



**AID, SANCTIONS AND CIVIL SOCIETY:**  
An analysis of the impacts of targeted sanctions on Fiji's  
non-government organisations

by

Morgan Franciska Hanks

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## **ABSTRACT**

In dealing with contested regimes, international aid donors must decide whether to suspend or continue to provide development assistance to a regime considered illegitimate. Since the 1990s a general consensus has existed that conventional sanctions are largely ineffective and essentially violate human rights. Responding to this realisation, targeted or 'smart' sanctions emerged with the aim of minimising the impacts of sanctions on civilians, while still targeting the ruling elite. This thesis investigates smart sanctions utilised in a Pacific Island country: Fiji. Following the coups of 1987, 2000 and 2006 three of Fiji's major aid donors, Australia, New Zealand and the European Union, imposed various levels of smart sanctions including targeted travel bans and sanctioning their aid programmes. In particular, the donors focused on redirecting funding through non-governmental organisations (NGOs) in Fiji.

Within the sanctions literature a particular gap exists regarding assessment of the impacts on local NGOs. What research does exist has shown that in several cases in Africa, Asia and South America when donors have chosen to channel aid through civil society in response to lagging political reforms, this has at times done more harm than good for local NGOs. Since the imposition of smart sanctions in Fiji there has been no evaluation of how rechanneling aid through NGOs has changed the local development landscape. This research evaluates both the explicit and implicit impacts that smart sanctions imposed on Fiji have had on local NGOs.

**Key words:** smart sanctions; Fiji; aid; civil society

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## ACRONYMS

ACP	Africa, Caribbean and Pacific countries
ACSSP	Australian Civil Society Support Program
ACTU	Australian Council of Trade Union
AFTERA	Australia-Fiji Trade and Economic Agreement
AMSP	EU Accompanying Measures for Sugar Protocol
ANCP	AusAID-NGO Cooperation Program
AusAID	Australian International Development Assistance Bureau
AusNGO	Australian NGO
AVI	Australian Volunteers International
CA	Cooperation Agreement
CCF	Citizen's Constitutional Forum
CSO	Civil Society Organisation
CSS	New Zealand Civil Society Strategy
CSS	Civil Society Strategy
DAP	Direct Aid Program
DFAT	Australian Department of Foreign Affairs and Trade
DfID	United Kingdom Department for International Development
EC	European Commission
ECSIEP	European Centre on Pacific of Pacific Issues
EDF	European Development Fund
EIDHR	European Institute for Democracy and Human Rights
EU	European Union
FLP	Fiji Labour Party
FMF	Fiji Military Forces
FTUC	Fiji Trade Union Congress
FWCC	Fiji Women's Crisis Centre
FWRM	Fiji Women's Rights Movement
GBS	General Budget Support
GDP	Gross Domestic Product
GEF	Global Environment Fund
GNI	Gross National Income
HAF	Humanitarian Action Fund
HOMF	New Zealand Head of Mission Fund
HRF	Humanitarian Response Fund
IFI	International Financial Institution
IMF	International Monetary Fund
JAR	European Commission-Fiji Joint Annual Reports
JICA	Japanese International Cooperation Agency
KOHA-PICD	<i>Kaihono hei Oranga Hapori o te Ao</i> – Partnerships for International Community Development
LNGO	Local NGO
MDGs	Millennium Development Goals
MFAT	New Zealand Ministry of Foreign Affairs and Trade



NFP	National Federation Party
NGO	Non-Governmental Organisations
NZAID	New Zealand Agency for International Development
NZAP	New Zealand Aid Programme
NZHC	New Zealand High Commission
NZNGO	New Zealand Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
PER	Public Emergency Regulations
PIF	Pacific Island Forum
PIFS	Pacific Island Forum Secretariat
PRSP	Poverty Reduction Strategy Papers
RAMSI	Regional Assistance Mission to Solomon Islands
RNGO	Regional NGO
SAP	Structural Adjustment Programmes
SAS	Small Activities Scheme
SDF	Sustainable Development Fund
SDL	<i>Soqosoqo Duavata Lewe Ni Vanua</i> Party
SVT	<i>Soqosoqo Vakavulewa Ni Taukei</i> Party
SWAp	Sector Wide Approach
UN	United Nations
UNDP	United Nations Development Fund
UNFPA	United Nations Population Fund
USAID	United States Agency for International Development
USP	University of the South Pacific
YWCA	Young Women's Christian Association

## CHAPTER ONE

### INTRODUCTION, AIMS AND OBJECTIVES

*Scholarship on sanctions has always been informed by the IR [international relations] literature, which tended to focus on how large and aggregated constructs—‘states’ and ‘societies’—related to one another, and which was relatively uninterested in examining how international processes and actions made themselves felt on specific individuals or groups within those societies.*

Buck, et al., 1998, p. 73

#### 1.1 Introduction

In January 2009 I began a month-long internship with a non-governmental organisation (NGO) in Fiji. At the time I knew very little about Fiji, other than it was beautiful holiday destination in the South Pacific. I spent the months leading up to my departure reading about Fiji’s culture, its colonial history, its diverse ethnic populations and its more recent political instability. I was both shocked and intrigued to learn that Fiji was currently under the rule of a military dictator.

When I arrived in Fiji, I did not see soldiers with guns or roadblocks in the streets. Instead I found a civil society community severely divided between those willing to engage with an interim government, and those refusing to acknowledge an illegitimate regime. More importantly, though, I met a number of people trying to understand and confront Fiji’s tumultuous past while aiming to move beyond its culture of coups. It was only later, when I returned to New Zealand, that I learned two of my colleagues at the NGO had been subjected to travel bans by Australia and New Zealand, which had been imposed among a package of sanctions measures after the 2006 coup. The travel bans that had affected my former colleagues had been imposed based on familial relations, and the fact that they were travelling on behalf of the NGO made little difference. I did not understand how or why a government could justify the extension of their sanctions to the level of civil society organisations, whether intentional or not.

## 1.2 Sanctions, Aid and Fiji

Sanctions are one of the oldest tools of economic statecraft, reaching back as far as 432 B.C. to the Megarian Decree, which barred Megarian merchants from Athenian markets. The Decree essentially established the world's first recorded trade embargo (Hufbauer, Schott, Elliot, & Oegg, 2007, p. 9). Over time, the motives for imposing sanctions have evolved. Throughout the 19th century, sanctions were used as a strategic tool of European expansionism. They later became a common tool of foreign policy, offering a "middle ground between diplomatic and paramilitary/military action" (Eland, 1995, p. 30). During the Cold War, however, sanctions were increasingly used to influence political ideology and regime change throughout the Third World. With the Cold War over, the objectives of sanctions in the late 20<sup>th</sup> and early 21<sup>st</sup> centuries have shifted once again, with an overwhelming emphasis on promoting "respect for human rights and democratic elections" (Hufbauer, et al., 2007).

As motivations for imposing sanctions have evolved, so too have the mechanisms of imposing sanctions. The 1990s saw two key realisations emerge within the sanctions debate. Firstly, on average conventional sanctions have been ineffective at producing credible, long term reform (Crawford, 1997; Daoudi & Dajani, 1983; Doxey, 1987; Hansen & Borchgrevink, 2006; Nossal, 1989; Pape, 1997). Secondly, despite the frequently claimed objectives of upholding human rights, sanctions have in fact throughout history targeted innocent populations (Galtung, 1967; Shagabutdinova & Berejikian, 2007; Tomasevski, 1997; Weiss, Cortright, Lopez, & Minear, 1997). This has led to what Nossal refers to as a 'policy paradox': "despite the overwhelming evidence that sanctions simply do not 'work' as their enthusiasts claim, they nonetheless continue to be a favored instrument for global governance responding to behavior deemed wrongful in international politics" (Nossal, 1999, p. 131). This recognition that sanctions are ineffective and violation human rights prompted demands for sanctions to become smarter and more targeted. 'Smart' sanctions aim to be more selective in what and whom they target. For example, smart sanctions tend to include: restrictions on the financial assets of ruling and military elites; restrictions on the industries from which they are likely to benefit; and travel and/or

visa restrictions for those directly responsible for conflicts and their immediate family. Another form of smart sanctions has included suspending development assistance to a recipient country. This is a particularly controversial form of sanctions. Sanctioning aid can range from total suspension of all aid by all donors (usually not including humanitarian aid), the suspension of any new project aid, a reduction in aid allocations or disbursements, as well as political statements, threats and other non-aid measures (such as arms embargoes) (Crawford, 2001). Like comprehensive sanctions, the objective is to pressure the government to reform, although in a more targeted fashion.

Since gaining independence from Britain in 1970, Fiji has experienced four coups d'état: twice in 1987, once in 2000 and once in 2006. Responding to the democratic crises in Fiji, several international donors suspended or heavily restricted their development assistance to the island nation. In particular, Australia, New Zealand and the European Union (EU) have unilaterally imposed a number of targeted smart sanctions<sup>1</sup>. In the wake of the 2006 coup, both Australia and New Zealand, two of Fiji's nearest and most important trade and aid partners, scaled back their aid programmes, severing several development programmes that partner with Fiji's Government. Both countries have also imposed travel restrictions on Government and military personnel as well as their immediate family members. The EU, Fiji's second largest donor (after Australia), suspended its development assistance to Fiji, placing more than F\$400 million in aid to Fiji at risk (Grubel, 2007). As a result of their suspended relationships with the Government, each donor has announced their separate intentions to increase their work with and through civil society actors in Fiji.

### **1.3 Including Civil Society in the Sanctions Debate**

When dealing with contested regimes, international aid donors tread a fine line. They must decide whether to suspend aid and run the risk of negatively affecting the most vulnerable populations, or continue the provision of development assistance and risk the appearance of

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<sup>1</sup> The United States has also imposed sanctions on Fiji's development assistance in the past. US sanctions, however, are relatively minimal compared to those of Australia, New Zealand and the EU and are thus not included in the focus of this research.

supporting an illegitimate regime. However, a third alternative involves donors working around the state by funding development through civil society rather than directly supporting government development initiatives. In this way, the favouring of civil society is a direct attempt by international donors to use foreign policy to limit the role of the contested regime.

Recent shifts in the dominant development paradigm have seen donors refocusing their efforts once again on government institutions. Waving the banner of ‘aid effectiveness’, and underpinned by a number of new principles and modalities of aid delivery, developing country governments have regained their place as the more efficient and preferred partner for sustainable development that has been consistently challenged the rising influence of neoliberal thinking since the 1980s. This shift in development thinking and practice has particular implications for civil society. Whereas in the past, civil society organisations (CSOs), in particular NGOs, were heralded as having a comparative advantage over the state, seen as a “preferred channel for service provision, in deliberate substitution of the state” (Edwards & Hulme, 1996b, p. 2), the current dominant development paradigm prescribes a less central role for civil society, viewing them as more of a complementary or ‘alternative’ channel for development assistance (Leader & Colenso, 2005). Their role as ‘alternative’ service providers is particularly exacerbated in the case of fragile or failing states (Dowst, 2009; Riddell, 2007). Despite this acknowledgement of the important role NGOs play in times of state instability, little research exists evaluating the impacts sanctions have on local NGOs. Where such research does exist, it has pointed to NGOs being inadvertently and detrimentally affected by sanctions.

#### **1.4 Research Aim and Objectives**

This thesis aims to contribute to the very small body of literature that includes NGOs and civil society in the debate about the impacts and efficacy of sanctions. By examining the ways sanctions imposed by Australia, New Zealand and the European Union have affected the financial, operational and relational capacities of NGOs in Fiji, it aims to identify a subcategory of sanctions theory that is often ignored but warrants further consideration.

In order to achieve the above-mentioned aim, the following objectives frame this research:

1. To examine which aspects of sanctions have had the greatest impacts on Fijian NGOs;
2. To analyse how donor funding to Fijian NGOs has been affected by sanctions;
3. To investigate Fijian NGOs' experiences of donors' 'reorientation' of support to civil society in Fiji;
4. To explore the impacts sanctions have on relationships between Fijian NGOs and their donors, the Government of Fiji and other local and international NGOs;
5. To acknowledge the unidentified and unforeseen affects of smart sanctions, as perceived by Fijian NGOs;
6. And to understand how donors shape the role of local NGOs in fragile and failing environments.

## 1.5 Chapter Outline

**Chapter Two** introduces the research design for the thesis. It situates the research within a critical realist framework and explains how *talanoa*, an indigenous Fijian research methodology, has influenced the philosophical approach and methodology chosen. Chapter Two also provides a discussion on ethical considerations, challenges and limitations of the fieldwork.

**Chapter Three** provides an overview of the relevant literature. It begins by examining how the aid landscape has evolved since the 1980s, focusing particularly on the changing role of civil society in development. It then introduces sanctions within a framework of political conditionality. It concludes by highlighting the implications of redirecting development aid through civil society in fragile environments.

**Chapters Four** and **Five** provide the context from which Fiji as a research site can be analysed. Chapter Four provides details of Fiji's history as an aid recipient. Using this background, the chapter then discusses the origins and evolution of Fiji's dynamic and

active civil society community. Chapter Five provides an overview of Fiji's coup history and the subsequent reactions from the international community.

**Chapters Six, Seven and Eight** present the results and discussions of interviews with a number of Fijian NGOs, donor agencies and other key informants from Fiji's civil society and development sector. Chapter Six addresses the impacts sanctions have had on overall donor funding to Fiji. It also gives anecdotal evidence that the impacts on NGO funding have been experienced in an uneven manner. Chapter Seven details some of the most direct impacts of sanctions that Fijian NGOs have experienced. It also offers a number of opinions of those from Fiji's development sector on the efficacy of the sanctions in achieving their initial objectives. Chapter Eight is the final results chapter. It presents a number of discussions from different NGOs on the more indirect impacts of sanctions. It details the ways in which sanctions have affected relationships between Fijian NGOs and their donors, the Government of Fiji and other local and international NGOs.

**Chapter Nine** reviews the results presented in Chapters Six through Eight. It address some of the limitations identified following the fieldwork and analysis and offer suggestions for further research. This chapter concludes by tying together the research findings with the earlier literature reviewed and discusses the significance of the research findings for donors and NGOs in Fiji, as well as the wider debate on sanctions.

## CHAPTER TWO RESEARCH DESIGN

### 2.1 Introduction

This chapter provides an overview of the research design. It begins with a discussion of the conceptual frameworks that have shaped the research process. The methodology adopted and methods used to conduct the research are discussed as well as reasons for selecting Fiji as a location. Finally, the chapter concludes with a consideration of relevant ethical issues and limitations experienced during time in the field.

### 2.2 Philosophical Approach to Research

An essential step in undertaking research includes the preliminary declaration of not only *what* findings the researcher wants to uncover, but also *how* the researcher intends to uncover these findings. The ‘what’ is a statement to the reader about the researcher’s ontological understanding of truth: *What* is the most fundamental truth for the research? The ‘how’ clarifies the researcher’s epistemological approach: *How* does the researcher intend to gain knowledge about this truth? The ontological and epistemological positions of the researcher, as Mikkelsen (2005) notes, frame the overarching aim of the research, what questions are asked, the manner in which they are asked and how the results are analysed.

This research is couched in two precursory understandings. First, reality is both objective and subjective. There is a real world, however, it is perceived and shaped by people’s individual experiences. This research seeks to uncover the perceptions of the research participants as well as the wider community they represent. Second, knowledge is limited. What each participant can possibly know is finite and based on his or her own individual experiences. NGOs and donors may communicate with each other regarding their separate experiences, but they rarely will (or should) speak for the other. In recognising my initial standpoints, I acknowledge that critical realism offers the most appropriate conceptual framework for this research.



### *2.2.1 Critical Realism*

Critical realism has its roots in both critical theory and realism. It is often viewed as a “third stream” between purely objective and purely subjective conceptual frameworks (Denzin & Lincoln, 2005, p. 13). Critical realism emerged during the postpositivist movement of the 1970s that introduced a “wholesale rejection of the central tenets of positivism” (Trochim, 2006). Influenced by the work of realist philosophers such as Roy Bhaskar and Rom Harré, critical realism accepts the existence of a ‘real world’, external from our own human perceptions and understandings, which as Sayer (1993, p. 322) notes, is “the minimum criterion for realism.” However, critical realists diverge from positivists in that they believe that one’s knowledge of the real world is “socially conditioned and subject to challenge and reinterpretation” (Della Porta & Keating, 2008, p. 24).

To understand how reality is conditioned and interpreted, the researcher is tasked with investigating and analysing “non-explicit processes and relations” (Murray & Overton, 2003, p. 21). This often includes the analysis of individual perceptions and language, as critical realism holds that neither offers a neutral or objective view of reality. “Linguistic descriptions,” according to Denzin and Lincoln (2005, p. 310), “are not simply about the world but serve to construct it.” This emphasis on the constructive nature of reality reflects an overlap with the principles of constructivism (also called constructionism). Constructivists, however, disagree with the positivist concept of universal truth, believing rather that understanding of the social world is socially constructed (Mikkelsen, 2005, p. 184). Regardless of their understanding of reality, both critical realists and constructivists agree once again in refuting the “myth” (Johnson & Onwuegbuzie, 2004, p. 29) of pure objectivity in research.

Beyond the understanding of a constructed external reality, critical realism also builds on critical theory, which emphasises the importance of uncovering underlying power dynamics at work and communicating them to people so that they are able to respond. In critical realist research, the research questions are “critical of the existing situation,” and the “data collected deal with power structures, power relationships, and their development”

(Mikkelsen, 2005, pp. 135-136). Here the overriding aim is “social emancipation” (Denzin & Lincoln, 2005, p. 198), to “empower human beings” (Creswell, 2003, p. 10), and in general to “improve society” (Murray & Overton, 2003, p. 21).

Based on this definition of critical realism, I acknowledge that sanctions as real foreign policy decisions have tangible impacts, although individuals and communities will experience them differently. While Fiji’s sanctions have included a number of explicit measures, in labelling a country as a ‘target’ for sanctions, a specific rhetoric is employed to problematise discursively the target and justify the measures of the sender. This mechanism of ‘linguistic description’ serves to construct a particular reality (the ‘failed state’, the ‘rogue state’) that establishes a rationale for, and warrants, action.

### *2.2.2 Positionality*

When undertaking cross-cultural research, it is imperative that the researcher reflects on their positionality: who they are, why they are conducting the research and how both of these factors can affect the research. Discerning one’s positionality involves a level of reflexivity that traditional research methods have long ignored. More recently, however, the influences of feminist and indigenous research methodologies, like critical realism, have challenged the “fiction” (A. Pratt, 1995, p. 68) of objective neutrality within research. Both feminist and indigenous research recognise not only the existence of, but also the need to establish, personal relationships with research participants. For England (1994, pp. 81-82), this recognition problematises the “observational distance” between researcher and researched that is inherent in traditional methodologies, freeing the researcher to treat participants “like people and not as mere mines of information.” Relationships, Nabobo-Baba (2006, p. 24) notes, take particular precedence among the protocols of Fijian research. This cultural significance attached to relationships demands that the researcher critically assesses his or her right to conduct the research as well as acknowledge his or her responsibility to be accountable to the participants.

As a *vulagi*<sup>2</sup>, I was an outsider, both in Fiji and within the Fiji NGO community. As a young, Western, female researcher, I acknowledge that I entered into this research with my own values and beliefs on the subject of sanctions, the role of civil society and the history of Fiji. My personal connections to Fiji and its NGO community I do not believe to be a hindrance and I agree with England (1994, p. 87) who argues that research is “intensely personal” and that the “positionality and biography of the researcher plays a central role in the research process.” I have aimed to fairly and accurately represent the concerns and opinions of the participants and where possible, I have quoted participants at length, rather than using their comments as ‘sound bites’ and hope this has enabled the context of their perceptions to overshadow my own opinions.

A particularly important issue when considering one’s positionality is the “marked power inequality” that can exist between the researcher and the participant, particularly when working with vulnerable or marginalised groups (Binns, 2002). Cross-cultural research is particularly fraught with imbalanced power dynamics. In this research the participants represented a number of different ethnic backgrounds, including *iTaukei*<sup>3</sup>, Indo-Fijian, other Pacific Islander as well as a number of expatriates. Additionally, they represented a number of professional positions, working for NGOs, donor agencies and as independent development practitioners. All were highly literate, proficient in English, likely possessed tertiary level education and had significant experience in the Pacific development sector. Based on these factors, I often felt the relative power imbalance was tipped in the participants’ favour. Echoing England’s (1994, p. 82) comments on the research stance of “supplication”, I recognised early on that my research was completely dependent “on the research subject to provide insight into the subtle nuances that structure and shape everyday lives” and that their knowledge was “greater than that of the researcher.”

### **2.3 Methodology**

Just as the researcher’s own philosophical stance and positionality shape the aims of the research, the methodology adopted has considerable influence over which methods are

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<sup>2</sup> *Vulagi* is the Fijian word for ‘stranger’ or ‘guest’, used to describe all non-indigenous Fijians.

<sup>3</sup> *iTaukei* is the Fijian word for the indigenous settlers of Fiji.

chosen and how those methods are used (Silverman, 2010, p. 121). For years, methodological advocates have waged war over the most appropriate research paradigm. Purists on both sides have argued that qualitative and quantitative methods of research are incompatible, focusing primarily on the differences between the separate schools of thought. This approach, however, fails to recognise the importance and usefulness of both methodologies (Johnson & Onwuegbuzie, 2004). While methodology does indeed tend to prescribe a list of likely methods for the researcher, as Howe (in Johnson & Onwuegbuzie, 2004, p. 15) notes, “this linkage between research paradigm and research method is neither sacrosanct nor necessary.” Researchers should be free to choose the methods that they believe create the most vibrant and holistic picture of their research.

### *2.3.1 Mixed-method*

To the detriment of the novice researcher, critical realism is a “methodologically handicapped philosophy” (Yeung, 1997, p. 56), with no recognisable standard set of methods. Due to the absence of a consensus on how to conduct critical realist research, however, many scholars advocate for a mixed-methodological approach, allowing researchers to match the methods to the research, rather than the other way around. Hammersley (in Yeung, 1997, p. 56) agrees, stating that researchers “ought often to depend on the purposes and circumstances of the research, rather than being derived from methodological or philosophical commitments.” In this way, the selection of methods within critical realist research is heavily context specific.

This emphasis on context specificity is especially appropriate when conducting research on development issues. Combining qualitative and quantitative research methods in development research is increasingly expected as the traditional perceptions of quantitative data as ‘hard’ or ‘objective’ information and qualitative data as ‘soft’ or ‘subjective’ information are challenged (Brockington & Sullivan, 2003, p. 71). Rather than relying strictly on either quantitative or qualitative methods, as Mikkelsen (2005, p. 141) notes, “the best development research often combines features of each.”

