

# Public Sector Reforms and Democracy: The Case of Fiji

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## INTRODUCTION

Reforms in the manner in which the public sector is managed can be traced back to Arrow (1963) when questions began to emerge on whether the public administration version of Weber's bureaucracy was able to meet the various requirements of a model for public sector management. Some systematic improvements were later seen in Niskanen's (1971) model of bureaucracy. Later post-Bureaucratic attempts focused on promoting the restructuring of rigid frameworks, innovation, cost cutting techniques and directing priorities to customer demand and quality (Ledema 2003, Knights & Willmott 2004). As these often-experimental improvements continued, a new model emerged for managing the public sector. The New Public Management (NPM) model<sup>1</sup> has informed reforms in the public sector since 1979 when British PM Margaret Thatcher adopted radical changes in her approach to managing the public sector. This was followed by President Ronald Reagan in the US in 1980. After that, the experiment became a full-fledged movement that swept the world as donor institutions made it a necessary component of structural adjustments for continued assistance. However, as internal tensions and external contradictions began to raise questions about NPM's universal applicability, a new post-NPM reform model emerged.

In Fiji, the public sector reform process began in 1985 and went through a number of stages (Appana, 2003). Each of these stages was closely tied to largely political re-directions and attendant imperatives. Reforms reached its most frenetic stage just prior to the 1999 general elections. A change in government in 1999 and the coup of 2000 stalled the process, but when it resumed in 2001 a number of initiatives increasingly brought into question one of the key assumptions of NPM: that the country has a democratic framework of governance. This paper first establishes the theoretical link between NPM and democracy and identifies a number of shortcomings in the NPM model and its links with the democratic framework. It then presents a historical overview of some of the main developments and factors that define the reform environment in Fiji. It is within this context that a number of key reforms are analyzed in order to centralize and discuss the importance of a functioning democratic framework and attendant institutions of control for successful reforms in Fiji.

## NEW PUBLIC MANAGEMENT

New Public Management emerged as a response to persistent weaknesses seen in the bureaucratic model as the environment and related expectations underwent drastic changes. NPM is based on the tenets of freedom to choose and freedom to manage. Its tenet of freedom to choose arises from the new administrative reform doctrines built on ideas of contestability, user choice, transparency, and incentive structures. On the other hand, freedom to manage entails business-type managerialism in the public sector in line with the international scientific management movement. It is clear that both attempted to construct an approach, now widely referred to as New Public Management (NPM) that would lead to greater efficiency, effectiveness and economy in management in the public sector as well as a redefinition of the links and roles of politics and administration in the delivery of public service. The management and organization ideas contained in NPM, on the other hand, can be traced back to earlier debates in public administration (Thomas, 1998; Savoie, 1995). NPM combines economic organization theory and management theory, which creates a hybrid and puts in place tensions that affect its implementation (Aucoin, 1990; Hood, 1991). The most problematic tension appears to arise from the fact that economic organization theories (transaction cost theory, public choice theory and agency theory) give primacy to representative government over bureaucracy (Christensen & Laegreid, 2001). And new economics of organization focuses on use of contracts in organizational relationships, hierarchical control, and use of formal principal-agent models, whereas management theory re-establishes the paramountcy of managerial principles in bureaucracy (Kettl, 1997). Control within the NPM framework is thus moved from direct political involvement via the line Minister, to set performance-based contracts on the basis of which the public servant is held accountable by a managerialism-informed corporate-type structure that is supposed to prevent direct political interference in the public service. A second pivotal point of control is exerted by the market through its direct influence on the functioning of the performance contract-bound public servant. And a third point of control comes from the influence of the public on the performance of government through the ballot box.

Further scrutiny of NPM shows that it has also been linked to a number of theories in addition to those mentioned here (Terry, 1999). These theories have a wide range of complex and tenuously linked points of focus that make it extremely complicated to establish theoretical clarity in NPM. Thus NPM's conception is fraught with in-built tensions and conflicts. Hood (1991, p.4) argues that NPM does not have a single intellectual provenance. Ferlie, et al. (1996, p.10) say NPM has unconnected and at times contradictory characteristics with no clear and agreed definition of what it actually is. Stark (2001, p. 137) concludes that this implies a lack of clarity at the theoretical level. Others highlight its potential influence on formal organisational structures as it heightens risks through a concomitant prescriptive weakening of controls through its centralization of the tenet of freedom to manage. However, despite the fact that literature on NPM does not exhibit uniformity on exactly what it constitutes, the following ideas and initiatives appear to characterise NPM: competition, decentralization, delayering of government bureaus, citizen choice, output measures of performance, finance-based performance contracts for public servants, creation of internal markets, and use of other private sector-type management practices (Adapted from Stark 2002, p.137). On the other hand, there appears to be unanimity on NPM's fundamental objectives. The focus is on creating an innovative, flexible, problem-solving, and more entrepreneurial culture that is better adapted and more adaptable to a changing environment (Barzely, 1992; Kettl, 1997; Rosenbloom, 1998). Thus public sector reforms ultimately reflect changes in administrative policies aimed at improving the performance of the public bureaucracy (Pollitt & Bouckaert, 2004). The main point of difference between the bureaucratic model of public administration and NPM is thus clearly focused on the question of negotiating the degree of freedom and control within the civil service. As this paper focuses on political control via the ballot box within a democratic framework, the next section discusses the link between NPM and democracy.

