

Poverty Reduction Policies for Fiji

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*'There is a broad consensus that the levels of poverty have worsened and show little sign of abating. It is a potential threat to social peace as well as limiting the potential of a good portion of our citizens, condemning them to a life of dependence and little dignity'.
Ratu Joni Madraiwiwi 2006*

Abstract

The proportion of people in poverty in Fiji has been increasing. It is evident that the government's approach to poverty reduction has been erratic and ineffective. Low wages in Fiji have contributed to the existence of the working poor. There are different shades of poor in Fiji. While some are chronically poor and totally dependent on assistance, others need assistance on short term bases. This paper discusses a number of models to measure and eradicate poverty.

Introduction

This quotation, from the former Vice President of the country, clearly makes the point that impoverishment in the supposed 'paradise' has been increasing during the post-colonial period (cited in Narsey, 2006).¹ Three Household Income and Expenditure Surveys (HIES), the most recent being conducted in 2003, confirm this trend. The country's position in the United Nations Human Development Index (HDI) ranking has declined from 45 in 1994 to 90 in 2004. As in other countries, poverty in Fiji has multiple causes and, therefore, requires a multi-pronged and in-

¹ It is noteworthy that many exotic tourist places including Jamaica and Thailand have highly unequal income distribution and large proportions of their populations in poverty.

tegrated policy approach to be effectively countered. In this paper, a brief mention is made of increasing inequality and worsening poverty trends and a range of policy options are suggested.

These policy recommendations are based on consultative work in collaboration with various government departments, NGOs, faith-based groups and charitable bodies. The consultations were conducted in the period 1999 to 2000 to compile the National Poverty Eradication Strategies Report for the Fiji Government's Ministry of National Planning.² The government will need to redouble its efforts to ameliorate poverty if the current trend is to be reversed. Such increased effort is necessary for the country to meet the minimal Millennium Development Goals (MDGs) of halving extreme poverty and hunger by 2015.

Measuring Poverty: Poverty on the Rise

There are different definitions of poverty and ways of measuring it. There are also many disagreements on the appropriateness of indicators that represent the true picture and extent of poverty. For instance, the World Bank's dollar a day poverty measure is generally used to indicate extreme poverty but this is also widely criticized (Pogge and Reddy 2002). Virtually all national measures of poverty adopt monetary poverty lines. However, poverty is more than an income level that fails to meet basic human needs; it has economic, social, cultural, political and psychological dimensions. Together, these have the impact of excluding, marginalizing and disempowering various categories of citizens in a country from enjoying fundamental human rights and dignity. In its most entrenched form, it is likely to be intergenerational, condemning children to grow up and live in poverty and raise children of their own in the same conditions.

Sen (1985) has maintained that poverty is capacity deprivation. He conceptualized the capability approach that assesses the functioning of people in society with the enhancement of capacity as critical to improving the lives of those afflicted by deprivation. With improved nutrition

² The National Poverty Reduction Strategy Team comprised Vijay Naidu, Fr Kevin Barr, Kesaia Seniloli and Robert Lee. The UNDP (Suva) provided funding for this project. A draft 'Fiji's National Poverty Alleviation and Eradication Strategy' Report was submitted to the Ministry of National Planning. The May 2000 coup resulted in a massive decline in the rationale of policy-makers for implementing effective poverty reduction policies. In the post-2000 period many racially motivated and exclusive affirmative action policies in favour of ethnic Fijians were implemented.

and education, for instance, the capability of individuals improve significantly and their functioning in wider society also enhances.

On the basis of this definition of poverty and deprivation, the HDI brings together life expectancy, literacy and per capita income to form an indicator that measures the macro-conditions of countries for comparison at the global level. In this way, countries are given positions in the hierarchy of collective wellbeing. While the World Bank and Human Development Report focus on poverty, Sen seeks to promote the capability dimensions of poverty and deprivation, and, therefore, argues that more factors be added to the composite indicators for better measurement.

In the case of Fiji, it is apparent that whichever approach or measures is adopted, the trend is of increasing poverty. The HIES data for 1977, 1991 and more recently, 2002-3 show growing numbers and proportions of people falling in poverty. Over this period the proportion of households in poverty rose from 11% in 1977 to 25% in 1990/1991 and to nearly 35% in 2003. Both the Asian Development Bank study of 2004 and the analysis of 2002-3 HIES by Narsey (2006) show that more than 30 percent of Fiji's people are below basic needs poverty line. Barr and Naidu have maintained that official poverty figures tend to use yardsticks that downplay the level of deprivation (for instance the basket of food items included in the food poverty measures). Their view is that close to 50% of the population struggle with varying degrees of poverty with the same proportion of households earning incomes below \$8000 a year³.