Taking these arguments into consideration, this research has adopted a mixed methods approach. The primary aim of this research is to explore how local NGOs have experienced the impacts of sanctions in Fiji. To do this required asking questions about how these organisations had been directly (e.g. financially) as well as indirectly (e.g. perceived changes in relationships) impacted. In order to ask these questions, both qualitative as well as quantitative methods were necessary to analyse the situation at both a macro and micro level. Quantitative data shows the actual change in financial flows (macro), while qualitative research provided the participants the opportunity to voice their perceptions of the impacts, as they have experienced them (micro).

### ***2.3.2 Case study***

Conducting a case study is not a methodological decision, but rather one “defined by interest in an individual case” (Stake, cited in Holliday, 2007, p. 17). This case study originating from my own personal interest in Fiji’s NGO community, can, however, be used as Denscombe (1998, p. 30) notes, “to illuminate the general by looking at the particular.” In line with the critical realist approach to uncover implicit processes and relationships, case studies involve a single case being examined in order to provide an “in-depth account of the events, relationships, experiences or processes occurring in that particular instance” (Denscombe, 1998, p. 32). As in critical research, the focus of a case study is not to identify the outcomes, per se, but to identify how and why certain outcomes have occurred.

### ***2.3.3 Talanoa***

In light of the need to be sensitive when conducting research outside of my own culture and country, the concept of *talanoa* research methodology is particularly influential. *Talanoa* is a Fijian phrase, which refers to “a conversation, a talk, an exchange of ideas or thinking, whether formal or informal” (Vaiolleti, 2006, p. 23). Literally translated, *talanoa* means, “talking about nothing in particular,” emphasising the absence of a “rigid framework”

(Vaiolleti, 2006, p. 23). As a semi-structured approach to conducting research, *talanoa* aims to accommodate a “deep, interpersonal relationship, the kind of relationship on the basis of which most Pacific activities are carried out” (Morrison, et al. in Otsuka, 2006, p. 3).

Not all facets of *talanoa* were applicable to my research; however, knowledge of *talanoa* enlightened me on the importance of personal relationships in Pacific and specifically Fijian cultures. In *talanoa*, according to Otsuka (2006, p. 4), the researcher and participant share “time, interest, and information, but also emotions”. In one interview in particular, the participant was comfortable enough to tell me about a family member currently undergoing treatment for cancer. Often both the participant and I would forget entirely that the dictaphone was recording many of the generic and un-related comments. In this sense, many interviews moved beyond just a structured interview, becoming a conversation.

## **2.4 Choice of Setting and Participants**

The selection of Fiji as a research location was made for reasons of both familiarity and proximity. As mentioned earlier, I was intrigued by the fact that employees working for a local NGO were being affected by sanctions intended to target the military elite and, more importantly, the perpetrators of the 2006 coup – neither of which represented these NGO staff members. It is thus important to reiterate that my association with local Fijian NGOs has influenced my own positionality. Secondly, Fiji is the only country in the Pacific region currently under sanctions

In total, 30 semi-structured interviews were conducted with representatives from Fiji-based NGOs, donor agencies, governments as well as key informants familiar with Fiji’s NGO and development sectors. The 19 NGOs interviewed were identified based on whether they were either currently receiving or have in the recent past received funding from AusAID, NZAID or the EU. The NGOs consisted of both local and regional, advocacy and service providing organisations, with various sectoral focuses, including education, governance, health, human rights, social justice and women’s rights.

**Table 2.1 – List of Interview Participants**

Code Number	Type of Organisation	Position	Location
Interview1	Local NGO (LNGO)	Programme Manager	Fiji
Interview2	LNGO	Executive Director	Fiji
Interview3	LNGO	Chief Executive Officer	Fiji
Interview4*	LNGO	Director	Fiji
Interview5	LNGO	Executive Director	Fiji
Interview6	LNGO	Executive Director	Fiji
Interview7	LNGO	Human Resources Manager/Program Assistant	Fiji
Interview8	LNGO	Executive Officer	Fiji
Interview9	LNGO	Senior Programme Coordinator	Fiji
Interview10	LNGO	Programme Officer	Fiji
Interview11	LNGO	Coordinator	Fiji
Interview12	LNGO	Director	Fiji
Interview13	Regional NGO (RNGO)	Board Member	Fiji
Interview14	LNGO	Office Manager	Fiji
Interview15	RNGO	Senior Trainer	Fiji
Interview16	LNGO	Chief Executive Officer	Fiji
Interview17	LNGO	NGO Representative	Fiji
Interview18	LNGO	Executive Officer	Fiji
Interview19	LNGO	Creative Director	Fiji
Interview20	Donor	NZAID representative	Fiji
Interview21	Donor	NZAID representative	NZ
Interview22	Donor	AusAID representative	Fiji
Interview23	Donor	European Delegation representative	Fiji
Interview24	Donor	JICA representative	Fiji
Interview25	Government Institution	NZ MFAT representative	NZ
Interview26	Government Institution	Australian DFAT representative	NZ
Interview27	Key Informant	Development Practitioner	NZ
Interview28	Key Informant	Development Practitioner	NZ
Interview29	Key Informant	Development Practitioner	Fiji
Interview30	Key Informant	Former NZ Diplomat	NZ

\* Due to time constraints, NGO answered questions and shared thoughts via email.

In addition to the NGOs, interviews were conducted with representatives from four donor agencies, including AusAID, NZAID, the Delegation of the EU, and the Japanese International Cooperation Agency (JICA), as well as representatives from the Australian and New Zealand governments' Foreign Affairs departments. Table 2.1 below provides a list of the participants and their interview code.

## **2.5 Research Methods**

A mixture of both primary and secondary research was undertaken in the course of the research.

### *2.5.1 Primary and Secondary Research*

As previously discussed, 30 semi-structured interviews were conducted over a period of six weeks in June and July 2010, both within and outside of Suva. Seven interviews were conducted later after returning to New Zealand. In a few cases face-to-face interviews were not possible due to time constraints. In these cases, interviews were conducted once over the phone and once through email correspondence. In general, participants appeared to be extremely busy, and a considerable effort was made to fit into their schedules as much as possible. For many NGOs, the end of June is the mid-year report season, so efforts were made to schedule interviews either before or after the last weeks of June. Despite the fact that many of these organisations are overworked and understaffed, most of them made time to speak with me.

To contextualise the primary research, both quantitative and qualitative secondary research was undertaken, consisting of two components. The first component involved a review of relevant literature, focusing particularly on the changing aid landscape, the progressive use of sanctions and the shifting role ascribed to civil society in development. The second component consisted of an analysis of donor country aid policy documents and data to gain a more full understanding of two areas of interest: how, when and why these governments apply sanctions; and how these donors view civil society and engage with them as conduit for their development funding. Additionally, government press statements and newspaper articles from the international and Fijian press were reviewed for additional contextual information.

### *2.5.2 Semi-Structured Interviews*

As the main aim of the research was to gain an understanding of the perceptions of the NGO community, individual semi-structured interviews were selected as the main method



of conducting qualitative primary research. According to Pratt and Loizos (1992, p. 30), the one-off interview provides a “snapshot” or “an image of reality and define[s] certain social facts at a given point in time.” Critical realist researchers, Sayer (in A. Pratt, 1995, p. 68) suggests, should opt for “less formal, less standardized and more interactive kinds of interviews.”

In addition to being a methodologically appropriate tool of critical realist research, semi-structured interviews are also culturally appropriate for conducting research in Fiji. As Pratt (1995) points out in regards to critical realist research, the relationship established in an open interview setting differs greatly from that of a questionnaire. Questionnaires focused specifically on *what* is said can impose the researcher’s notions of social significance, and be closed to other relevant nuances. Echoing Pratt’s concerns, Otsuka (2006, p. 11) notes, in the “Fijian cultural value system, the written survey or questionnaire, which does not involve interpersonal relationships, is not a culturally appropriate research tool.” In semi-structured interviews it is important to pay attention not only to *what* is said, but also *how* it is said (A. Pratt, 1995). The researcher is able to note, for example, when a participant declines answering a question for feelings of discomfort rather than lack of knowledge – an important reaction not possible to make in a questionnaire. In this sense, semi-structured interviews were the most appropriate method for conducting primary research.

## **2.6 Ethical Considerations**

Conducting research with human participants is laden with ethical issues. Conducting research in a developing country with people of a different culture only adds to the ethical complexity. In the past, research in the Pacific (and in developing countries in general) has often been undertaken with little ethical consideration for the research participants (Vaioleti, 2006; Wesley-Smith, 1995). Both Victoria University and the Government of Fiji require students engaging in primary research with human participants to gain approval, allowing the researcher to address ethical considerations.

### *2.6.1 Victoria University of Wellington Code of Ethics*

As Victoria University of Wellington requires all students conducting research with human participants to comply with its code of ethics, students have to consider the ethical implications of their research. In accordance with these requirements, each participant was provided with a 'participant information' form and a 'consent to participate' form (see Appendix II) prior to the start of the interview. These forms explained to the participant who I was, what I was researching and the reasons I was interested in interviewing them. By signing the consent form, participants acknowledged that they had been provided with information on the research and were willingly to take part. Beyond ethics committee requirements, three particular ethical issues that arose during my fieldwork are detailed further.

### *2.6.2 Research Permit*

Fiji requires visiting researchers to apply for and obtain a research permit. The permit costs the researcher F\$650 (approximately NZ\$470) and any information on acquiring one is hard to find. Few government employees know anything about the permit. The researcher thus faces an ethical dilemma: in light of the difficulty in acquiring a permit, should the researcher still obtain one? As a sovereign nation, Fiji has the right to require visiting researchers to ask permission to conduct research on its citizens. This is especially pertinent in the Pacific, where years of inappropriate and damaging research have left many people wary of researchers (L. T. Smith, 2006). For Fiji specifically, a further question arises whether or not the researcher should be obliged to seek permission from, and thus recognise the legitimacy of, a military-led government that obtained its power through illegal means. When asking for advice, for a number of academics the questions of legitimacy and risk of being denied entry was justification enough not to apply for a research permit, and several recommended that I enter Fiji as a tourist instead.

In the end I chose to file the application, pay the fee and cross my fingers. Fortunately, I was informed by the Immigration Department prior to departure that I could enter Fiji as long as my application was pending and this is what I did. Four weeks into my six-week

stay in Fiji I was relieved to receive my formal research visa. Knowing that I had followed the ethical (and legal) requirements made conducting interviews easier, both morally and practically. While I personally encountered no problems throughout my stay, a fellow researcher was denied an interview with a key informant until she had officially received her research permit.

### *2.6.3 Potential Harm and Confidentiality*

Prior to entering the field I was aware that the topic I had chosen to research had the potential to be very sensitive. I knew, for example, that at least one potential participant had been detained and assaulted by the military following the 2006 coup. Taking this into consideration, considerable efforts were made to ensure the confidentiality of all interview participants, particularly those representing NGOs.

During the interviews, a few organisations were concerned specifically with who would have access to their comments, both the Government as well as the donors. Initially participants were given the option to have their name or the name of the NGO omitted, substituted by a pseudonym. However, after visiting the Ministry of Finance in search of Fiji's own statistics on international development assistance, the Ministry expressed interest in the results of the research and asked if I would share them upon completion. In response to these developments, halfway through my time in the field I made the choice to withhold all names of participants as well as the names of the NGOs interviewed. I felt this would not only ensure confidentiality and thereby minimise any potential harm to participants but it will enable me to share the information identify with as many interested parties as possible.

In order to keep the identity of the participants and NGOs confidential, in the place of their names, all participants have been assigned an interview code. As many of the NGOs are easily distinguishable by their descriptive features, few details are provided on the sectoral focus and location of the organisations. Additionally, I have randomly assigned the interview participant's gender to help further disguise their identity. Although the donor

agencies and governments are named, the identities of the participants are not disclosed and their gender has also been randomly assigned to maintain their confidentiality as well.

## **2.7 Limitations**

In addition to the aforementioned ethical issues, I experienced a number of other limitations while conducting field research. Financial constraints limited the time in the field to six weeks; however, I believe this was an adequate amount of time. Two other key limitations are summarised below.

### *2.7.1 Time Constraints and Participant Accessibility*

Time constraints on the part of the participants were often problematic. During the six weeks of fieldwork many of the participants were travelling either within or outside of Fiji for work related reasons. As mentioned previously, June through July is a particularly busy period for many organisations submitting mid-year reports to their donors. There were at least seven other NGOs that I tried to interview that either did not have the time or the interest in taking part in the research. This leads me to my final point about limitations experienced during my time in the field.

### *2.7.2 Research Fatigue*

Sixteen years ago Wesley-Smith (1995, p. 115) wrote that, “Pacific Islanders are among the most studied people on earth.” During my fieldwork it became obvious that two NGOs approached have felt the effects of research fatigue. While the director of one NGO was kind enough to provide responses to a limited number of questions via email, she informed me that they gained little from speaking with researchers. A second NGO did not return phone calls or emails and my concerns of research fatigue were substantiated upon discussing this with academics at the University of the South Pacific (USP). As USP students have been increasingly encouraged to conduct research on the local civil society, some NGOs have felt inundated by the number of students requesting their time, but gaining little from this exchange (Naidu, personal communication on 16 July, 2010).

## 2.8 Summary

As this chapter has shown, this research is situated within a critical realist framework and further influenced by *talanoa* research methodology. Both emphasise a flexible approach to conducting research that values the relationships built through the exchanging of information. Utilising semi-structured interviews to map the perceptions and experiences of NGOs against a background of donor policy statements and data, this research aims to critically assess the “non-explicit processes and relations” (Murray & Overton, 2003, p. 21) inherent within a sanctions regime.

## **CHAPTER THREE**

### **AID, CIVIL SOCIETY AND SANCTIONS**

#### **3.1 Introduction**

There are three key areas of literature that require further understanding in order to address the objectives outlined in Chapter One. Firstly, a discussion of the shifting aid landscape since 1980 is provided. This is done to understand how this shift in development theory and practice has shaped the role of civil society from an active to a more passive partner for development. Secondly, the current trend towards defining a set of best practices in aid delivery is reviewed. This movement has seen the expansion of a partnership discourse throughout development theory and practice, further reifying the state's role as a central partner for development and relegating civil society actors to the role of consultant or advocate for marginalised populations. Thirdly, the evolution of aid conditionality and sanctions is mapped in relation to the evolving development paradigms. This framework of conditionality and aid sanctions is used to analyse the engagement with civil society actors, particularly NGOs, as a more credible alternative channel in fragile environments.

It is critical to address each of these three areas of literature, as there is little evidence to suggest they have previously been brought together. Here, this triad of literature is used to lay the foundation for assessing the power donors have to shape the role of NGOs in fragile or failing environments. Throughout the “rise and fall” (Agg, 2006, p. 21) of civil society, NGOs have remained the ‘alternative’, and thus relatively marginal, partners in development. Despite being equally impacted by wider foreign policy decisions, the impacts of sanctions policies on NGOs specifically are rarely analysed. Whereas the debate on sanctions has traditionally been relegated to international relations or political science scholarship (Buck, et al., 1998), this research seeks to view sanctions through an aid and development lens, focusing on their impacts on local civil society organisations.

## 3.2 The Aid Landscape, 1980 - 2000

*[W]e must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.*

President Harry Truman, Inaugural Address, 20 January 1949

With these few words the field of international development emerged as a project for developed countries to ensure global peace and security. Throughout the remainder of the 20<sup>th</sup> century, and now into the 21<sup>st</sup>, the approaches to, and models of, development have continuously evolved with the shifting trends in global economic, political and social theories. As Dengbol-Martinussen and Engberg-Pederson (2003, p. 39) note, development thinking has witnessed “pendulum-like swings”, moving back and forth between embracing the state and the market as the central actor for development. This review focuses specifically on the shifting development paradigms that have occurred since the 1980s and into the 21<sup>st</sup> century, and how they have shaped the role of the state and civil society as central actors for development.

### 3.2.1 The Growing Influence of Neoliberalism

The 1980s were marked by a global “swing to the right” (Degenbol-Martinussen & Engberg-Pedersen, 2003), which saw international political and economic theory embrace the basic tenets of neoliberalism. With a number of developing countries heavily indebted, the World Bank and the International Monetary Fund (IMF) began to focus their efforts on stabilising the markets within developing countries. This mentality introduced a number of neoliberal policy reforms including liberalisation, privatisation, and deregulation, which as a package were known as ‘structural adjustment’. Structural Adjustment Programmes (SAPs) dominated the approach to development throughout the 1980s, and has continued to influence development policy since.

The IMF and World Bank, together referred to as ‘Washington Consensus’, heralded SAPs as the solution to the problem of development. Advocates of structural adjustment believed

that “poor countries are poor mainly because of mismanagement” (Pieterse, 2001, p. 41) and with the proper economic reforms, development could be attained. Rather than recreating the Keynesian welfare state of the 1950s and 1960s, under structural adjustment developing country governments were expected to ‘roll back the state’, creating an environment that would nurture economic growth. Eventually, it was believed, the benefits of this growth would ‘trickle down’ to the poor.

For the first time in history, neoliberal economic reforms challenged the central role of the state. Whereas the ‘basic needs’ focus of development during the 1970s had secured the state as a key actor in development, by the 1980s “the state came to be associated with development problems, ranging from low economic growth to continued and sometimes even increasing poverty” (de Haan, 2009, p. 75). Rather development during this period focused on regulating the markets of developing countries, minimising the role of the state severely. As structural adjustment reforms were imposed on developing countries, the share of the national budgets of these countries for public and social services dwindled. Coupled with the lack of state sponsored safety nets, the continued inefficacy of developing state governments to address humanitarian crises throughout the developing world induced a budding faith in non-profit, charitable, and humanitarian relief organisations as more effective agents of development for the most poor and marginalised populations (Browne, 2006).

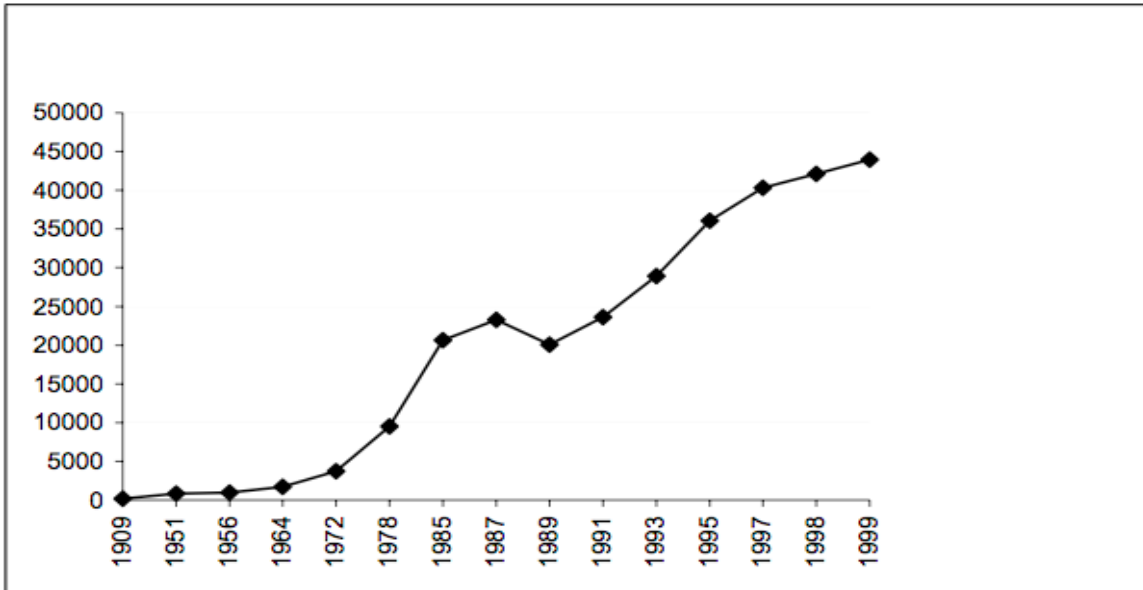
During the 1980s, while donors began to reduce the amount of official development assistance (ODA) to recipient governments, the proportion of ODA channelled through NGOs became one of the only categories of ODA to increase (Gibbon, 1993). Facing serious gaps in government provided social services, and a rising interest in non-government channels, the number of NGOs across the globe mushroomed<sup>4</sup>, as Figure 3.1 shows. At the same time the share of donor assistance provided to NGOs began to increase, as shown in Figure 3.2 (Agg, 2006; Hall & Howell, 2010). In particular, between 1975 and 1985, as Edwards and Hulme (1996a, p. 962) point out, the proportion of donor funding channelled through NGOs rose dramatically from 0.7% to 3.6%.

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<sup>4</sup> For further detail on this phenomenon see Agg, 2006; Fisher, 1998; or Stewart, 1997.

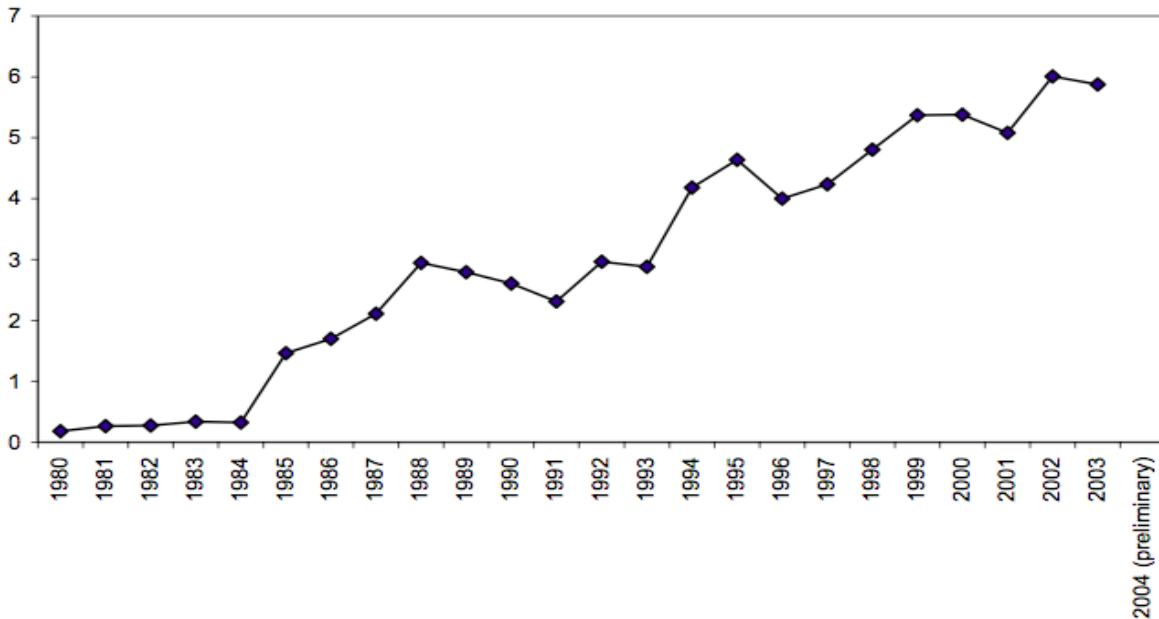


**Figure 3.1 – Total number of NGOs worldwide by year**



Source: *Agg, 2006*

**Figure 3.2 – Proportion of ODA channelled through NGOs (per cent)**



Source: *Agg, 2006*

Whereas neoliberalism espoused a largely diminished role of the public sector, it systematically framed civil society as the ‘antidote’ (Van Rooy, 2000) to the problems associated with the state. Increasingly, NGOs were framed as a more efficient, accountable, legitimate and alternative mechanism for delivering aid to the poorest communities. By the mid 1990s, as Agg (Agg, 2006, p. 3) points out, 40-50% of education services and 35% of health services in Kenya alone were being provided by NGOs. For Agg (2006), the spike in NGO activity was directly linked to the devastating impacts that structural adjustment had on state provision of social services.