## DEMOCRACY AND REFORMS

At a level above the bureaucracy, administrative reforms also have direct implications for representative democracy (Laegreid & Roness 1999, Suleiman 2003). Peters (2008) demarcates bureaucracy and NPM in terms of input-democracy and output-democracy. In input-democracy, people share interests in a collective state and delegate their authority to politicians and bureaucrats via the electoral process so that their shared interests can be fulfilled through a hierarchical public bureaucracy (Olsen, 1988) that culminates with the minister through the principle of ministerial responsibility. Power is centralized in the hands of politicians and bureaucrats (Hood, 1998) and they consciously design the state apparatus to achieve collective goals as prescribed by the electorate. Neutral bureaucrats support politicians and act as impartial professional advisors while implementing collectively determined policies with political autonomy and a certain degree of discretion. These bureaucrats are trained in certain institutional norms and values which they share with politicians; and these are seen to represent the will of the public (Laegreid & Olsen, 1978). On the other hand, the public share a set of beliefs and values that guide their conduct as good citizens. They play a direct role through the electoral process in forming government; then they support and influence it while accepting decisions made by politicians on their behalf.

Peters (2008) further argues that there has been a shift towards output-democracy within the reform process because of a decrease in public participation through the electoral channel and because public sector reforms have led to a more direct interaction between the public and the bureaucracy. The bureaucracy facilitates and maintains a key avenue for contact with society in addition to its traditional role within the wider governance framework. Thus direct influence and control of bureaucrats is more visible. This model can be seen to be challenging the input model, but it can also be seen as supplementing and strengthening it through its more direct democratic channels (Aberbach & Christensen, 2005). The output model thus appears to encompass 2 models of democracy: the traditional pluralist model and the individual-economic model. The pluralist model is based on the notion that the government apparatus is heterogeneous, consisting of different power centres, institutions and levels related to different interests (Allison, 1971). This is reflected in the environment within which the government operates which is also heterogeneous, therefore, the bureaucracy has to represent a complex plurality of interests and groups (March & Olsen, 1983). Thus decision-making involves juggling between contending interests and the content of public policy is constantly reviewed and changed as decisions are reached via compromises, coalitions or “quasi-resolution of conflicts and sequential alterations to goals” (Christensen & Laegreid, 2009, p.5). Moreover, politicians are seen as negotiators, mediators and facilitators trying to balance varying interests in order to further some. The main actors in the pluralist model are therefore, politicians, civil servants and interest groups outside government. In the Individual Economic Model, on the other hand, the political-administrative system works on the basis of all the players pursuing their own self-interest and needing incentives to act in certain ways (Aberbach & Christensen, 2003). It offers an all-encompassing view of the actors based on economic theories and private sector management ideas that seem to have relevance in the public sector despite differences in terms of main purposes, structure, tasks and culture (Allison, 1983). The model is heterogeneous in terms of its economic rationale and structural solutions recommended as seen in the case of New Zealand (Boston, et al., 1996).

It can be seen that the individual economic model’s main focus is on performance efficiency in the public service through a range of prescriptions. Moreover, its view of politicians and bureaucrats is complex and inconsistent (Christensen & Laegreid, 2001b; Self, 2000). And most importantly, the individual economic model has “no clear overall understanding of democracy and the role of the bureaucracy in the political system (Christensen & Laegreid, 2009, p.5). It is this gap in clearly prescribing a link between the individual economic model and traditional pluralist model within the NPM framework of public sector reforms that has led to complicated attempts to control the political system and access opportunities opened up by the reform process. This is compounded when there is a mismatch between the contextual assumptions of NPM and what appears in reality.

## THE CONTEXT OF REFORMS IN FIJI

NPM assumes a culture of public service honesty, the presence of effective institutions of public accountability, a vibrant democratic political framework, and the pre-requisites of a competitive market mechanism. Effective public administration requires publicly deliberated transparent national decision making, an effective planning and evaluation apparatus, and a merit-based civil service capable of meeting customer quality requirements and/or capable of managing a contracting-out or privatisation process that does not compromise quality standards. It is within this framework that public sector reforms are implemented using the New Public Management (NPM) model of reforms. The context of reforms in Fiji is plagued with structures that not only hinder the use of NPM, but they also compromise and distort its impact.

