goals demanded by the public (Hood, 1998). With output-democracy, the bureaucracy is a key avenue for direct contact with society, while playing its traditional role within the governance framework. This means that the direct influence and control of bureaucrats is more visible. The model is a challenge to the input model, however, and it can be seen as supplementing and strengthening the input-model through the creation of more direct democratic channels (Aberbach & Christensen, 2005). However, it cannot be denied that with the bureaucratic model-linked input democracy, politicians have the primacy, whereas with the New Public Management-linked output democracy this shifts to bureaucrats. It has been pointed out that the:

The pluralist model is based on the notion that the government apparatus is heterogeneous, comprising different power centres, institutions and decision-making levels related to different interests (Allison, 1971, p.72).

This is shown by the heterogeneity of the wider environment; which means that the bureaucracy has to “represent a complex plurality of interests and groups” (March & Olsen, 1983, p.283). Therefore reform means that there are compromises, coalitions or quasi-resolution of conflicts and sequential alterations to goals (Christensen & Laegreid, 2009, p. 5). Within this framework, politicians are perceived as being negotiators, mediators, and facilitators who attempt to balance differing interests.

On the other hand with the Individual Economic Model, the political-administrative system operates on the precept that each participant pursues their own self-interest and they need
incentives to act in desired ways (Aberbach & Christensen, 2003). A view is therefore established of the:

actors based on economic theories and private sector management ideas that seem to have relevance in the public sector despite differences in terms of main purposes, structure, tasks and culture (Allison, 1983, p.87).

Thus the model’s main focus is on the performance efficiency of the public service and a wide range of prescriptions have been discussed in Chapter four. It has been argued that the model’s perception of bureaucrats and politicians is complex (Christensen & Laegreid, 2001b; Self, 2000). More significantly, Christensen & Laegreid (2009, p. 5) add that the model has:

no clear overall understanding of democracy and the role of the bureaucracy in the political system.

The gap in prescribing a link between the pluralist traditional model and the individual economic model, within the New Public Management framework of public sector reforms, has led to complicated attempts to maintain control of the political system. It needs to be noted in this regard that within the reform process bureaucrats must be seen not only as neutral agents, but as players in the reform process as well. In the case of the restructure of the Civil Aviation Authority of Fiji, bureaucrats were seen to have varying interests - some were for the restructure whereas others were opposed to it. These opposing stances were largely linked to their specified as well as unspecified objectives.

Moreover, in a parliamentary democracy, politicians have a role as advisors, voices of dominant interests, and representatives of diverse public interests. They check, deliberate, criticize and give or withdraw approval on public policy decisions (Shields, 1958). On the other hand, opposition parties often raise pointed and prickly questions regarding policies, performance, proclamations and use of funds keeping in mind the importance and impact of this on the electorate. A potentially counter-productive dilemma arises for government when the opposition raises issues that have merit, but could be embarrassing to government; this dilemma becomes more acute when the political landscape is polarised along ethnic lines. Some institutional structures have to be put in place so that this dilemma is resolved and contributions having merit are incorporated in policies and decisions regardless of their origin within parliament – these will need to be constitutional in nature. In Fiji, the model of political governance that was accepted for the post-independence era was engineered so that an elite group comprising ethnic Fijian
chiefs, big business interests and a select group of chosen civil servants would always rule by winning “democratic” elections because power in perpetuity was assured through the electoral provisions of that 1970 constitution (Appana, 2009). The Indo-Fijian voice was largely expected to come from the opposition and, because of the prevalence of ethnic-based political party alignments, the role of the opposition was virtually permanently bestowed on the Indo-Fijian. This had a number of advantages for the Fijian-aligned parties that ruled the country from 1970 to 2006 (bar 1999)\textsuperscript{143}: one, it helped mobilise popular support “against” the Indo-Fijian opposition to win elections; two, it allowed government to push through self-focused policies in the name of the Fijians without any questions from the Fijians themselves; three, it allowed government to override and dismiss calls for public inquiry and scrutiny; four, performance was of little consequence in gaining public support; and five, it offered government a ready scapegoat in case of political scandals – blaming the Indo-Fijian was a potent political explanation among the Fijian electorate.

When the assurance of power in perpetuity was broken at the 1987 elections, Fiji’s first coup took place to re-establish the status quo – power in perpetuity to the Fijian elite. A host of political-administrative reforms followed until the 1997 constitution was promulgated. This was again engineered to ensure that power was retained among a Fijian elite that had slightly changed in its composition with the inclusion of the Methodist clergy and expansion of the role and power of a linked group of senior bureaucrats.\textsuperscript{144} When this elite failed against expectations at the 1999 polls, the 2000 coup was executed. Thus within this contrived democratic political framework where power was expected in perpetuity and where in the unexpected event of a political defeat, a political coup could be used as an instrument to change government to retain the status quo, the public-popular concern for votes via personalities/politicians, policies, programs and public performance was never a concern among the ruling elite. This primary source of public control via the vote over the conduct of government was compromised and distorted to the point of irrelevance. Thus government and the public bureaucracy simply performed as they chose within policy frameworks that were ostensibly pro-ethnic Fijian. This allowed undue influence over the

\textsuperscript{143} The Chaudhry government took office in May 1999 and was removed via the Speight coup in May 2000.

\textsuperscript{144} See Appana (2009) for a detailed analysis of the shifts in what was portrayed as democratic frameworks of governance in Fiji. Appana (2011a and 2011b) outlines and analyses details of the transformations among the ruling elite and its links to public sector reforms.
public sector reform process as it was exploited by key personnel for outcomes that totally thwarted the expectations of the reform model.

