

Creating an Enabling Environment for Indigenous Business in Fiji

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ABSTRACT

The ongoing strains of a sustained global economic downturn have forced a shift in focus to how individual countries can generate small-scale inward-focused economic activity while waiting for the global economy to regain its vibrancy. It is in this regard that SMEs have gravitated to centre stage, especially in isolated developing economies. In Fiji, recent government policy has prioritised 'self-help' and 'self-sufficiency' in a marked departure from the established outward-focus that characterised policies during the second half of the 1980s and much of the next 2 decades. A major concern that all of Fiji's governments have had to grapple with has been an increasingly insistent ethnic-Fijian desire to participate in a more visible manner in the commercial sector. Given Fiji's sociopolitical composition, this opens up promising avenues for mobilising hitherto dormant resources and encouraging indigenous business within the SME framework.

After providing a critical historical overview of indigenous business initiatives in Fiji, this paper contends that many of the reasons for past shortcomings had to do with a political reluctance to acknowledge openly the need for strict economic solutions to business problems. A major shortcoming in this regard was the trivialisation of the tenet of accountability in the interests of political expediency. This paper proposes an enabling framework for indigenous business management. It concludes by proposing a number of sectors that offer encouraging opportunities for indigenous business within the SME framework.

KEYWORDS: Management Model, Indigenous Business, Assistance Schemes, Fiji.

INTRODUCTION

The persisting global economic downturn has forced a re-think in government policies throughout the world as economists and policy makers continue to grapple with the twin evils of poverty and unemployment within the problematic framework of how to generate economic growth. These strains have forced a shift in focus to how individual countries can generate small-scale inward-focused economic activity (as opposed to the outward trade-generating focus of the past 2.5 decades) while waiting for the global economy to regain its vibrancy. It is in this regard that small and medium enterprises (SMEs) have gravitated to centre stage, especially in isolated developing economies. In Fiji, recent government policy has prioritised ‘self-help’ and ‘self-sufficiency’ in a marked departure from the established outward-focus that characterised policies during the second half of the 1980s and much of the next 2 decades. The situation is particularly pronounced for Fiji because of a sanction-focus, imposed after the December 2006 coup, by its traditional trade partners – Australia and New Zealand.

It is within this framework that Fiji has to take stock of its strengths and weaknesses and attempt to overcome the political as well as economic constraints that it finds itself saddled with. A major requirement that is constantly being ‘pushed’ on Fiji is to hold elections and restore democracy in the country. Those who have studied and analysed Fiji’s political problems historically have invariably identified a common thread in all three pre-2006 coups – support for those coups was mobilised on the basis of an ethnic Fijian perception of being left out of Fiji’s apparently lucrative commercial sector. This concern became pronounced in the lead-up to, and particularly in the aftermath of, the first coup in 1987.¹ Since then all of Fiji’s governments have had to grapple with an increasingly insistent ethnic-Fijian desire to participate in a more visible manner in Fiji’s commercial sector. A number of prominent and not-so-prominent assistance schemes have been implemented at different times and the results have been mixed at best. Given Fiji’s current circumstances, a closer consideration of the SME sector opens up a number of promising avenues for mobilising hitherto-dormant resources and encouraging indigenous business to finally participate in the economy in a manner that will not only assuage a long-standing economic desire, but serve as an important training ground for further expansions.

This paper begins by providing a critical historical overview of indigenous business initiatives in Fiji. It analyses the traditional Caka Bisinisi model from both the cultural and economic perspectives and contends that many of the reasons for past and continuing shortcomings in ethnic Fijian business have to do with sociopsychological constraints as well as a political reluctance to acknowledge openly the need for strict economic solutions to business problems. A major shortcoming in this regard was the trivialisation of the tenet of accountability in the interests of political expediency. To conclude, the paper outlines a number of recent government initiatives and briefly proposes a range of sectors that offer encouraging opportunities for indigenous business within the SME framework.

FIJIANS AND BUSINESS – A HISTORICAL OVERVIEW

Historically, Fiji comprised groupings of traditional subsistence societies, which engaged in conquest, barter or gift-giving as the main avenues to access product requirements beyond expected needs, even though the literature does mention that Fijians ‘traded’ between the various regions and islands; they also traded kula (bird) feathers, timber and other products with Samoans and Tongans. Furthermore, from the late eighteenth century Fijians actively traded with explorers, traders, settlers and even missionaries, until colonial policies put a stop to it. The idea of trade in the business sense, however, was not part of the Fijian psyche even though this paradigm of exchange was introduced with the advent of the early sailors and adventurers. Early missionaries (since 1835) also had a role in opening up the Fijians to ‘outside’ influences. Thus acquisition and possession took on a new meaning as non-necessities that could be kept for long (like trinkets and beads) entered the trade and exchange process (Prasad, 2009).² Early researchers and writers on this topic took the colonial view and tended to propagate the idea that business and economic enterprise posed a direct threat to the Fijian way of life. Narayan (1984: 15–27) made a lengthy argument that the stable nature of Fijian society was significantly altered and that trading between Fijians and Europeans had disastrous consequences that rocked the stability of Fijian society. Thus 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. Partly for this reason, repeated calls continue to be made to ‘preserve’ the Fijian ‘way of life’ even though the conditions of existence of the Fijians have continued to undergo drastic change. The straitjacket in which the colonial administration ‘froze’ ‘Fijian society’ also froze enterprise in land utilisation, the 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, the chiefly system and the security of the Fijian race.