From Narsey's analysis of wages over the 30 year period from 1971-1999, it is apparent that 'poverty wages' are being paid to more than two thirds of wage earners in formal employment. 'The proportions of all wage earners below the 1997 Basic Needs Poverty Line increased from 31% in 1978 to 69% in 1989 and further to 71% in 1999', (Narsey 2007a: viii). The absence of just social wages generally impacts on households negatively, but there are gender and age dimensions within households that adversely affect women and children. There is also on-going feminization of poverty, which is reflected by the proportion of poor households headed by women. Narsey further states that the cost of closing the poverty gap has also escalated considerably. According to his findings the poverty gap increased from 11% of the total wage bill in 1984 to 27% in 1989, and 32% in 1999. The largest proportions of these adjustments were in the private sector. The manufacturing sector, and service sector,

comprising wholesale, retail, hotels and restaurant accounted for about 90% of the total adjustments. Narsey has maintained that during the post-colonial period, over a billion Fijian dollars has been transferred from workers' wages to employers' profits (Narsey 2007a).

Thus, a significant poverty alleviation policy relates to the wages that are being paid currently to workers and how best to bridge the poverty gap. However, as indicated earlier, while earnings and livelihoods are fundamental to addressing poverty, poor people suffer from multiple disadvantages. A major factor in their predicament is the high incidence of inequality in Fiji (Brookfield, et al. 1978; Government of Fiji and UNDP 1997; Narsey 2006; 2007a; 2007b). Inequality and impoverishment are closely entwined. This inequality is based on ownership and access to assets such as land and other natural resources, as well as ownership of businesses. Lack of opportunities such as access to credit facilities, education and employment are the main causes of social exclusion. The other dimensions of deprivation in Fiji are lack of access to services such as safe water, transport, communication, and health.

Those who make the small upper and middle class crust, besides owning and controlling most of the resources, have a disproportionately large influence in decision-making in both the private and public sectors. Public policies tend to benefit them rather than the wider society, causing greater disparity.

For a long time, there has been a preoccupation with ethnicity. This has not helped in the understanding of the nature of poverty and inequality in Fiji. Rural dwellers in Fiji have lesser wealth and political clout than urban dwellers. The level of poverty is also generally higher in the rural areas. The recent trends towards greater market based and private sector-led economic growth has further aggravated the state of deprivation amongst these depressed communities. There are many dimensions to poverty; gender and age seems to be gaining focus recently (see Narsey 2007c).

Addressing Poverty

Although a number of officially endorsed reports on the extent of poverty have been made, and recent general election campaigns in 1999 2001 and 2006 have focused on addressing poverty issues, there is little systematic effort at dealing with inequality and poverty. If anything, the piecemeal policy measures to reduce poverty have been contradicted by reforms inspired by neo-liberal ideology and by ethnically exclusive af-

³ The 2008 Budget increased the tax threshold to \$9000, adding another 500 households in the category of those not required to pay income tax.

firmative action programs. As this paper is not a critique of either neo-liberal reforms or affirmative action policies, it suffices to say that the former seeks to reduce the size of the public sector economy and thus public sector employment. These reforms also seek to cut the social services including the provision of state sponsored safety nets. The latter, against all the evidence, in effect benefits a small minority at the expense of the majority of the very ‘race’ that the affirmative action programmes seek to uplift (see Ratuva 2000 and Kumar 2007).

More positively, the greater awareness of poverty and its consequences provide the context for more serious deliberation and adoption of policies and measures that reverse the trend of more and more people falling below the poverty line. The following flowcharts (Figures 1-2) illustrate diagrammatically the vicious cycles of poverty to justify pro-poor policy-making. As they are reasonably self explanatory, there is no further explanation of these.