The restructure of the Civil Aviation Authority of Fiji bore this out because undue interference by individuals at various levels was clearly evidenced throughout the process leading to the restructure in April 1999, as well as its aftermath that continued past the 2006 coup. The political economy perspective on bureaucracy says that mutuality of rational self-interest guides the individual’s rationality, and relationships are established on this basis. This goes to some extent in not only explaining the efficiency-debilitating phenomenon of “bureaucratic empire building”, but it also sheds light on the reasons for parochial cooperation among rival bureaucrats involved in the restructure (Niskanen, 1971). The Strategic Air Services Limited contract was rationalized on the basis of a political undertaking to facilitate the participation of ethnic Fijians in the business sector in Fiji. Political intrigue and interference however, was seen in the manner in which the original charter proposal to establish Strategic Air Services Limited within Airports Fiji Limited for a year before calling for public tenders for Air Traffic Management service provision was totally ignored and changed. This would have allowed Strategic Air Services Limited to learn on-the-job for a year before competitively bidding for the Air Traffic Management contract as prescribed by New Public Management even though the 12 months incubation period would have operated as a qualified concession to government policy on Fijians in business. Clearly there were interests and concerns that overrode the economic rationality underpinning the reform model. Political control within the framework of democracy essentially involves government conduct amid public scrutiny (Mosher, 1983; Marshall, 1989). A closer scrutiny shows that the hijacking of the Civil Aviation Authority of Fiji restructure was made possible because there was no fear of public reaction via the ballot box and because internal controls within the reform model were inadequate. This moves focus to controls on the conduct of bureaucrats and public officials including board members.

7.3 Controls on Bureaucrats and Public Officials
The bureaucratic model assumes political neutrality in public servants and centralizes control through policies, processes and procedures. Political control on the public bureaucracy is exerted to varying degrees through parliament, public accounts committees, Auditors General, Members of Parliament, Ombudsmen and courts of law. It is interesting to note that in the lead-up to the
reform era Governments continued to make attempts to increase their say in public spending (Schick, 1980; Nethercote, 1982) - the reform model discourages this and attempts to limit government involvement and interference in the public sector. In times of crisis however, governments are able to justify direct involvement in public spending as highlighted in the aftermath of coups in Fiji. Control within the New Public Management framework shifts from direct political involvement and interference in the bureaucracy by the line Minister, to the establishment of performance-based contracts. These are set on the basis of holding accountable the public servants by a managerialism-informed corporate-type structure. This not only establishes, but helps develop a more competent central capacity for control. New Public Management considers bureaucratic controls as restrictive and attempts to remove them so that the work contract and the market are centralized as sources of control within an environment that fosters entrepreneurial thinking and encourages business expansion so that its vaunted philosophy of “private sector-led growth” and “small government” are realised.

As mentioned earlier, the central feature of the traditional bureaucratic model that made it work better in the developed context in comparative terms was the requirement for political neutrality and incorruptibility – a well-established public ethos. Hughes (2001) says that this assumption was flawed from the outset, but it manifested its destructive effects more in the developing context. The public ethos operates in the civil servant via: concern for public interest, belief in the value of collective provision of essential services, due regard to the rule of law and legal rights, and conscientious performance of duty (Niskanen, 1971). This assertion of public administration obviously downplays the strong and disruptive influence that self-interest can have on the conduct of the bureaucrat. The polarization of the Fiji electorate on the basis of ethnicity because of ethnic-based voting and the ethnic consideration in resource allocation, made it politically prudent for governments to hire and promote civil servants (especially in the upper echelons of the public bureaucracy) on the basis of race. This became particularly pronounced after the 1987 coup. Thus political neutrality lost its meaning as cronyism, political patronage and mediocrity pervaded the public service (Lal, 1990). Furthermore, in Fiji, the bureaucrat not only gravitated to key positions out of political necessity emanating from the onset of coups as a means of changing government, but the conduct of the bureaucrat was systematically removed from public scrutiny through political power imperatives of precariously positioned governments - the bureaucrat became a crucial prop in perpetuating political power.
Within this environment of political fluidity, the necessary demarcation between the politician and bureaucrat became blurred as a small group of individuals moved (or interacted) between the two realms without having to follow established systematic processes. Thus the public official operated as a purposive agent seeking to fulfil rational self-interest as well as the interests of others who promised mutual benefits. A case can be made that ‘public interest’ as seen in the public administration approach to bureaucracy took on a sectarian ethnic slant in the eyes of the public official in the aftermath of the 1987 coup. McCourt & Minogue (2001, p.6) say that:

good governance and new public management are regarded as mutually supportive reforms, with greater political and social accountability contributing to the realization of more efficient government.

Unfortunately, in Fiji perpetuation of political power through political hand-outs within a framework of ‘affirmative action’ overrode the requirements of good governance and New Public Management – the development of a public ethos amid an ethical environment was an impossibility that will take a long time to help evolve.