### **Unstable Political-Economic Imperatives**

The political-economic environment of Fiji from independence in 1970 to Laisenia Qarase's removal from Prime Minister-ship via a coup in 2006 was fraught with unexpected and often unannounced political and economic changes and redirections. At the backdrop of this was what largely amounted to an ethnic power struggle between an apprehensive and often-resentful indigenous Fijian community and a sizeable, comparatively economically ambitious migrant Indo-Fijian grouping. Up to May 1987, when Fiji had its first political coup, government policy was framed on the post-colonial model of socio-economic development characterized by an inward-looking focus, and a heavy reliance on the public sector to generate growth and lead development initiatives. There was a clear link between the viability of the public sector, its ability to create employment and the public popularity of the government. At that stage the civil service was the main source of employment for the Fijians while the Indo-Fijians, although also reliant on the public service for employment, were scattered across various professions. Thus the first major reform decision made for the public sector that shook government was a wage freeze imposed by Ratu Sir Kamisese Mara's Alliance government in the 1984 budget. This followed a breakdown in consultative mechanisms contained in the Tripartite Forum as government began to appear to alienate itself from the plight of workers, the largest sections of who were civil servants. Consequently, worker agitation needed a forum to engage government in a meaningful manner at a higher level. This raised the need for a political voice and gave birth to the multi-racial Fiji Labour Party (FLP) on 6 July 1985. Cross-cultural political accord was never envisaged within the democratic framework of Fiji at that stage as numerous innovative attempts were made to keep the 2 communities segregated, resentful and suspicious of each other.<sup>2</sup> Thus a strategic tie-up between the multi-racial FLP and the largely rural Indian-based National Federation Party (NFP), coupled with an increasing unpopularity of government led to an upset Alliance loss that triggered Fiji's first coup in May 1987.

That coup stalled the process of reforms that started with the 1985 wage freeze, and the period following May 1987 was characterized by a desperate bid by the coup regime to attract foreign investment to not only cover for the political sensitivities of local capital, but also to generate economic activity in order to prevent total economic collapse. As coup leader Sitiveni Rabuka engaged Ratu Mara in a silent, but intense tussle for power, a number of new factions emerged around Rabuka. These comprised church personnel, leaders of smaller unions, peripheral chiefs and traditional title aspirants, ambitious politicians, nationalists, thugs and spokesmen of any and every disaffected group in the country. This raised multiple demands for the spoils of government and Rabuka's avowed aim to bring about ethnic balance in commerce offered a legitimate framework for providing direct monetary assistance. The National Bank of Fiji (NBF) featured prominently in this initiative as set banking procedures and requirements were overlooked to create a fast-track to business. By the time this became a public scandal in 1994, NBF had lost \$230-\$300m and was insolvent (Grynberg, et al., 2002; Review, 1995). Another involved a business initiative called Equity Investment Company Limited (EIMCOL) focused on easing Fijians into the supermarket sector through largely Fiji Development Bank (FDB)-funded soft loans. At the same time, a major overhaul of the public service followed resignations and migration by mainly the Indo-Fijian component of the civil service. With the tenet of public

accountability compromised, positions were filled by Fijians with total disregard for established procedures and requirements. This was the beginning of cronyism, nepotism, patronage, etc. which became the norm in the public sector in Fiji (Lal and Vakatora, 1997). In tandem with these adjustments, as Rabuka attempted to retain his precarious hold on power, a group of consultants, public officials and politicians managed to organize and entrench themselves into key positions within the Fiji bureaucracy.

Thus during the period 1987-94, Fiji went through a period of extreme fluidity with unpredictability in public policy and administration. Then in 1992 Rabuka won the elections on the basis of an imposed constitution that seemed to bring his tug-of-war with Ratu Mara to a close, but Mara protégé Josevata Kamikamica led a dissident faction to successfully block Rabuka's 1994 budget. Snap elections followed in 1994 and Rabuka won, but was immediately faced by a \$250m fiscal deficit emanating from the NBF debacle. By 1995 when government finally had to publicly acknowledge this, the sale of public assets through public enterprise restructuring was being seen as the solution to cover the fiscal deficit (Grynberg, et al., 2002; Appana, 2003). Public sector reform was thus brought back onto the public agenda and the Public Enterprise Act (1996), Public Service Act (1999) and Finance Management Act (1999) were enacted. Some 16 government departments and statutory bodies were reorganized during the period 1996 to May 1999 when Rabuka was unexpectedly defeated at the polls and Mahendra Chaudhry became PM (The Department of Public Enterprises, 1998). The reform frenzy towards the end of Rabuka's reign was done in a heavy-handed, non-consultative manner and was one of the main reasons for the Soqosoqo ni Vakavulewa (SVT) Party's fall (Appana, 2003). More importantly, it trained and motivated business/money aspirations in a group of well-connected personalities who were largely connected to the 1987 coup.