As a result, neoliberal reforms had a disastrous impact on the ability of the state to provide essential social services. However, they created the environment that allowed NGOs to become significant actors in international aid and development. Historically, voluntary organisations had played a minimal and solely charitable role in development. During the 1980s, though, NGOs entered a new phase in their existence. In addition to increasing both in overall numbers and areas of focus, they gained significant credence as providers of social services, solidifying the need to channel large portions of the growing donor aid budgets outside of the state. While it could be argued that the policies of the 1980s initially trapped NGOs in the role of social service provider, disabling them from challenging the global hegemonic ideology of market-led globalisation, this period nonetheless opened the door for NGOs for the first time to enter the wider debate on development.

### *3.2.2 From the New Policy Agenda to the Good Governance Agenda*

With the collapse of the Soviet Union and the end of the Cold War, during the early 1990s donors were finally free to shape their aid programmes on principles other than geopolitical concerns (Crawford, 2001). This shift in focus ushered in a ‘New Policy Agenda’, which attributed the failings of structural adjustment in the 1980s to a “crisis of governance” (Robinson, 1994, p. 36). This new development thinking did not, however, dismiss structural adjustment in its entirety. Instead donors introduced a range of new governance related reforms, such as the establishment of multiple political parties, slimmed bureaucracies, increased transparency and accountability, respect for human rights, the advancement of women in society, increased support for civic action and the reduction of

military expenditures (Fowler, 1998, p.138) in addition to the structural adjustment reforms which remained a requirement for continued aid funding.

For the first time since the 1970s, development initiatives emphasised the importance of investing in public and social sectors, in particular health and education. It was believed that with the right governance reforms in place, poverty could finally be eradicated. Accompanying the focus on reforming governments was a particular emphasis on democratisation and human rights. However, if history was an indication of the commitment of Western governments to human rights, there was reason to be sceptical. Throughout the Cold War, Western powers had reacted unevenly to human rights violations globally, condemning those of its opponents while ignoring those of its allies (Beetham and Boyle, cited in Crawford, 2001). In fact, with its steady support to authoritarian dictators throughout Latin America, the US had played a significant role in the subversion of democracy. Despite the growing emphasis on a strong and democratic state for development success, NGOs maintained a relatively similar role as “efficient service providers” (Edwards & Hulme, 1996a, p. 970) as they had throughout the 1980s.

In the 1990s new trends towards people-centred, poverty-focused aid re-introduced a focus on the state within the development debate. Previously, the state had been seen as “complementary” to the market (de Haan, 2009, p. 80), but by the late 1990s and into the early 2000s the transition to embracing the state as the central actor for delivering effective aid was complete. With the emergence of a new ‘Post-Washington Consensus’, even the World Bank (1998, p. 2) recognised that “a good policy environment” was required for aid to be delivered effectively. Donors quickly welcomed the new agenda for aid that promoted political reforms and ‘good governance’.

The new policies and practices of the good governance agenda introduced a new vocabulary into donor aid programmes, which donors claimed would significantly alter the way development would be practiced. In actuality, however, the changes remained mostly rhetorical (de Haan & Everest-Phillips, 2007). The technocratic solutions proffered up by the New Policy Agenda and further expanded during the good governance agenda received

heavy criticism for being a generic, one-size-fits-all approach to reforming developing governments. Aid continued to be conditional on specific donor requirements, with a renewed focus on the process of democratisation. Developing countries continued to have little to no say on the direction of their economic or political development. Similar to the structural adjustment reforms of the 1980s, “good governance reforms were rarely context specific, lacked knowledge of local needs and conditions, and, thus, their results were ‘disastrous’” (de Haan & Everest-Phillips, 2007, p. 1). Donors issued a long and impractical list of the reforms they believed would produce a ‘good’ government (2009). The reforms, de Haan (2009, pp. 82-83) notes, included, although were not limited to, “participation, accountability, predictability of government action, transparency, free information flow, rule of law, legitimacy, constitutionality, socio-political pluralism, decentralisation, market-oriented policies, as well as concern for socioeconomic equity and poverty.”

While attitudes towards civil society throughout the 1990s remained largely unchanged, by the turn of the century their role had been significantly modified. During the 1980s the emphasis on the ability of NGOs to ‘do it cheaper, better, faster’ (Stewart, 1997) and to have a comparative advantage in aid delivery over the state (Klees, 2001) “succeeded in marginalizing the state” (Chadnhoke, cited in Van Rooy, 2000, p. 25). In the late 1990s and early 21<sup>st</sup> century, however, the rhetoric of the good governance agenda saw NGOs take a back seat to developing country governments. Donors began to focus more of their aid on building institutional capacity through larger government and sector wide programmes, and less on providing NGOs with funding to provide social services.

The shift resulted in a push towards NGO engagement in advocacy work, a direct result of the dominant development thinking at the time, which presumed a direct correlation between civil society and democracy. A “vibrant” civil society community, donors believed, served as a proxy for a thriving democracy (Haley, 2008; Ottaway & Carothers, 2000; Roy, 2008) as it would be able to hold accountable the democratic governments that donors had helped to build and strengthen.

Yet despite widespread belief among donors of the democratising role of NGOs, many governments (both developed and developing) continued to view the involvement of NGOs at the policy table with either ignorance or suspicion. According to Clark, Friedman and Hochstetler (1998), NGOs have long been marginalised from international forums and conferences. This changed only slightly in the 1990s when NGOs began to receive increasing recognition in conference proceedings and in policy documents. Despite the renewed acknowledgement of their importance, NGOs were rarely invited to assist in writing policy, but were nonetheless expected to implement the outcomes prescribed by other international development actors.

Regardless of the increasing attention at the international level, criticism of the assumed comparative advantage of NGOs existed (Agg, 2006; Degnbol-Martinussen & Engberg-Pedersen, 2003; Edwards & Hulme, 1996a; Tvedt, 2006). In particular, critics questioned the efficiency, legitimacy and accountability of NGOs given the significant changes to aid and development since the 1980s “golden age” of the NGO that initially legitimated the growth of the non-government sector. With funding to NGOs increasing rapidly, many NGOs quickly became dependent on donor funding. For example, in their 1996 study of European NGOs, Edwards and Hulme (1996a, p. 962) found that between 18 to 52 per cent of UK NGO budgets came from official donors, and as much as 50 to 90 per cent for Scandinavian NGOs. Edwards and Hulme (1996a) argued that if NGO dependency on official donors continued to rise, the direction of accountability (upwards or downwards) was doomed to suffer, which would inherently affect the legitimacy and sustainability and ultimately their connections to the beneficiary communities.

### **3.3 The New Era of Aid: 2000 - Present**

Many of the current principles and instruments of aid delivery have continued to build on the basic tenets of the previous development paradigms. However, through a number of international forums, donors and recipients have committed themselves to a range of new principles. This new face of aid aims to establish a set of best practices for aid delivery. Increasingly, donors have become preoccupied with defining frameworks, managing for results and quantifying inputs and indicators. Additionally, donors introduced new funding

mechanisms, aiming to put the new principles of effective aid delivery into action. These new modalities of aid, which emphasise the need for a strong central government, are having a significant effect on the perceived role of NGOs.

### *3.3.1 Theoretical Influences in the 21<sup>st</sup> Century*

On the surface, the beginning of the 21<sup>st</sup> century appeared to embark on a new direction for development thinking. Whereas previously development assistance was narrowly focused on achieving economic growth and a stable policy environment, development theory appeared to broaden its horizons toward the end of the 1990s. A new emphasis on the ‘human face’ of development saw the arrival of what was meant to be a more holistic, long term, pro-poor, context specific, results-based approach to development (de Haan, 2009, pp. 136-137).

Two important shifts have directly influenced development thinking in the 21<sup>st</sup> century, spurring renewed interest in the role attributed to the state in development practice. Firstly, the emergence of a neostructural discourse in Latin America has again recognised the important role the state plays in development. Neostructuralism, according to Leiva (2008, p. 3), is the “first counterdiscourse to confront neoliberal dogmatism.” Advocates of neostructuralism recognised the importance of market forces, but unlike neoliberal advocates, argued that “political and institutional intervention ... were essential for generating the synergy, coordination, and social harmony indispensable for fluid and speedy integration into the globalization process” (Leiva, 2008, p. 3). Influenced by neostructural thinking, current development ideology emphasises a “mixed model of state direction and market accumulation” coupled with a “concern for inequality, welfare and the environment” (Murray & Overton, forthcoming). The new era of aid triumphs the participatory nature of democracy, which ensures increased “public-private sector partnerships” and “state-civil society alliances” (Leiva, 2008, p. 11). Under these principles, the state holds a central role in establishing both a robust and competitive economy, as well as encouraging democratic participation.

Secondly, the ‘securitisation’ of development has further aided a re-emphasis on the state as a central actor in effective aid delivery (Duffield, 2001; Petrik, 2008). In the wake of 9/11, large donors including the US and Japan have channelled an increasing proportion of their aid budgets towards security, rather than poverty eradication (Agg, 2006, p. 9). This focus on security within aid and development prioritises strengthening state institutions. This is particularly pertinent in fragile or failing states that “imperil international peace and security, posing enormous challenges to current models of development cooperation” (2007, p. 532). While this focus prioritises the provision of assistance to central governments, civil society retains a key role. As Agg (2006, p. 9) highlights, in focusing on strengthening governments, donors recognise the role NGOs can play to “help generate the demand for democracy and better governance.” Together, both neostructuralism and the securitisation of development re-emphasise the central role of the state in development while still maintaining space for civil society. However, this role is meant to complement the state and promote democratic principles; NGOs with a focus outside this narrow role are likely to face increased difficulties in garnering donor support.

### *3.3.2 Emerging Policies and Principles*

With the emergence of new development theories, donors have been forced to re-evaluate the policies and practices of past development approaches. Through a series of international campaigns, forums and meetings, the global development community has endeavoured to establish new principles of development and design new modalities of aid delivery. By analysing these principles and methods of aid delivery, it is clear to see that the state is reaffirmed as the central actor for development.

Through campaigns like the Jubilee Campaign of 2000, which pushed for developing country debt cancellation, and the Make Poverty History campaign of 2005, which advocated for an increase in ODA commitments from donor countries, poverty has remained an important focus of development assistance into the 21<sup>st</sup> century. At the United Nations (UN) Millennium Summit in 2000, 189 countries agreed on a set of eight Millennium Development Goals (MDGs) that target “poverty, health, education and other human development indicators” (Glennie, 2008, p. 18). Both the MDGs and the Monterrey

Consensus, issued following the 2000 UN International Conference on Financing for Development, have re-committed donors to the long time goal of increasing ODA to 0.7% of their gross national income (GNI).

Despite the renewed promise, few donors have reached the 0.7% target (see Figure A.1 in Appendix I), although their annual budgets continue to increase. Accompanying the increased ODA, however, donors have become particularly concerned with measuring the effectiveness of their aid. Quick to shift the focus of donors away from a system that only measures inputs, James Wolfensohn of the World Bank stressed the importance of country-led and owned development, while measuring the effectiveness of aid based on results rather than donor inputs (de Haan, 2009).

Beginning in 2003, a series of high-level forums hosted by the Organisation for Economic Cooperation and Development (OECD) on aid effectiveness began a process of establishing a number of “good practice standards or principles” (OECD, 2003) for donors and ‘partner countries’ (developing countries). The first forum in 2003, produced the Rome Declaration on Harmonisation which committed donors and aid recipients to cooperate, collaborate and coordinate their efforts to promote “harmonised approaches” to aid delivery (OECD, 2003). The Paris Declaration on Aid Effectiveness, issued following the second forum in 2005, produced a list of the five principles of effective aid delivery: “ownership”, “alignment”, “harmonisation”, “managing for results” and “mutual accountability” (OECD, 2005). The Paris Declaration further specified how both donors and recipient countries were expected to commit to and achieve the Paris principles. At the third forum in 2008, the Accra Agenda for Action recognised the continued need for “strengthening country ownership”, “building more effective and inclusive partnerships” and “delivering and accounting for development results” (OECD, 2008a).

Alongside the new principles for effective aid delivery, the aid modalities of the new aid regime focused intently on placing developing country governments in the driver’s seat of their own development. Donor focus has transitioned from a focus on innumerable small-scale projects to fewer, longer and broader sector-wide programmes coordinated through



developing country governments. In particular, poverty reduction strategy papers (PRSP), sector-wide approaches (SWAp) and general budget support (GBS) each emphasise the centrality of developing country governments in effective aid delivery (de Haan & Everest-Phillips, 2007). Although intended to involve a wide range of stakeholders, PRSPs required the recipient government to design and produce a poverty reduction strategy that ultimately the donor needed to approve in order for the recipient to receive debt relief. SWAps and GBS took the concept of the donor-government partnership even further, with donors providing support to either a single sector (SWAp) or across sectors (GBS), relying on recipient “government leadership” and “government procedures” (de Haan & Everest-Phillips, 2007, p. 4).

### *3.3.3 The Principle of Partnership*

One of the defining trends of the new aid regime has been the growing emphasis placed on building “partnerships” and “relationships” for development. Both multilateral and bilateral donors have readily adopted the rhetoric of partnerships into their policies and principles. In some ways, partnership has become the most popular buzzword in the development lexicon. For example, Raffer (in Laakso, Kivimäki, & Seppänen, 2007, p. 118) notes that in the 2000 Cotonou Agreement, the treaty between the European Union and 78 African, Caribbean and Pacific countries, ‘partnership’ is mentioned in the 100 articles more frequently than ‘gender’ or ‘sustainability’. The growing emphasis placed on the relationship between donors and recipient communities and governments represents a significant shift in development practice.

Since the 1990s, particular emphasis has been placed on building partnerships in an attempt to make aid more effective or more critically, to legitimise continued donor intervention in developing countries (Crawford, 2003). Recognising the inadequacy of externally imposed development practices that lack local context, donors have sought to encourage local ownership and accountability by building relationships with local counterparts. Despite the emphasis on mutual responsibilities and benefits, donor-recipient partnerships are irrefutably unequal (Laakso, et al., 2007) as they involve essentially a one-way exchange of financial resources. Rather than viewing the partnerships as a means to achieving

development goals, partnerships have often become a box to be ticked (Overton & Storey, 2004). This approach to relationship building, however, fails to confront the inherent asymmetrical power balance involved in donor-recipient relationships.

The power accorded donors has allowed them to define who their ‘partners’ are, focusing particularly on government ministries and NGOs. Donors often exclude individuals and communities outside their narrow definition of a ‘partner’ (Overton & Storey, 2004) and the documents guiding current development practice fail to provide a more nuanced description. Both the Rome and Paris Declarations make only limited mention of civil society outside highlighting the importance of encouraging and engaging civil society. The focus on civil society actors increased slightly with the Accra Agenda for Action, which devoted a small section specifically to emphasising the complementarity of civil society to government and the private sector. Despite this inclusion in high-level policy documents, there are doubts about the sincerity of the increasing focus on partnerships. For Overton and Storey (2004, p. 41), donor efforts to build and sustain relationships have been done in a “utilitarian and self-legitimising way that reinforces the donor-recipient model and inequalities therein”. Rather than addressing the failures of past development approaches, as Klees (2001, p. 114) insists, “the only thing that seems different about today’s policies from those of the past two decades is that they are wrapped in the holistic, participatory, partnership language.”

Despite its ubiquity, the focus on ‘partnerships’, it would seem, has not provided the solution to the difficulties of unequal relationships. As de Haan (2009, p. 145) points out, “there is no magic bullet to solve the challenges of relationships between donors and recipients.” While much progress has been made in promoting recipient countries’ participation and involvement in development, more work is needed to level the playing field. A common suggestion, or ‘partnership commitment’, has been to engage local communities, civil society and grassroots organisations in development consultations and process. While the new aid regime is largely built on and legitimised by recognising the need to facilitate partnerships, which place recipient country governments in the ‘driver seat’, the role of civil society in development is often left vague and undefined. The

following section analyses how the shifts discussed in this section have affected the role assigned to civil society ‘partners’ in development.

### *3.3.4 The Role of Civil Society in the New Aid Regime*

Under the new aid regime, shifts in development thinking and practice can be seen to have altered the role ascribed to NGOs both in policy and in practice. In particular, the basic principles of the good governance agenda continue to influence donor engagement with developing countries, which emphasise strengthening the capacity and policy environments of democratic governance institutions in developing countries as the best means of ensuring the effectiveness of aid. Although this has seemingly cemented a connection between civil society and democratisation, further bolstered by the security agenda, the role of NGOs in development remains inherently an alternative to the state.

Despite this recognition that NGOs play a critical role in development, debate exists whether current principles and mechanisms of aid delivery are in fact significantly marginalising the role of NGOs (Agg, 2006; Overton, 2010; Wallace, Bornstein, & Chapman, 2007). Current donor policies that move to replace incoherent, short-term project aid, which tends to favour NGOs, with broader and more long term sector-wide support, Agg (2006, p. 10) notes, is evidence that “NGOs have now fallen from favour.” Yet, Agg’s (2006, p. 21) research shows that regardless of both the UK and the Netherlands issuing policy statements espousing a move towards direct bilateral ODA and criticising NGO project based aid, both countries have continued to increase their allocations of aid to NGOs. Despite the increasing allocations, she returns to her original conclusion, noting that the “haphazard” pattern of annual donor funding to NGOs over time is likely to affect “the sustainability of the programmes NGOs run” (Agg, 2006, p. 21). The unpredictable nature of donor funding to NGOs is a reminder of the inherent power imbalance between donors and NGOs.

As donors have shifted their support for service provision back to recipient governments, the role ascribed to NGOs by donors has continued to shift towards advocacy work as well as holding governments accountable for the effective use of aid funds (Wallace, et al.,

2007, p. 20). The wide spread shift to advocacy work, however, sheds light on the fact that NGOs have become increasingly dependent on donor funding. For example, Hughes' (2002) research in Bolivia and Uganda shows that a number of NGOs there have shifted away from implementing projects and providing services as the primary focus of their work. In Uganda in particular, she highlights the active role donors have played in pushing NGOs into advocacy work by "making advocacy a part of their agenda and in so doing legitimising and co-opting a process that, it was felt, should be initiated from the grassroots, or at least by CS [civil society] actors" (A. Hughes, 2002, p. 7). This shift in NGO activities following a shift in the dominant donor focus highlights the power donors possess to determine NGO activity by altering their own priorities. In order to continue to capture donor funding, it is clear that NGOs have to remain up-to-date with the priorities, trends and attitudes of donors.

The overall emphasis of the new aid agenda has been largely a focus on working through and strengthening government institutions in aid recipient countries. Despite donor's resolve to build partnerships with recipient governments, there are times when donors refuse to work with recipient government. As Riddell (2007, p. 7) points out, "there are situations – especially in fragile states – in which funding agencies work solely with non-governmental organisations." In fragile or failed states, working through both international and local NGOs is seen as the most appropriate alternative option "where the state is not in a position to fully play its development role" (OECD, 2009, p. 27). In a report produced for the UK's Department for International Development (DfID), Leader and Colenso (2005, p. 12) outline the conventional approach to aid in fragile states:

Poorly governed countries should not only receive **less money**, they should receive more of it as **project aid**, it should come with a **shorter time commitment**, should be focused on a narrower set of activities, and much of it should be **distributed through NGOs** [author's emphasis].

The recognition that increasing amounts of aid should be channelled through NGOs in times of state fragility presents, however, particular problems for these organisations, which are suddenly expected to possess the capacity and knowledge to support humanitarian intervention or be prepared to voice concerns about the legitimacy and accountability of an

authoritarian or illegitimate regime. The following section explores the consequences when donors suspend normal aid relations and redirect aid funding through NGOs.

### **3.4 Conditionality, Sanctions... and NGOs?**

The role of NGOs is most visibly politicised during times of suspended or sanctioned bilateral relations as NGOs become an alternative channel to recipient governments for aid (Leader & Colenso, 2005). This final section explores the history, justifications for and implications of applying aid conditionality, and subsequently sanctions, in order to gain a more full understanding of how donors both perceive and have the power to shape the role of NGOs in international development.

#### **3.4.1 History**

Among the many coercive aspects of development practice, conditioning the provision of aid on donor defined economic and political conditionalities is perhaps the most blatant. The previously discussed shifts in development theory and practice have been made possible through the use of conditionality. Conditioning aid has enabled donors to essentially shape or “overhaul” (Glennie, 2008, p. 36) the entire economic and social environments of developing countries. Although aid has always been conditional (Selbervik, 1999, p. 13), a particularly concerning trend in aid has extended conditionalities to “systemic elements, including the very system of government, the legal system and the administrative system” (Stokke, 1995, p. 34).

Nelson and Eglinton (1992, p. 9) define conditionality as “offering a benefit if and only if the receiver takes specific actions that the donor desires (or refrains from taking actions of which the donor disapproves).” Conditions can be applied either *ex-ante* or *ex-post*; this means they can be applied either as a prerequisite for commencing an aid relationship (*ex-ante*) or recipients and donors can enter into the aid relationship knowing that should the recipient not meet the conditions, the relationship can be suspended or severed (*ex-post*). Conditionality can also be positive or negative. Positive conditionality involves rewarding recipients when the conditions are met. Conversely, negative conditionality involves

punishing recipients when they fail to meet the conditions. Suspending or sanctioning future or promised aid to a recipient country is an example of negative, *ex-post* conditionality.