This raises the issue of controls through the work contracts of public officials. The reform framework emphasizes explicit standards and measures of performance because New Public Management links performance directly to merit-based rewards and penalties (Hood, 1991; Boston, et.al., 1996). Thus clear mutually agreed upon objectives and timeframes need to be set for effective control as necessitated by the accountability provisions of New Public Management. This can prove to be a highly problematic exercise when political and social concerns of government impinge on, and compromise, the economic concerns of public managers. Perhaps this is why New Public Management: “accepts a degree of risk-taking and acknowledges intent as well as results” (Lindquist & Parquet, 2000, p.84). Establishing controls via contracts was seen to have a number of problems in Fiji. Firstly, officials were not hired on the basis of merit. Secondly, performance appraisals based on these work contracts had unarticulated provisions that rendered the appraisal process of little use. Thirdly, work contracts were not competitively acquired. Thus the best people were not necessarily accessed for positions and performance could not be monitored as expected by the reform model. Fourthly, there was no urgency in reviewing Annual Confidential Reports (ACRs) on performance by Permanent Secretaries – this still persists according to a senior Public Service Commission official who added that Annual Confidential Reports reviews are late by two to three years on average. The Fijian Affairs
Board’s Annual Confidential Reports, for instance, haven’t been reviewed for the past six years. This is linked to the socio-political as well as cultural considerations that have stymied monitoring and enforcement in the public service in Fiji. Fifthly, there is a shortage of expertise in the public sector in reviewing performance of public entities. The auditing of the performance of public enterprises, according to the same public service commission official, for instance, has been delayed for four years because of this. And sixthly, some public officials were able to operate “outside” the ambit of their work contracts thus rendering it meaningless. The return of Koroitamana as Chief Executive Officer/ Airports Fiji Limited in January 2001 is one case in point. The other was the ability of Naisoro to work across the political-administrative divide in the restructure of Civil Aviation Authority of Fiji and long into its aftermath. These situations arose because of a flawed democratic framework, persistence of a traditional socio-political system within a purportedly modern system of governance, an over-reliance on key civil servants at critical political junctures and the relatively constrained pool of expertise available in the country to fill public positions. Thus government’s relationship with and dependence on key civil servants (especially when linked to its loosely articulated political imperatives) made it extremely difficult to control and enforce accountability especially among senior public officials. These same factors affected control in public entities.

7.4 Controls on Government Entities

Government entities, like Airports Fiji Limited, are controlled via public scrutiny of performance (with its link to the popular vote), government policies, carefully-selected boards of directors and competitively recruited senior managers. It has been outlined and discussed earlier how public scrutiny has lost its relevance in the conduct of government as well as public entities in Fiji. On the other hand, government policies have either lacked clarity or been distorted by other policies that have tended towards sectarian interests rather than being based on economic efficiency and social equitability. This has rendered them of limited use as instruments of control especially in the face of constant political interference by key leaders. The need for a clear demarcation between government and the public bureaucracy was a concern that New Public Management - and earlier concerns (seen in Shields, 1958) - attempted to address. In fact the Public Enterprise Act 1996 is clear about the relationship between the minister, Board and Chief Executive Officer, but according to Singh: “in my experience all the governments that I worked under, Soqosoqo ni Vakavulewa ni Taukei, Labour, Soqosoqo ni Duavata ni Lewenivanua, they all .... to a certain
extent, there is still some political interference at certain times” (Interviewed 09/09/2003). In the case of the Civil Aviation Authority of Fiji restructure, Minister Bose (and his supporters) “pushed” the restructure away from what was originally recommended by the Charter Committee, and Strategic Air Services Limited obtained the Air Traffic Management contract without any public tendering as prescribed by the reform model. Peters (2001, p.223) says that despite the power relationship between the government and the bureau, lack of or ineffective political leadership appears to provide greater leeway for bureaucratic manoeuvrings. In this case, it was direct involvement by the Minister that allowed the restructure process to move towards its un-prescribed conclusion. A key liaison person involved in this process was Naisoro even though his contribution was tagged as “expert” input. Nagatalevu threw more light on this by saying that “there was no enabling legislation to support the contracting out of service provision in the Civil Aviation Authority of Fiji restructure” (Interviewed 01/09/2003). This was supposed to have been addressed by the fact that the Charter Committee members were considered to have expertise in the field. Indeed, they did attempt to follow the prescribed reform model, but other “experts” were brought into the picture through political interference to ensure that Strategic Air Services Limited became reality. Part of this stemmed from the fact that key personnel involved in the last phase of the Civil Aviation Authority of Fiji restructure had direct stakes in Strategic Air Services Limited.