## **RABUKA-ERA REFORMS**

After the 1987 coup, the political component of the national bureaucracy became virtually non-existent for two reasons: there was no prior experience with coups at that stage, and politicians no longer held office. This created a vacuum that had to be propped up by readjustments at the next level of government i.e. the public service. Rabuka seized the opportunity and elevated a number of key civil servants through political appointments who were suddenly indebted to him and became key props in his unsteady early days in government. As these bureaucrats assumed their roles, controls on their performance were either compromised or removed through the unprecedented reliance that Rabuka's weak government placed on them. This led to a period of consolidation of power among key bureaucrats and civil servants between 1987 and 1994. When the NBF scandal became public in 1994, Rabuka again turned to key personnel in the public sector to minimize the damage. This created an expectations-dependency relationship between Rabuka and key personnel connected to his government (both from inside and outside the bureaucracy) and he was constantly forced to juggle public positions right from ministerial appointments to those in the civil service and other government institutions. Public enterprises offered an additional ready avenue to gain and maintain support. Executive appointments were politically motivated as a select group of connected individuals headed public enterprises and sat on their boards. Within this circle, sacking was a rarity and persons were simply moved to other positions within the public enterprise circuit.<sup>3</sup> In a number of well-recorded cases, Board of Directors decisions were overturned and the BOD sacked or forced to resign because of disagreements with the minister concerned; this prevailed at Airports Fiji Ltd. (AFL). In other instances, similar interference came through special interest groups. At AFL such groups comprised members of ethnically and politically aligned unions that were formed prior to the restructure of Civil Aviation Authority of Fiji (CAAF) on 12<sup>th</sup> April 1999. This style of management had a negative impact on performance as it tended to interfere with the precepts of freedom to choose and freedom to manage.

State resources were also plundered by Public Enterprise executives and other dominant stakeholders (Nath and Chand, 1998). Tender approvals by AFL and Telecom Fiji Ltd. (TFL) were two that raised public concerns. Telecom's CEO and COO were accused of circumventing procedures in awarding costly contracts to foreign experts when the required expertise was locally available (fijilive, 12/3/04). A \$23m

airport refurbishment project undertaken by a Singaporean company in partnership with a local tenant of Nadi Airport was questioned by another construction company who had a substantially lower bid (fijilive, 28/11/02). This was later raised as a matter in parliament by Chaudhry (fijilive, 28/11/02). Barely a year later, the airport complex was found leaking and called for estimated additional repair works of \$10m.<sup>4</sup> The Commerce Commission appeared to be totally ineffective in scrutinizing the public tendering process as per its mandate. In another case involving intrigue, a \$5m air traffic management (ATM) contract was awarded to a newly formed company called Strategic Air Services Ltd. (SASL) by the Chairman of newly-formed AFL on 12<sup>th</sup> April 1999. There was suspicion that this had followed a sudden directive from Civil Aviation Minister Isimeli Bose as negotiations had not been finalized at that point in time. This is borne by the fact that too many research queries were left unclarified and the negotiations were “always secretive”. Furthermore, Sitiveni Weleilakeba (Chair/AFL) had refused to sign the contract prior to 12/4/99 as would have been expected before a restructure of the significance under scrutiny.

Unfortunately for Rabuka the reform process was characterized by publicized disputes with unions, large redundancies, strife within the public enterprises, etc. All these escalated as the 1999 elections drew near and many of Rabuka’s ministers did not share his optimism about their prospects at the polls. Reforms, especially those involving public enterprises were speeded up and the rushed process was fraught with administrative shortcomings that were linked to worker strife – this was one of the main reasons for Rabuka’s political demise at that stage (Appana, 2003). The one year that Mahendra Chaudhry and his FLP were in power was characterized by a stall or roll-back in reforms that thwarted many aspirations for wealth through government contracts and public positions. This was a major factor in Chaudhry’s removal through the 2000 coup<sup>5</sup>. It is important to note here that after Rabuka lost the elections in 1999, the bureaucrats remained and had a firm hold on the Chaudhry government. For 56 days after the 2000 coup, it was the bureaucrats who kept Fiji’s post-coup civil service functioning once again.