Conditionality has been a widespread practice in aid. According to Selbervik (1999, p. 5), it was one of the most important and era-defining aid policy instruments of the 1980s and 1990s. As Browne (2006, p. 45) notes, the sheer number of conditions applied by donors to aid disbursements rose substantially from fewer than ten in the 1970s, to over 100 conditions in some countries in the 1990s. At the same time, the number of cases of sanctions, a form of negative conditionality, rose as well. In 1990, and most recently updated in 2007, Hufbauer, Schott and Elliot and later Oegg (1990; 2007) produced a comprehensive review of sanctions cases that have occurred since 1914. Whereas the 1990 edition noted 115 cases of sanctions over a 74-year period, the 2007 edition noted an increase of 59 cases in the 16 years between 1990 and 2006 (Hufbauer, et al., 1990; Hufbauer, et al., 2007). By the end of the 20<sup>th</sup> century sanctions were so prevalent that the 1990s had become widely known as the ‘Sanctions Decade’ (Cortright & Lopez, 2000; UN, 2000).

Conditionalities reflect the wider shifts in development theory and practice over time. Until the 1990s, ‘first generation’ conditionality focused primarily on economic and structural adjustment reforms. Beginning in the 1990s, however, a ‘second generation’ of conditionality, influenced by the emerging focus on good governance, saw donors placing a progressive number of political conditions on their aid programmes. Whereas conditionality during the 1980s was largely based on economic reforms, sanctions during the same period were already focused largely on foreign policy goals. A number of the cases during this time included the restoration of democracy<sup>5</sup> and the improvement of human rights<sup>6</sup> as primary objectives, prior to the introduction of the new donor policies of the early 1990s. Despite the more recent focus on political conditionality, many of the policies introduced

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<sup>5</sup> Turkey, 1981-86; Haiti, 1987-90; Fiji, 1987-01; Sudan, 1989- (Hufbauer, et al., 2007)

<sup>6</sup> Chile, 1975-90; Uruguay, 1976-81; Paraguay, 1977-81; Guatemala, 1977-2005; Argentina, 1977-83; El Salvador, 1977-81; Brazil, 1977-84; Ethiopia, 1977-92; Bolivia, 1979-82; Suriname, 1982-91; Romania, 1983-89; Turkey, 1986-99; Haiti, 1987-90; Burma (Myanmar), 1988- ; China, 1989- ; Sudan, 1989- (Hufbauer, et al., 2007)

through economic conditionality during the 1980s have remained (Crawford, 2001). Glennie (2008) points to examples in Africa of economic conditionality continuing well into the late 1990s. In Zambia, several donors withheld aid until the country had agreed to introduce privatisation measures. Additionally, the World Bank made the disbursement of 75 per cent of its loans in Africa conditional on the inclusion of user fees systems in African countries (Glennie, 2008, pp. 41-43).

### *3.4.2 Justifications: Answering the Call to “Do Something”*

As the use of conditionality and sanctions has become much more frequent, it is clear that they are inextricably linked: by making the provision of aid contingent on donor prescribed conditions, when recipient countries fail to meet them, conditionality provides donors with the legitimacy and justification for suspending or sanctioning aid.

When recipient countries fail to meet donor conditions or act in a manner deemed inappropriate by the international community, donors are faced with the need to “do something” (Hufbauer, et al., 2007; Lopez, 2008; Weiss, et al., 1997) or, in the very least, be seen to be ‘doing something’. In such situations, sanctions have traditionally been seen as a more humane alternative to war. Conventional sanctions theory is founded on what Galtung (1967) has called a “naïve” theory of sanctions. This basic “pain-gain formula” of sanctions assumes that “hardships inflicted on the civil population of a targeted state will lead to grassroots political pressure on that state’s leaders to change their behavior” (Tostensen & Bull, 2002, p. 375). As Santiso (2003, p. 167) highlights, for many donors, in the face of violations of the rule of law “negative measures and aid sanctions tend to be the only available recourse, until the regime credibly re-commits itself to pursue the democratization route.”

Despite this faith in sanctions as a constructive means of ‘doing something’, there is little consensus that sanctions are an effective tool of international diplomacy and in fact the frequency with which sanctions are deployed greatly outnumbers the cases considered successful (M. S. Smith, 2004; Wallenstein, 2000). One of the most widely cited reviews espousing the efficacy and success of sanctions noted that, at most, sanctions have been

“partially successful” a mere 34 per cent of the time (Hufbauer, et al., 2007). Pape, however, challenges these findings. His re-calculations of Hufbauer, et al.’s findings show that sanctions have been successful less than five per cent of the time (Pape, 1997, p. 106). Despite a number of recent examples of sanctions from which to choose, as Smith (2004) points out, Rhodesia (now Zimbabwe) and South Africa remain common examples of the success and efficacy of sanctions, ignoring a number of important contextual factors that enabled the effective use of sanctions in these countries.

Rather than debating the efficacy of sanctions, some authors have begun proclaiming that sanctions have increasingly become a tool for ‘sending a message’. Alternatively, some scholars have argued that the success of sanctions should not be based on the changes they are able to effect. Drezner (1999, p. 12), for example, claims that, fundamentally, “sanctions are symbols; their effectiveness is a secondary concern.” Although not necessarily in agreement with Drezner, Crawford, too, argues that sanctions have been imposed in some cases symbolically rather than with the intention of acting as a serious threat. He cites, for example, the sanctions imposed on China following the Tiananmen Square massacre as being merely a “token gesture” and “implemented in order to be seen to be taking some action to appease domestic constituencies” (Crawford, 1997, p. 91). This is particularly true for “non-great” or “middle powers” (Nossal, 1991, 1994). According to Nossal (1991, p. 1), the “generic” nature of conventional sanctions theory presumes that “all types of states – large and small, powerful and weak, rich and poor, from the metropole and the periphery – have been prone to embrace sanctions.” In fact, small and middle powers are less likely to embrace forceful forms of sanctions. Instead, it has been argued that they are more likely to see sanctions as “an attractive policy response, not with any expectation that the measures will by themselves or even in concert with others move the wrong-doing to ‘right’ behaviour” (Nossal, 1991, p. 8).

This view of the primarily symbolic nature of sanctions, however, fails to appreciate the disastrous impacts sanctions have had on innocent domestic populations. With the eventual realisation of both the inefficacy and devastating impacts of conventional sanctions, international demand for donors to develop “better targeted and more humane sanctions”



(Van Brabant, 1999, p. 36) has spurred a growing faith in ‘smart sanctions’. Theoretically, smart sanctions are more targeted and more selective than conventional sanctions (Hufbauer, et al., 2007; Tostensen & Bull, 2002). They tend to involve financial sanctions, travel restrictions and targeted commodity and arms embargoes (Lopez, 2008; Tostensen & Bull, 2002). In practice, however, they still remain a relatively blunt tool. As Lopez (2008, p. 8) points out, “even these so-called ‘smart sanctions’ have a track record of hurting innocent populations.” He points specifically to financial sanctions imposed in Iran as well as “half-hearted enforcement” in Sudan, Myanmar and Zimbabwe as examples of the inefficacy of sanctions considered to be smarter than conventional sanctions.

### *3.4.3 Implications: Sanctions and Civil Society*

Sanctions literature has invariably had two primary areas of focus. The first area is the (in)efficacy of sanctions, which has been briefly covered in the previous section. The second area of focus includes the impacts of sanctions. The former has remained relatively overshadowed by the latter in large part because it is extremely difficult to distinguish between the impacts of sanctions and the other destructive factors involved in sanctions cases (Doxey, 1987; Winkler, 1999). In fact, as Doxey (1987) notes, the impacts of sanctions can at times be “intangible” and thus have less obvious immediate implications. Yet, despite these difficulties, there has been some focus on the impacts on vulnerable populations, particularly following the revelations of negative impacts of sanctions on vulnerable populations<sup>7</sup>.

One aspect of sanctions literature, which has received little to no coverage, has been the impact of sanctions on the NGO communities within targeted countries. NGOs, like civilians, are essentially non-targets, assumed to lie outside the explicit scope of sanctions. In fact, under sanctions regimes, NGOs receive renewed interest from donors. According to Sorenson (1993), “in the case of authoritarian regimes, such assistance is best channelled through NGOs.” While donors have placed large amounts of resources into strengthening state institutions, faced with state failure, donors often prefer to channel development assistance through non-government channels (Dowst, 2009; Leader & Colenso, 2005;

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<sup>7</sup> Buck et al. (1998) provide a detailed analysis on the gendered impacts of sanctions.

OECD, 2008b). This reengagement with civil society as primary development partners, however, often fails to take into consideration the potentially negative effects of sanctions on NGOs.

Outside of announcing that NGOs offer the most appropriate alternative channel for development assistance when sanctions are applied, little research exists detailing the impacts of sanctions on NGOs. In their discussion of the impacts of sanctions, Weiss et al. (1997, p. 27) acknowledge that “in addition to creating or exacerbating civilian pain, sanctions pose major challenges for humanitarian organizations.” They recognise that under a sanctions regime, NGOs “face a kind of double jeopardy” (Weiss, et al., 1997, p. 28), as both bilateral aid and private contributions to NGOs are affected. Their focus, however, is predominately on international humanitarian agencies rather than specifically local organisations.

One of the few scholars to address the impacts of political conditionality on NGOs is Mark Robinson. Produced within a collection of 15 entries on aid and political conditionality, Robinson’s contribution is the only one covering the impacts explicitly on NGOs. “Donor decisions to suspend or terminate aid,” Robinson (1995, p. 362) writes, “can have profound effects on NGOs and the people with whom they work.” In particular, he provides examples of the ramifications of donor’s actions to suspend bilateral aid on local NGOs. Firstly, even when humanitarian aid is exempt, Robinson (1995) highlights how the poor are likely to be unfairly affected by reduced aid, pointing specifically to cases in Malawi, Haiti, Burma (Myanmar), the Sudan and Iraq. Secondly, he discusses donor ignorance to account for governments to retaliate against the NGO community after donors have announced their intentions to redirect bilateral aid through the alternative channel. Robinson (1995) uses Indonesia as an example of this, which reacting to the Dutch suspension of development assistance, introduced legislation banning NGOs from receiving overseas funding. Additionally, the Kenyan government introduced a new NGO Registration Act, in an attempt to deter donors from redirecting aid outside official channels.

As the practice of conditioning aid has become increasingly prevalent so, too, has the imposition of sanctions. Increasingly sanctions are focused on supporting democratisation, the rule of law and upholding human rights. Yet, historical evidence has shown that not only are sanctions on average unsuccessful, they specifically target innocent civilians. The realisation of the naïveté of sanctions saw a new class of sanctions created: smart sanctions. Although meant to be ‘smarter’, more targeted and less devastating, there is little evidence that points to their triumph over conventional sanctions. Despite NGOs being named a more appropriate channel for development assistance under a sanctions regime, little consideration exists for how the redirection of donor funding to NGOs affects relationships between NGOs and their partners.

### **3.5 Summary**

This chapter has presented a review of the relevant literature, focusing on the evolution of influential theories and practices of aid particularly since the 1980s, which still continue to significantly influence development thinking today. It provided further detail of the most recent trends in development, expanding particularly on the current role ascribed to NGOs in development. Finally, it introduced and analysed sanctions from a development perspective, focusing in particular on how the role of NGOs is further influenced by the deteriorating relationships between donors and recipients.

Over time, donor development thinking has played a significant part in shaping the role ascribed to civil society. Since the “golden age” of the NGO, the role of civil society has shifted as newer trends in aid and development have embraced the state as a central partner in development. However, in cases of sanctions regimes, donor governments can be seen to actively re-engage with civil society and NGOs as the preferred development partners. Unfortunately, the resultant relationships with NGOs appear to be superficial and opportunistic, as donors utilise their geopolitical and financial power to sway their partners to embrace their own policy priorities.

Within the wider study of development, little attention is given to how trends and shifts in development thinking have shaped the role of NGOs. Although many scholars admit that

strengthening and supporting NGOs is the best way to put a failing state back on track, there exists no contemporary discussion about how increased attention and funding during times marked by state fragility may affect NGOs financially and operationally, as well as how it may impact the relationships with their various development partners.

## **CHAPTER FOUR**

### **THE HISTORY OF AID AND CIVIL SOCIETY IN FIJI**

#### **4.1 Introduction**

The following two chapters provide a contextual background for the research. This first chapter lays out the history of aid to Fiji. It follows the shifts in Fiji's aid and development landscape, viewed against the background of the evolving global aid environment. The context within which Fiji's NGOs have developed over time is linked to both the global shifts in the development paradigm and the turbulent political situation in Fiji, which is explored further in the following chapter.

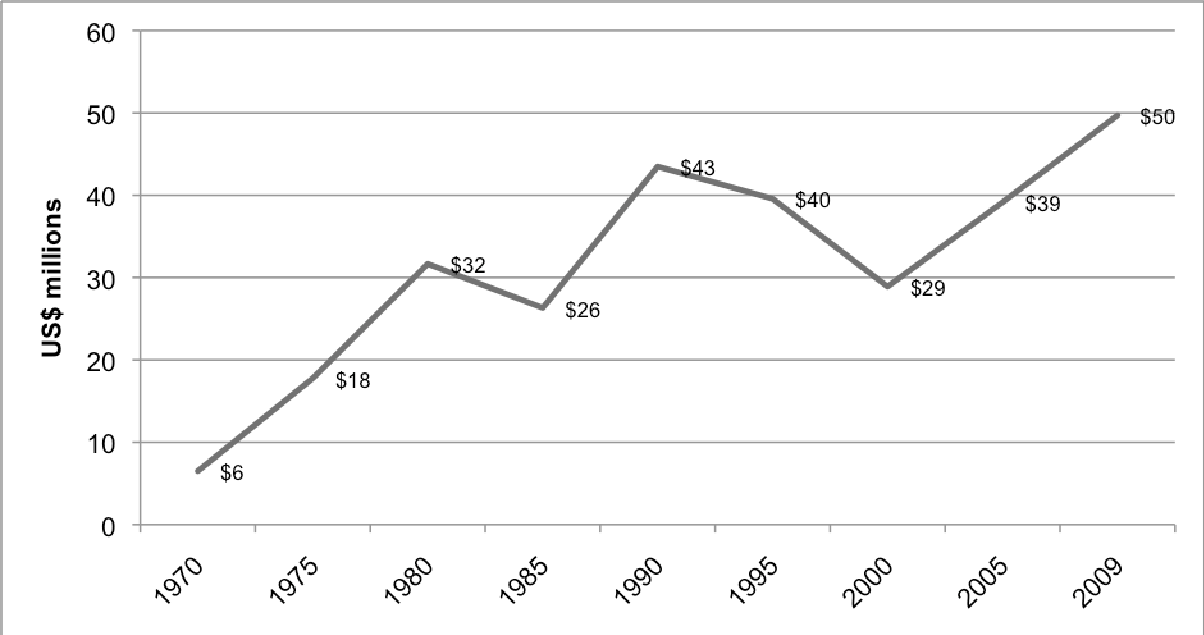
#### **4.2 Fiji's Aid History**

Fiji is one of the most economically advanced countries in the southwest Pacific (UNDP, 2009). Nonetheless, Fiji has received significant, although variable, flows of aid both prior to and following its independence in 1970. Gounder (2001, p. 1010) estimates that between 1968 and 1996 Fiji received over \$608 million in aid. Figure 4.1 below provides an overview of the total ODA to Fiji between 1970 and 2009, which peaked in 1992 at US\$54.3 million and has since fluctuated between US\$30 - \$50 million per year (see Figure A.2 in Appendix I for a more comprehensive breakdown). While not as heavily dependent on aid as other Pacific Island countries, aid has fluctuated between 2.4% and 5% of Fiji's annual gross domestic product (GDP) (Gounder, 2001, p. 1010).

In the past 50 years, aid to Fiji has come from a variety of donors. Most of Fiji's aid has been from bilateral donors, particularly the United Kingdom prior to and shortly after decolonisation, as well as Australia, Japan, New Zealand, France and the United States. Multilateral donor agencies, in particular a number of UN agencies, have also played a significant role in supporting development initiatives in Fiji (OECD, 2010b). In recent years, however, Fiji has begun to establish relationships with new emerging donors, such as China, South Korea and countries in the Arab League. Although the Pacific as a region has received significantly less attention than regions such as Africa and Latin America with

regards to development, the influence of global trends in development thinking and practice can be seen throughout Fiji’s history of aid.

**Figure 4.1 – ODA to Fiji, all commitments (Current US\$ millions), 1970 – 2009**



Source: *oecd.stats.org, 2011*

**4.2.1 The Colonial State and Independence**

Development assistance in colonial Fiji was shaped largely by Britain’s focus on rural development as issues including the country’s small economy of scale and problems associated with land tenure, which plagued most Pacific Islands, impeded any attempt at large-scale industrialisation (Overton, 1999, p. 175). Rural development initiatives focused on promoting farming outside the traditional system, in particular cash cropping, as well as introducing new land tenure laws (Overton, 1999). Following independence in 1970, however, donors adopted a more state-centred approach to development, focusing on regional development projects that aimed to counter rising inequality.

During the post-colonial era newly independent Pacific Island nations experienced a sudden influx in interest from western donors. Globally, aid became a geostrategic tool, given in

exchange for political and ideological loyalty, particularly from the United States and Europe. This trend in development assistance managed to reach the South Pacific where, as Finin and Wesley-Smith (2001, p. 10) point out, “annual per capita foreign aid expenditures were among the highest in the developing world.” During the 1970s and 1980s Fiji received its highest relative levels of aid<sup>8</sup>, which have yet to be surpassed (OECD, 2010a). For the most part, aid funds were used to prop up a large public sector and increase overall standards of living that local tax revenue would otherwise not have supported (Finin & Wesley-Smith, 2001, p. 11). Despite making significant progress in social welfare and living standards in Fiji, much of the way development was practised was soon to change, due both to shifting international trends and troubling domestic events.

#### *4.2.2 Neoliberal Reform in Post-Coup Fiji*

The state-centred approach to development continued to influence aid and development initiatives in Fiji throughout the early 1980s. In stark contrast to the high growth rates of the 1970s, the 1980s were marked by an overall decline in Fiji’s GDP, even reporting negative growth rates in some years, particularly following the 1987 coups (Gounder, 2001). Facing rising rural inequality, a collapsing tourism industry, lagging returns from Fiji’s most important sector, sugar, as well as “heavy external debt, high domestic costs, slow growth in productivity and high interest rates” (Overton, 1999, p. 178), Fiji plunged into political and economic turmoil.

A number of observations highlight that Fiji initially experienced a decrease in aid flows from its major donors following the coups in 1987 (Overton, 1999; Singh, 1994; Walsh, 2010). According to the OECD, aid from Japan, New Zealand, the UK and the EU decreased, however, aid from Australia and France rose significantly (see Table A.1 in Appendix I). The immediate post-coup period created the space for new donors to emerge. According to Singh (1994), France and Japan seized the opportunity to bolster their

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<sup>8</sup> According to the OECD (2010a), annual averages of Fiji’s ODA between 1970-79 and 1980-89, adjusted to 2007 prices and exchange rates, reached US\$83 million. From 1990-99 it dropped to US\$63 million, and again from 2000-08 to US\$54 million.

relations with Fiji for politically strategic reasons<sup>9</sup>, while Korea and Taiwan also emerged shortly after 1987 as new, although, relatively small donors. This influx in attention from new geostrategic allies, Singh (1994) argues, pushed the traditional donors to quickly restore their own ties with Fiji, and thus by the early 1990s aid from Fiji's major donors had reached, and in some cases surpassed, pre-coup levels.

In addition to domestic factors influencing Fiji's aid levels, the growing global embrace of neoliberal principles, as discussed in the previous chapter, began to infiltrate development thinking towards the end of the 1980s and into the 1990s. With the Cold War coming to an end, the United States and Britain lost interest in Pacific Island countries as strategic allies. Aid commitments from non-traditional donors continued to grow, replacing the diminishing funds from traditional donors, and aid to the Pacific region remained generally the same (Finin & Wesley-Smith, 2001).

In particular, international financial institutions (IFIs) began to play an increasing role in development. Assistance from these institutions, however, was largely accompanied by particular conditions placed on aid provision. Facing lagging economic growth, the Fiji Government was forced to accept a number of structural reforms, including export-orientation, the privatisation of government owned assets, public sector cut-backs and foreign investment in manufacturing (Overton, 1999, p. 179) in exchange for loans to combat the crippled economy.

#### *4.2.3 The Influence of the Good Governance and Security Agendas*

Whereas structural adjustment reforms of the late 1980s and early 1990s rapidly diminished the role of the state in development initiatives, the emergence of the good governance agenda in the mid 1990s created a newfound emphasis on the need to build the capacity of developing country governments. In the Pacific, despite the large sums of aid being provided, development remained relatively stagnant, a phenomenon widely known as the

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<sup>9</sup> Singh (1994, p.55) argues that following the 1987 coups, both Japan and France provided an increased amount of aid to Fiji in an attempt to "buy Fiji's silence" in regards to France's continued colonial rule in New Caledonia as well as its nuclear testing in the region, and Japan's continued fishing operations and practice of dumping toxic waste into Pacific waters.



‘Pacific paradox’ (Wesley-Smith, 2007b). In search of a logical explanation for why aid had “failed the Pacific” (H. Hughes, 2003), the primary impediment for sustained development in Pacific countries became “poor governance” (Henderson, 2003, p. 233). The good governance agenda made a distinct imprint on donors in Fiji. Both prior to and following the 2000 and 2006 coups, Fiji’s major donors have listed the priorities of their aid programmes as promoting good governance (AusAID, 1999; MFAT, 1999; NZAID, 2005) and restoring democracy (European Commission, 2010a; Japan Ministry of Foreign Affairs, 2010) and as the Pacific’s only dictatorship, it is unlikely that Fiji’s major donors will significantly alter their focus on building the country’s governance structures any time soon.

The coups of 2000 and 2006 occurred largely against a backdrop of regional instability, cementing Fiji’s place within the Arc of Instability<sup>10</sup>. With the growing international focus on terrorism and failed states post-9/11, even aid in the Pacific has followed Duffield’s (2001) path towards becoming increasingly obsessed with regional security. Australia, in particular, has been apt to prioritise security considerations within its foreign policies and aid programmes throughout the Pacific. For example, a 2003 Australian Strategic Policy Institute report released just prior to the launch of the Regional Assistance Mission of Solomon Islands (RAMSI) initiative suggested that “such problems could ‘prove contagious to other countries in the region’” (in Wesley-Smith, 2007b). Hayward-Jones’ (2009) analysis of the ramification of continued political instability in Fiji follows a similar securitised logic. In addition to causing economic and social strife for Fiji itself, insecurity in Fiji is likely to reach far beyond its own shores, causing “regional fallout” as well as “reputational consequences for Australia’s political leadership” (Hayward-Jones, 2009, pp. 5-6), a sentiment Hughes (2003, p. 26) also echoes. Despite the continued influence of historical and regional powers, recently Fiji has been looking increasingly to the newly emergent ‘non-traditional’ donors, which as Krause (2007, p. 1) notes, are only too happy to provide economic assistance “notably free of any preconditions.”