Moreover, personnel involved on the boards of the Civil Aviation Authority of Fiji, Airports Fiji Limited and Strategic Air Services Limited had close links that pre-empted the boards from fulfilling their roles as prescribed within the framework of corporate governance. Viliame Leqa was one senior person who was involved in the setting up of Strategic Air Services Limited; he then became Chair and Executive Chair of Airports Fiji Limited. Later he was instrumental in the renewal of the Strategic Air Services Limited contract against all expectations in 2003 as Executive Chair Airports Fiji Limited even though Chief Executive Officer Sakiusa Tuisolia was not convinced at the time (Tuisolia informal interview 01/09/2003). For this decision, that continued to defy the prescriptions of the reform model, Leqa was confirmed as Chair of the Airports Fiji Limited Board by the Soqosoqo ni Duavata ni Lewenivanua government apparently for virtually as long as he preferred to remain in the position. This was probably because more decisions for an expansion of Strategic Air Services Limited’s activities were foreseen. Not surprisingly, Leqa was one of the first casualties of the Bainimarama coup of December 2006.
In addition to this, there were clear as well as, tenuous political connections that rendered control of, and by, Boards virtually impossible. Jone Koroitamana’s removal from the Civil Aviation Authority of Fiji in January 1998, his appointment as interim-Minister for Civil Aviation in June 2000, and his return to Airports Fiji Limited as Chief Executive Officer in January 2001 makes a powerful case of political connections and Board capture. As interim-Minister, Koroitamana appointed Viliame Gonelevu as Chair/ Airports Fiji Limited; Viliame Gonelevu subsequently, appointed Koroitamana as Chief Executive Officer/ Airports Fiji Limited. Koroitamana then began to flagrantly defy the Airports Fiji Limited Board as the then Minister for Civil Aviation, Konisi Yabaki, was from his province of Kadavu and was unwilling to act against him – government chose to remain aloof on this for a period of two years until Irami Matairavula was appointed as the new minister in 2003 amid mounting pressure from a number of stakeholders.¹⁴⁵ It is noteworthy that Yabaki continued to hold a senior cabinet seat as Minister for Fisheries and Forests where he later appeared in connection with the Fiji Pine scam in 2005¹⁴⁶. Long-serving Chair/ Airports Fiji Limited, Leqa was another who was a favourite of the Soqosoqo ni Duavata ni Lewenivanua government. Leqa and Naisoro (consultant in the restructure of the Civil Aviation Authority of Fiji and the formation of Strategic Air Services Limited, later Board/Chair of Strategic Air Services Limited) were key officials involved in the formation of Strategic Air Services Limited. A number of interviewees for this research intimated that Leqa’s continued presence as Chair/ Airports Fiji Limited was meant to facilitate Strategic Air Services Limited’s plans for future expansion as this would inevitably have involved negotiations with Airports Fiji Limited. One such venture was to take over management of Nausori Airport from Airports Fiji Limited. With these types of non-transparent, unarticulated ambitions, it was no surprise that board membership (as well as chairmanship) was manipulated for non-rational narrow ends – greed appeared to override rational self-interest. Niskanen (1971, p. vi) makes a most pertinent point when he says that:

> there is nothing inherent in the nature of bureaus and our political institutions that leads public officials to know, seek out, or act in the public interest.

¹⁴⁵ If Koroitamana’s defiance had been controlled, it is likely that he would have remained as Chief Executive Officer/ Airports Fiji Limited for much longer.

¹⁴⁶ The Fiji Pine scam was another among a string of questionable undertakings in public enterprises during the reign of the Soqosoqo ni Duavata ni Lewenivanua government from 2000-2006.
In other words, additional sources of controls are needed to curb opportunistic behaviour among bureaucrats especially when they exhibit purposive behaviour.

It did not help that there was a narrow circle of people who sat on multiple government boards. Leqa moved through a number of boards before arriving at Airports Fiji Limited; Lionel Yee was chair of four boards at around the same time. This was largely helped by the fact that the selection process involved in board appointments was neither clearly structured nor transparent. In one instance, a hardware merchant appeared in the Airports Fiji Limited Board without any direct links with the industry. In another, an architect appeared in the Airports Fiji Limited Board and was later involved in acquiring a contract to design infrastructural work at Nadi Airport. He later became one of the preferred architects for other government projects. Informal discussions revealed that he was a personal friend of Airports Fiji Limited’s first Chairman, Weleilakeba. Professor Walsh recently stated that, “Fiji is a small society and an important consequence of ‘smallness’ is that personal relationships are that much more important in the political arena than in bigger societies” (crosbiew.blogspot.com 29/1/13). It is this smallness that has led to the inter-connectedness among personnel involved in Fiji’s public sector reform process – the challenge is to design structures that would prevent “capture” in the decision-making processes involved.

There was another element involved in the selection of boards and senior managers in public entities - this emanated from the juxta-positioning of the Fijian traditional socio-political structure within the wider democratic framework of governance. Board membership (like cabinet membership) decisions had to incorporate traditional socio-political considerations; this not only compromised, but rendered meaningless the merit principle underlying selection within the reform model. It thus became impossible to assemble the wide cross-section of business and technical expertise prescriptively expected in boards of public entities. This was one reason why the selection process could not be clearly standardized and made transparent. In the case of Airports Fiji Limited, involvement and appeasement of owners of the land on which the airport is located was one reason given for having at least one landowner on its board. One way of involving the landowners systematically would be through shares in Airports Fiji Limited so that they do not feel alienated; this would free up board space for experts. Traditional concerns, political connections and attendant implications, plus the pecuniary potential involved in influencing decision-making in public entities also affected the selection and control of senior
managers. In the case of Koroitamana, the board’s inability to control his excesses after January 2001, coupled with Minister Yabaki’s traditionally-constrained responses, allowed open defiance that led to what appeared to be gross mismanagement in retrospect. Later, Chief Executive Officer, Sakiusa Tuisolia’s appointment was widely seen as political as he had no commercial experience when he moved from the Prime Minister’s office to Airports Fiji Limited as Chief Executive Officer in 2003. This had followed a formal recruitment process involving a consultancy firm that had obviously bowed down to the political (vs merit and performance) concerns of government. These consultancy firms were clearly particularly mindful of later opportunities that would inevitably arise in the public sector reform process.