## **COMPROMISING THE INSTITUTIONS OF DEMOCRACY**

After Chaudhry’s removal, a painstaking process of political bargaining that involved only Fijian participants and institutions led to former banker and businessman, Laisenia Qarase assuming the post of interim-PM. With this appointment a number of assistance schemes were again implemented under the umbrella of a “blueprint to assist Fijians in business” in order to assuage raised expectations and buy political popularity in a time-tested manner. One of these involved \$25m of agricultural assistance to largely those provinces<sup>6</sup> who had assisted the 2000 coup through their people in Suva.<sup>7</sup> And it was the bureaucrats who helped in the disbursement of \$25m of agricultural assistance that propelled Qarase to power in the 2001 elections. Qarase thus won the 2001 elections among allegations of vote-buying and promptly formed a political alliance with the nationalist Matanitu Vanua Tako Lavo Party. This paved the way for managing and rewarding identified supporters of the 2000 coup who had rallied around the nationalist agenda. A number of indicative government support actions for coup-makers followed.<sup>8</sup> This process of “acceptance” was given a legal dimension when Qarase introduced the Promotion of Reconciliation, Tolerance and Unity (RTU) Bill in parliament in May 2005 as a way to “forgive” all coup perpetrators. Closely coupled with this Bill were the proposed *Qoliqoli* Bill and the Land Claims Tribunal Bill, both aimed at increasing Fijian rights to ownership and management of natural resources at the expense of other sections of the community. Management of resources accruing from these 2 Bills was to be placed in the hands of the Native Lands Trust Board (NLTB) on behalf of the Fijian community. This effectively gave total ownership rights by proxy to virtually all of Fiji’s land and sea resources to a cadre of bureaucrats and politicians connected to the NLTB.

## **QARASE-ERA REFORMS**

After ascending to power in 2001, Qarase reiterated the need for reforms by declaring: “We must have an intensive program of public sector reforms to improve the delivery of public goods and services

and the allocation of resources. ( ) the State will ( ) broaden public ownership and create more investment opportunities for indigenous Fijians and Rotumans” (fijilive, 30/9/2001). Qarase’s National Strategic Development Plan adopted in September 2002 aimed to save government \$95 million a year from civil service salaries for a period of three years from 2003 to 2005 (fijilive, 3/4/03). Excesses however, became markedly pronounced after this. In one case, fijilive (5/3/04) reported that the NLTB had awarded a \$5m IT tender to a US-registered company (Pacific Connex) when a local tender had been for \$2.7m. In another case, a controversial Pakistani businessman was awarded the tender to provide identification cards for delegates and journalists at the 2002 African Caribbean Pacific Summit after it had already closed. The tender had apparently been awarded to a local company and then withdrawn. The police spokeswoman was reported to have said, “This man had a lot of connections – most of Government jobs such as printing, provision of computers and IDs for the ACP Summit was awarded to him” (fijilive, 20/9/02). After that, reforms continued amid increasing concerns about a subversion of its agenda and apparent lack of controls surrounding it. In 2003, this prompted Fiji’s most outspoken and “naïve” Minister for Public Enterprises and Public Sector Reform, Irami Matairavula to exhort a clearer understanding of stakeholder responsibilities in public sector reforms for success in the performance of public enterprises in particular. He said that, “without understanding our basic responsibilities as individuals, directors, ministers and shareholders in government corporate entities, it will be difficult to appreciate the importance of the different roles we play in the achievement of our common objective” (fijilive, 3/4/03). Clearly the reform process was being implemented within a confused context. Government’s public pronouncements highlighted the need for enhancing efficiency and cutting costs in the public sector, but in too many instances economic concerns and set procedures appeared to have been overlooked as a matter of expediency (Appana, 2003).

The most visible “reform” actually implemented in the civil service by Qarase was a conversion of the former Permanent Secretary posts to CEO in line with the NPM prescription for professional management in the public sector. The aim was to recruit the best personnel on contract and provide them appropriate rewards within a wider decision-making framework so as to allow unfettered performance. This would then be monitored in terms of set outcomes with other principles of HRM applying in the relationship. International consultancy firm, Mercer Human Resource Consulting, was hired at an unconfirmed cost of \$5m to source appropriate personnel to fill the newly-created CEO posts. After a worldwide search, they found all the CEOs in Fiji with 23 being hired on 31<sup>st</sup> December 2003 (*Islands Business*, 9/6/04). This was later increased to 27; only 2 of these were Indo-Fijians presenting a skewed ethnic composition on top of apparently compromising the meritocracy principle enshrined in NPM. Moreover, salaries and perks for the CEOs was more than double that paid to the former PSs. And to totally negate the performance-control focus of the whole exercise, the CEO contracts were set at 5 years. Very interestingly, in mid-2004 PM Qarase stressed that “traditional civil service thinking will not carry us through. ( ) We need a fresh, more vigorous and positive attitude from the administrative decision makers. They must become more aware and responsive to the needs of the business people. There is a gap that must be closed between the business community and the Civil Service” (Koyamaibole & Roberts, 2006). This was followed by a series of private-public engagement forums on “regulatory reforms.”