After Fiji’s cession to Britain in 1874, Governor Gordon’s ‘indirect rule’ was designed to ‘seize the spirit in which native institutions had been framed, and develop to the utmost extent the capacities of the people for the management of their own affairs, without exciting their suspicion or destroying their self-respect’ (quoted in Legge, 1958: 204)³. Gordon established the Great Chiefly Council⁴ to meet annually and advise him on native Fijian issues. In 1876, the Native Land Ordinance restricted Fijian employment within the paid economy. Fijian labour was regulated in its flow to colonial enterprises such as mines and plantations. The Native Taxation Scheme allowed Fijians ‘to meet tax obligations in kind’ (Lal, 1992: 14)⁵. Land laws were designed to forbid further alienation of Fijian land, and to revert all ‘non-fee simple and non-Crown land in the colony’ into Fijian hands (ibid.)⁶. The Native Lands Commission was established ‘to assess the validity of settler land claims and to authoritatively determine the structure of indigenous land ownership’ (ibid.)⁷. More recent studies on Fijian history have contended that regardless of Gordon’s ostensibly benign intentions, the system that he attempted to preserve was based on superficial and erroneous assumptions about the structures of traditional Fijian society (see for example Lal, 1986; Bain, 1988: 136; Kaplan, 1989, 1990; Thomas, 1990: 167).⁸

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 of State issued a rare policy pronouncement that certain individual effort and self-reliance must be encouraged amongst Fijians (Scarr, 1980a: 111)⁹. 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 success to ex-Governor Gordon in England (Robertson & Tamanisau, 1988: 10)¹⁰. Not surprisingly, this shift in policy was also in tandem with white settlers’ desire for fertile, accessible land for cultivation.¹¹ At the same time, development assistance began to be focused on individual Fijian economic initiatives rather than on communal chief-controlled activities.¹² This was the rationale of colonial policy in Fiji for the next three decades. Fijians were encouraged to allow government to lease out their lands on their behalf, as well as to sell their labour 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.¹³ Viti Kabani was aimed at accessing and organising trade, mainly in the thriving banana industry at the time. Fijian farmers were growing banana in the highlands of Viti Levu and selling them at cutthroat prices to white traders, who were making huge profits. Viti Kabani proposed to ensure greater participation and profits for these Fijian farmers. 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’.¹⁴ The chiefs also expressed antagonism because Apolosi was a ‘westerner’ (i.e. from the western side of Viti Levu) and proposed a new order for the Fijians. Ensuing struggle by (‘eastern’) chiefs, led by Ratu Sukuna, was focused on preserving their power base with scant regard for the potential overall benefits for the Fijian people.¹⁵ Apolosi’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 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 interests nor have the potential to disrupt the colonial administration in any way. Government policy thus continued to encourage individual initiative, while maintaining a restrictive element to it.

This did not go unchallenged for very long as discontent among the chiefs led to repeated calls for a GCC 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 nineteenth century rules whereby a Fijian would need community consent before engaging in paid labour (Scarr, 1980b: 71)¹⁶. The disapproval of the Fijian establishment towards Fijian economic enterprise without chiefly consent was clearly articulated by Ratu Sukuna after the 1922 GCC meeting, when he wrote thus to King George V:

*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).*¹⁷ (Sukuna, quoted in Scarr, 1980b: 72)

Ratu Sukuna and the GCC were clearly apprehensive of the ‘loosening’ influence of wage labour and money enterprise¹⁸ 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, however – through persistent prompting from European planters desperate for labour since the abolition of indenture – 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.*¹⁹ (Scarr, 1980b: 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 lest the Fijians lose out completely on both the economic and political fronts. Following this, the question of Fijian economic progress was raised pointedly for the first time at the political level in the Great Council of Chiefs in 1936. This led that august body to resolve to address Fijian concerns regarding lack of participation by the ethnic Fijian community in the economic sector in Fiji. Since then, prioritised assistance schemes have been a hallmark of every government.

Chiefly opposition, however, returned with new vigour. The subsequent setting up and entrenchment of the NLTB in 1940²⁰ institutionalised these constraints as it was the chiefs and bureaucrats who were the major beneficiaries of land rentals and the 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 (quoted in Lal, 1992: 135).²¹ The GCC endorsed this and for the next two decades the Fijian Administration attempted to stem the tide of change by sheltering the Fijians under the umbrella of what Lal (1992: 135) calls ‘a government within a government’. Tikina (or District) Councils now administered and controlled village life with the support of strict penal sanctions. In an attempt to discourage participation in wage employment, Native Regulations restricted movement of Fijians into and out of villages. The galala concept that stimulated small holder agriculture among Fijians was suffocated (see Lasaqa, 1984: 26–27 and Lal, 1992: 138 for more details on the galala system).²² Many other regulations, too, virtually ‘over-administered’ life in Fijian villages. The justification was that these were needed to ‘secure the continuance of the Fijian communal system and the customs and observances traditionally associated with that system’ (quoted in Lal, 1992: 138).²³