Figure 1: Vicious Cycle of Poverty

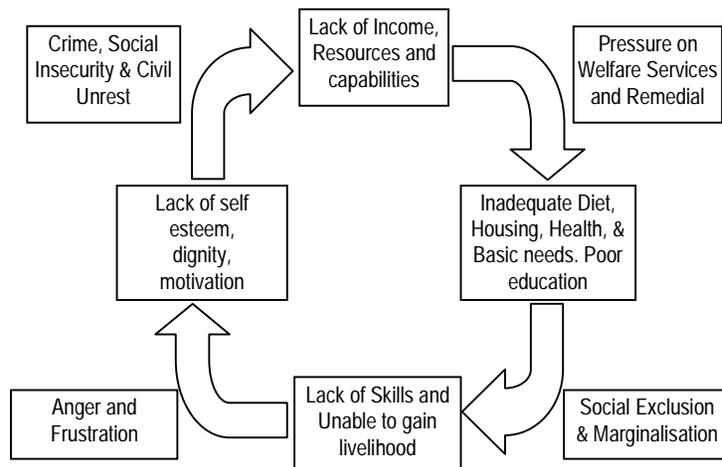
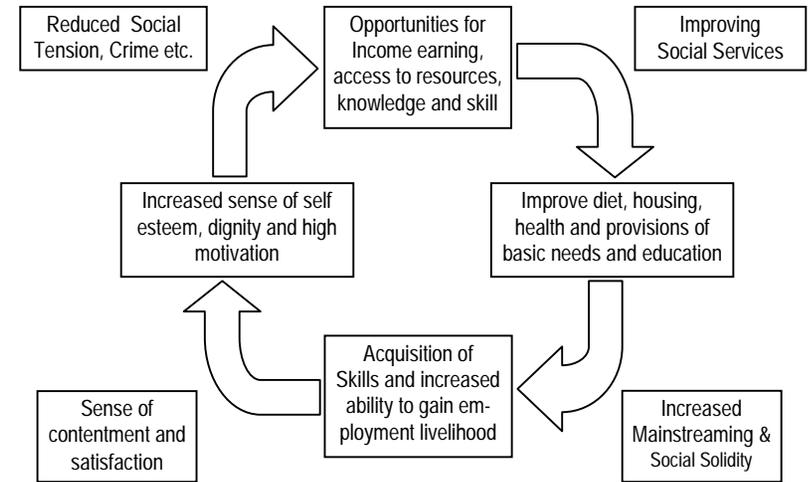


Fig 2: The Virtuous Cycle of Social Solidarity by Poverty Reduction



As indicated above, there are various ways of looking at poverty. When it is viewed as lack of an acceptable level of income, then increasing incomes by expanding economic activities are seen as the primary remedy. However, when it is viewed in a broader structural framework encompassing human deprivations, strategic choices will include both economic measures as well as building human capabilities. Both, the narrow and the broader structural policy directions are provided in Figure 3.

There are four core policy areas that comprise the strategic framework for poverty reduction. These are: a) economic growth; b) increasing basic social services and social development; c) improving participation and empowerment; and d) targeted services for the disadvantaged in society. These basic areas of concern and their links are put into a diagrammatic form in the flow chart in Figure 4.

Economic Growth

The Reserve Bank has stated often that the economy needs to grow at 5-10% annually to generate revenue, employment and livelihoods that will address income inequality and poverty (see also Narube 2006).

Figure 3: Policy Direction

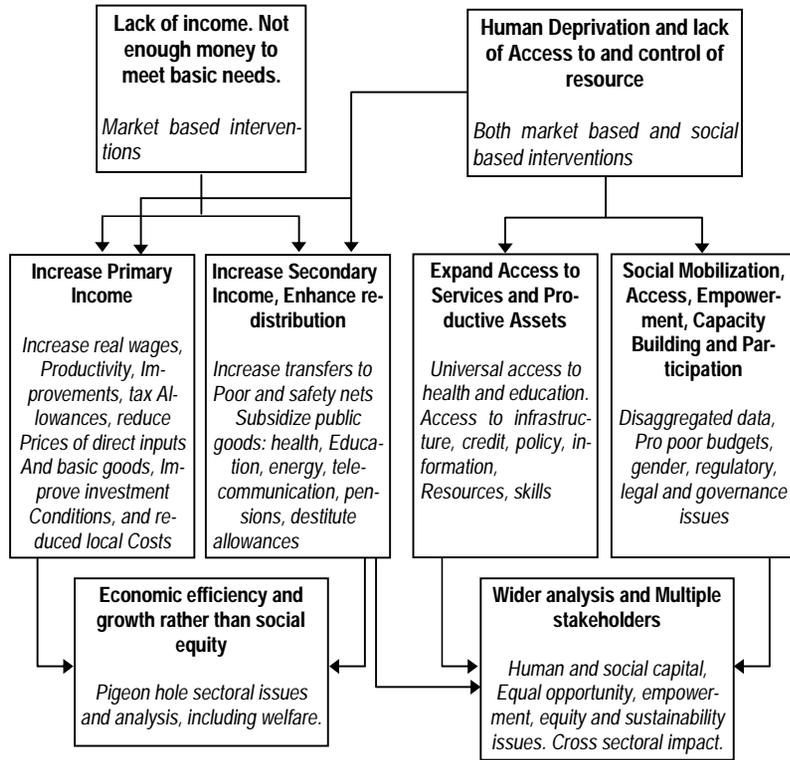
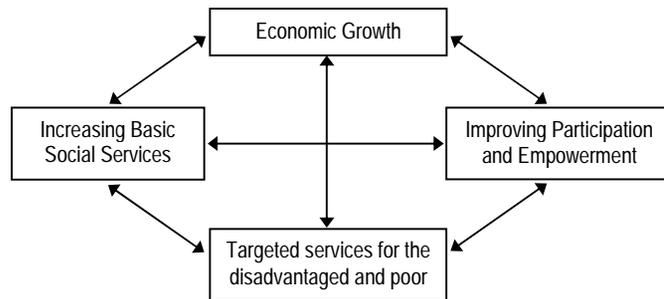