7.5 Controls on Contractors and Out-sourced Providers
New Public Management proposes the selection of contractors and out-sourced providers through a competitive public tendering process so that market control (a key assumption and requirement of the reform model) could ensure the best selection. This assumes a large number of providers vying for a lucrative contract within the principal-agent framework at any given time. Unfortunately, in Fiji the number of providers is limited and this skews the power-dependency relationship. Moreover, government’s non-rational concerns distort the process and compromise the principal-agent relationship. In the Civil Aviation Authority of Fiji restructure, the unexplained change from using the process-chosen KPMG to using PricewaterhouseCoopers as a consultant partner involved an intriguing series of decisions. A bigger question that remained unanswered was: why did Maxumise have to work with KPMG as a partner in the first place? Couldn’t KPMG or Maxumise do the job on its own? Moreover, how was this partnership struck? It appeared that the intrigue surrounding the KPMG-Maxumise partnership facilitated the apparently unquestioned dumping of KPMG and untendered selection of PricewaterhouseCoopers. In another 2005 case (outlined in Chapter four), Mercer Consulting was selected to fill in the newly-created Chief Executive Officer posts in the Fiji civil service. For a fee of F$5 million they went on a worldwide search (as per the prescriptions of New Public Management) and found all the Chief Executive Officers in Fiji. This was clearly a case involving going through the motions to appease external concerns while fulfilling pre-determined decisions. Maxumise and PricewaterhouseCoopers remained the Soqosoqo ni Vakavulewa ni Taukei and Soqosoqo ni Duavata ni Lewenivanua government’s consultants of choice when it came to public sector reforms and filling personnel openings arising from these;
they also work with the Bainimarama government. It is unclear whether these two providers go through the competitive tendering process every time they consult for government, but it is apparent that provider capture exists. The fact that the Bainimarama government has resumed dealing with Mercer underlines the shortage of consultancy services in the reform process in Fiji. This brings the discussion to internal controls.

7.6 Internal Control Mechanisms – Ethos, Ethics and Social Responsibility

New Public Management assumes a culture of public service honesty, neutrality and pride in the public service. Niskanen (1971) says that the ethical attitude that somehow it is wrong to profit from supplying public goods arose from and was reinforced within the bureaucratic model. The public service ethic has been found to be inadequately developed in some countries, but in the Fijian case it was compromised after the 1987 coup. That coup was followed by a military-installed government characterized by a blatant disregard for the rule of law, ad-hocism in public policy, and an overriding political dictate to assist ethnic Fijians into business activity as a matter of national priority. In tandem with the exodus from the civil service of personnel largely of Indian descent, positions were filled by ill-prepared or well-connected individuals of ethnic Fijian background. This created a culture of cronyism, patronage and mediocrity in the civil service (Lal, 1990). Within this landscape, any decision was acceptable so long as it was rationalized in terms of assistance for Fijians or Fijian self-determination and development. This weakened regard for and appreciation of not only rules, regulations and procedures that governed the civil service, but the wider significance of adherence to the rule of law in public conduct. Following the 1992 and 1994 elections, the Rabuka government stabilized the service to some extent, but questionable practices continued as government exhibited a reluctance to take drastic corrective action that would be seen unfavourably by the Fijian electorate (Appana, 2003, 2011a).

Following the 2000 coup, the reform process was renewed and escalated – this promised positive changes. Brown et al. (2003) highlight that the New Public Management model encourages private sector practices promising improved results, but there have been a number of examples that demonstrate less than optimal political and organizational outcomes. Some cases exposed by the Auditor General in 2005 included a blatant violation of common courtesy towards taxpayers, corruption, lack of action on cases of abuse of office by the heads of Ministries, and non-
inclusion of the law enforcement arm of government in investigation and prosecution (Transparency International Fiji, Press Release No.5/05). Transparency International even went on to recommend that in cases of proven mismanagement, the systems should be reviewed and offending officials subjected to behaviour-modification training, to prevent recurrence in the future. The Soqosoqo ni Duavata ni Lewenivanua government of the time however, was characteristically lethargic in its reactions to abuses seen in the reform process. The restructure of the Civil Aviation Authority of Fiji clearly showed that pecuniary self-interest far overrode any ethical concerns for the wider good. It is within this backdrop that thinking and behaviour has developed within the public service in Fiji; the culture of public service honesty, neutrality and pride in the public service is therefore, inadequately developed and cannot be relied on to act as a control mechanism unless/until appropriate additional structures are put in place to guide and enforce conduct and sufficient time has passed within this framework.

7.7 Conclusion
It was outlined in Chapter four, and later shown in Chapter six, how New Public Management’s ambitious span, internal inconsistencies and tensions, and assumptions about the context or external environment, render it of limited use value in guiding public sector reforms in traditional island contexts like Fiji. New Public Management:

assumes a culture of public service honesty, the presence of effective institutions of public accountability, a vibrant democratic political framework, and the pre-requisites of a competitive market mechanism (Siegel, 1999 in Appana, 2005b, p.34)

– none of these prevail in Fiji for largely historical reasons. Within this framework, all of the prescriptions for administrative control, legal compulsion, integrity of contracts, contestability of decisions, ethics, public sector neutrality, etc., were either non-existent or blatantly disregarded with no concern for conventional repercussions. Furthermore, the economic imperatives of reforms when juxtaposed on the political rationale of affirmative action for Indigenous Fijians created enough confusion for deliberate exploitation of the cognitive vacuum. Thus, the environment was totally inappropriate in terms of control mechanisms when reforms commenced in Fiji. The use of New Public Management within this context helped to not only further ‘relax’ persisting mechanisms of control, but it opened up new opportunities to enter into areas that had previously operated within the ambit of government. Public scrutiny was systematically removed with a weakening of institutions of public accountability. This culminated ultimately in the
rigging of national elections which removed the control of the public through the ballot box on public decisions by the prevailing government. The type of deregulation that followed tended to push self-interest based decision making into the realm of greed as exploitative decision-making became prevalent in the public sector reform process in Fiji. Thus controls have to be reconsidered within the wider framework of governance in order to ensure that the public sector reform process delivers on its overdue promise.

