

Trends in Industrial Disputes in Fiji, 1987-2001

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Abstract

This paper examines the trends in trade disputes between 1987 and 2001, and argues that the machinery of trade dispute reporting and resolution works in an environment where law and order is maintained. It suggests that where democratic institutions are weakened, industrial relations institutions are also weakened.

Introduction

Industrial relations is the relationship between the employer and the employee. It broadly deals with relationships encountered by working people in their working lives. It can also be interpreted as a general term covering matters of mutual concern to employers and employees and their relationship, formal and informal, with their representatives. These are essentially human relationships and in the final analysis, industrial relations are the way human beings act and react at work. It must also be recognized that the relationship and inter-relationship of workers, employers and the state do not take place in a vacuum. Industrial relations takes place within the living context, the living environment of society at large.

Industrial Relations in Fiji has developed along a mix of the traditional British voluntarist and historic interventionist New Zealand traditions, and have mirrored developments in Australia and New Zealand (Prasad and Hince, 2003). The Fiji Trades Union Congress and the Fiji Employers Consultative Association (FECA), which later became Fiji Employees Federation (FEF), were the national actors from the mid 1970's onwards.

Compared to other South Pacific island countries Fiji has the most developed and well-defined industrial relations system and structure. Its economy is the most diverse and its labour markets more extensively developed, including its labour administration institutions. Similarly, its regulatory framework for industrial relations is relatively well developed, not only at the national level, but also at sectoral and enterprise levels. A classical example is the important sugar industry which has its own regulatory framework. A variety of factors have influenced the development of industrial relations in Fiji including economic, political, social and cultural factors.

Industrial disputes in Fiji are important issues. People are the most important assets in organizations and it is necessary to develop collaborative relationships. How workers are managed will impact on the nation as a whole.

This paper examines the trends of industrial disputes in Fiji and discusses some of key determinants of an effective industrial relations system.

Trends of Industrial Disputes in Fiji: 1987 to 2001

Industrial disputes in Fiji have influenced industrial relations system in a variety of ways. Industrial conflicts have exposed the strengths and weaknesses in the regulatory role played by the government, and impacted on the labour markets and labour administration intuitions. Major conflicts also expose weaknesses in existing labour legislations. The institutions, laws and conventions that evolved were products of, and responses to, conflicts, negotiation and accommodation between the parties (Prasad and Hince, 2001). Industrial disputes have also influenced the role of trade unions, management and the state in either confrontational or collaborative ways. Various economic, social, legal and political factors have shaped the trends. For these reasons, an analysis of the patterns and trends of industrial disputes in Fiji would be helpful to understand the overall system of industrial relations in Fiji.

Table 1 shows the trade disputes reported from 1987 to 2001. In 1987, the number of trade disputes reported was above the 100 mark. However, it was below this mark from 1988 to 1995. From 1996 to 2001, it again rose above the 100 mark.

Table 1: Trade Disputes, 1987 to 2001

Years	Number Reported	Number Accepted	Number Rejected	Number Referred to other Parties
1987	106	85	21	N/A
1988	68	52	16	N/A
1989	43	39	4	N/A
1990	71	52	19	N/A
1991	73	59	14	N/A
1992	60	55	5	N/A
1993	85	61	17	7
1994	78	62	16	4
1995	88	79	9	11
1996	158	148	10	N/A
1997	170	87	26	8
1998	142	93	23	4
1999	143	118	19	12
2000	114	83	12	10
2001	143	75	12	18

Note: The figures in the first column and the last three columns do not tally in all the cases. The Ministry of Labour, which is the source of data, has not been able to explain the reason for this.

Factors Shaping Industrial Disputes

It is significant to note that some of the far reaching and sweeping changes to Fiji's industrial relations system occurred in the period 1987 to 1992, a period when Fiji faced intense political and economic crises (Prasad and Hince, 2003). Low levels of investment, a widening government deficit, continued emigration of skilled members and professional workforce, and an uncertain political environment characterized the country in this period. These brought significant changes to industrial relations in Fiji. Fiji's economic development is closely tied with its political framework. Fiji experienced two military coups in 1987 and as a result it had to implement macro-economic policies to revive the economy.

A major response to this economic downturn was the implementation of structural adjustment programmes in the year 1989. These programmes were aimed at restructuring the economy through policy measures such as corporatisation and privatization of state enterprises, deregulation of the labour market, promotion of trade liberalization and devaluation of the Fiji dollar. As a result, union and employer relationships at the workplace were transformed and social partnerships strained (Prasad and Hince, 2003). Trade union membership decreased and number unemployed increased. The decline in membership, and the oppressive climate, saw a reduction in the number of industrial disputes immediately after the coup in 1987.

In 1987, few private sector employers granted wage increases to their employees; instead wage cuts, redundancies and lay-offs were the order of the day, raising trade disputes to over the century mark. There was also a dramatic rise in unemployment rate, severe erosion of investor confidence and a rapidly contracting national economy, a -8.8 per cent in the growth in GDP in 1987 and a -6.0 per cent growth in 1988. However in 1992, after the government relaxed its controls on wage increases, overall wage increases ranged from 5 to 10 per cent, thus demonstrating the restoration of free collective bargaining (Prasad, 1995). The Public Service also moved away from an annual incremental system, replacing it with a merit incremental system following an arbitration award in 1992. This is reflected in the low level of disputes reported in 1992 and the high levels in 1987.