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<sup>10</sup> The Asia-Pacific ‘Arc of Instability’ commonly refers to parts of Indonesia, East Timor, Papua New Guinea, the Solomon Islands, New Caledonia, Vanuatu and Fiji. For further discussion on Fiji’s role within the Arc, see Fry, 2000 and Duncan and Chand, 2002.

#### *4.2.4 Fiji's Traditional and Non-Traditional Donors*

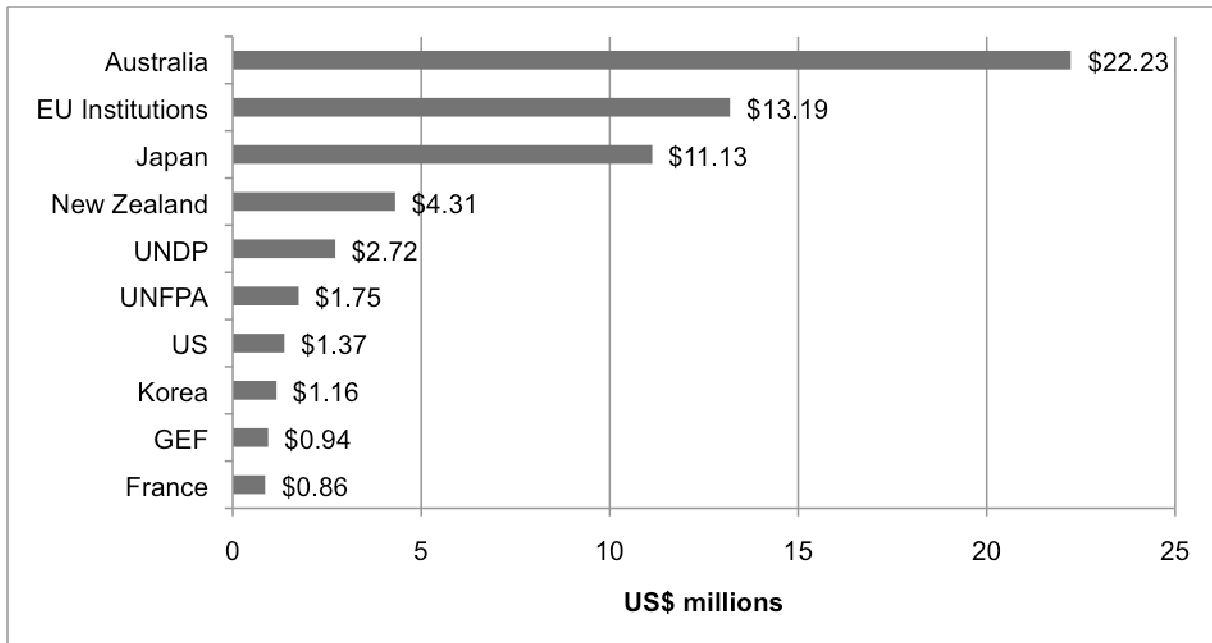
Like the priorities and principles of aid, the number and prevalence of Fiji's donors has altered over time. Aid to Fiji comes from a wide variety of both more traditional bilateral and multilateral donors, and increasingly, a number of emerging non-traditional donors.

##### *4.2.4.1 Traditional donors*

Fiji's colonial power, the UK, was its primary source of aid until gaining independence in 1970, although Fiji also received limited support from Australia and the US. After independence, the UK continued to provide significant amounts of funding, although increasingly other Pacific Commonwealth countries began providing a larger proportion of Fiji's ODA, in particular Australia and New Zealand. The EU has provided varying levels of aid to Fiji since the mid 1970s. Although Japan is rarely referred to as a 'traditional' donor, it has provided Fiji with development assistance since 1972 and remains a significant donor (see Table A.1 in Appendix I). Additionally, over time multilateral agencies have also become regular contributors to Fiji's total ODA. The United Nations Development Fund (UNDP), the United Nations Population Fund (UNFPA) and the Global Environment Fund (GEF) on average are among Fiji's top ten sources of aid in Fiji, even providing more funding than some of Fiji's bilateral donors, as Figure 4.2 below shows.

Following each of the coups, a number of Fiji's traditional donors have both threatened to, and eventually did, decrease the amount of aid they were providing to Fiji, which is further discussed in Chapter Five. The gaps in funding from traditional donors following each of the coups, however, provided opportunities for new non-traditional donors to emerge and build their diplomatic relations with Fiji.

**Figure 4.2 – Sources of ODA: Top 10 Donors (Average for last 5 years), 2011**



**Source:** *www.aidflows.org, 2011*

#### **4.2.4.2 Non-traditional donors**

While it is assumed that the bulk of Fiji’s ODA continues to be made up by its more traditional donors, the rise of aid from newly emerging non-traditional donors should not be discounted. In particular, a number of Asian countries have become significant donors to Fiji. In addition to Japan and Korea, the rising flow of aid from China over the last decade has been of concern for many scholars and countries (Pearlman, 2009; Wesley-Smith, 2007a). Unfortunately, as China is not a member of the OECD, there is no centrally maintained or publicly available information on the amount of ODA China provides. Based on information from Fiji’s Ministry of Finance, aid from China has increased significantly, although it remains variable (see Figure 4.3 below and Table A.2 in Appendix I).

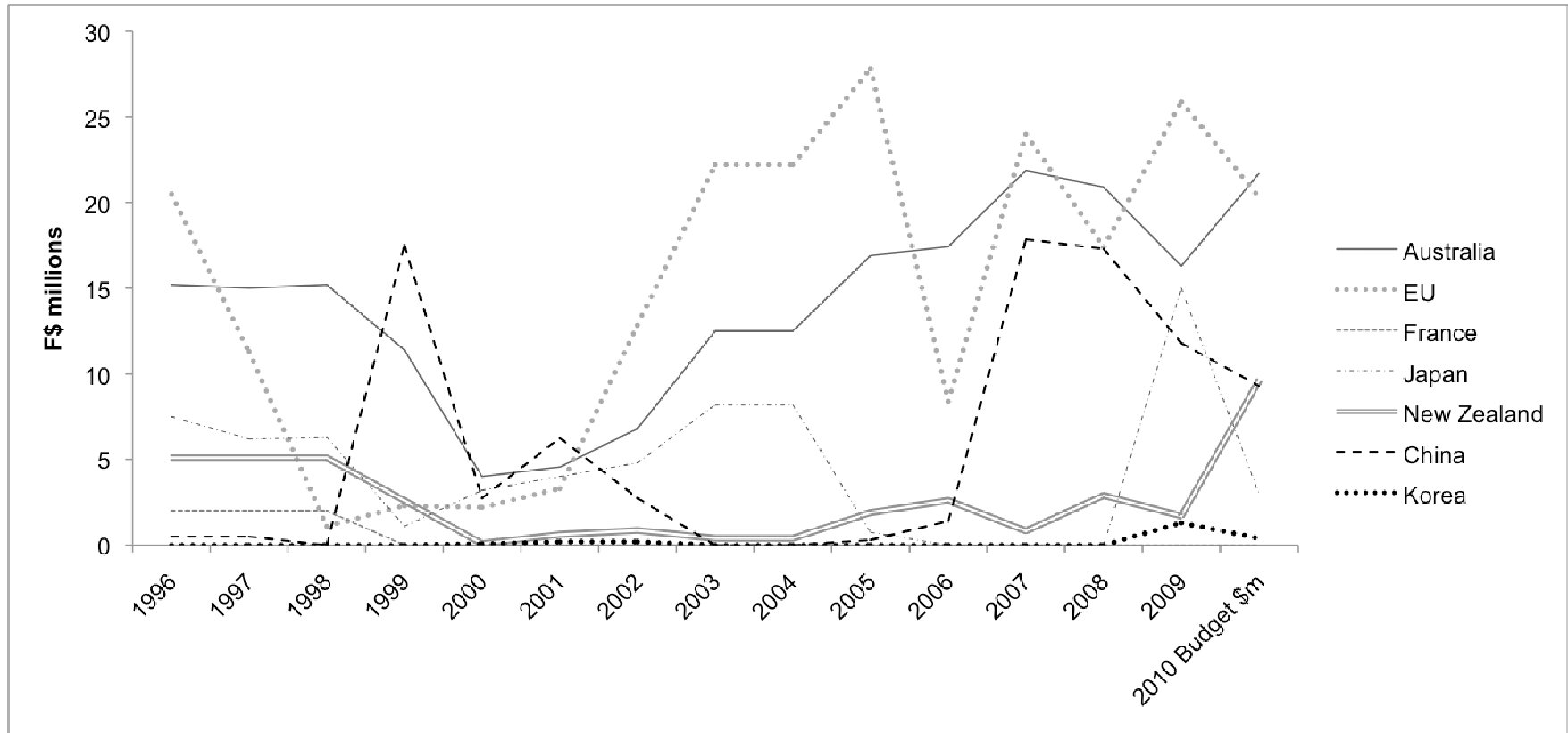
Another potential group of donors to emerge has been member states of the Arab League<sup>11</sup>. In recent years Fiji has made a number of public moves to strengthen its relationship with the group of Arab countries. In early 2010 Fiji announced it had initiated steps towards joining the Non-Aligned Movement (Fiji Ministry of Information, 2010) to which all Arab League countries belong. Later that same year, Fiji also attended the first Pacific Island-Arab League Summit, which focused on furthering diplomatic and development ties between the two regions (*New Delhi Chronicle*, 2010). Following the Summit, the Prime Minister and commander of the Fiji Military Forces (FMF), Commodore Voreqe (Frank) Bainimarama, publicly declared Fiji's intention to develop more formal relations with the region (*Fiji Broadcasting Corporation*, 2010; *Fiji Sun*, 2010), and the Arab League announced it would open a regional office in Fiji later that year (*Islands Business*, 2010). With the announcement that it plans to reopen its US Agency for International Development (USAID) programme in Fiji, some have speculated that US reengagement is in direct response to the increasing influence of newly emerging non-democratic donors in the region (Perrottet, 2011).

The evolution in development principles and practices globally has greatly influenced the growth of civil society organisations in the Pacific, although local context in Fiji has played a particularly significant role in shaping Fiji's civil society. As the emphasis on state actors in development has shifted, coupled with the growing distrust of Fiji's military regime, these forces have both enabled and nurtured the expansion of Fiji's civil society over time. The following section details the history of Fiji's civil society community, focusing specifically on the number of NGOs that have emerged over time, in response to both global and domestic changes.

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<sup>11</sup> Arab League member states include: Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestinian Authority, Qatar, Saudi Arabia, Somalia, Sudan, Syria, United Arab Emirates and Yemen.

Figure 4.3 – Aid by Donors, 1996-2010, F\$ millions



Source: Fiji Ministry of Finance and National Planning Supplement to the Budget Address: 1996 - 2010

### **4.3 The Development of Fiji's Civil Society**

Fiji has a long and active history of “social activism” (Mohanty, 2008, p. v). In the last few decades the sheer number of NGOs in Fiji has grown rapidly and today there are more than 650 civil society actors in Fiji (Mohanty, 2008, p. v). The following section pieces together the story of NGOs in Fiji – their history, the current constraints they face and the ways in which they engage with their various development partners.

#### *4.3.1 History of Fiji's NGO Community*

Even prior to decolonisation, a number of organisations outside government institutions existed to address issues concerning, for example, education, orphans and disabled people (Mohanty, 2008). In Fiji, Christian churches, “the world’s oldest continuous NGOs” according to Yabaki (2007), have long played a significant role in the provision of basic services. Churches were widely involved in providing schools and hospitals, as well as later becoming involved in research and advocacy work and being particularly outspoken against nuclear testing in the Pacific (Yabaki, 2007).

As early as the 1960s, organisations with a particular focus on women’s issues began to emerge. Cultural divisions inherent in the colonial experience largely influenced early women’s organisations in Fiji. Organisations like *Soqosoqo Vakamarama* (the Fijian women’s organisation), the Fiji Catholic Women’s League (primarily Fijian) and the Fiji Moslem Women’s League (Indo-Fijian) were founded on the aims of “serving the needs or promoting the interests of a membership defined on the basis of ethnicity” (George, 2009, p. 982). In 1961, however, the Young Women’s Christian Association (YWCA) charted new territory in Fiji’s NGO community, challenging the pervasive ethnic and religious divisions. In addition to promoting the common interests of all women in Fiji, the YWCA also became a significant advocacy organisation, involving itself in both local and regional politics (George, 2009).

Despite facing a number of new difficulties during the 1980s, Tarte (2009, p. 413) suggests that civil society flourished, particularly in the years following the coups. The number of women's organisations continued to grow, adopting more issue-specific approaches in their aims. For example, two prominent NGOs in Fiji, the Fiji Women's Crisis Centre (FWCC) and its sister organisation, Fiji Women's Rights Movement (FWRM), were established in 1983 and 1986, respectively. Whereas FWCC focused its efforts on providing counselling services to victims of physical and sexual assault, FWRM was founded with the more specific aim to challenge legal barriers to women's safety and lobby state institutions on behalf of women's rights (FWRM, 2010). In the aftermath of the coup, a number of new rights-based organisations were established. According to Yabaki (2007), the Citizens Constitutional Forum (CCF), was founded in 1991 specifically to "address the negative impacts of the 1987 coup."

Throughout the 1990s and following the crisis of the 2000 coup, a number of new NGOs emerged that focused increasingly on issues such as social justice, human rights, conflict resolution and peace building, a clear response to the turbulent political events in Fiji's recent history. Despite being a challenging time for civil society, the coups acted as a catalyst for the formation of new NGOs as well as the re-politicisation of a number of pre-existing NGOs in Fiji; in essence, Fiji's coups and its NGO community are inextricably linked.

#### *4.3.2 The 2006 Coup – Dividing a Community*

Following the 1987 and 2000 coups, Fiji's NGO community operated largely as a force of unity, protesting together against the coups. After the 1987 coups, NGOs came together to organise events, protests, discussions, workshops and seminars (Yabaki, 2007). Throughout the 2000 crisis, Fiji's NGO Coalition on Human Rights organised peaceful protests and candlelight vigils outside the government buildings where the members of Parliament were being held hostage. Together the NGOs lobbied the international community, their donors and overseas governments to pay attention to what was happening in Fiji. Through adversity in the aftermath of both the 1987 and 2000 coups the NGO community was

collectively strengthened. NGO reactions following the 2006 coup, however, were markedly different.

The coups of 1987 and 2000, executed on the premise of preserving ethnic Fijian paramountcy, divided much of Fiji's society along lines of ethnicity. However, they brought the NGO community together in opposition to the coup leaders. The impetus behind the 2006 coup was fundamentally different. Rather than unifying the community, a schism emerged between rights-based and social justice NGOs (Naidu, 2007b). Citing reports of the "detention, interrogation and the violation of human rights of vocal coup protestors" (Naidu, 2007b), rights-based organisations refused to engage with the interim military regime. Social justice organisations, while not condoning the military takeover, appeared sympathetic to the ends, if not the means, of the coup (Llewellyn-Fowler & Overton, 2010). Citing the incidence of corruption, pro-wealthy and racist policies, the increasing number of squatters, the lack of redress for expiring land leases and general mismanagement under the deposed democratic government, social justice organisations were less critical of the military takeover and thus have been more willing to engage with the interim Government.

Despite the post-coup rift within Fiji's NGOs, some social justice organisations, and more recently, a few rights-based organisations, have attempted to maintain a dialogue with the interim Government. In particular, several NGO representatives have been involved with the National Council for Building a Better Fiji, assisting in the formulation of a charter that outlines the government's national plan for Fiji's future, entitled *Building a Better Fiji for All: A People's Charter for Change and Progress* (hereafter referred to as the Charter) (Lal, 2009, p. 82), while others have joined various independent dialogue processes (discussed at further length in Chapter Eight).

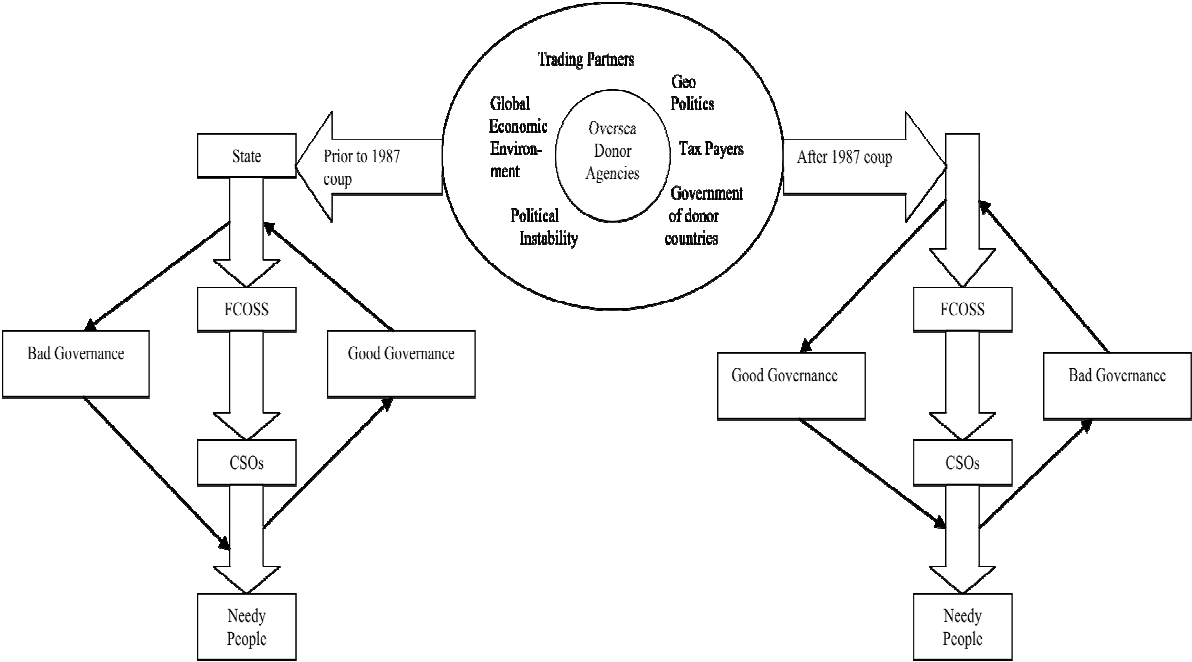
#### *4.3.3 NGOs and Donors: Strengthening Partnerships?*

In addition to affecting the cohesion of the local NGO community, Fiji's volatile political history has served to significantly shape the relationships NGOs have with their partners in development, including both donors and the Government of Fiji.



As in most developing countries, NGOs in Fiji have long relied on financial support from international donors. As Chapter Three discussed, globally the scale of funding to NGOs has been increasing. In Fiji, this has happened both in response to international trends as well as in response to local circumstances. According to Chand, Naidu and Khan (2010), the 1987 coups were the initial catalyst for this change in Fiji. As the state increasingly failed to control basic service provision in the wake of the coups, causing both local and international distrust in the government, donors moved increasingly to channelling their funding through NGOs rather than directly to the state (Chand, et al., 2010), as Figure 4.4 below shows. In cutting ties with the Government, as Llewellyn-Fowler and Overton (2010, p. 833) point out, donors have increasingly looked to local civil society to be a “key ally, both in supporting development work and in providing an advocate for human rights against an illegitimate military regime.”

**Figure 4.4 Pre- and Post-1987 Coup Channels for Donor Funding**



Source: Chand, Naidu and Khan, 2010

It should also be recognised that the strengthened relationships between local NGOs and donors have also been symptomatic of recent global development trends. In the last decade

in particular, many of Fiji's traditional donors have developed specific funding programmes with the aim of fostering and maintaining long term relationships with local NGOs. Australia, the EU and New Zealand have each introduced funding schemes in Fiji specifically for supporting local NGOs, which are discussed further in Chapter Six.

As the Government continues to embark on its policy to 'look North' for both diplomatic affinity and financial assistance, it is increasingly marginalising its more traditional donors. This is potentially a cause for concern for local NGOs, as both the aid modalities as well as the philosophical approach to development assistance of 'Northern' donors differs significantly from traditional donors. Donors like Japan, China, Korea and the Arab League view their partnerships with aid recipients as strictly bilateral and rarely, if ever, partner directly with local NGOs. Rather, aid is provided directly to the recipient government in the form of technical assistance, loans and infrastructure and construction projects (JICA, 2009; Krause, 2007; ODA Korea, 2008). If these donors do provide assistance to local NGOs, as Japan has done on occasion, it is almost always in the form of volunteer assignments or technical assistance and, importantly, is at the request of the aid recipient government. As Fiji continues to bolster its relations with its newer development partners, it will be important to monitor how local NGOs, historically highly dependent on foreign assistance, are being affected.

#### **4.4 Summary**

The history of Fiji's civil society community must be viewed against the background of both global and local conditions that have made the growth of NGOs favourable. Throughout Fiji's history, the growth of civil society has been both necessitated and at times opportunistic. Initially NGOs were needed to provide social goods and services the government was either unable or unwilling to provide. By the end of the 20<sup>th</sup> century, greatly influenced by the creed of good governance as well as Fiji's own bout with political insecurity, NGOs have increasingly been asked to take on the role of advocates for democratic principles and institutions. While Fiji's civil society has a strong history, it is unclear how current events in Fiji will shape its NGOs in the future.

Although the political circumstances of the 1980s and 1990s created an enabling environment for NGOs, many aspects of the more recent political environment have challenged the cohesion and strength of Fiji's NGO community as a whole. In particular, as the Government marginalises its more traditional donors, choosing instead to 'look North' to China and other newly emerging donors for development assistance, aid to Fiji's local NGOs, traditionally provided by donors like Australia, New Zealand and the EU, is potentially at risk. Alternatively, in the wake of the most recent coup, and in light of the shift in global development thinking which views civil society as a significant partner in development, many of Fiji's traditional donors have shifted the focus of their aid programmes considerably towards working with, for and through NGOs. Although the political situation may have provided a catalyst for donors to provide increasing amounts of ODA to local NGOs, the split response to the 2006 coup that occurred within Fiji's NGO community has nonetheless seriously damaged the collective power of Fiji's civil society. The following chapter provides a more detailed analysis of the political situation in Fiji over time, focusing in particular on the reactions from the international community.

## CHAPTER FIVE SANCTIONS IN FIJI

### 5.1 Introduction

‘Coup Culture’ has become a phrase almost solely synonymous with Fiji, at times overshadowing the complexity of Fiji’s recent political history. Since gaining independence in 1970, Fiji has experienced four coup d’états<sup>12</sup> and remains to this day under military rule. Over time, the international community has struggled to come to a consensus on an appropriate reaction. Among Fiji’s donors, Australia, New Zealand, the United States and the European Union have each responded to the crises in Fiji by imposing a range of sanctioning measures on the small island nation.