This process has to begin with the establishment of a broad-based, functioning democratic framework – the Bainimarama government has already made headway in this direction with general elections promised for 2014. Siegel (1999, p.368) says that building:

> democratic institutions in traditional contexts (like Fiji) requires fundamental changes in society, politics and public administration.

Within this framework public sector reforms were undertaken in order to realise the theoretically-expected outcomes of the reform process. Cheung & Scott (2003, p.17) say that:

> administrative competence cannot be achieved without strengthening the capacity of the state to govern and mobilise social resources and support. (On the other hand, control structures): cannot fully work if devoid of the wider contexts of policy capacity and state capacity (Cheung & Scott, 2003, p.17).

The effectiveness of governance structures as control devices is thus largely dependent on the context of reforms. It needs to be noted that New Public Management-informed reform:

> is not just a change in management structure or techniques; rather, it is an on-going change effort to alter administrative process and culture that in turn takes place within a larger economic, social, and political reform context (Klingner, 2000, p.369).

It was pointed out earlier that the context of reforms in Fiji was beset with circumstances that made the use of New Public Management compromised and distorted in impact. Thus the context needs to undergo fundamental change.

On the other hand, there are characteristics of the context that cannot be changed. These include the smallness of the economy, limited number of providers to choose from, inadequacy of the market as a source of control, inter-connectedness of people and the prevalence of both race as well as traditional Fijian considerations in decision-making in the public sector. This observation clearly highlights the crucial need for carefully constructed unshakeable governance structures in any reform program. A relook at the bureaucratic model should offer numerous solutions.
provided the merit principle and the public ethos guide decision-making. It is therefore, proposed that given the contradictions and weaknesses encountered in New Public Management in the traditional island context that is Fiji, a hybrid model involving both bureaucracy and New Public Management be used for management and reforms in the public sector. The examples used in this paper highlighted that public sector reforms in Fiji have failed to deliver because the main players operated within a framework that had lost all conventional concerns for and sources of control. The rational self-interest assumption underpinning the reform framework ultimately gave way to greed and personal ambition for wealth. This is the main challenge faced by Fiji as it embarks on renewed initiatives to reform the public sector. The process must begin with the constitution and move through the institutions of public accountability to policies and procedures within government departments. Only then will reforms move beyond the symbolic stage.
8.0 Conclusion

The restructure of the Civil Aviation Authority of Fiji into Airports Fiji Limited and the Civil Aviation Authority of the Fiji Islands was affected mainly by two factors: shortcomings emanating from the New Public Management model for public sector reforms and peculiarities of the island context. It was seen that the juxta-positioning of traditional Fijian socio-cultural structures within the wider framework of governance at both the micro and macro levels affected decision-making and distorted the economic rationality assumed within the public sector reform program. Each of the key participants in the restructure operated as a “maximizer” while rationalizing the restructure in strict economic terms. This should have led to the right outcomes as anticipated in the New Public Management model, but the context played a pivotal role in distorting the reform process.

Affirmative action concerns to bring ethnic Fijians into business through the reform process and its links to the popular vote in an ethnically demarcated country was a major factor that thwarted the reform process from moving in the prescribed direction. This was compounded by the fact that key bureaucrats, politicians and traditional leaders had ensconced themselves in power positions following the 1987 coup. These were the key actors who managed to influence decision making in the reform process in order to divert potential gains into selected hands. The air traffic management contract awarded to Strategic Air Services Limited went through a process that fell largely outside the ambit of the reform model. The original recommendations of the charter were changed to suit particularistic ends without any avenues for reconsideration. The manner in which the air traffic management contract was repeatedly renewed also showed that decision making had been captured. When talks began to emerge of the takeover of Nausori Airport by Strategic Air Services Limited in 2004, it appeared that national concerns in the aviation industry were going to be totally overtaken by private ones – this also is an end result envisaged in the reform model which is to a large extent based on the tenet of “small government” and “private sector-led growth”. However, it needs to be noted that the process leading to the selection of Strategic Air Services Limited was not competitive as prescribed by the reform model.

While discussing the reform model, it needs to be highlighted that the original rationale in restructuring the Civil Aviation Authority of Fiji into Airports Fiji Limited and the Civil
Aviation Authority of the Fiji Islands was theoretically virtually uncontestable. Disaggregating service provision from regulation is a tested proposition that has seen remarkable success especially in the aviation industry. The creation of Airports Fiji Limited and the Civil Aviation Authority of the Fiji Islands has also ultimately led to performance improvements and operational successes in the aviation industry in Fiji – the level of success however, has been below expectations especially when compared with the fact that in 1999 the Civil Aviation Authority of Fiji made an operating profit of F$9 million and had F$55 million in its bank account (Annual Report 2001).