From this public pronouncement, it appeared that the CEOs were hired for purposes other than cutting costs and improving performance in the civil service. Qarase was obviously more interested in seeing his CEOs operate as liaison between the public and private sectors where contracts were being brokered as prescribed by the reform model. The \$5m paid to Mercer to simply go through the motions when CEOs had apparently been already identified clearly highlights these conflicting non-public focused objectives. To confuse the scenario further, in June 2006, cabinet proposed to hire personal assistants for Ministers and Deputy Ministers at a rate of \$20,000 (SS03) and \$15,000 (SS04) respectively. The rationale was that this would improve service to constituencies despite the \$8000 constituency allowances being given to Members of Parliament (MPs). PSC estimated an additional annual cost of \$660,000 for this initiative (Fiji Times 21/6/06). Cost cutting was obviously not on top of Qarase’s agenda for civil service reforms. His relationship with his CEOs is highlighted by an unexplained attempt to redeploy a number of CEOs in 2006; 10 opposed the directive and 6 sought rare legal redress from the courts of law. This type of

defiance by senior civil servants was rare to Fiji and could easily be interpreted to mean that government's position was compromised and some of the CEOs were privy to this. Much more happened in the restructure of public enterprises.

## **“MANAGING” PUBLIC INSTITUTIONS OF CONTROL**

As Government excesses and disregard for controls after Qarase came to power escalated, Taito Waradi the President of the Fiji Chamber of Commerce, was pushed to uncharacteristically declare that the key to maintaining a healthy budget lay in prudent management. “This means that the Government will need to impose strict financial discipline in the management of government finance. ( ) Any public official found guilty of financial mismanagement therefore should be immediately dismissed because they have no right to abuse taxpayer funds” (FT 19/11/01). PSC chairman, Sakeasi Waqanivalagi admitted at a press conference in 2002 that scams, nepotism, favouritism and visible corruption were rife in the Fiji civil service. He said this in making a case for the restructuring of top posts in the public service so that Permanent Secretaries positions could become upgraded to CEO. Under the proposed system, PSs would operate as CEs and disciplinary functions would be delegated to them. Any laxity on their part to adhere to the strictest standards, he said, “could easily lead to a non-renewal of their one-year employment contracts” (fijilive, 12/12/02). Those public CEO were later hired on 5-yr contracts. Another significant development was that the Public Accounts Committee had been allowed to become defunct for over a decade. In reaction to the Auditor General's report released 19/08/05, Transparency International said that if the Public Accounts Committee as a crucial pillar of integrity in governance “has not been functioning properly, we ( ) must regrettably view this as the price we have to pay, when the principles of good governance and administrative best practices are underestimated, downplayed, ignored and/or not observed at all” (Transparency International Fiji, Press Release No 5/05).

It is usually in these circumstances of compromise, lethargy or impotence in the institutions of public accountability that the media assumes a pivotal role. Government however, engaged in a protracted attempt to control the media. In 2001 the publisher of Fiji's *Daily Post* was removed for writing a series of investigative articles under the name “Liu Muri by Aage Picche” (Singh, 2009). Then government proposed a Broadcast Bill that would help establish a Broadcast Licensing Authority “and charge it with the oversight of broadcasting with such powers as may be necessary to carry out its functions including responsibility to issue and renew broadcasting licenses, control and regulate the electromagnetic wave spectrum for broadcasting uses, regulate licensing of various types of broadcasting, and establish codes for the purposes of the bill and monitor compliance by broadcasters” (Ramesh, September 27, 2006, [www.worldpress.org](http://www.worldpress.org)).

In response to these attempts at compromising public scrutiny, increased calls were made for a Code of Conduct Bill to be tabled in parliament. Social worker, Peter Drysdale, called for the appointment of an ‘Ethics Committee’ to deal with disciplinary cases involving Government ministers and members of Parliament.<sup>9</sup> PSC's Waqanivalagi also mentioned the possibility of setting up an ethics commission for investigating allegations against corruption or abuse of office (fijilive, 12/12/02). The idea of setting up a Corruption Commission based on the Queensland model was proposed because it allows a concerned tax payer to report any malpractices with evidence against high office holders. In March 2003, after the Auditor General's 2002 Report became an issue of intense public debate, PM Qarase declared that suitable legislation would be enacted to combat unacceptable conduct by public officials. In reference to a report from the non-functioning Bribery and Corruption Commission of Inquiry, PM Qarase was reported to have said, “I can assure you that we will act as soon as possible.” The PM also promised a whistle blowers act and an anti-corruption bill.<sup>10</sup> Alarmed at the degree of political interference in bureaucratic decision making, an Australian journalist told the 31st Fiji Institute of Accountants Annual Congress that Fiji should urgently set up an independent commission against corruption along the same lines as that in New South Wales so that questionable political interference could be detected. He also mentioned the alarming example that was being set for ordinary Fijian youths as unscrupulous leaders seemed to be

getting away with illegal activity.<sup>11</sup> All these remained proposals and whether they would be allowed to operate became moot points.