Figure 4: The Basic Strategy Framework



Pro-poor economic growth strategies must entail growth in labour intensive sectors such as tourism, hotels and restaurants and agriculture. Tourism in Fiji has been dominated by foreign travel agents, airlines, ground transport operators and hotel chains, which have led to minimum gains for local industries. Tourism and related industries have, on average, paid below poverty line wages to workers with increasing proportion of casual workers who are unable to claim cost of living adjustments (COLA), pension schemes and other benefits (Ives St. J. and Naidu 2006). Fair wages and improved terms and conditions of employment remain issues in the tourism and related sectors.

While Fiji is supposed to have a comparative advantage in agriculture, it has not done well in the recent past. Besides issues of diversification of commodities, improvements in infrastructure such as roads and transportation, access to markets, preservation techniques and storage, meeting international standards, extension services, credit and research towards diversification and organic farming are needed. There has also been a fundamental problem of land tenure that has not been formally resolved. The expiry of agricultural land leases and the lackadaisical government support for evicted farming families have discouraged farmers. Lack of initiative to provide land for resettlement and training for alternative livelihoods, have contributed to a sizeable decline in commercial agriculture. For example, the sugar production has declined substantially in the last few years and this trend is likely to continue without significant reforms.

Land ownership and control is highly unequal as is access to natural resources (Brookfield 1978). Although customary and communal ownership of land and other natural resources appear to have ameliorated the extent of inequality and poverty among indigenous Fijians, there is still enormous inequality in the sharing of proceeds from leases for tourism and commercial farming. Inequality in this regard includes the share taken by NLTB as its administration costs, the proportion that goes to various ranks of chiefs and the miniscule amounts that are shared by ordinary members of land owning units. Mataqali groups include women and youth who generally appear to have very little say on matters relating to land use or the incomes derived from land leases. Influential families and individuals have also in recent years increased their share of 'communal land' which is unlikely to revert to the custody of the land owning group as a whole (Ward 1997).

A very large proportion of people are landless. Their access to land is critical for their future welfare. This requires leadership by government

in partnership with land owners, tenant farmers and other potential users of land, and non-government organizations. There is a need to move beyond entrenched land legislations to better understanding between the stakeholders. For this to happen, better information and models for negotiation are needed. There is an urgent need for better data on land ownership and control. What is available in the public domain is largely derived from the mid-1960s, which is grossly inadequate. Data on types of ownership and usage of land for the three official tenure systems: customary, freehold and state-owned is urgently needed. Ownership by each ethnic category against other variables is also needed so that political manipulation and mis-information can be avoided. There is a need to institute disincentives for keeping cultivable land idle. This would be possible if the opportunity cost of land increases.

There is considerable scope for various types of commercial farming in Fiji that produces crops for local consumption and exports. Locally, several opportunities exist to substitute imports of meat, dairy products, rice and vegetables (see Yee Wah Sing 2007). Robertson (2006) has pointed out the potential market for fresh locally produced vegetables and fruits to tourist hotels and resorts along the coral coast. He has called for support to producers in the Sigatoka valley, the 'salad bowl' of Fiji to establish better links with the tourist industry. There have been some initiatives in this direction in the past, but much more can be achieved. With further decline anticipated in the sugar industry, there is considerable advantage in diversifying the agricultural sector.

However, as has been observed by the Fiji Poverty Report (1997) and Narsey (2007a), a majority of the poor in Fiji are wage earners. Their wage rates need to be much higher than what they are at the moment. Women are clearly the victims of low wage phenomena in Fiji where 68% of women in employment are working poor, which is an evidence of the feminization of poverty. Narsey (2007a) argues that there is a need for Wage Councils to be more effective and accountable to establish a mechanism for better redistribution of income by the market system. Tax reform is necessary to eliminate the regressive and punitive taxation system. Ability to pay system should be brought in for government services so that those who are disadvantaged may be fully or partly subsidized.