Much was expected of Airports Fiji Limited as the commercial service provider arm of the restructure the Civil Aviation Authority of Fiji in 1999. In 2001, Airports Fiji Limited paid out F$1 million in dividends to the Fiji government (fijilive, 8/8/02). Later after a high of F$3 million in 2010, dividends again dropped to F$1 million in 2011 (Annual Report, 2011, p. 22). There were a number of reasons for the high expectations from the restructure. These included: efficiencies gained from the separation of Airports Fiji Limited from the Civil Aviation Authority of the Fiji Islands, cost-cutting measures at Airports Fiji Limited itself and better management of rental space within the two international airport complexes. Unfortunately, persisting industrial relations problems; the financial drain emanating from the Strategic Air Services Limited contract; power-play within the board, management and government; an inability to draft a clear formula for renting out space within the two airport complexes and the awarding of contracts based on contacts; all worked to debilitate performance at Airports Fiji Limited. Expectations were again raised after the Strategic Air Services Limited contract was voided in 2007 and air traffic management services returned to Airports Fiji Limited, but there is much to be done to improve performance to expected levels so that government benefits as announced at the outset of the reform process in 1998.

The Civil Aviation Authority of the Fiji Islands on the other hand, also had dismal performances in the beginning with operating losses of around F$1 million in 2001 and 2002. Forecasts were for smaller losses in 2003 and 2004 (DP 21/08/2002). There were persisting problems with enforcing safety while Strategic Air Services Limited provided air traffic management services because of the personalities involved, their political connections and the tenuous arrangement between Airports Fiji Limited and Strategic Air Services Limited where the obligation for
providing air traffic management services remained with Airports Fiji Limited while the service was actually provided by Strategic Air Services Limited. The Civil Aviation Authority of the Fiji Islands appeared not to know who to hold accountable. At the same time the relationship between Airports Fiji Limited and Strategic Air Services Limited was always strained while Koroitamana was on the scene. Firstly, he tried to influence, then stall, the restructure of the Civil Aviation Authority of Fiji. Then his attempts to weaken Strategic Air Services Limited by orchestrating the return of 20 air traffic controllers from Strategic Air Services Limited to Airports Fiji Limited in early 2001, and his attempts to void the air traffic management contract following his return to Airports Fiji Limited from 2001 to 2003, were seen negatively by Strategic Air Services Limited and they were not willing to cooperate with Airports Fiji Limited at that point in time (Nata interviewed 05/02/2004; Baivatu interviewed 05/02/2004). Later, when Koroitamana returned to Airports Fiji Limited in late 2006 after the Bainimarama coup, he immediately started attempting to remove Strategic Air Services Limited from providing air traffic management services. His wish was granted speedily, but he was returned back to retirement straight afterwards.

There were other factors that affected performance at the Civil Aviation Authority of the Fiji Islands. By 2003, Airports Fiji Limited owed the Civil Aviation Authority of the Fiji Islands some F$5 million in land rent as after the restructure all airport real estate was moved to the Civil Aviation Authority of the Fiji Islands (DP 7/12/03). There was also dispute on sharing the departure tax between the two entities as Airports Fiji Limited refused to accept an International Civil Aviation Organisation auditor’s recommendation that the Civil Aviation Authority of the Fiji Islands be given F$5 from every departure tax collected by Airports Fiji Limited in order to ensure that the Civil Aviation Authority of the Fiji Islands became financially viable (DP 21/08/02). Later, government intervened and the F$5 deal was formalized in late 2003 (DP 12/11/03). After 2007 when Strategic Air Services Limited was decommissioned and Airports Fiji Limited took over the provision of air traffic management services, the performance of the Civil Aviation Authority of the Fiji Islands has continued to improve.

At this point in time, the aviation industry in Fiji is managed by Airports Fiji Limited and the Civil Aviation Authority of Fiji (renamed in 2010). Strategic Air Services Limited ceased to exist from early 2007. Political power-play within the industry has either been removed or
become subdued because of the military government that is in control. It will be interesting to evaluate performance of the two entities, and the aviation industry as a whole, after the planned 2014 general elections.


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Fiji Times: 5/02/86; 23/06/86; 9/11/95; 21/10/96; 12/07/97; 18/08/98; 7/07/00; 9/11/00; 16/04/01; 27/09/01; 19/11/01; 21/06/06; 4/07/06; 6/07/06; 23/09/06; 28/05/09; 19/09/09; 13/11/09; 18/08/10; 20/11/10; 2/03/12