## **VOTER CONTROL**

Finally, even though exponents of democracy differ on its institutional requirements as well as the arguments which can best be pushed in support of it, Fiji has been bequeathed with a Westminster system of democratic government. One of the crucial requirements for this to work is for the electorate to have ultimate control on the conduct of government through the ballot box. The Mara governments from 1970 to 1987 ruled on the basis of “divide and rule” where the composition of the electorate in two distinct categories – Fijian and Indo-Fijian – provided avenues for playing the race card and preventing the formation of a commonality of political interests. The juxta-positioning of a traditional chiefly system of governance on a carefully structured “democratic” model further served to ensure power in perpetuity to the Mara regime (Appana, 2009). This served the divide-and-rule philosophy well until the formation of the multi-racial Fiji Labour Party in 1985 changed the political landscape of Fiji. After that, political strategies had to change and substantial political handouts in the name of “Fijian Assistance” were used to propel Rabuka to power in 1992 and 1994. As expectations for handouts escalated and his ability to meet these shrank, he turned to the public sector reform program to perpetuate the process. This failed because his patronage began to fall only on key people – civil servants, public executives, etc. – at the expense of the masses who held the sway at elections. He tried to overcome this by striking a belated partnership with the Indian-supported NFP, but this failed and he had to bow out at the 1999 elections. An expectations system, largely among the ethnic Fijian voters, had been established and any political party expecting their support had to adopt this as a political strategy.

Thus the lack of handouts amid an expectant Fijian electorate led to Chaudhry’s ouster via the 2000 coup. When Qarase ascended to power as interim-PM in July 2000, he was well aware of this and implemented the \$25m agricultural assistance scheme that was later classified as a “scam”. This did lead to his success at the 2001 polls, but he was always acutely aware that the momentum in such schemes had to be maintained if one wished to remain in power in Fiji. Unfortunately just like Rabuka before 1999, Qarase used the public sector reform process to its limits and found himself running out of options. Shortly after 2005, however an innovative twist to the handout strategy saw a deal being struck with public sector unions to increase salaries of public servants and backdate it to 2004 at a projected cost of \$200m. When these initiatives are seen in conjunction with an obvious inability of government to pay the promised \$200m, it can be concluded that this was an elections gimmick to win support for the 2006 elections. Furthermore, the 2006 elections garnered an astounding 767,695 valid votes from a total population of 893,354 – meaning 85.9% of the population was eligible to vote. Moreover, the Public Accounts Committee report released in 2009 revealed that 959,405 voters were registered and, for these, a total of 2,082,280 ballot papers were printed (FT 19/9/09) - 665,256 of these were later unaccounted for (Fiji Sun, 11/5/07). There could be only one conclusion from this - elections in Fiji were not allowed to follow normal expected procedures and blatant attempts were being made to influence outcomes. Furthermore, in Fiji in addition to the electoral process being compromised, parliamentary opposition was considerably weakened through a constitutional requirement for the winning party to invite opposition parties who have attracted at least 10% of the vote into a multi-party cabinet. After protracted legal contentions Qarase cynically expanded his cabinet by 19 and elevated a number of Labour Party MPs as ministers of government. This virtually silenced parliamentary opposition, a key component of robust parliamentary democracy.

## **THE BAINIMARAMA COUP AND REFORMS**

A number of issues and characteristics stand out regarding the context within which public sector reforms were carried out in Fiji prior to the December 2006 coup by Commodore Voreqe Bainimarama. One, parliamentary opposition was both weakened and compromised. The link between government

performance and voter choice was sidelined into a non-concern through a number of innovative maneuvers that rendered elections unimportant. Two, public officials became extremely powerful and removed from public scrutiny through their positions and political links. Three, the press and other external sources of control like the Public Accounts Committee were either ignored and/or attempts were made to weaken them. Four, a wave of ethno-nationalism was actively fomented by government to heighten expectations for special treatment and direct assistance among ethnic Fijians to justify actions and policies that could easily be interpreted as undemocratic, abusive, and criminal – this was meant to ensure ongoing electoral support. Five, well-entrenched ex-bureaucrats with strong political connections had ascended to key public positions. Six, a cadre of local consultants had emerged from among former and current bureaucrats and politicians. These had experienced the ease with which money could be made from consultancies and government contracts. All control mechanisms expected within a robust governance framework in the public sector had thus either been weakened, sidelined or compromised.

After Qarase was removed from power on 5<sup>th</sup> December 2006 through a coup by Commodore Voreqe Bainimarama, reforms have taken on a practical use-focused dimension. Structural changes in the Prisons Service, Police Force, Health, Agriculture and Lands clearly show an output-oriented focus with a very small number of “faces” involved at the decision-making level. Decisions are made without much publicity, fanfare or preparatory prior announcement and simply implemented in what has inevitably been seen to be an “imposed” manner in some circles. This is particularly pronounced in decisions pertaining to land and its use. It is obvious that a major obstacle in Fiji’s development, that of unavailability of enough land, has been surmounted with the removal of democratic institutions through a military regime. With this type of arrogation of power, where public decisions are not open to public review, there is always the potential for abuse at some stage. The outcomes of this executive-type model are already visible with larger participation in commercial agriculture, self-help and micro-financing projects around the country. The longer term advisability of this in terms of its political and economic fallout can, however, only be speculated about and needs further research.