Fiji has undertaken major tax reforms since 1992 mainly to reduce both personal and corporate taxes, and lower the fiscal duties and replace it by value added tax (VAT) of 10%. The VAT is non-discriminatory and until the most recent coup, there were insignificant exemptions and is regressive and impacts negatively on the poor much more than higher in-

come earners. This tax system has increased recently to 12.5%, which the deposed government had approved to increase to 15%. This has been put on hold by the current interim administration. However, the lifting of the threshold income progressively from around \$6,500 in 2001 to \$9,000 in 2008 is positive.

With respect to progressive forms of taxation, government needs to institute capital gains tax as there have been significant increases in property prices in a short period of time. Profiteering in this sector is high and the influx of transnational real estate companies has increased significantly. While some home owners and property speculators have made sizeable gains buying and selling property, some 20% of Fiji's people are now living in informal housing or squatter areas. Therefore, government's intervention is necessary beginning with a comprehensive review of the sector.

Social Development

It is not unusual to separate the social dimensions of development from economic development. Fiji is a typical developing country where this is common. Issues such as health, education and social welfare are sometimes viewed separately from economic development. However, it is a common knowledge that these issues are linked and contribute equally to development. Therefore, the role of the government in supporting these sectors is important. Services such as health, education and training are vital to development, which needs to be coupled with infrastructure development such as housing, water, electricity, sanitation and telecommunication and rural development. Broad based initiatives to expand community services by lowering costs and increasing accessibility normally yields positive results. Collective and multi-dimensional approach often contributes more efficiently to the overall poverty reduction and enhancement of the capabilities of the poor people.

Health

Although the poor cannot afford to fall ill, they are the most vulnerable because of inadequate nutrition and likelihood of living in insanitary environments. It is also apparent that the poor tend to have disproportionately more physically and mentally impaired persons. The 'Heaven Project' in association with the Red Cross has identified a significant percentage of children that have disabilities of sight and hearing. Poor

households that have to care for extremely vulnerable persons, are often in a difficult position even to provide for their own basic needs. The negative impacts of lack of awareness and support for poor people weigh heavily on their quality of life. In addition the lack of community leadership, initiative and responsibility has resulted in unhealthy environments.

Fiji's population is in transition in a number of ways, where aging and lack of employment are increasing simultaneously. Since aging population requires more accessible health services to cater for the needs of the elderly, the opposite seems to be the case in Fiji, as the healthcare services are declining due to lack of resources. For many aging people the care for them is largely left to the families. Urban families in Fiji are increasingly becoming smaller and the older generations are being left to fend for themselves. This is particularly difficult for those who have no income, which requires that retirement and old age care giving facilities for the elderly are established. The current scheme for pensioners in Fiji is grossly inadequate and social safety net virtually non-existent. Therefore, serious consideration needs to be given on how to support families which look after their elderly and expand social protection to those who are not covered by pension benefits.

Presently, those on Social Welfare Department's family assistance scheme are able to obtain free medical services including consultation, medication, spectacles and dentures. In addition, civil servants have special arrangements that give them reduced prices in government hospitals. However, most of the poor and elderly in Fiji are not included in such healthcare benefits. With respect to the provision of health services to the poor and support for the elderly, the family unit must be recognized for the support it provides for the elderly, disabled children as well as unemployed dependents. This can be done by the reintroduction of dependents allowance at \$1000 per dependent.

Preventive and community healthcare programs should be continued to ensure that people live in a healthy environment. Free medical treatment, drugs, spectacles and dentures need to be extended to persons from households earning less than \$10,000 a year. The government, in partnership with civil society organizations and NGOs, needs to increase the provision of information and counselling services on health issues such as nutrition, sexually transmitted diseases, HIV/Aids, reproductive health, teenage pregnancies, diabetes and health care of the elderly.

Education and Training

Education, acquisition of skills and employment opportunity is a cornerstone in the eradication of inter-generational poverty. While literacy rate is high in Fiji, schooling is not compulsory. There are substantial numbers of school-age children who are out of the school system due, inter alia, to lack of resources. In many cases they are employed in low-wage sectors to support their families. The challenge is to demolish the poverty trap for such disadvantaged students from poor families. Although government has made schooling tuition-free up to senior secondary school level, all students must pay various charges such as admission fee, examination fee, building fund, sports fee and library fee. There are additional costs to education such as school uniforms, bags and text books, bus fares and other school activities including the compulsory fund raising activities in some cases, which poor families must meet to sustain their school-going children. Schooling in Fiji, therefore, is neither free nor compulsory, which many poor families cannot afford. According to Save the Children Fund Fiji (1998), 65% of school dropouts are directly linked to poverty. This rate may have worsened in recent years.