Part of the rationale for this can be seen in the fact that Fijian attachment to land, as in any agrarian community, is etched in folklore and mysticism. Land is the most valuable asset that the Fijians hold and their relationship to land derives from and informs the tribal bases of Fijian society. However, only this derivation remains static in the face of changes. Robertson and Tamanisau (1988: 146) point out 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.²⁴ The Fijians thus missed an important training opportunity for commercial endeavour. This would come back to haunt the colonial administration in the 1950s. In fact, this has again been recognised in recent times, with interruptive hiccups in between, as landowners are showing a renewed and growing interest in entering into commercial farming.²⁵

This village cocoon that would persist into the 1950s and early 1960s entwined the rural Fijians²⁶ in a web of regulations that stifled both their²⁷ aspirations and their opportunities. Thus while the Indo-Fijians continued to refine their commercial agricultural skills, cherish modern education, and encourage their children to enter into the world of modern commerce, the rural village-based Fijians had few options but to find sanctuary in looking inwards towards their village and culture. This did precious little to prepare them for the wider world that was moving at an ever-increasing pace around them. On the other hand, chiefly opposition to the direct incorporation of Fijians into the money economy has continued to be a matter for unending debate into the new millennium.

The apparent lack of economic progress among the Fijian community even though they owned 83% of land in Fiji became a matter of concern for the colonial administration in the 1950s. In June 1958, Professor O.H.K. 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 chiefs.²⁸ 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.²⁹ 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.

The fact that Governor Sir Kenneth Maddock, as GCC Chairman and head of government, successfully spearheaded efforts towards this change at the 1960 GCC meeting shows that had the colonial government wanted to address this issue earlier, traditional opposition would not have been an insurmountable problem.³⁰ In fact, opposition was better organised and articulated at this point in time than ever before. The timing of this change in government policy and the fact that Fijian opposition became particularly strident and critical of the colonial administration, as well as the two commissions headed by two distinguished white men, coincided with gathering calls for independence in the colonies. The colonial government had to heed the very real prospect of independence for Fiji, and the Fijian establishment considered itself unprepared for this eventuality at this stage. Lal (1992: 186) aptly encapsulates the situation of the Fijians at this stage in his description:

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 Fijians were 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. Their predicament was compounded by the fact that they did not trust the Indo-Fijians, because of a number of historical factors. European planter (and colonial) treatment of *giritiyas*, deliberate manipulation of sentiments against them, legislative restrictions on living in the same vicinity, 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 Indo-Fijian refusal to participate in the Second World War efforts and the political spin later given to this ‘lack of patriotism’, all combined to keep the Indo-Fijians despised ‘outsiders’ or *vulagi* in Fiji. Their economic orientation and quest for education and fair treatment could not have been admired and emulated; in fact Indian ways were (and to some extent continue to be) mistrusted, despised and looked down on.

Beginning in 1970, the Mara government undertook a number of initiatives to help the Fijians come to terms with the rapidly monetising economy. Special assistance was offered to Fijians in education. Recruitment and enhancement programs targeted establishing Fijians in meaningful positions in the civil service.³¹ 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 (see Lal, 1992: 232–233).³² The Ministry of Fijian Affairs set up a unit called Business Opportunities and Management Advisory Services (BOMAS) in June 1975³³ to provide expert assistance, finance and training for Fijians aspiring to enter business. A total of \$6,721,553 had been disbursed to Fijian business aspirants through BOMAS between May 1975 and December 1984 (Qarase, in Lal, 1992: 233).³⁴ However, despite this, Fijian success remained an unrealised dream.

This has never dampened Fijian aspirations towards commerce. Neither has it weakened the political spin-off potential of this perceived inequity (or at least inequality). Campaigning for the 1977, 1982 and 1987 general elections invariably highlighted the need to rectify the ethnic imbalance in commerce and the professions. Much of the blame was placed on the Indo-Fijian community, who 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 GCC refuted this and placed the blame on ‘lack of finance’.³⁵ 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.³⁶ Two later poverty reports confirmed emphatically that the Indo-Fijian community dominated the lowest socioeconomic strata in Fiji.³⁷ Successive governments sought to address the perceived economic deficiency of the Fijians through various means since 1970, as seen earlier with BOMAS, EIMCOL and other exclusively Fijian schemes. The 1987 coups were also largely rationalised on this basis. Subsequently, between 1988 and

1994, the National Bank of Fiji (NBF) was used to channel money to socially-oriented loan schemes. The bank became technically bankrupt in 1991, but continued to disburse loans until its collapse in 1995.³⁸