## DISCUSSION

This paper first established the link between the NPM model of public sector reforms and democracy. It contended that the model contains a number of internal tensions and contextual weaknesses especially in traditional contexts like Fiji when viewed in terms of the fact that NPM has “no clear overall understanding of democracy and the role of the bureaucracy in the political system” (Christensen & Laegreid, 2009, p.5). In pursuing this apparent anomaly, the paper highlighted the macro-context of public sector reforms and how repeated attempts were made by successive governments to weaken the countervailing role of the voter in the face of excesses in government decisions in order to perpetuate their terms in power. To a large extent, the reform process facilitated this as it strengthened bureaucrats, and placed at the disposal of government, avenues to engage in political patronage through appointments in filling public positions arising from the reforms, and substantial ethnic-based allocation of contracts amid the rationale of affirmative action. When resource limits were inevitably reached, active attempts were made to capture the democratic apparatus. The electoral process and many other critical institutions of control were finally compromised and subverted most effectively by the Qarase regime as seen in the 2006 elections where 85.9% of the population (not voters) were deemed to have voted legitimately. It was to a large measure the inability of the electoral processes to remove Qarase that prompted the Bainimarama coup of December 2006. In addition to this, there was the glaring absence of and need for procedural controls that had been prescriptively removed by the reform process. At this point in time, Bainimarama is proposing reforms prior to democratic elections in 2014. These reforms should focus on establishing and strengthening democratic institutions in the besieged country.

It is obvious that NPM “is not just a change in management structure or techniques; rather, it is an ongoing change effort to alter administrative process and culture that in turn takes place within a larger economic, social, and political reform context” (Klingner, 2000, p.369). Siegel (1999) says that building democratic institutions in traditional contexts (like Fiji) requires fundamental changes in society, politics

and public administration. And as mentioned earlier at a level above the bureaucracy, administrative reforms also have direct implications for representative democracy (Laegreid & Roness 1999, Suleiman 2003). On a wider plane “governance encompasses the complex mechanisms, processes, relationships and institutions by which citizens articulate their interests and mediate their differences” (Bardouille, 2000, p.83). The effectiveness of this citizens’ participation however, depends on the nature of the governance structures established to facilitate this, the degree of acceptance of these structures by the citizenry, and the willingness of governments to refrain from attempting to influence or ignore the workings of these institutions of governance. The obvious dilemma that arises is should public sector reforms lead to the establishment of structures for democratic governance or is democratic government a pre-requisite for effective reforms? In the case of Fiji, there is little choice as a coup-established government reigns. It is therefore, essential that the opportunity is taken to bring about reforms that lead to true democratic governance. Once a functioning democratic framework is established, it should not be too difficult for public sector reforms to deliver on its multiple promises.

## ENDNOTES

1. At that point in time (1979) NPM did not exist as a model. Its characteristics became increasingly distinct and visible by 1990 and in 1992 Hood called it “a model for all seasons”.
2. For details of this, read Appana (2009).
3. See Appana (2011) for details and examples of this.
4. See *fijilive* (15/2/04 and 19/2/04). The new CEO laid the blame on the previous management of AFL. No action has been taken in this case.
5. Many reasons have been forwarded for the 2000 coup; this one has not yet been highlighted pointedly.
6. Fijian Fiji was divided into 14 provinces by the colonial administration; this structure is still used in conjunction with the government bureaucracy.
7. Government accountant Suliasi Sorovakatini, Permanent Secretary for Agriculture Peniasi Kunatuba, and in 2011 businessman Dhansukh Bhika, were jailed for this. A number of other cases are still pending before the courts.
8. Ratu Jope Seniloli, sentenced to 4 years in prison on 6 August 2004, was released on undeclared medical grounds less than 4 months later on 29 November 2004. Seniloli who was on full pay during incarceration would retain a pension equivalent to 30% of his vice-presidential salary; George Speight, Timoci Silatolu, Jo Nata and a number of CRW soldiers who had held parliament hostage for 56 days during the 2000 coup were jailed in very un-jail-like conditions on Nukulau Island; Ratu Naiqama who was Minister for Lands and Minister for Mineral Resources as well as Deputy PM, was sentenced to 8 months then released in 10 days to serve his sentence extra-murally. All charged rioters of 2000 were given suspended sentences and ordered to return to their villages, but hardly anyone did as they were Suva dwellers.
9. Drysdale at the Goodwill Conference in Nadi in November 2002 (*fijilive*, 9/11/02).
10. Qarase in *fijilive* (3/3/03)
11. Australian Journalist Graham Davis in a presentation to the 31st Fiji Institute of Accountants Annual Congress in Nadi (*fijilive*, 11/5/03).

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