This chapter outlines the recent political history in Fiji, focusing in particular on its history of coups and the subsequent reactions from the international community that have often involved the imposition of sanctions by some of its major donors.

### 5.2 1987: The Coup(s) to Preserve Fijian Paramountcy

Fiji experienced both of its first two coups in 1987. In the April elections of that year, the ethnic Fijian dominated Alliance Party, in power since independence, was defeated by a coalition formed by the Indian-dominated Fiji Labour Party (FLP) and National Federation Party (NFP), establishing Fiji’s first truly multi-ethnic government. The promise of “a more equitable and just society” (Naidu, 2007a, p. 28), however, was short lived. A month later, Lt Colonel Sitiveni Rabuka, supported by a group of defeated Alliance Party members that had formed the ‘*Taukei* Movement’ after losing the election, staged the military takeover. Rabuka and his allies claimed the takeover was aimed at preserving indigenous Fijian political supremacy, which had been challenged by the election of the coalition government.

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<sup>12</sup> Naidu (2007) argues, however, that Fiji’s first ‘palace coup’ actually occurred in 1977, although the May 1987 coup is generally recognised as Fiji’s first coup because it “was an overt military coup d’état by the Royal Fiji Military Forces (RFMF)” (p. 28).

Eventually negotiations between the deposed Prime Minister, Timoci Bavadra, and the former Alliance party Prime Minister, Sir Ratu Kamisese Mara, were brokered with the aim of creating a government of national unity. However, when Rabuka and his *iTaukei* supporters were not invited to the negotiations, Rabuka staged a second coup in September, this time abrogating the constitution and proclaiming Fiji a republic. Ratu Mara was reappointed as Prime Minister (McCraw, 2009).

### *5.2.1 International Reactions*

The 1987 coups took the international community, and in particular Fiji's donors, by surprise. Not only were they the first of Fiji's coups, they were the first to occur in the South Pacific (McCraw, 2009). Shortly after the overthrow of the elected government deposed Vice-President Tupeni Baba made numerous requests to both Australia and New Zealand to impose "comprehensive trade and aid sanctions" (Fell, 1987, p. 27). Although both countries condemned the military takeover, Australia and New Zealand were adamant that neither trade nor economic sanctions would be sought (Fell, 1987; McCraw, 2009). Instead, Fiji's donors found alternative ways to express their discontent. Almost immediately, Australia and New Zealand withdrew military support (Fell, 1987, p. 269; McCraw, 2009), the United States "eliminated" its aid to Fiji (*The Deseret News*, 1987; *The Free Lance-Star*, 1987) and New Zealand announced that its Fiji aid programme would "be drastically reduced" (New Zealand Minister of Foreign Affairs, 1987).

Despite their reluctance to impose trade sanctions, both Australia and New Zealand employed their economic power to protest Rabuka's actions. Early reports indicated that unions in both Australia and New Zealand suspended or restricted air transport to Fiji as well as banned the handling of cargo bound for Fiji (Reed & Dunn, 1987). After the second coup, Australian unions threatened to extend the bans on shipping and air transport, although they failed to eventuate (Fell, 1987). In addition to union action, the New Zealand government announced it would not renew its contract to buy Fiji sugar when it came up for renegotiation the following year, an agreement that made up seven per cent of Fiji's sugar exports (Fell, 1987; New Zealand Minister of Foreign Affairs, 1987). After further reducing its aid programme, New Zealand also recalled three of its diplomats from Suva

(McCraw, 2009) and announced it was cancelling “aid grants to the Government of Fiji for salary supplementation of New Zealanders under contract to the Fiji Public Service Commission” (New Zealand Minister of Foreign Affairs, 1987).

### **5.3 2000: Fiji’s Civilian Coup**

By early 1988, a relative level of normalcy had resumed in Fiji. Donors were quick to restore their suspended relations (New Zealand Minister of Foreign Affairs, 1988), even if the government in place was essentially a “military government in a civilian cloak” (Sharpham, cited in McCraw, 2009, p. 272). Power quickly reverted to Fiji’s paramount chiefs who ushered in a number of affirmative action policies that favoured indigenous Fijians. In particular, a new constitution in 1990 severely excluded non-ethnic Fijians from a number of government positions<sup>13</sup> and introduced a new voting system based on racially allocated electorates (Naidu, 2007a). These actions subsequently alienated Fiji’s substantial Indo-Fijian community, which in 1987 made up over half of Fiji’s total population (Ratuva, 2002). The years preceding the coups were marked by large-scale emigration, including 70,000 Indo-Fijians (Finin & Wesley-Smith, 2001, p. 14) and up to ten per cent of the total population between 1987 and 1999 (Naidu, 2007a, p. 29).

Rabuka was formally elected Prime Minister in 1992 and served under his *Soqosoqo Vakavulewa Ni Taukei* Party (SVT) until 1999. The “one redeeming feature” of Rabuka’s leadership, in Naidu’s (2007a, p. 29) opinion, was his support for amending the racially biased constitution, finalised in 1997. Under the new constitution, elections held in 1999 saw the Indian-dominated FLP party and first ever Indo-Fijian Prime Minister, Mahendra Chaudry, elected. However, shortly after the election, Fiji experienced its third and most violent coup yet<sup>14</sup>.

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<sup>13</sup> The 1990 constitution reserved the following leadership roles for indigenous Fijians: President, Vice President, Prime Minister, Minister of Finance, Minister for Home Affairs, Minister for Fijian Affairs, Minister for Lands, Chief Justice, Commander of the Fiji Military Forces, Commissioner of Police, Chairman of the Public Service Commission, and other senior government positions (Naidu, 2007, p. 29).

<sup>14</sup> In total, eight soldiers, two policemen and two rebels were killed during the 2000 coup and subsequent mutiny (Naidu, 2007, p. 30).

On 19 May 2000, George Speight, a civilian and failed businessman along with retired FMF Major Ilisoni Ligairi ambushed Parliament, taking Chaudry and the entire cabinet hostage. While holding cabinet members hostage, Speight, of both Fijian and European ancestry, claimed his actions echoed those of Rabuka in 1987, to restore Fijian political dominance. At the same time, gangs of Fijian youths stormed through Suva, “looting, burning and trashing shops” owned by Indo-Fijians and rural Indo-Fijian communities were subjected to increasing home invasions, theft and general harassment which the police did little to curb (Naidu, 2007a, p. 30).

Responding to the hostage situation, Bainimarama, the then commander of the FMF, deposed the President, declared the constitution abrogated, and appointed an interim government led by former banker Lasenia Qarase as Prime Minister (Naidu, 2007a). By July, after more than 56 days of standoff, Bainimarama convinced Speight and his men to release the hostages and hand in their weapons. After the hostages were successfully released, Bainimarama ordered the arrest of Speight and his supporters for failing to return all of their arms, and Speight and the hostage takers were charged and convicted of treason.

Qarase and his *Soqosoqo Duavata Lewe Ni Vanua* Party (SDL) won the 2001 general elections. Despite being democratically elected, Qarase’s government failed to restore democratic peace to Fiji. Qarase’s time in office was fraught with allegations of corruption and continued support for many of the ethno-nationalists responsible for the 2000 coup. Throughout his tenure, the incidence of “home invasions, violent robberies, muggings, other street level crimes and intimidation of Indo-Fijians and non-ethnic Fijians became commonplace” (Naidu, 2007a, p. 31). Nonetheless, Qarase remained in power until the 2006 coup.

### *5.3.1 International Reactions*

The international community was quick, although cautious in its reaction to the crisis unfolding in Suva. As in 1987, both Australia and New Zealand immediately ruled out the use of comprehensive economic or trade sanctions (Downer, 2000a; *The Timaru Herald*, 2000). Rather, for the first time, both countries employed the use of ‘smart sanctions’ in

response to the political turmoil in Fiji. “Smart sanctions”, according to then Australian Prime Minister, Alexander Downer, would “target particular sections of the Fijian community without destroying the lives of tens of thousands of innocent people” (*The Telegraph*, 2000). New Zealand also recognised the need for a more targeted approach, highlighting that it did not want to “make the same mistake that was made in Iraq when innocent children and civilians ended up paying the highest price for sanctions, while the real culprits (Saddam Hussein) got off scott-free [sic]” (Robson, 2000). Instead, Fiji’s major donors utilised new alternative measures of punitive diplomacy.

Throughout the occupation, Australia and New Zealand maintained that they would wait until the hostage situation was resolved before imposing any sanctions (H. Clark, 2000b; Downer, 2000b; Garran, 2000). Once the hostages were released in July, both countries announced their packages of sanctioning measures that included a reduction or suspension of aid (not including humanitarian assistance), the suspension of scholarships, defence cooperation, as well as ministerial visits to and from Fiji (H. Clark, 2000a; Downer, 2000a; *Pasifik Nius*, 2000). While the decision to ban Speight and his supporters from travelling to Australia and New Zealand was widely accepted, the decision to impose travel sanctions on a number of Fiji’s sporting teams (Bingham, 2000; Goff, 2000) was met with protest from sporting unions in Fiji (*Fiji’s Daily Post*, 2000b; Prasad, 2001). Australia deviated slightly in its reactions from New Zealand, announcing that it would suspend the Australia-Fiji Trade and Economic Agreement (AFTERA) and introducing new visa requirements for all Fiji citizens wanting to travel to Australia (*ABC News Online*, 2000).

The United States and the European Union (EU), too, followed in the footsteps of Australia and New Zealand. Although the United States suspended its aid programme, at US\$21,000 in 1998 (OECD, 2011), US aid to Fiji made up a relatively small proportion of Fiji’s total ODA (see Table A.1 in Appendix I). By late July, the EU had announced a number of targeted measures against Fiji, including calling for consultation under Articles 5 and 366a of the Lomé Convention, freezing aid from the EU, restricting the travel of Speight and his associates, cancelling assistance to Fiji’s government, naval visits and joint military exercises, as well as restricting licenses for arms or security equipment for export to Fiji



(ECSIEP, 2004b). However, in October at the ACP-EU Joint Parliamentary Assembly in Brussels, a draft resolution to impose economic sanctions on Fiji was rejected (*Fiji's Daily Post*, 2000a). It instead decided to continue all planned development projects during the run up to the 2001 elections, with conditions placed on the implementation of projects under the European Development Fund (EDF), as well as on the notification of the future EDF allocation. After regaining membership to the Commonwealth in 1997, Fiji was fully suspended<sup>15</sup> following heavy lobbying from both Australia and New Zealand (H. Clark, 2000b; Downer, 2000a).

As in 1987, unions in Australia and New Zealand were again quick to respond to the unfolding crisis. At the request of the Suva-based Fiji Trade Union Congress (FTUC), the Australian Council of Trade Union (ACTU) and the New Zealand Council of Trade Unions (NZCTU) moved to impose bans on sea and air transport as well as postal service (ACTU, 2000b; Mulrooney, 2000; Norington, 2000). However, in Fiji, garment workers and business owners alike began to protest the FTUC's calls for sanctions (Brown, 2000; Nixon, 2000). In a statement by the Fiji Government, Qarase urged Australia and New Zealand to lift their sanctions, stating there had been a "massive loss of jobs" as well as a 12.5 per cent reduction in public service salaries within the year (Fiji Ministry of Information, 2000a). Other reports noted that "almost all sectors of business [had] implemented pay cuts, some up to 60 per cent" (*Fijilive*, 2000). Finally, in late June the ACTU withdrew sanctions, but continued to encourage the Australian government to impose 'smart sanctions' until the hostages were released (ACTU, 2000a).

Despite Fiji's concern that sanctions would "serve to strengthen Fijian nationalism" and were a case of "large rich nations ganging together to impose their will on a small island state" (Fiji Ministry of Information, 2000b), sanctions imposed by Australia, New Zealand and the EU remained mostly in place until 2001. In October 2001, Australia announced that it would lift sanctions and resume military relations with Fiji following elections (*New Straits Times*, 2001). By December that same year, New Zealand had resumed full relations

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<sup>15</sup> Fiji's membership in the Commonwealth lapsed in 1987 after Rabuka declared Fiji a republic and subsequently failed to re-apply for Commonwealth membership.

with Fiji, removing sporting sanctions, restrictions on ministerial contact, as well as sanctions relating to its development aid and military contacts (Goff, 2001). By the end of 2001, the Commonwealth had readmitted Fiji (BBC, 2011). The restoration of normal relations with the US and the EU was much slower, resuming in 2003 and 2004, respectively (Deen, 2006; ECSIEP, 2004a; Laakso, et al., 2007). Unfortunately, political stability lasted only a few years as the actions of the democratically elected government in the wake of the 2000 coup soon began to mimic the corrupt and nationalist practices of the past.

#### **5.4 2006: The Coup to Restore Democracy?**

In 2005, tensions mounted between the Qarase-led government and Bainimarama. Among a number of bills<sup>16</sup>, Bainimarama objected in particular to the Reconciliation, Tolerance and Unity Bill, which would have given amnesty to the 2000 coup perpetrators (Naidu, 2007a, p. 32). Bainimarama accused the Qarase government of “corruption and institutionalising racism” (Amnesty International, 2009, p. 13) and Qarase retaliated by attempting to remove Bainimarama as commander of the military (Naidu, 2007a). In the August 2006 elections, Qarase won by only a slight margin and was sworn in for a second term. After a final attempt and failure to remove Bainimarama from his post, in December 2006 Bainimarama executed a military coup d’état, dismissing Qarase as the Prime Minister. Shortly afterwards, Ratu Josefa Iloilo was reinstated as the President, who appointed Bainimarama as the interim Prime Minister.

In mid-2008 it was announced that elections planned for 2009 would be postponed until electoral reforms could be completed. In April of 2009, Fiji’s Appeal Court ruled that Bainimarama’s 2006 take over was unconstitutional (Matau, 2009). The following day, President Iloilo abrogated the 1997 constitution, appointed himself as head of state, set 2014 as the deadline for elections and dismissed Fiji’s judiciary. The President then reappointed Bainimarama as the interim Prime Minister and announced that a new constitution would need to be drafted, with particular focus on reforming the current ethnic

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<sup>16</sup> The other bills included the *Qoliqoli* Bill and the Land Tribunal Bill. For further information on these bills and the controversy surrounding them, see Naidu, 2007.

based electoral system introduced in the 1997 constitution, prior to elections taking place in 2014 (BBC, 2011).

#### *5.4.1 International Reactions*

The response from Fiji's key bilateral and multilateral partners following the 2006 coup was "sharp and unequivocal" (Lal, 2009, p. 84). A number of Fiji's donors reacted quickly, imposing a range of targeted sanctions. The response from Fiji's nearest donors, Australia and New Zealand, was much more comprehensive, although the reactions of the US and EU were also significant. Australia implemented a number of sanctions under its Autonomous Sanctions Bill, including an arms embargo, the suspension of defence cooperation, restrictions on ministerial level contact with Fiji's interim military government, as well as travel bans on government and military personnel (Australia Department of Foreign Affairs and Trade, 2010). New Zealand followed suit, placing bans on high-level political contact with the coup-installed regime and the military as well as travel bans on all members of the Fijian government, the military and their families. New Zealand also imposed fresh sanctions on sporting contacts in addition to suspending Fiji's participation in the Recognised Seasonal Employer scheme and the Pacific Access Quota<sup>17</sup> (H. Clark, 2006).

The US and the EU, two of Fiji's other major donors, focused their sanctions specifically on their development assistance. As the US is required by law to suspend development assistance to any country in which a coup has been staged, it reacted immediately by suspending its aid to Fiji, which included at the time just under US\$500,000 in military grants and approximately US\$268,000 for international military education and training (Deen, 2006). Despite the suspension of development assistance, ODA from the US to Fiji, the bulk of which was provided largely through Peace Corps volunteers, dropped only slightly from US\$1.338 million in 2006 to \$1.208 in 2007 (USAID, 2010) as Table A.3 (in Appendix I) shows.

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<sup>17</sup> The Pacific Access Category allows a particular annual quota of citizens from Kiribati, Samoa, Tuvalu and Tonga to be granted residence in New Zealand every year.

Fiji's multilateral donors were much more willing than Australia and New Zealand to engage in post-coup dialogue with Fiji (Fraenkel, 2009, p. 158). Rather than cutting off contact with the interim government, both the Commonwealth and the EU made sustained efforts to encourage a swift return to constitutional democracy. However, Fiji's membership in the Commonwealth was once again suspended (Commonwealth Secretariat, 2009). The EU actively sought formal consultations, as stipulated under Article 96 of the 2000 Cotonou Agreement, but by June 2007 it announced that more than F\$400 million of its aid to Fiji would be either delayed or outright cancelled (Grubel, 2007). Although humanitarian aid and support to civil society organisations was untouched, following consultations in October between the EU and Fiji, the EU decided to make future assistance through the EDF contingent on Fiji upholding commitments agreed to during the consultation (Council of the European Union, 2007). Potentially the most devastating aspect of this suspension of assistance from the EU was the F\$274 million worth of assistance to Fiji's dilapidated sugar industry (Grubel, 2007). The EU grants were meant to assist Fiji as it transitioned away from the highly subsidised preferential prices in EU markets which would see Fiji sugar prices drop by 36% by 2009 (Pareti, 2007). Fiji's 2007 sugar allocations were subsequently cancelled, while the 2008, 2009 and 2010 allocations were also made conditional on Fiji following through with its commitments made at the October consultations (European Commission, 2007). Finally, Fiji was suspended from the Pacific Island Forum (PIF), and is now one of only two countries to face full suspension from the Commonwealth<sup>18</sup> (Pacific Island Forum Secretariat, 2009).

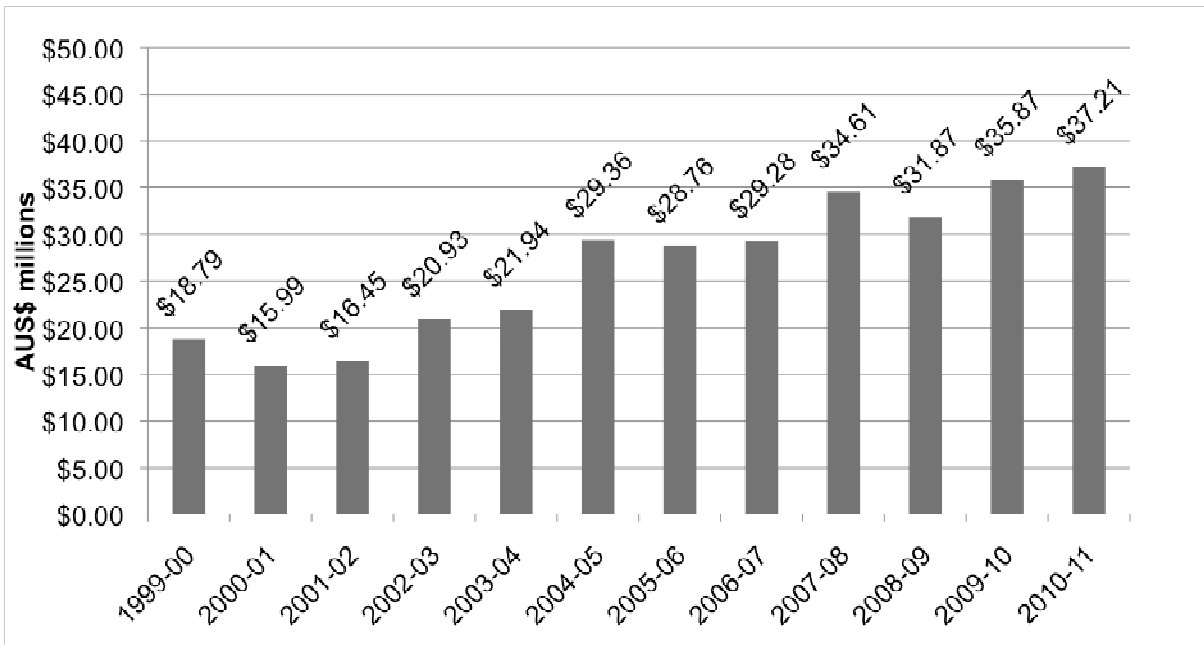
Australia and New Zealand also placed sanctions on their aid programmes to Fiji. According to the Australian International Development Assistance Bureau (AusAID), Australia "suspended assistance where the actions of the Regime render [its] programs ineffective or compromised" (AusAID, 2009), in particular including part of a law and justice sector programme (Fraenkel, 2009 p. 179). However, AusAID continued to fund programmes in the health and education sectors that partnered with Fiji's government

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<sup>18</sup> In total, four countries have been suspended from the Commonwealth: Fiji, Pakistan, Nigeria and Zimbabwe. Nigeria and Pakistan have since had the suspension lifted. Zimbabwe withdrew from the Commonwealth in 2003. Fiji is the only country that remains currently suspended.

Ministries, and as Figure 5.1 below shows, Australia’s ODA to Fiji rose from Aus\$28.76 million in 2005-06 to \$29.28 in 2006-07, and for the most part has continued to climb.

**Figure 5.1 – Australian ODA to Fiji, 1999 - 2010**

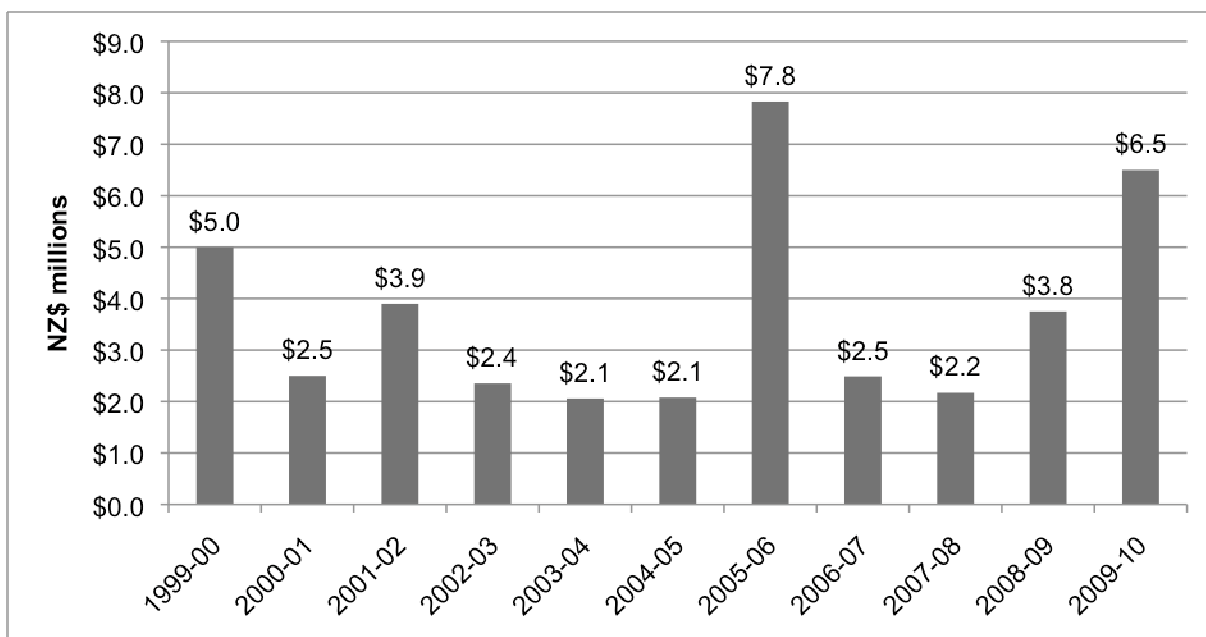


Source: AusAID, personal communication, 2011

New Zealand took a more hardline approach, putting a hold on all new development initiatives and discontinuing scholarships and traineeships for students and public sector workers (H. Clark, 2006). Between 2005 and 2006, aid from New Zealand to Fiji, although significantly less than aid from Australia, plummeted from approximately NZ\$7.8 million in 2005-2006 to NZ\$2.5 million in 2006-2007, as Figure 5.2 below shows. According to the New Zealand Agency for International Development (NZAID<sup>19</sup>) (2009a), the 2006 coup and subsequent sanctions imposed have been a direct catalyst for the strengthening of New Zealand’s relations with civil society organisations in Fiji.