Renewed calls for direct assistance for Fijians surfaced after the 2000 coup and the SDL government came to power on the solemn pledge to bridge the gap between Fijians and Indo-Fijians in Fiji. In the run-up to the September 2001 elections, some \$25m worth of agricultural assistance was disbursed, largely to the main supporters of the 2000 coup, in another assistance scheme. The basis of PM Qarase's policies since forming government in September 2001 was a Blueprint that was basically targeted at ensuring a 50/50 ethnic parity in commerce in Fiji by the year 2020. At the 2002 Economic Summit in Lami, Finance Minister Ratu Jone Kubuabola said that development initiatives that attempted to address the disadvantaged position of certain ethnic groups should be seen as attempts at creating equity and consolidating national unity rather than fostering racism.³⁹ On a pre-emptive and ominous note, the Minister said that this was necessary for continued peace and harmony among the different ethnic groups in Fiji. As part of this program, 50% of all state contracts were earmarked for Fijian-owned businesses.⁴⁰ This had important implications for the contracting out of services previously provided by government departments and public enterprises, because the merit criterion that underpins the New Public Management (NPM) model would have had to be compromised in light of these socially-oriented objectives of government. In fact, Fiji's public sector reform program was subsequently used by a cadre of connected bureaucrats, bankers, leaders and politicians to accrue personal wealth in the name of Fijian assistance (Appana, 2011).⁴¹ All the while government – the SDL was returned to power in 2006 – kept resisting efforts to establish and tighten institutions of public accountability in the country (see Appana, 2011 for details).⁴² The situation has changed somewhat since the Bainimarama coup of December 2006.

CONCEPTUALISATION OF BUSINESS: CAKA BISINISI MODEL

Caka bisinisi literally means 'do business'. The connection between the two words is fairly understandable, but it is the conceptualisation and understanding of the second term, bisinisi or business, that raises a number of significant problems. This model has been developed over time in a haphazard manner because of the imperatives and confusions outlined in the history section above. By the mid-1970s the Fijian desire to participate in commercial enterprise had finally become an unavoidable reality for serious political consideration. Assistance schemes, however, did not target the SME sector, which had a bigger transformative potential for a number of largely political reasons as there has always been a direct link between Fijian assistance schemes and political votes. Focused attention thus turned to big projects with their attendant risk of big failures. In fact, all of the governments' business assistance schemes fell into this category and their failures have had a psychological impact far beyond their socioeconomic impact. The main characteristics of the model that emerged, the caka bisinisi model, are outlined and discussed next.

CHARACTERISTICS

- external (predominantly government) support. In a continuation of the dependency/protection relationship established by the colonial and postcolonial governments, Fijian business aspirants expect external support as a matter of right. If a business fails, there is no sanction, stigma or costs; political considerations make the same aspirants eligible for the next round of help. To confuse the psychological orientation further, God also plays the role of back-stopper. Hymns clearly spell out that life is to be placed in God's hands and everything will just fall into place afterwards. One particularly popular hymn goes: *laivi jisu me lewa* (leave it to Jesus to determine), *nomu veika kece ga* (your everything), *nomu bula nomu gauna* (your life, your time), *ki vua me lewa* (leave it to him to decide). Given the significance and role of the church in Fijian society, messages of this type are bound to have a major blunting effect on personal initiative and drive
- big business bias. There is a bias towards big business in the Fijian mind-set, though there are signs of this undergoing change since the Bainimarama government started encouraging self-help initiatives. With big schemes, the potential fallout from failure is much greater and this makes news headlines. Thus on the one hand the Fijian lacks traditional psychological business capital, is encouraged to take up big projects and is then allowed to fall and develop an imperviousness towards accountability because political considerations make enforcement of these mechanisms problematic for incumbent governments
- failure not understood. Closely linked to the previous point is an apparent Fijian misconceptualisation of failure. Historically, the Fijian has been allowed to walk away from failed ventures and re-emerge, after a hiatus, firmly linked to power connections. This is one reason why so many Fijian political parties emerge and disappear around elections.⁴³ This experience has again made the Fijian able to divorce him/herself psychologically from the consequences of failure. This has in turn, thwarted the germination of a sense of responsibility that would balance the healthy appreciation of rights. Thus in the Fijian conceptualisation of business, rights are not balanced with the necessary sense of responsibility
- lack of accountability. It is no secret among processing officials that accountability mechanisms involving Fijian assistance are only used to approve requests/applications. Once the monies are disbursed, there is an almost-cultural reluctance to monitor and enforce these requirements. This was perhaps best seen in a parliamentary response by PM Qarase to a question whether he knew that assistance in the form of a boat and engine worth \$5000 was sold two weeks after being received by a Lau villager. He responded that it was not for government to pursue what a business assistance recipient did after he had been assisted – simple! Likewise, the Native Land Trust Board did not file its annual reports over the span of a decade and nothing was or could be done about it (Singh & Reddy, 2007)⁴⁴. A USP academic found in an earlier study that Fijian businesses consistently ignored company registration requirements (Poullaos, 1985)⁴⁵. This leads into the next point about lack of appreciation of process, but a disproportionately healthy regard for rewards
- high expectations with little appreciation of process. The previous point on big vs small

business is linked to a Fijian expectation of high rewards from doing business. There is little understanding and appreciation of the fact that rewards take a long time in flowing in. Established in 1989, the Equity Investment Company Limited (EIMCOL) project involved a number of supermarkets that were bought for Fijians with FDB funds to fast-track Fijian participation in that sector. Eight supermarkets were bought for a total of \$2.15m (Review, Dec. 1992)⁴⁶. The aim was to use these as 'living classrooms'. Manager owners first set up air-conditioned offices within the premises and were seen in ties and suits having business lunches. There was a shocking lack of direct involvement in the day-to-day running of the business and not surprisingly, the scheme collapsed.⁴⁷

The EIMCOL case, as well as many others, has shown a temporary orientation in Fijian business aspirants: the conceptualisation of and orientation towards the business venture appears to be, 'we'll give it a go and if it fails, it fails'. This could be attributed to a lack of use of any personal hard-earned savings in the venture, the historically encouraged framework of dependency and lack of sanctions after failure. Assistance thus became a matter of right within the Fijian business framework with no real appreciation of the responsibility to see the venture through or 'lose' with it. Thus the necessary learning mechanisms that normally emanate from enforcement of accountability were lacking. This has hampered the development of more compatible orientations and structures for Fijian business enterprise.