Policies to tackle education disadvantage of the poor should include several initiatives. There has to be indexed budgetary allocations to schools located in low socio-economic and rural areas so that they receive more funds per student than those in higher socio-economic and urban localities. Making education compulsory up to class 8 level is another option to improve opportunities for the poor. A greater support for non-formal education, including adult literacy programs would also contribute positively. So would banning all forms of child labour and providing children from poor households totally free schooling with exemption from all types of school levies, including exemption (or subsidy for) bus transport and lunch at school. A number of strategies could be employed to achieve this. Engaging the school administration may prove to be a good approach. Schemes such as textbook hiring should contribute to this as well. Where possible a system of quotas should be introduced for students from poor families to attend 'better' schools. Scholarships at the tertiary level should be means tested and a large proportion be reserved for students from poor families and disadvantaged ethnic groups such as Solomoni, Ikiribati, Rabi and other Pacific Islanders. Technical and vocational education needs to be more widely provided and outside of various apprenticeship schemes. Where possible, schemes should be established to mainstream and integrate children with disabilities into the existing sys-

tem; special and rehabilitation centres for the disabled should be better resourced.

The Ministry of Labour needs to identify and alert educational institutions on a regular basis on labour market needs so that training institutions can address such needs. It also needs to establish in each of the four divisions an employment office to maintain an employment register, an employment pool service, and training referrals. Vocational training institutions such as the Montfort Boys Town should be established in each of the four divisions for children and youth who dropout from the schools. In this regard the Sangam organization's establishment of a nursing college in Labasa is a positive initiative.

Utilities and Government Services

It is often the case that the most disadvantaged sectors of the communities are the last to obtain access to government provided utility services including piped water, electricity, garbage disposal and sewerage. In many peri-urban and rural areas these services are non-existent, and where these are available they have been subjected to erratic supply and break downs. Moreover, those in rural areas suffer more from the lack of access to facilities because of poor infrastructure and transportation. In developing countries, government and public enterprises need to put in place two tier pricing models in place of uniform user pay pricing models so as to allow more affordable first level of consumption in the provision of electricity, water services and telecommunication to depressed sectors. In the longer term, government and public enterprises should clearly outline a strategy with annual targets to ensure universal coverage of piped water, electricity and telecommunication services and improved transportation and roads into all communities where some preset thresholds are met. To level the disadvantages of remote communities, transparent subsidies need to be provided, which would allow better margins for businesses to sustain services. Government should also establish and promote rural regional centres so that rural communities are able to access banking facilities, health, education and utility services. It is likely that such centres can become significant hubs for commerce and services making new businesses viable in the short run.

Housing

It is very evident that there is growing and urgent need for afford-

able housing in urban and peri-urban areas. Better standards of housing are also needed in villages and settlements. The poor need low cost housing in all these areas but the pressure is especially intense in and around urban areas. The mushrooming of squatter settlements and the increasing practice of subletting of rooms in these settlements and the continued expansion of tenements outside these locations are manifestations of the current housing needs. It is estimated that around 20% of urban households live in informal housing associated with poverty and over a third of all households live in substandard conditions. These settlements are known for unsafe water and inadequate sanitation (Walsh 2006: 82-4).

Several initiatives can be taken and are being taken to meet the housing challenge but much more can be done. To begin with, public policy-makers must understand that urbanization is an on-going product of the forms of unequal spatial development that is currently taking place in Fiji and other developing countries. People continue to move to places that they perceive to have higher standards of living, employment and livelihood opportunities, access to services and amenities. They look to settle within the vicinity of these opportunities and services and, therefore, need housing in such areas. The government has so far failed to formulate and implement housing policies that adequately meet the growing needs of the population.

Government must consider decreasing building costs by lowering tariffs on building materials to soften the personal burden of building a house and also adopt more flexible building standards for housing. It must also proactively negotiate with landowners and the NLTB to acquire long term residential leases. It must actively encourage the landowners to begin schemes to subdivide land for housing projects. The initiatives for upgrading squatter settlements, including the application of 'self-improving neighbourhood' schemes in partnership with the National Squatter Council, a newly established People's Community Network and other civil society organisations need to be continued and encouraged. The government's partnership with the NLTB, city and town councils, and NGOs such as Habitat for Humanity International, Rota Homes and HART (Housing Assistance and Relief Trust) needs to be pursued more vigorously. There should be provision for more easy access to credit for home improvement for those living in squatter settlements. Initiatives such as Housing Authority's reduced interest rates for housing should be facilitated, especially for first home owners. Grants for HART should be increased significantly and the activities of the Public Rental Board should also increase so that stocks of good quality affordable houses in

both rural and urban areas are available on demand. In this regard, the FNPF needs to take a lead role in financing housing for low income earners by extending the scope of its existing village housing schemes. The efforts of the Housing Authority and other institutions should be synergized to plan and implement housing projects. It is the responsibility of the government to ensure that utility services are adequately provided for such projects.