<sup>19</sup> In 2009, the newly elected National-led Government absorbed the previously semi-autonomous NZAID into the Ministry of Foreign Affairs and Trade and renamed it the New Zealand Aid Programme (NZAP). For the remainder of this thesis, however, New Zealand’s aid agency is referred to as NZAID.

**Figure 5.2 – NZ ODA to Fiji, 1999 – 2010**



Source: NZAID Annual Reviews, 1999-2010

## 5.5 Recent Developments

In the four years that have followed the 2006 coup, tensions between Fiji, Australia and New Zealand have continued. As the three countries engaged in a diplomatic tit-for-tat, a string of Australian and New Zealand High Commissioners, and subsequently acting High Commissioners, were expelled<sup>20</sup> (McCully, 2010; *Sydney Morning Herald*, 2010). In stark contrast to reactions following the coups of 1987 and 2000<sup>21</sup>, Pacific Island countries joined the international community voicing their concern about the situation evolving in Fiji. In May 2009, the Pacific Island Forum Secretariat (PIFS) confirmed it had suspended Fiji from the 16-member body, which excludes Fiji from benefiting from any regional cooperation initiatives as well as financial and technical assistance (Pacific Island Forum Secretariat, 2009). With little headway made towards elections, by September 2010, Fiji was fully suspended from the Commonwealth, which excludes Fiji from all inter-governmental Commonwealth meetings, sporting events and technical assistance programs

<sup>20</sup> Fiji has expelled two New Zealand High Commissioners and an Acting High Commissioner as well as one Australian High Commissioner and an Acting High Commissioner.

<sup>21</sup> For further detail on the reaction of Pacific Islands to the 1987 and 2000 coups, see McCraw, 2009, p. 270.

(Commonwealth Secretariat, 2009). The only remaining assistance provided by the PIFS and the Commonwealth is targeted at the restoration of democracy.

Relations between Fiji and both the EU and Australia remain at a relative stand still. The EU recently announced that it would extend sanctions once again until October 2011 (Council of the European Union, 2011). In a March 2011 interview, Australia's Foreign Minister and former Prime Minister, Kevin Rudd, reiterated that Australia was "not yet in a position to recommend any change in policy" (*Otago Daily Times*, 2011). Despite the stalemate between Fiji and Australia and the EU, there have been emerging signs that Fiji's relationships with New Zealand and the United States are beginning to thaw. In mid-2010, USAID announced plans to reopen its Suva office after a 15-year hiatus (*Australia Network News*, 2010; Hill, 2010; 2010). By early 2011, New Zealand also seemed to be considering a new approach towards Fiji, announcing that it was willing to relax some of the sanctions, in particular the travel bans, should Fiji provide "a firm commitment to elections in 2014" (Trevett, 2011). Despite using the Rugby World Cup as a carrot, it is clear New Zealand realises now that its travel bans, have failed to achieve their objective.

## **5.6 Summary**

Throughout Fiji's relatively short history as an independent nation state, it has experienced long periods of deep seated internal conflict which has caused political instability and provided a constant challenge to building consensus among Fiji's diverse population. Outside Fiji's borders, the international community, too, has struggled to come to a consensus on how to respond to Fiji's repeated breach of democratic principles. Following each of Fiji's coups, donors have responded consistently by imposing various forms of sanctions.

Australia, New Zealand and the EU, in particular, have responded with a range of targeted measures intended to both intimidate and entice Fiji's military government into holding elections as quickly as possible. However, despite the potentially devastating impacts of the sanctions, Fiji, and in particular Bainimarama, has remained adamant that before it is willing to hold elections in 2014, significant changes to Fiji's constitution and national

mindset will need to be made. For many of the donors, however, 2014 - seven years after the latest coup - is too long to wait. Increasingly, Australia, New Zealand and the EU have been turning their focus towards working through and strengthening Fiji civil society community.

In rhetoric, this sounds like an unintentional, yet positive outcome for Fiji's NGOs. For Fiji's donors, local NGOs are an alternative route, through which assistance can be channeled until the more formal bilateral channels can be reopened. This perception of NGOs as the alternative rather than primary route for development assistance, however, fails to take into account the difficulties, complications and power dynamics involved in donor-recipient partnerships, primarily with NGOs rather than a central government. Beyond declaring NGOs a more appropriate conduit for development assistance, there has been little discussion on how a sanctions regime, even a smart and targeted one, can affect an NGO community. The remainder of this thesis uses the voices of a variety of participants to provide a discussion on the impacts on Fiji's local NGO community.



## **CHAPTER SIX**

### **PERSPECTIVES ON FUNDING TO NGOS IN FIJI**

*The sanctions have resulted in a shift in the focus of the bilateral programme from direct engagement with the Fiji interim government to an increased partnership with civil society organisations.*

NZAID, 2009a

#### **6.1 Introduction**

The following three chapters present findings, an analysis and discussion of this research. As the previous chapters have detailed, both global shifts in development thinking and practice and the local political context have significantly shaped Fiji's NGO community. While contemporary development theory recognises the importance of a strong civil society, donors' preference for civil society and NGOs in Fiji is directly linked to the imposition of sanctions, as the above quote from NZAID indicates.

This first analysis chapter focuses on both the real and perceived impacts of sanctions imposed by Australia, New Zealand and the EU on the funding directed to NGOs in Fiji. These findings come from an array of sources, and aim to compare the rhetoric of increased partnership with reality, as experienced by the organisations themselves.

#### **6.2 How do the donors fund NGOs in Fiji?**

Australia, New Zealand and the EU have each embraced local NGOs as credible channels for development assistance in Fiji. Yet, their statistical reporting of aid disbursements to local and international NGOs lags significantly. While comprehensive statistical information on their NGO expenditures may not exist, donors produce a plethora of policy documents detailing both their commitment to and partnerships with NGOs. Australia, New Zealand and the EU each maintain varying records on their contributions to NGOs overseas, few of which are made publicly available unless specifically requested. Each donor supports NGOs in its own unique way and has developed distinctly different instruments through which NGOs can access donor funding.

### *6.2.1 AusAID's Support to Fiji's NGOs*

Although Australia has not developed an overarching policy strategy for engaging civil society actors, it is actively committed to supporting international and local (within recipient countries) NGOs. Approximately eight per cent of AusAID's total ODA budget is channelled through Australian, international and local NGOs (AusAID, 2010a, p. 136). While AusAID states that NGOs "are often preferred partners in delivering development assistance" (AusAID, 2010a, p. 136), the emphasis in its focus guiding engagement with NGOs<sup>22</sup> is to "supplement funding for Australian NGOs" for "development, relief and rehabilitation activities in developing countries" (AusAID, 2011).

There are four primary avenues through which AusAID provides support to NGOs. The first two include the AusAID-NGO Cooperation Program (ANCP) and Cooperation Agreements (CAs), which provide funding to Australian NGOs either to implement their own programmes overseas or to deliver AusAID's own country or sector programme activities. Local NGOs in aid recipient countries are not eligible for direct funding under the ANCP or CAs. Where funds are provided to local NGOs, an Australian partner NGO usually manages the funds on behalf of the local NGOs. The second and third avenues include the Direct Aid Program (DAP) and the Small Activities Scheme (SAS), which are smaller funding instruments through which local NGOs can access funding directly. Both the DAP and SAS are administered by the Australian Embassy or High Commission in the recipient country and are intended to be relatively small in scale and short in length (AusAID, 2010c). According to ANCP Annual Reports (1992-2004), there is also some funding provided to non-Australian NGOs through the Country Program.

As previously mentioned, aid agencies rarely maintain comprehensive statistical records of aid disbursements to NGOs. AusAID has in the past provided detailed reporting on its aid expenditures to NGOs in the ANCP Annual Reports (1992-2004). Over time, however, the quality of and access to accurate information has declined significantly. From 1992 to

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<sup>22</sup> AusAID's engagement with Australian and local NGOs is guided by a number of policy documents, including the Cooperation Agreement (CA) Policy, the ANCP Guiding Principles and the Pacific Regional Strategy.

1998, these records were multi-page documents, providing an extensive break down of AusAID's expenditures by country, programme, NGO, and other schemes through which Australian, international and local NGOs accessed funding. By 1998, the reports became more streamlined but less comprehensive one-page reports. The ANCP reports ceased in 2004, and there appears, unfortunately, to be little public reporting of AusAID's NGO expenditures beyond the mention of total amounts within annual reports.

One of AusAID's main priorities in its Fiji aid programme is to "partner with civil society and regional organisations to support the people of Fiji" (AusAID, 2010b). Based on ANCP report statistics, Australia channelled more than Aus\$11.7 million in aid through NGOs in Fiji between 1992 and 2004<sup>23</sup>. Despite AusAID's early meticulous reporting, a significant challenge exists in trying to further disaggregate funding going to non-Australian NGOs. At first glance, funding to non-Australian NGOs appears fairly significant, particularly through the DAP. It is presumed that funding to 'local NGOs' indicates assistance provided to Fijian based local or regional NGOs, although no definition of 'local NGOs' is provided. Funding allocated under the DAP, one of the few direct funding channels available to local NGOs, however, rarely lists to which non-Australian NGOs the funding is allocated. Rather, DAP funding per year is listed in total expenditure amounts<sup>24</sup> with no information as to how many organisations the instrument has funded. ANCP data provides little clarification as to whether the 'non-Australian NGOs' are in fact local Fijian organisations, or whether they also include other non-Australian but also non-Fijian, international or regional NGOs. While some years of the ANCP reports specify individual local NGOs, for example the Fiji Women's Crisis Centre (1992-93), the Fiji Council of Social Services (1994-95), the Fiji Red Cross (1992-93) and the Pacific Concerns Resource Centre (1995-96), other years provide only a generalised allocation to 'NGOs overseas' or 'various NGOs overseas'.

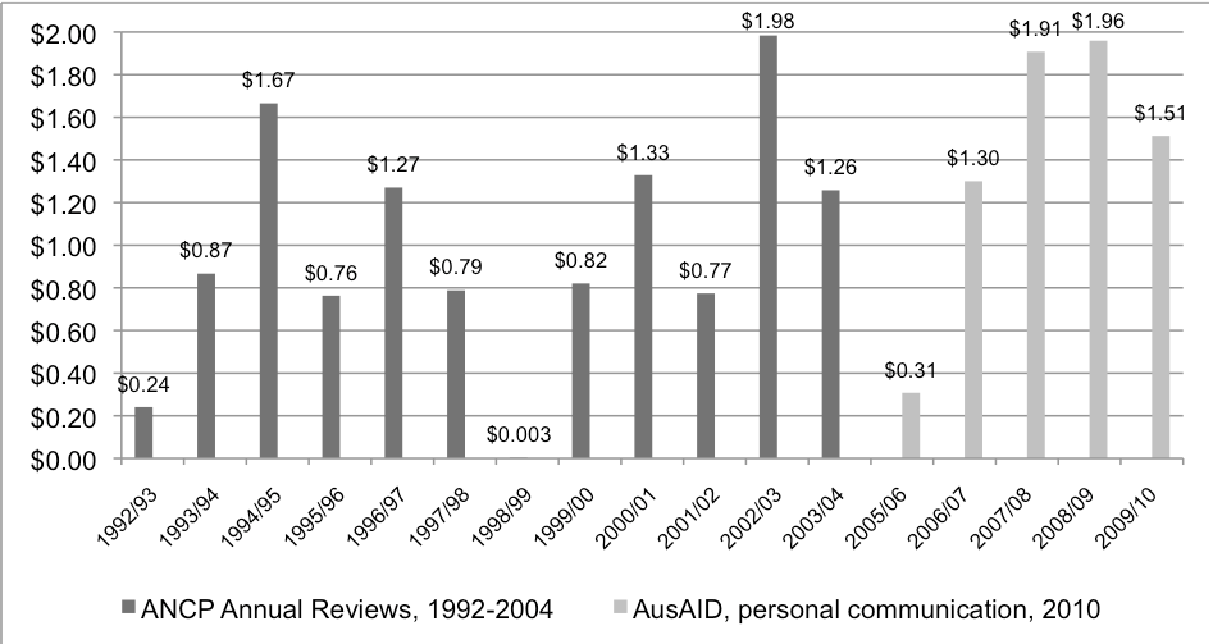
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<sup>23</sup> Table A.4 in Appendix I provides an aggregate view of funding provided to NGOs in Fiji, as reported in the ANCP annual reports from 1992 to 2004.

<sup>24</sup> With the exceptions of 1992/93 and 1998/99, which list no DAP expenditures for Fiji, and 1995/96, which in addition to a general total amount, includes a disbursement to an Australian NGO, the Sydney Adventist Hospital (ANCP Annual Reports, 1992-2004).

Upon request, AusAID provided current data on Australian assistance to CSOs and NGOs in Fiji. Figure 6.1 below combines information from both the ANCP annual reports and AusAID to show the flow of funding from AusAID to Fijian NGOs from 1992 to 2010. Between 1992 and 2004, funding to Fijian NGOs fluctuates significantly, dipping as low as Aus\$2,954 in 1998/99, and later skyrocketing to Aus\$1.98 million in 2002/03. Data provided by AusAID shows that between 2005 and 2009, Australian funding to Fijian NGOs has followed a stable incline, in particular jumping from approximately Aus\$308,000 in 2005/06 to Aus\$1.3 million in 2006/07 and continuing to grow rapidly until 2009/10. The decrease in 2009/10 is possibly due to a large five-year funding agreement with one NGO in particular coming to an end.

**Figure 6.1 – Australian assistance provided to CSOs/NGOs in Fiji, 1992 - 2010**



**Source:** ANCP Annual Reports, 1992-2004; AusAID, personal communication, 2010

According to an AusAID representative, financial assistance to NGOs in Fiji has been provided through the Australian Civil Society Support Program (ACSSP) since 2000, although data is only available dating back to 2005 (AusAID, personal communications, 2011). In 2009, AusAID conducted a programme review of the ACSSP subsequently

deciding to redesign the programme. While the programme is being redesigned, the Australian High Commission (n.d.), “will not be accepting any funding requests till [sic] further notice.”

Regardless of the absence of an overarching policy strategy guiding AusAID’s engagement with NGOs, there are several funding instruments that have provided a significant amount of aid to both Australian and non-Australian NGOs. As Figure 6.1 has shown, over time Australian support to NGOs in Fiji has been relatively inconsistent, although following the 2006 coup a distinct rise in funding to NGOs is evident. Yet with the civil society programme on hold the level of commitment from AusAID to Fiji’s NGOs is unclear.

### *6.2.2 New Zealand’s Commitment to Reorientation*

New Zealand’s aid budget is significantly smaller than Australia’s. Despite this fact, New Zealand provides proportionally more of its aid budget through civil society organisations than Australia. Whereas Australia provides approximately eight per cent of its ODA through NGOs, in 2008/09 the NZAID provided approximately 18 per cent of its funding (NZ\$83.4 million) through New Zealand, international and local NGOs (NZAID, 2010b). The *Strategic Policy Framework for Relations between NZAID and New Zealand NGOs* outlines the guiding principles for New Zealand’s support for NGOs, both within and outside of New Zealand (NZAID, 2010b). The *Pacific Strategy 2007-2015* (NZAID, 2007) also reiterates New Zealand’s commitment to supporting “the important contribution New Zealand non-government organisations and other civil society groups make to development in the Pacific.”

Unlike AusAID, NZAID has never maintained detailed public records of its aid expenditure to NGOs. Data on New Zealand funding to NGOs is mostly found in NZAID’s Annual Reviews, which provide a glimpse of total NGO expenditure, achievements and priorities for each year. In 2009, the newly elected National government in New Zealand made a series of structural changes to NZAID<sup>25</sup>. Prior to these changes taking place, most funding

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<sup>25</sup> Banks, Murray, Overton and Scheyvens (2011) provide a detailed overview of the changes made to NZAID under the National Party government since 2008.

to New Zealand NGOs (NZNGOs) for projects in developing countries was provided through two contestable funding schemes, *Kaihono hei Oranga Hapori o te Ao* – Partnerships for International Community Development (KOHA-PICD), and the Humanitarian Action Fund (HAF)<sup>26</sup>. KOHA-PICD “recognise[d] the fact that NGOs are often able to work at a grassroots level with their partners” which it highlights is a “level of assistance that governments and donors are sometimes unable to provide directly” (NZAID, 2009c). HAF also provided funding to NZNGOs partnering with organisations in a developing country in which emergency or disaster relief, rehabilitation or mitigation activities were required. Although neither KOHA-PICD nor HAF provided direct funding to non-New Zealand NGOs, many local NGOs received KOHA-PICD and HAF funds through their NZNGO partners.

In Fiji, the political instability and the subsequent sanctions imposed on New Zealand aid have led directly to “a reorientation of support away from government to civil society” (NZAID, 2010a). The 2005-2010 NZAID/Fiji Country Programme Strategy emphasises the increasingly important role for NGOs in Fiji’s development. The report highlights that the reduced bilateral aid allocations following the 2000 coup were “directed towards civil society and NGO initiatives, particularly those in the governance/law and justice sectors” (2005, p. 24). In order to strengthen its ties with local NGOs in Fiji, NZAID designed a ‘Civil Society Strategy (CSS)’ with the aim of developing “strategic partnerships with select NGOs” (NZAID, 2010a). However, among the changes made by the National-led government, the new civil society funding mechanism was “put on hold” (Interview 21, 29 June, 2010) and at the time the fieldwork was conducted no new strategy had been established.

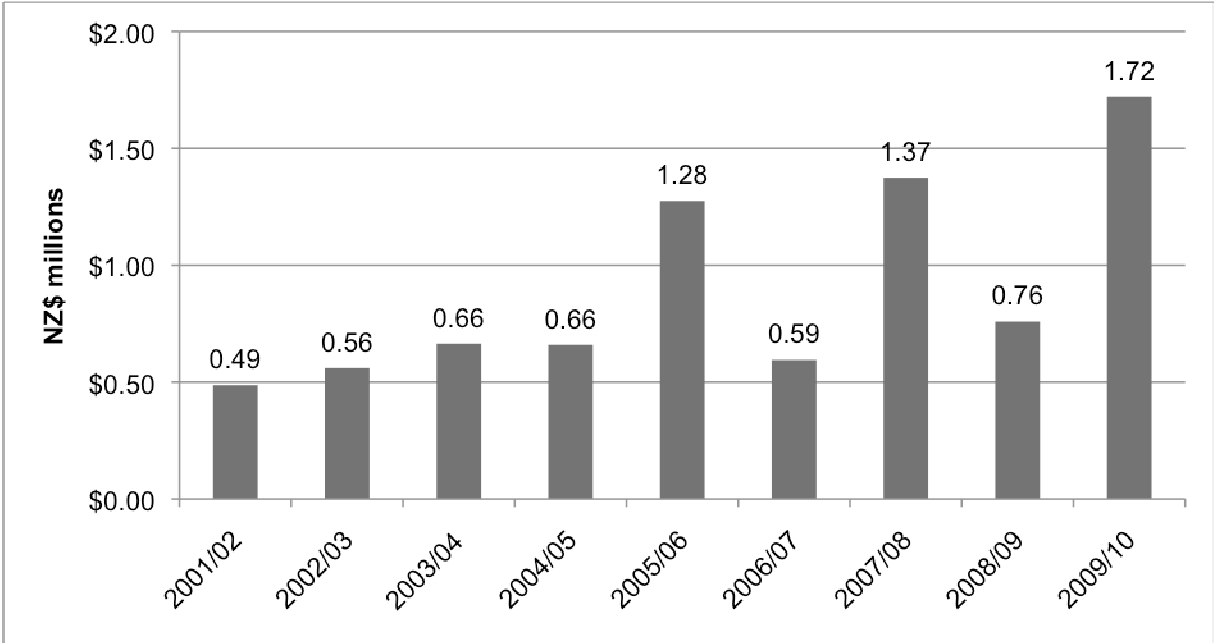
Between 2001 and 2010, NZAID provided approximately NZ\$8 million in aid directly to Fijian CSOs and NGOs. Both Table A.5 in Appendix I and Figure 6.2 below are based on a report provided by NZAID that shows both New Zealand’s total ODA budget to Fiji as well as the amount and proportion provided to Fijian NGOs. Although New Zealand’s funding

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<sup>26</sup> In 2010, the KOHA-PICD and HAF funds were replaced with the Sustainable Development Fund (SDF) and the Humanitarian Response Fund (HRF). At the time of writing no information was yet available on funding provided through the SDF.

to Fijian NGOs has increased since 2001, it has been inconsistent. It is clear, however, that in the aftermath of the 2006 coup, New Zealand funding to NGOs in Fiji more than doubled, making up approximately 45 per cent of all aid to Fiji in 2006/07.

**Figure 6.2 – NZ ODA Direct to Fijian NGOs, 2001-2010**



Source: NZAID, personal communication, 2010

The report provided by NZAID provides a further breakdown of the various programmes through which Fijian NGOs have received New Zealand funding. In addition to receiving funding through their NZNGO partners (i.e. through KOHA or HAF), local NGOs in Fiji have also received funding both directly from NZAID as well as through a number of other funding programmes. The most consistent funding schemes have included the Te Kakano Fund and the Head of Mission Fund (HOMF). Funding through the Te Kakano Fund has been the most significant, totalling approximately NZ\$2.3m between 2001 and 2010. The Te Kakano Fund, replaced in 2008 with a new civil society strategy framework, was “only for CSOs and community groups” (Interview 21, 29 June, 2010)<sup>27</sup>. The HOMF involves small grants managed by NZAID and the Ministry of Foreign Affairs and Trade (MFAT)

<sup>27</sup> It is important to note that following the election of a National led government in 2008, the new civil society funding mechanism was “put on hold” (Interview 21, 29 June, 2010) and as of writing no new strategy had been established to replace the Te Kakano Fund or the 2008 civil society strategy framework.

through the local New Zealand post in Suva. Like AusAID's DAP and SAS, funding through the HOMF was meant to be for "discrete development activities of a short duration" with a maximum allocation for individual projects of NZ\$20,000-\$25,000 (NZAID, 2009b, p. 2). Over ten years, the HOMF has provided approximately NZ\$134,000, ranging anywhere between NZ\$1,000 to \$39,000 annually, to local NGOs in Fiji (NZAID, personal communication, 2010).