Structural adjustment programmes continued to 1992. After the general elections that year the *Sogosoqo Ni Vakavulewa Ni Taukei* (SVT) government pursued these further. Declining investment, low economic growth, government deficit and migration of skilled workers continued. Trade unionists argue that it was the policies that created an unfriendly environment, characterized by increased polarization of trade unions and employees. Because labour-management cooperation in the country deteriorated, disputes often flared up into full-blown industrial disputes (Prasad and Hince, 2003).

Since independence, Fiji has gone through four distinct phases in wage settlements. Between the period 1970 and 1976 there was free wage bargaining. Between 1977 and 1984 wage increases were negotiated through the Tripartite Forum. From 1987 to 1990 wages were determined by government with little direct consultation with unions. In 1991 controls on wage increase processes were totally removed.

Ethnic tensions also had an impact on industrial disputes in Fiji. After the coups in 1987, there were strong attempts to weaken the Fiji Public Service Association (FPSA) by establishing an ethnically based Viti Public Service Association (VPSA). In addition, the SVT Government in the early 1990's pursued structural adjustment programmes. As a result, several big state organizations were corporatised such as the Fiji Pine Commission, Fiji Post and Telecommunications Limited, Civil Aviation Authority of Fiji and the Ports Authority of Fiji. Enterprise unions developed within these enterprises to avoid dealing with the service wide union – the FPSA. Enterprise unions were an attempt to weaken the trade union movement. The weakened union movement was unable to articulate the interests of workers. This explains a low number of trade disputes during this period.

Another reason for the low number of disputes reported in the early 1990's as compared to the last fifteen years was significant changes experienced in the manufacturing sector. Small to medium sized enterprises (excluding sugar) expanded from 1989. However, large sectors remained union free. Some reasons for this include an anti-union approach by the employer, hostile state institutions and non-traditional employment contracts. Attitudes like these impeded trade unions from forming, leaving the employees unrepresented by a collective body.

The legislative framework relating to industrial relations in Fiji also had an impact on industrial disputes. The Trade union view was that changes since the early 1990's were aimed at curtailing the powers of an increasingly politicized organized labour movement. Partly as a result an anti-union approach by the post coup government was demonstrated through the Public Service Decree in 1988. This legislation abolished the provision for appeals machinery for public employees. This was followed by the Internal Security Decree in 1988, which restricted the free operations of trade unions (Prasad and Hince, 2003). For example unions operating locally could not get assistance from their overseas counterparts. Additionally, in 1990, the Interim Administration brought into force Decrees 13 and 14, which imposed penalties for unlawful strikes. 'Check-off' provisions for union dues were terminated but restored for Public Sector Unions in 1992 (Prasad and Hince, 2003). The trade union movement engaged in various measures to reverse these laws including support from overseas counterparts.

Additionally, there were changes to the Trade Unions Act by Decree 44

in 1991. This placed restrictions on union officials from holding positions in more than one industrial association. There were also amendments to the Trade Union (Recognition) Act in which a 50 per cent membership requirement was necessary for compulsory union recognition. The registrar could also register a trade union as well as cancel or suspend registration under specific circumstances (Prasad and Hince, 2003). These amendments weakened the trade union movement. This also had an impact on the trade disputes reported in the early 1990's.

An important development in the Trades Disputes Act was the separation of essential services such as water and electricity, from other services. Industrial disputes associated with essential services required a 28-day notice prior to taking industrial action. Trade disputes were also categorized into disputes of interests and disputes of rights by Decree 27 of 1992, which amended the Trade Disputes Act, and introduced the separation between disputes of rights and disputes of interest.

In 1990 Fiji adopted a new constitution. Its adoption was characterized by confrontation and opposition. This environment produced weak institutional support for industrial relations. Opposition to the constitution, largely on the basis of its violation of human rights, created a mood of defiance. As dissatisfaction expanded, collective disputes began rising. Increases in disputes of rights, where application and interpretation problems arose from the new legislative framework, also contributed to increasing number of trade disputes after 1992.

Corporatisation and privatisation during the mid 1990's, especially the rapid rate adopted by the government closer to the 1999 election, saw an escalation in trade disputes. As a result 1997 had the highest number of trade disputes reported; the numbers remained high in 1998 and 1999.

The 1997 Constitution, replacing the 1990 Constitution, restored union power by law. In 1999, after the general elections, a Fiji Labour Party lead coalition government came into power and made attempts to reverse some of the structural amendment programmes, including reversal of the corporatisation process in the aviation, electricity and utility sectors. In the subsequent year trade disputes fell as the Government's approach favoured trade unions. From 1999 till early 2000, many large organizations had people who supported the new government at the top/strategic management levels, making labour-management and labour-government relationship much more collaborative. This resulted in a lower incidence of trade disputes.

Another important factor in a lower number of trade disputes being reported was the breakdown in law and order in the country towards the end of May 2000 after a terrorist coup. This meant that the institutions to which aggrieved workers could take their grievances, were no longer effectively functioning. This made reported trade disputes a redundant process. This state

continued for most of 2000. In 2001, the Constitution of the country was rehabilitated by the judiciary. This empowered the workers once more.

Conclusion

This paper examined trends in trade disputes between 1987 and 2001, and proposed some of the reasons that explain these trends. It is argued that the machinery of trade dispute reporting and resolution works in an environment where law and order is maintained. This requires a democratic system of governance in the country. Any attack on democracy weakens the machinery that is in place to handle industrial relations. This results in the closure, or at best, the emasculation of, the avenues left for trade unions to get trade disputes resolved.

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