Credit

Credit facilities for the poor are always crucial for development. It is well known in Fiji that with market 'rationalization' by foreign banks the services to rural areas and small towns has declined. Therefore, a lot of people do not have bank access, which results in the poor and disadvantaged being left out from access to credit. Many may end up borrowing from unscrupulous moneylenders, who charge exorbitant interest rates pushing poor people into debt for longer periods of time. There, however, have been a number of innovative initiatives to remedy this situation. The government has started a micro-finance scheme and one foreign bank has now begun to provide a mobile banking service for peri-urban and rural areas. Furthermore, the amount of deposit required to open bank accounts has been reduced to levels that permit younger persons, as well as the poor to start banking. The work of FCOSS (Fiji Council of Social Services) and FRIEND (Foundation for Rural Integrated Enterprises 'N' Development) have also contributed to particular communities. Such efforts need to be supported by the government and replicated in many other ways so that greater number of people benefit. The virtues of saving and frugality should be encouraged among the younger generation and poor communities

While small service institutions are supported by government, credit providers such as banks, financial institutions, money lenders, consumer credit operators and merchants should be brought under greater scrutiny and supervision with respect to interest rates and charges.

Rural Development

Rural-urban drift is a major contributing factor at the moment to poverty in both rural and urban areas. The influx from rural areas places severe pressure on urban facilities and employment. It simultaneously depletes rural areas of relatively better educated, young, able bodied and

motivated individuals. The lack of opportunities to earn cash, limited access to services and poor infrastructure make rural living much less attractive. The expiry of land leases in the last 10 years has aggravated this trend quite seriously.

Fiji is an agricultural country with considerable scope for improving the standards of living in rural areas. Improved transport and communication to regional hubs that provide business, education, health and other services as well as establishing markets for agricultural products will make positive contribution. The amenities for rural people especially for women who come to local market places to sell their produce have been lacking and inadequate. This is another area of public-private partnership that will help improve the situation of the poor and reverse the rural-urban migration. Off-farm employment of various types in rural areas would also contribute in this regard. Employment in infrastructural work, repair and maintenance of agricultural implements and machinery, servicing and repair of motor vehicles, wholesaling and retailing services, and the entertainment industry would provide incentives for people to stay. New projects in secondary and tertiary industries for agriculture are now necessary as the sugar industry is affected by declining prices. A wholesome approach to decentralization and devolution of development initiatives require urgent attention. Measures to support depressed towns and regions such as Labasa and Nabouwalu, Levuka, Vatukoula and Tavua and those in outer island regions need to be prioritized. New projects are needed to develop resource-based industries such as marine, forestry and minerals in rural areas. Tourist resorts have a long history of being established in remote rural localities as 'enclave economic' entities. Besides using labour and local cultural and natural resources (beaches for instance), there has been relatively little use of local agricultural produce. There is considerable scope to stimulate local industries for such tourist operations. The capacities of rural people to take initiatives to better their circumstances require enhancement and institutional support.

Participation and Empowerment

It is evident that hitherto the voices of Fiji's poor have not been heard in the corridors of power. Indeed there is considerable evidence of effective stifling of initiatives by the poor and disadvantaged. Shoeshine 'boys', wheel barrow 'boys', barbecue stand operators, road side stall vendors selling vegetables and fruits have all been subjected to harassment by local or central government authorities.

There is a need to understand poverty from the perspective of the poor to enhance the development and implementation of strategic initiatives to reduce poverty. There is a need to ensure and facilitate the participation of the poor in decision making and municipal governance. This will strengthen the links between policy-makers, implementation agencies and the poor. Government should include the poor and non-unionized sectors in national policy-making debates. A range of information gaps exist amongst the poor that government and non-government agencies need to address. These gaps include social policies, welfare programs, human rights, tenancy agreements, rent-related regulations, credit facilities, land laws, hire-purchase systems, and consumer and trade protection laws. Information on these needs to be simplified and translated into Hindi and Fijian languages so that poor people have clear understanding on these. These actions would significantly reduce entrapment of poor people and ensure the provision of equal opportunity for them. Legislations and regulations that govern the setting up of new small businesses and informal sector activities need review and streamlining so that the poor are able to participate in the process of economic development. Accompanying legislative changes towards a more enabling pro-poor environment, there is a need for a profound change in the attitude of civil servants and local government employees towards the poor. Appropriate training and re-training of government workers is crucial if the process of empowering the poor is to take hold.