Review, November 1995; July 2003

Scoop, 20/12/00
### Vernacular Terms Used

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buli</td>
<td>head of tikina or district</td>
</tr>
<tr>
<td>Burebasaga</td>
<td>one of three confederacies</td>
</tr>
<tr>
<td>Gunu</td>
<td>drink (in this case the sacred drink)</td>
</tr>
<tr>
<td>i tokatoka</td>
<td>family sub-groups that are bigger than the nuclear family</td>
</tr>
<tr>
<td>Kalevu</td>
<td>title of the high chief of Nadroga</td>
</tr>
<tr>
<td>Kalou-vu</td>
<td>progenitor</td>
</tr>
<tr>
<td>Kubuna</td>
<td>one of three confederacies</td>
</tr>
<tr>
<td>Mana</td>
<td>special spiritual quality emanating from public support</td>
</tr>
<tr>
<td>Mataiwelagi</td>
<td>the household and abode of the paramount chief of Kubuna</td>
</tr>
<tr>
<td>Matanitu</td>
<td>confederacy</td>
</tr>
<tr>
<td>Mataqali</td>
<td>extended family groups that form the core of landholding units</td>
</tr>
<tr>
<td>Qaranivalu</td>
<td>one of the two main chiefs of Naitasiri</td>
</tr>
<tr>
<td>Qele</td>
<td>soil or land; the physical boundary of the Fijian’s origins</td>
</tr>
<tr>
<td>Roko</td>
<td>administrative head of province</td>
</tr>
<tr>
<td>Saumi</td>
<td>pay or pay-back</td>
</tr>
<tr>
<td>Tikina</td>
<td>district</td>
</tr>
<tr>
<td>Tui Ba</td>
<td>high chief of Ba; this title has had two claimants</td>
</tr>
<tr>
<td>Tui Cakau</td>
<td>head of Cakaudrove province and Tovata confederacy</td>
</tr>
<tr>
<td>Tovata</td>
<td>one of three confederacies</td>
</tr>
<tr>
<td>Turaga</td>
<td>chief (also used to refer to God)</td>
</tr>
<tr>
<td>Turaga vakasenitoa</td>
<td>chief with no support from his people</td>
</tr>
<tr>
<td>Taukei</td>
<td>owner/custodian of the land and things therein; the Fijian is referred to as <em>i taukei</em> in deference to his indigenous origins</td>
</tr>
<tr>
<td>Vanua</td>
<td>this is a collection of <em>yavusa</em> political units, but has a more spiritual dimension incorporating a whole conglomeration of vertical and horizontal social relationships</td>
</tr>
<tr>
<td>Vasu</td>
<td>A relationship involving a sister’s son who has total rights of access to the realm and belongings of his maternal uncle</td>
</tr>
<tr>
<td>Veirogorogoci</td>
<td>willingness and commitment to listen to the other</td>
</tr>
<tr>
<td>Veivakaliuci</td>
<td>practice of according the other a higher rank than oneself</td>
</tr>
</tbody>
</table>
Veivakarokokotaki practice of reciprocal respect

Vulagi visitor; also used to refer to “outsiders”

Vunivalu warlord; also the title used by the head of Kubuna confederacy

Yanuyanu island(er)

Yaqona special drink made from a variety of pepper plant

Yasayasa vaka Ra the fourth confederacy being proposed occasionally

Yavusa a collection of mataqali forming a political unit

Girmit the indenture system (sometimes used to refer to the contract/agreement)

Girmitiya person who came on girmit (or indenture)

Kisan Sangh cane farmers organization led by Ayodhya Prasad

Maha Sangh farmers organization led by Ambalal Dayabhai Patel

Narak hell
Ethics Clearance

From: Keith Wilkins [mailto:kwilkins@swin.edu.au]
Sent: Thursday, November 29, 2012 1:44 PM
To: Subhash Appana; Subhash Appanna; Malcolm Abbott; Mohshin Habib
Cc: RES Ethics; Nadine White
Subject: SUHREC Project 2012/173 Ethics Clearance

To: Assoc Prof Malcolm Abbott/Mr Subhash Appana/Dr Mohshin Habib

Dear Malcolm, Subhash and Mohshin

SUHREC Project 2012/173 Public Sector Reforms in Fiji
Assoc Prof M Abbott, FHEL; Mr Subhash Appana, Dr Mohshin Habib
Approved Duration: 29/11/2012 to 30/06/2013 [Adjusted]

I refer to the ethical review of the above project by delegates of Swinburne's Human Research Ethics Committee (SUHREC). Please note the above correct SUHREC project number and I apologise for a mistaken number used in subject lines in some email communication.

Your 2012 submissions to date were as per the hardcopy submission of 25 June and emailed submissions of 20 July, 3 August, 18 October, 22 October and 26 November much of which in response to feedback from the Swinburne ethical review. However, in light of recent clarification/revision, the project is now understood to involve fresh separate interviews and will not now involve use (or re-use) of data collected previously under the auspices of the University of Auckland (although a similar protocol is to be followed). As regards Swinburne course supervised research requirements and related outputs, the interview line of questioning is considered to be that which was emailed on 22 October and the consent instruments to be used as emailed on 26 November 2012. The ethical review conducted to date has been endorsed by the Acting Chair of SUHREC.

I am pleased to advise that, as submitted to date, the project has approval to proceed in line with standard on-going ethics clearance requirements here outlined. An adjusted period for data collected has been given but should there be a need for an extension of ethics clearance to complete data collection, this can be applied for in due course.

- All human research activity undertaken under Swinburne auspices must conform to Swinburne standards, including external regulatory standards such as the current National Statement on Ethical Conduct of Human Research and with respect to secure data use, retention and disposal.

- The named Swinburne Chief Investigator/Supervisor remains responsible for any personnel appointed to or associated with the Swinburne student project being made aware of ethics clearance conditions, including research and consent procedures or instruments approved. Any change in chief investigator-supervisor requires timely notification and appropriate endorsement.
- The above project has been approved as submitted for ethical review by or on behalf of SUHREC. Amendments to approved procedures or instruments ordinarily require prior ethical appraisal/clearance. SUHREC must be notified immediately or as soon as possible thereafter of (a) any serious or unexpected adverse effects and any redress measures; (b) proposed changes in protocols; and (c) unforeseen events which might affect continued ethical acceptability of the project.

- At a minimum, an annual report on the progress of the project is required as well as at the conclusion (or abandonment) of the project.

- A duly authorised external or internal audit of the project may be undertaken at any time.

Please contact the Research Ethics Office at Swinburne Research if you have any queries about the Swinburne ethical review and if there are any errors with detail above, citing the SUHREC project number. Copies of clearance emails should be retained as part of project record-keeping.

Best wishes for the project.

Yours sincerely

Keith Wilkins
Secretary, SUHREC

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