POST-2006 INITIATIVES

Since December 2006 when Commodore Bainimarama wrested power from the Qarase government to 'clean up government', the focus of assistance schemes has changed to 'self-help projects' and small schemes. Several initiatives were implemented in the year 2010 to encourage economic activity in the SME sector, as outlined:

- The National Centre for Small and Micro Enterprise Development was established in early 2010 to help reduce poverty. Minister for Public Utilities, Colonel Timoci Lesi Natuva, stated that 'its objectives (were) there to be achieved and utilised by establishing microfinance institutions and providing banking facilities for the underprivileged and low income earners. It is also to promote micro-enterprise development and introduce necessary skills and business training for micro-entrepreneurs' (Fiji Sun, 10 April 2010).⁴⁸
- On 14 July 2010, the Fijian Affairs Board organised a training workshop in Savusavu aimed at providing traditional leaders with modern leadership and management skills so that money-generating initiatives in villages were better managed. Targeting his comments at turaga ni yavusa (clan heads) and turaga ni mataqali, Roko Tui Cakaudrove Ro Aca Mataitini said, 'Good management skills were a necessary skill for traditional leaders' given that they were expected to lead the resource and bounty that emanated from the land (Fiji Times, 13 July 2010).⁴⁹
- A rare agricultural show, themed 'Feed Fiji First, Go Local', was held in Labasa on 13–14 July 2010. The aim was to encourage agricultural production for exports as well as food security. Government highlighted that agro-production, which accounted for 12% of Fiji's

GDP, needed to be boosted. The aim was to ‘improve the value of non-sugar exports from \$52.9m to \$80m by 2014, halve vegetable and fruit imports from \$80m and increase exports by 30 per cent’, according to Agriculture Minister, Jocketani Cokanasiga (Fiji Times, 15 July 2010).⁵⁰

- In another focused initiative, the Import Substitution Programme (ISP) and Sigatoka Valley Improvement Programme (SVIP) are targeted at reducing ‘the total import bill for rice, potatoes, dairy, sheep and beef by \$105m in the next few years’, according to the then Permanent Secretary for Primary Industries, Colonel Mason Smith (Fiji Sun, 21 July 2010).⁵¹
- In a long-overdue attempt to galvanise women into taking up commercial activities, a Training of Trainers Workshop for Women in Bamboo, Coconut and Batik, was held at the Fiji National Council for Disabled Persons complex in Suva on 6 September 2010.
- In launching the ANZ SME sector credit scheme on 19 April 2012, Reserve Bank Governor, Barry Whiteside, said that even though ‘It’s just commanding 12 per cent of economic activity, the () SME sector is still largely untapped’ (Fiji Times, 21 April 2012).⁵² This credit guarantee scheme makes available \$3 million for entrepreneurs in the SME sector on a 50/50 basis.

These are just some of the national initiatives that have been pointedly aimed at the SME sector. Fiji’s SME sector currently accounts for only 12 per cent of total national economic activity - the proportion in developing countries overall reaches up to 90 per cent. There is thus a huge potential for entrepreneurial activity in the SME sector in Fiji. The main asset that the Fijians possess, land, has often been overlooked as perhaps the most potent means to enhancing the economic position and participation of Fijians in business. This is particularly important because rural Fiji accounted for 43 per cent of poverty in 2008. This prompted calls from experts like Dr. Wadan Narsey⁵³ to channel 70 per cent of all poverty alleviation resources to rural areas (Fiji Times, 2 October 2012). A turnaround in rural quality of life would not only help stem the rural–urban drift, but help generate income for the whole economy. The next section proposes some areas that offer potential for land-based SME development in Fiji.

POTENTIAL AREAS OF BUSINESS ACTIVITY

Agro-based business activity has begun to show results in some parts of Fiji. Many of these initiatives are characterised by a small-scale, communal village-based organisation, government resource assistance, involvement of civil servants as advisors on an on-going basis, greater participant access to advisory government personnel and provision of market outlets and/or assistance. Some of the main crops and schemes include:

Dalo: Cakaudrove launched a village based commercial farming program in 2010 that aimed at ‘encouraging economic development and removing lax attitudes towards farming in the province’ (Fiji Times, 8 September 2010).⁵⁴ As of September 2010, 60 out of a total of 134 villages had adopted the scheme that aimed to get each villager to plant at least 1000 dalo plants per month. Saqani village already had a plantation of 25,000 plants. Closely linked to the cultivation

drive is a micro-financing program that encourages villagers to save \$20 from every bag of dalo that they sell. Roko Tui Cakaudrove Ro Aca Mataitini was reported to have said, 'We've told them to utilise the gold mine they are sitting on, which is the land, and have told them that they are not poor but rich people that just need a change in mindset and attitudes. The scheme will surely remove the vucesa culture and ensure economic development in these villages. We will make visits in October to see if the scheme has been adopted and if villagers are doing anything about it' (Fiji Times, 8 September 2010).⁵⁵ Wainunu district in Bua has shown an income of \$225,000m from the sale of dalo (Fiji Times, 15 July 2010)⁵⁶. Tui Wainunu Ratu Orisi Baleitavea said 8 villages were involved in the enterprise, with 5 middlemen coming right to the villages to buy the produce.

Cocoa: Fijians planted cocoa in many parts of Fiji in the 1950s and 60s until the industry collapsed in the early 70s. Government's Integrated Human Resource Development Programme (IHRDP) announced the launching of a major rehabilitation program beginning at Namau in Naloto, Tailevu North (Fiji Times, 22 July 2010).⁵⁷ The 6–8 month rehabilitation program, focusing on farming and pruning methods and how to keep the farms clean, would run parallel with the construction of a new factory at Namau. This would allow villagers to 'get the maximum benefit not only through the cocoa beans that they currently sell but other by-products like chocolate, milo and other products that are being imported into the country', according to IHRDP manager Central Division, Kasimiro Taukeinikoro. The Namau pilot project would be used to spread the cocoa message throughout the old cocoa belt over time.

Cassava: Twenty villages in the districts of Macuata, Sasa and Dreketi had to dump \$100k worth of cassava in 2009 because the Agricultural Marketing Authority (AMA) failed to meet its obligations in arranging purchases straight after cyclone Thomas struck (Fiji Times, 19 July 2010).⁵⁸ Partly in response to this, Baltham Western Limited, an Australian company, has set up a cassava factory in Labasa.

Ginger: Exporter Freshpac's General Manager, Satish Kumar, said, 'Fiji has one of the best qualities of ginger in the world but local ginger farmers still cannot meet the high demand for export' (Fiji Times, 9 July 2010).⁵⁹ This has forced the company to import semi-processed ginger to meet orders. In 2009, Fiji imported almost 68,000 kg of ginger worth \$317,000. Fiji exported \$6m worth of ginger in 2010 and its popularity is particularly pronounced in the US and Europe. Fiji's major ginger exporter is Kaiming Agro Processing Limited.

Potatoes: Flour Mills of Fiji Limited (FMF) buys 400,000 kg of potatoes annually for producing potato chips. Potato imports rose from 9167 tonnes (F\$2.63m) in 1980 to 10,500 tonnes (F\$5m) in 1990 to 16,000 tonnes (F\$17m) in 2010. In order to reverse this trend, 10,000 tonnes of seed potato were distributed in June 2010 amongst farmers of Navai in the Nadarivatu district. More was to be distributed in Ra, Nadroga and Navosa provinces (South Pacific Agricultural News SPAN vol. 35, no. 6, June 2010: 3). Many Fijian farmers in Mataso, Ra have adopted potato farming after successes in 2010. Nakorovou villagers have formed an association to invest more time and manpower into potato farming (Fiji Times, 29 March 2011).⁶⁰

Coconuts: Kiuva villagers in Tailevu husk and supply 300 bags of coconuts per month to Food

Processors Fiji Limited for \$2100 (Fiji Times, 10 July 2010).⁶¹ One step up from husked coconuts is dried coconut sold as copra. Women from Cicia island in the Lau Group used to use 6000 coconuts to produce 1 tonne of copra, turning a profit of \$300. Now they use the same number of nuts to produce and sell virgin coconut oil, raking in \$12,000 (Fiji Times, 24 July 2010).⁶² By-products from the process are used to make coconut cream soap. Coconut husk and fronds are used to make belts, fans, magimagi, body scrub and sasa. Coconut oil has also been sold for cash, but it does not fetch premium prices like virgin oil.

Sandalwood: Ono-i-Lau development committee adviser, Anare Jale, reported that from 2008 to 2010, the island earned approximately \$2m from sandalwood sales and royalties – \$1.7m from sales alone (Fiji Times, 8 August 2010).⁶³ Processing sandalwood on the island for oil, scents, perfumes and related products, could lead to much bigger incomes.

Bamboo: Bamboo has traditionally been used for making traditional rafts (bilibili) and walls for houses. There are many other more directly commercial uses to which it can be directed – products that can be made from bamboo include bamboo mats, baskets, lamp stands, wall hangings, laundry baskets, hand fans, home accessories and jewellery. A series of workshops held in the North in August–September 2010 generated unexpected enthusiasm among village women (Fiji Times, 22 September 2010).⁶⁴ The main concern expressed was where to sell the output.