CSOs and NGOs working with the poor need more attention by the government to drive policy initiatives.

The patriarchal nature of Fiji society has meant that women and girl children have been marginalized. There has also been feminization of poverty. HIES data do not provide adequate information about poverty within households based on gender and age. Disaggregated poverty data based on gender would help address gender dimensions of poverty. This would facilitate actions with respect to skills training and access to services including credit for women. Gender audits of poverty reduction policies as well as national budgets need to be undertaken. The Women's Plan of Action needs to be facilitated and implemented.

Beyond the formulation and implementation of pro-poor policies for those who have the potential to break out of the poverty trap, there are categories of persons who need various degrees of support from the state and wider society. They need to be identified and targeted.

Chronically Poor Groups

There are categories of poor people who will need support as long as they live. These include the severely disabled, chronically ill and dependent elderly. Others may need short term support such as single mothers, families in crisis because of ill-health or demise of the earner and evicted farming families. Still others, such as the working poor, the unemployed, women in poverty, agricultural workers, street children, prisoners and their families, and ethnic minorities need some support over time to keep them above the poverty line. Steps need to be taken for improved co-ordination of government service departments. There is a need for greater transparency in the provision of government's assistance to target groups of the poor. Those who are likely to be totally dependant on government support such as the severely disabled need to be identified early through intervention programs. Initiatives are needed to train and educate partially disabled persons in both special and mainstream education systems. Public facilities need to take full cognizance of the needs of the disabled. Organizations such as the Fiji National Council for Disabled Persons (FNCDP) should be provided support and more state resources.

The elderly, who have no relatives or have been abandoned, need to be placed in appropriate institutions such as 'old people's homes' or care centres. Such homes need to be adequately resourced. A pension scheme should be introduced for the elderly who have no other means of support. Projects such as 'HELP AGE' by FCOSS should be supported and extended by government assistance.

Poor single parents with children should be a priority for the Department of Social Welfare. Assistance to parents should be child centred and given according to number of children. Single parents should be given training opportunities so that they can take up employment or become self-employed. A number of NGOs have been established to meet the needs of single mothers. These require support from the state.

Female headed households below the poverty-line also require support. These women and single parents should receive financial support as grants and micro-credit to engage in income generating activities. HART and FRIEND provide good models that could be replicated. There is scope for greater co-ordination of efforts by government Social Welfare Department and non-government agencies such as Salvation Army, Red Cross, St. Vincent de Paul, Bayly Trust, and others that support single parents.

Unemployment

With a labour market that is characterized by a lack of expansion as well as shortages of skilled labour, unemployment should be a major area of concern for the government and the private sector. Each year close to 18000 school leavers compete for about 3000 new formal sector jobs. At the same time there is a severe shortage of skilled tradesmen and professionals as a result of continued emigration. The government needs to become pro-active in identifying the unemployed and the underemployed and target them for training and re-training opportunities. In the long-run, the government needs to establish a well managed and funded capital development program for direct intervention in productive sectors to provide employment to those out of work or seeking employment.

Prisoners and their Families

There are many issues relating to the commission of crime, investigation, prosecution, sentencing, treatment and rehabilitation. For young offenders the practice of 'restorative justice' and non-custodial sentencing should be maintained and extended. Skills training for prisoners should be a requirement during incarceration. In conjunction with CSOs and NGOs, rehabilitation programs should be extended for ex-prisoners to integrate them into society.

Conclusion

It is evident that the proportion of people in poverty in Fiji has been increasing and the government's approach to poverty alleviation has been erratic and piecemeal in nature. The system of Wages Councils has not served workers well and has, therefore, contributed to a very large category of working poor in the country. There are also those who fall into poverty and need short term assistance. There are others who are chronically poor and totally dependent, who need constant support to remain alive with human dignity. All these categories of the poor need to be supported if their hardship is to be ameliorated and if they are to break out of the poverty trap.

In the era of market based policy making, it is critical that the most vulnerable in Fiji society are supported by pro-poor government policies. A wide range of policies and processes have been suggested in this paper to meet the complex challenges posed by the current state of social ine-

quality and poverty. The basic needs of those unable to meet them in the short term or for the long term can be met when well-designed pro-poor policies, processes and initiatives are combined together, where the government's role is crucial. Engaging the poor is an essential part of the process, which can not be achieved without vibrant civil society organizations.

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