Livestock: Beef, mutton and goat meat are in very high demand in Fiji, but supply is not able to meet this. According to Research Officer Eroni Tamani, this shortfall arises from a lack of land because of a complicated land owning system that hinders access to land for commercial animal farming (Fiji Times, 22 July 2010).⁶⁵ Self-sufficiency in poultry meat in Fiji, on the other hand, stands at 98 per cent, largely because it requires a much smaller land area. The Northern Development Program supports 60 livestock programs in Vanua Levu (Fiji Times, 23 March 2011).⁶⁶

Fisheries: A new ice plant set up in Naduri village in Macuata in early 2011 has helped villagers save on transportation costs for ice and for carting their fish to the market in Labasa town. Fishermen are now able to buy ice handily from the plant and store their catch there overnight for easier and more convenient transportation to the market. Villages benefiting from the plant include Nasea, Naqumu, Niurua, Raviravi, Nakalou, Nabukadogo, Macuata-i-wai and Kia Island.

Kava: Kava (yaqona) has long been a cash crop in the non-cane rural areas of Fiji. Its presence is particularly pronounced in the outer islands and greater part of Vanua Levu. Rural Fijians have taken up kava cultivation to the extent that Fijian farms have become visible and numerous Fijian-owned 4-wheel drive vehicles ply the rural roads. This effort, however, needs to be better managed and coordinated. Sustained long-term commitment will be necessary for lasting success. One weakness identified in this regard is the need for training in money management, because the incomparably large sums of money earned are used with little concern for saving and investment such as is seen in the more prudent cane farmers or in Indo-Fijian commercial farmers.

Other areas that offer prospects include: poultry, piggery, honey, vanilla farming, prawn farming,

fruits and vegetables. Not only are local markets available for these, but the potential for exports is virtually limitless. Non-land-based activities that could also help the SME sector include bread baking, sewing, small shops, mechanics, carpentry, middlemen for farm and fisheries products, transportation, and so forth. There is thus no shortage of potential for commercial enterprise in the agricultural sector of Fiji, where the bulk of land ownership is in Fijian hands. This is where assistance schemes might yield the best results.

DISCUSSION

It is clear from the historical review presented here that assistance schemes to help Fijians enter the business sector in Fiji have had mixed results at best. This can be attributed to colonial as well as postcolonial policies aimed at protecting and restricting enterprise in Fijian people in order to preserve the social order that was so important in maintaining the status quo that served the dominant interests at different points in time. Thus the nature of Fijians' existence stunted the development of a sociopsychological orientation, supportive social structures and a conceptualisation of business better suited to the demands and dictates of the modern business environment. The *caka bisinisi* model that emerged through this tortured and confused process has inherent weaknesses that greatly handicap its use value, especially given the dramatically changed political-economic environment within which the repeatedly espoused business aspirations of the Fijians have to be realised.

A government-commissioned study in 2002 produced the 2002 Seeto Report (fijilive, 17 September 2002),⁶⁷ 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 socioeconomic 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-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 () must have the will and commitment to changing their values, attitudes and behaviours'. This report was roundly condemned in the GCC and was subsequently shelved. Most of what it said is reiterated in this article.

Thus there is little arguing that the Fijians will have to take responsibility for their participation in the commercial sector. Assistance schemes should be reprogrammed so that they have robust accountability mechanisms that will improve the chances of success, minimise wastage and improve the potential for training that would, over time, take on a self-generating volition of its own. The political, social and economic potential that this could unleash for the country would provide the most potent answer to the negative impacts of the ongoing worldwide recession. Given that the SME sector now accounts for a mere 12 per cent of total economic activity in the country, and the fact that business enterprise within the SME sector is smaller-scale and more manageable, a focus on SME development within the ethnic-Fijian community will not only

provide access to more than 90 per cent of Fiji's land, but it will mobilise more than 60 per cent of its population into commercial pursuits, thereby helping harness Fiji's main resource strengths for the bigger good of the economy.

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- Fijilive.com.fj (14/9/02); (3/4/03); (15/9/02); (13/3/03); (17/9/02).
- Fiji Sun (10/4/10); (FS 21//7/10)
- Fiji Times (5/2/86, p.7); (13/7/10); (15/7/10); (2/10/10); (8/9/10); (8/9/10); (15/7/10); (22/7/10); (19/7/10); (5/7/10); (10/7/10); (24/7/10); (8/8/10); (22/9/10); (22/7/10); (23/3/11); (29/3/11); (21/4/12)

Review (Dec., 1992); (Nov., 1995, pp. 38-58)

ENDNOTES

- 1 It is worthy of note that the comparative absence of the ethnic Fijian in Fiji's commercial sector was one of the main reasons presented to rationalise the May 1987 coup.
- 2 Prasad, G. (2009)
- 3 quoted in Legge, 1958, p. 204
- 4 This became widely referred to as the Great Council of Chiefs or GCC. With the coups of 1987 and 2000 and the concomitant renewed emergence of Fijian ethno-nationalism, the term Bose Levu Vakaturaga (or BLV) has acquired wide currency.
- 5 Lal, 1992, p. 14
- 6 *ibid*, p.14
- 7 *ibid*, p.14
- 8 See Lal (1986), Thomas (1990: 167), Bain (1988 136), Kaplan (1989, 1990).
- 9 Scarr, 1980a, p.111
- 10 Robertson & Tamanisau, 1988, p.10
- 11 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. During the period 1920 to 1940, there were major issues about land leases, rentals, renewals and sale of leases, bribery and corruption, which influenced support in the subsequent establishment of the NLTB.
- 12 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:113) and Robertson & Tamanisau (1988:10).
- 13 Apolosi Nawai 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 gaoled. For more on Nawai, see Lal (1992: 48-54).
- 14 Barrow, quoted in Lal (1992: 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.
- 15 Sukuna himself had patronising and derogatory things to say about 'his people', and their lack of civilisation and sophistication.
- 16 Scarr, 1980b, p. 71
- 17 Sukuna quoted in Scarr (1980b, p. 72).
- 18 It needs to be noted that Ratu Sukuna did encourage commercial agriculture, but his inclination in this direction appeared to be ambivalent over time.
- 19 Scarr (1980b, p. 99).
- 20 From the mid-1930s the colonial administration had been urging Fijians through the GCC to utilise their lands for economic enterprise. Leasing excess tracts of land through the NLTB and the Native Land Trust Act of 1940 was seen as a step in this direction.

- 21 Quoted in Lal (1992, p. 135).
- 22 See Lasaqa (1984, pp. 26-27) and Lal (1992, p. 138) for details on the galala system.
- 23 Quoted in Lal (1992, p. 138).
- 24 Encouraged by the British, in the 1920s and 30s, CSR did establish training schools for iTaukei to learn how to become commercial sugar cane farmers, but this lacked scale and support from chiefs.
- 25 There has been a marked interest towards cane farming by Fijians. Whether this has been motivated by attempts to deprive the Fiji Indian cane farmer of the main means to continue in the industry or genuinely to attempt to utilise land to realise its full worth as amply demonstrated by the tenant farmers is a moot point.
- 26 At that time Fijian society comprised chiefs, rural village-based Fijians, rural non-village based migrant labourer Fijians, minor bureaucrats (both rural and urban) and members of the clergy. The predominant category was the rural village-based Fijians, who have continued to struggle in coming to terms with modern life in Fiji.
- 27 All references to 'he' or 'his' in this paper are meant to refer to both the sexes covered ie. males and females.
- 28 See Lal (1992: 182); Lasaqa (1984: 26) and Nayacakalou (1975: 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.
- 29 Some of the Fijian reactions are recorded in Lal (1992: 185–186) and Nayacakalou (1975: 133–134).
- 30 Earlier administrations had skirted the issue of Fijian economic enterprise, largely because it would have brought the colonial administration disfavour from the chiefs, who were disinclined towards any programs that would provide Fijian commoners with the means to move away from depending on the traditional Fijian system for sustenance. This desire, however, was seen periodically in the Viti Kabani and later in the Viti Cauravou and Gauna Vou movements.
- 31 Affirmative action programs were focused on this.
- 32 See Lal (1992, pp. 232-233).
- 33 This was preceded by the Project Evaluation Unit set up in February 1974.
- 34 Qarase in Lal (1992, p. 233).
- 35 See Lal (1992: 180–186) for details of the Spate and Burns Commissions of Inquiry.
- 36 Fiji Times (5 February 1986: 7). In fact the number of unemployed Indo-Fijians had begun to increase, and their presence in squatter settlements around Suva stood at 58%. This report also showed marked increases in the proportion of Indo-Fijian unemployed, and decreases in the proportion of Fijian unemployed between 1976 and 1983.
- 37 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).
- 38 Aidney-Dickson Report, in the Review (Nov. 1995: 38–58). See also Grynberg et al. (2002). The total NBF loss has been placed at between \$230 and \$250 million.
- 39 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.’

40 At a March 2003 Indigenous Fijian Business Council symposium in Nadi, PM Qarase qualified this to Fijian majority-owned businesses. He also said that this would apply to government permits, licences and quotas as well (fijilive, 13/3/03).

41 Appana, 2011.

42 See Appana 2011 for details.

43 Viliame Savu’s Fiji Independent Party (1971), Osea Gavidi’s Western United Front (1981), Apisai Tora’s All National Congress (1992) and Party of National Unity (1998), Josevata Kamikamica’s Fijian Association Party (1995), Poseci Bune’s Veitokani ni Lewenivanua Vakarisito (1998), Ba Province’s Bai Kei Viti (1998) and Epeli Ganilau’s National Alliance Party (2005) were Fijian political parties that appeared and faded on the local political scene.

44 Singh & Reddy, 2007.

45 Poullaos, 1985.

46 Review, Dec. 1992.

47 Part of this failure of EIMCOL could also be attributed to inadequate research on the structure and competitiveness of the supermarket industry in Fiji – there are important lessons to be learnt from this.

48 Fiji Sun, 10/4/10.

49 FT 13/7/10

50 FT 15/7/10

51 FS 21/7/10

52 FT 21/4/12

53 FT 2/10/10

54 FT 8/9/10

55 FT 8/9/10

56 FT 15/7/10

57 FT 22/7/10

58 FT 19/7/10

59 FT 5/7/10

60 FT 29/3/11

61 FT 10/7/10

62 FT 24/7/10

63 FT 8/8/10

64 FT 22/9/10

65 FT 22/7/10

66 FT 23/3/11

67 fijilive 17/9/02