Despite New Zealand's relatively small size, its commitment to working with and through NGOs is clear. This is reflected not only in the large proportion of its total ODA budget that is channelled through NGOs but also in the existence of specific policy documents guiding New Zealand's engagement with civil society actors. While New Zealand's own dedication to partnering with NGOs will have influenced its aid programme in Fiji, political instability has without a doubt been a significant factor in New Zealand's push to redirect significant proportions of its aid programme to NGOs working in Fiji.

### *6.2.3 The European Union's Focus on Democracy and Human Rights*

The EU provides development assistance to 77 African, Caribbean and Pacific (ACP) countries. The guiding principles for EU development cooperation in ACP countries are enshrined in the ACP-EC Partnership Agreement, commonly referred to as the Cotonou Agreement (previously Lomé). The Cotonou Agreement makes multiple references to the importance of the involvement and participation of civil society in development. The EU has six major funding instruments for development assistance outside of Europe, of which "the European Development Fund is the main source of financing for EU assistance" to ACP countries (European Commission, 2010a, p. 40).

Despite the EU's repeated emphasis on the central role civil society plays in development, it provides even less information on the funding it provides to NGOs than Australia and New Zealand. The only public information providing a breakdown of EU funding to Fiji is found in the European Commission-Fiji Joint Annual Reports (JAR), of which reports for only 2003, 2005, 2007 and 2008 could be found. Although the 2005 JAR provides a comprehensive donor matrix of all donor activities in Fiji, as the 2007 JAR highlights,



“there is no tradition in Fiji to maintain a donor matrix.” This lack of information sharing, the report notes, “is a consequence of the missing overall donor coordination mechanism in the country” (European Commission & Republic of the Fiji Islands, 2008).

The EU is both Fiji’s largest multilateral donor, as well as the second largest donor overall, as Figures 4.3 and 4.4 have shown. According to the European Commission (EC) (2007, p. 70), since the signing of the first Lomé Convention in 1975, the EU has allocated more than €230 million (a 2002 figure) to Fiji through the EDFs, budget funds and European Investment Bank contributions. While on average, aid to Fiji under the successive EDFs has risen since 1975, funding allocations under both the 8<sup>th</sup> (1995-2000) and 10<sup>th</sup> (2008-2013) EDFs have declined. Following the 2000 coup, Fiji’s disbursement under the 8<sup>th</sup> EDF was delayed due to aid to Fiji being temporarily suspended (European Commission & Republic of the Fiji Islands, 2006, p. 2). Again, following the 2006 coup, the EU suspended Fiji’s allocation under the 10<sup>th</sup> EDF (European Commission, 2007). Figure 6.3 below illustrates both of these declines. According to a representative from the European Delegation office in Suva, unless Fiji holds elections prior to 2014, they will not access any of the 10<sup>th</sup> EDF funds (Interview 23, 13 July, 2010).

Although the EU’s decision following the 2006 coup to suspend development assistance stipulated specifically that “humanitarian aid as well as direct support to civil society may continue” (Council of the European Union, 2007, p. 17), the European Delegation representative offered a contradictory picture of EU aid to Fiji, noting that the suspension has indeed affected funding to local NGOs. The representative explained that there is “no new allocation for the country and we have no new development plan. That includes our support to civil society. When we suspend aid, we suspend it across the EDF” (Interview 23, 13 July, 2010).

**Figure 6.3 – European Development Fund Disbursements to Fiji, 1975 - Present**



**Source:** *European Commission, 2007; \*Strampelli, 2002; \*\*Interview 23, 13 July, 2010*

While Fiji’s allocation under the EDF has been suspended, the EU has provided two other significant sources of development assistance in Fiji. The first has been the EU/ACP Sugar Protocol and Accompanying Measures for Sugar Protocol (AMSP) programme. The EU/ACP Sugar Protocol is an agreement, established in 1975, between the EU and ACP countries that secured fixed quantities of ACP sugar at preferential prices for an indefinite time period (Secretariat of the ACP, 2005). In 2009, the EU began to phase out the preferential prices and subsequently established the AMSP. The AMSP is part of the EU’s “action plan” to “help ACP countries adjust to [the] cut in price” and to assist “in restructuring their sugar industries” (European Commission, 2010a, p. 104). With the political impasse, however, Fiji’s sugar allocations for 2007 were suspended and the EU announced that the 2008, 2009, and 2010 allocations would depend on progress made toward instituting a legitimate government (Council of the European Union, 2007). In 2009 alone, Fiji lost €32million in sugar funding (European Commission, 2010a).

A second important source of assistance was introduced in the aftermath of the 2000 coup. The EU has introduced the European Instrument for Democracy and Human Rights (EIDHR) as an alternative funding mechanism that “works with and through civil society organisations in countries where there is no direct cooperation with the government” (European Commission, 2010b). As the EIDHR is an instrument that has been developed to support individuals or organisations promoting or defending democracy and human rights, specific restrictions are placed on the funding and reporting. According to the European Delegation representative:

For the protection of those we are funding, particularly in many countries [where] they are known human rights defenders who suffer under the current situation, not saying that is the case in Fiji, but we are not allowed to publish who we are providing funds to, the amount we provide and the content of what we are supporting. We do not share that with anyone except our member states because they contribute to the budget. They are also under the same restrictions (Interview 23, 13 July, 2010).

As all funding under the EDF and the AMSP has been suspended, the sole surviving funding instrument available in Fiji is the EIDHR. Unfortunately, because the EIDHR is subject to the above reporting restrictions, this complicates the analysis of NGO funding. While precise details of the Fiji EIDHR fund are not publicly available, some insight into the fund’s operation can be taken from the 2009 EIDHR Guidelines for the Fiji EIDHR Country Based Support Scheme (European Commission, 2009). The guidelines note that the primary recipients of the funding will be “based in Fiji, the Pacific Region or the European Union,” but also emphasise that “it is expected that the focus will be on Fiji-based civil society organisations” (European Commission, 2009, p. 5). The 2009 allocation to Fiji under the EIDHR was €593,500 (European Commission, 2009, p. 5). According to a representative from the European Delegation in Suva, the funding has been approximately €600,000 annually (Interview 23, 13 July, 2010), which in general supports three or four NGOs that can apply for funding anywhere between €50,000 and €200,000 each (European Commission, 2009, p. 5). However, the 2003 JAR notes that when Fiji was identified as a suitable focus country for EIDHR funding, initially €1.3 million was allocated for 2002, with similar allocations for the following two years (European Commission & Republic of the Fiji Islands, 2005, p. 24).

The EU has a long history of providing development assistance to Fiji. As Fiji's second largest donor, the suspension of EU aid following the 2000 and 2006 coups is likely to have been extremely devastating. As one EC report notes, "the total EU multilateral assistance to Fiji at stake as a result of the December 2006 coup amounts to some F\$400 m[illion]" (European Commission, 2007, p. 70). Similar to Australia and New Zealand, the EU has responded by scaling back its aid programme while directing funding specifically to local NGOs. Due to the current suspension placed on the 10<sup>th</sup> EDF, and the restrictions placed on EIDHR funding, coupled with the vague and inconsistent data on EU funding to Fiji, a thorough analysis of the funding provided to Fijian NGOs is extremely difficult.

Australia, New Zealand and the EU are each committed to supporting and working with and through NGOs to achieve their development objectives. For each of the donors, traditionally, support has been provided for their own domestic NGOs to conduct activities in developing countries, although this is changing. Increasingly the donors are developing funding mechanisms that specifically target local NGOs within recipient countries. Each of the donors have developed funding instruments precisely to strengthen, build the capacity and encourage NGOs to be involved in all aspects of development. Unfortunately, while donors espouse an increasing commitment to supporting NGOs' involvement in the development process, none have developed comprehensive, quantitative, publicly available reports on their funding to NGOs. This lack of data makes it difficult for NGOs and the public to hold donors accountable to their own statements of increased support and begs the question of whether donor rhetoric reflects reality.

### **6.3 Perceived Impacts of Sanctioned Aid on Fiji's NGOs**

Statistics from Australia, New Zealand and the EU on aid disbursements to NGOs in Fiji provides a good starting point for analysing how the donors' commitment to and engagement with civil society has developed. However, it is important to look not only at how much aid is going to NGOs in Fiji, but equally importantly I argue, how the NGOs perceive the levels of funding they have received over time, particularly following the imposition of aid sanctions.

Among the 30 participants interviewed, many were divided as to whether NGOs in Fiji have been advantaged or disadvantaged by the donors' supposed reorientation towards civil society. Others, however, noted that the impacts of sanctions on Fijian NGOs are not so simply dichotomous. How NGOs have fared financially in the post-coup years, is a result of many factors – both global and local. A number of issues emerged in interviews with NGOs that surpassed the simple discussion of how much funding they had received from which donors. The NGOs talked less about dollar amounts and more about the many implications associated with the complicated funding processes and increased donor selectivity in their partnerships with local NGOs. The following section outlines the perceptions of several representatives from NGOs, donor agencies and key informants on how Fiji's NGO community has experienced the impacts on their donor funding.

### *6.3.1 Thoughts from the Advantaged*

*When coups happen, it's very good for us.*

Interview 3, 12 July, 2010

A number of NGOs believed, to varying degrees, that the most recent set of sanctions on Fiji's aid programmes have been beneficial for them, while others noted that their impacts were minimal. For example, one NGO representative described how she had not “seen any NGO that has suffered from the sanctions” (Interview 13, 6 July, 2010). Several other NGOs were adamant that their organisation had in particular benefited, noting specific dates and examples of how they had benefited. As one NGO representative explained, “between 2006-2008 I think we benefitted a lot” (Interview 6, 5 July, 2010). The representative recounted how it was clear that AusAID's suspension of funding to the law and justice sector, in particular, meant an increase in funding to a number of Fiji's NGOs. The NGO representative explained:

All that money that they were giving to the government institutions, they redirected it to NGOs so that meant that there was more funding for us. We were able to develop one project and one programme ... We got funding through this fact that they had more money available (Interview 6, 5 July, 2010).

Another NGO stated, “when coups happen, it’s very good for us” (Interview 3, 12 July, 2010). For that NGO, in particular, since the 2006 coup, they have witnessed marked advantages, including increased funding to facilitate more projects. In the past, this same NGO had witnessed similar benefits in the aftermath of each of the previous coups. The NGO representative told me how in 1987, after donors withdrew funding to the Government, the NGO began to receive funding from USAID to act as a grant facilitator for other civil society organisations. Additionally, the NGO received increased funding from AusAID, which “they wanted to give and they didn’t want to give it to the Government” (Interview 3, 12 July, 2010). The funding from AusAID, the representative explained, continued until 2000 when Australia decided to begin administering aid to Fijian NGOs directly. More recently donors have approached the NGO with requests that they once again take on the role of grants facilitator. Interestingly, the NGO has said in order for this to happen they will want to renegotiate the terms of the agreement. Due to the current aid environment in Fiji, the NGO is able to utilise this newfound donor interest to shape the conditions for partnership. In this case, the power dynamics inherent in the donor-recipient relationship have potentially been skewed in favour of the NGO. For this NGO, in many ways “the coup was a blessing in disguise” (Interview 3, 12 July, 2010).

At a time when many donors are scaling back their aid programmes in Fiji, some NGOs are experiencing surging interest from the donors. Rather than seeking out funding opportunities from donors, a few NGOs noted that donors have approached them. As one NGO told me, “AusAID is jumping up and down to give us core funding” (Interview 6, 5 July, 2010). Another NGO described how they submitted a proposal to extend an existing three-year programme that was coming to an end. They told me that in the new agreement, AusAID chose to give them more money than they had asked for. This increase in funding, however, did come with strings attached, as AusAID would only provide the funding for one year initially, rather than commit to a three-year funding agreement as they had done in former agreements. Previously, the NGO was receiving approximately \$60,000 each year, but as of 2010 they would receive \$120,000 for one year (Interview 11, 24 June, 2010). This was, in the representative’s opinion, one example of a positive result of the coup. Finally, another NGO pointed to how the donors, in some respects, had become

increasingly lenient in their funding provision, unlike in the past when donors had been extremely strict with the funding application processes. The representative explained that after following the appropriate channels and procedures in applying for funding and being subsequently rejected, the NGO was then able to go “through the back door straight to AusAID” which then decided to fund the proposal for more money than they had requested in the original project proposal (Interview 1, 23 June, 2010).

It is due to the current political situation that NGOs feel they are able to have more direct access to donor funding and therefore potentially more capacity to access funding. For several NGOs, despite the suspension or sanctions placed on donor aid commitments, their experiences have not been negative. In fact, some of the organisations have drawn a direct correlation between the reductions in bilateral funding agreements with increases in their own funding from the donors.

### **6.3.2 Thoughts from the Disadvantaged**

*I haven't seen an influx or a removal of money. It's more that relationships are all a bit strange.*

Interview 1, 15 June, 2010

Conversely, a number of NGOs held opposing views on the beneficial qualities of the sanctions. While some NGOs felt that the responses from donors have varied, others believed that in fact, few local NGOs were benefitting from an increase in donor funding. As one NGO highlighted, increasing their funding to NGOs has not necessarily been a universal reaction from the three donors. In particular, funding from NZAID, according to one NGO representative, has been “in dribs and drabs in an ad hoc manner for projects and programmes” (Interview 3, 12 July, 2010). Another NGO made similar observations about the conflicting actions of the donors. According to the NGO representative, New Zealand had “cut back a lot on their CSO funding” (Interview 6, 5 July, 2010). She explained that whereas New Zealand’s Te Kakano Fund had provided specific funding for NGOs, increasingly NZAID was now partnering with only a few select NGOs in their focus on poverty and squatter settlements.

Another NGO, however, has experienced decreased funding from all three donors. A representative from that NGO listed a number of likely reasons for diminishing donor support. According to him, because of the organisation's outspoken nature, which has included speaking out on regional trade agreements and climate change, he "expect[s] that we will be asked not to put in any future proposals" (Interview 19, 22 June, 2010). Additionally, he felt the involvement of one of the staff with the Charter, too, has been a source of contention between the NGO and the donors. He explained:

[The Charter] is seen as being pro-government. Seen as being part of the government. Part of that whole blanket concept ... Polarising everything just means that you don't have the space to be creative or to have any form of dialogue or alternative. But when you take on something like that, you have to accept the responsibility that this is the impact it will have (Interview 19, 22 June, 2010).

Through their ability to hand select the NGOs that will receive funding, donors maintain a distinct power over the kinds of NGOs that exist in Fiji. This power is only further exacerbated in times of fragility when donors scale back their funding and practice increased selectivity, choosing to decrease their funding to organisations they perceive to be 'pro-government'.

Another issue that surfaced in my discussions with the NGOs was the view that despite New Zealand's claim to be reorienting their aid programme increasingly towards civil society (NZ Aid, 2010a), the increased funding was not necessarily targeting Fijian NGOs. One NGO representative shared with me her thoughts on who was receiving New Zealand's reoriented funding:

From the meetings we've had with NZ Aid representatives over the last 18 months it is quite clear that all they are doing now is funding themselves to do work in the Pacific, especially in Fiji. You know, sending specialists to have meetings to do things. And we aren't interested in that (Interview 19, 22 June, 2010).

A representative from a second NGO made similar observations about NZ Aid's pattern of civil society funding. According to him:

The impression that I am getting is, where previously funding used to be given directly to local NGOs, national or Pacific regional NGOs that work in the



Pacific, funding is either being cut or pulled and the money is now going to NGOs in New Zealand that work in the Pacific (Interview 6, 5 July, 2010).

The issue of funding domestic NGOs over local organisations, however, was not exclusive to New Zealand. One NGO representative explained that the organisation was only informed about a significant amount of funding available from AusAID through one of their regional networks for a project similar to work in which the NGO was already involved. Rather than partnering with the local NGO, AusAID had given the funding to an Australian organisation. The representative explained that his organisation was further shocked to learn that the Australian organisation had entered Fiji without the appropriate work permits and wanted to establish a locally based organisation that would essentially identify particularly marginalised members of society, clearly showing their ignorance of the laws in Fiji (Interview 19, 22 June, 2010).

While some NGOs had noted neither an increase nor a decrease in support to civil society, they, too, acknowledged the potentially damaging consequences of the donors' reactions. As one NGO remarked, "I haven't seen an influx or a removal of money. It's more that relationships are all a bit strange" (Interview 1, 15 June, 2010). In particular, the aforementioned concerns about which organisations donors prefer to partner with have serious implications not only on local NGO funding, but also on their relationships with their donors. One NGO was particularly troubled by donors' current practices:

I don't like what I'm hearing about AusAID giving money to Australians to come in here and do what we are already doing. And I don't like New Zealand spending money on consultants coming to do what we already know. There is a real misunderstanding that Fiji actually has a hell of a lot of people that are very capable of doing everything. And I think this is a deliberate undermining of that because they know Fiji is possibly the only country in the Pacific that turns around and says 'stuff it' (Interview 19, 22 June, 2010).

Another NGO representative agreed:

It sends out this message that "We don't trust you with our money, you guys just swindled it away in the last ten years. So now we are going to give it to New Zealanders, because they are better at looking after money and they'll come and supervise you people to do the job that you are already doing" (Interview 6, 5 July, 2010).

As donors move to channel their aid funding away from Fiji's Government in protest of the latest coup, they have announced a commitment to supporting and strengthening Fiji's civil society. Each of the donors believe that a resilient civil society is necessary for establishing a strong stable democratic foundation on which Fiji's future can be built. Unfortunately, as a number of Fiji's NGOs have pointed out, the attempts to strengthen Fiji's civil society has been inconsistent and selective. Some NGOs believe they have greatly benefited by increased funding to their organisations as well as an increased leniency by donors to seek out NGOs with which to partner. On the other hand, a number of NGOs have highlighted the fact that not all donors have reacted with equal enthusiasm. Some NGOs believe the increased funding the donors have espoused has been politicised, and rather than empowering and building the capacity of Fiji's NGOs, donors are funding their own consultants and domestic organisations. Beyond impacting the local NGOs' current financial standing, the actions taken by the donors are actually impacting on the relationships with Fiji's NGOs, which will be further explored in Chapter Eight.

### *6.3.3 Seeking an Alternative*

In talking with the various stakeholders involved in Fiji's aid and NGO community, one key finding was the revelation of the implications associated with the emergence of new and alternative donors. While the Fijian Government continues to establish new relationships with more non-traditional donors, a number of the NGOs interviewed, too, are looking for new alternative sources of funding. Few of these organisations pointed directly to reduced or sanctioned aid as the catalyst for their interest in diversifying their funding, however, the fact remains that many of the organisations are not willing to be over reliant on donors that the Fiji Government is quickly marginalising.

Many of the NGOs interviewed already receive significant funding from donors outside the traditional bilateral context. Increasingly, they are seeking funding from alternative donors, in particular private, religious and women's organisations such as Rotary, EED, Misereor, Bread for the World, Mama Cash, International Women's Development Agency, as well as international and local corporate sponsors.

Diversifying funding sources is an attempt for many of the NGOs interviewed to both ensure their own sustainability in the future as well as to maintain a sense of independence. For one NGO, funding from one of their primary donors had recently lapsed with little reassurance from the donor that it would be renewed. As a result they now must seriously consider alternative fundraising opportunities, despite hesitancy among board members under the current political climate (Interview 18, 9 July, 2010). Two other NGOs had also experienced having their funding contracts cancelled mid-year, with little warning (Interview 5, 13 July, 2010; Interview 15, 7 July, 2010). In discussing future strategies for securing funding, another NGO representative explained that they “are thinking about expanding our donor numbers because it’s dangerous relying on a couple” (Interview 1, 15 June, 2010). In addition to over reliance on any single donor being unsustainable, he also inferred that there are political implications for relying too closely on donors the Government views with increasing suspicion, in particular NZAID, who he noted “probably aren’t the right people to have in our books at the moment” (Interview 1, 15 June, 2010).

The move by NGOs to diversify their funding has definitely been exacerbated as the tensions between the donors and the Government continue to rise. For several organisations, partnering with NZAID in particular has become extremely frustrating both because of their political stance towards Fiji as well as the more recent structural changes to the aid agency. As one NGO told me, “New Zealand has been a waste of time for years” as they have “promised us stuff, and then never come through with it” (Interview 19, 22 June, 2010). Another NGO expressed similar sentiments:

NZAID is pretty dead. You just don’t get anything out of them. Every time you talk to them about something ... ‘Oh, just been a change in government and we can’t talk to you about that.’ The change of government, whether it was their excuse, or the review of funding, it has lead to where you can’t get anything out of them, even for interesting projects, projects they should be really interested in. The immediate reaction you get is that it’s not the right time. So I’ve just given up. For the last six months I haven’t even approached them for anything (Interview 1, 15 June, 2010).

With both Australia and New Zealand’s civil society funding programmes on hold, as one development consultant explained, “there’s no immediate promise of project funding”

(Interview 27, 27 September, 2010). Despite sanctioning its aid, the EU has maintained funding to NGOs through the EIDHR, although it only provides support to three or four NGOs per year (Interview 23, 13 July, 2010). Although Australia and New Zealand continue to fund capacity building workshops for NGOs this is deemed pointless without action. As one development practitioner expressed, “if I was an NGO I'd be asking, what is the point of building our capacity if we don't have the funding to do the work?” (Interview 27, 27 September, 2010).

Until recently, with neither the donor countries nor Fiji willing to back down, the Government of Fiji has sought to replace the suspended or reduced aid with assistance from its ‘Northern’ donors. “With Australia, New Zealand and the EU withdrawing funding,” as one development practitioner explained, “Fiji is opening up to new donors” (Interview 30, 1 November, 2010). Unfortunately for Fiji’s NGO community, these new donors have a fundamentally different approach to development. One donor representative explained the inherent differences in the way China, for example, provides development assistance.

China has a very completely [sic] different way of working with development country partners. It does not sign up to the same governance questions. We know that from experience from working in Africa that Chinese aid, through loans, is not [a] development grant particularly ... [it] can continue under any circumstances (Interview 23, 13 July, 2010).

As another donor representative explained, aid from China tends to include loans, aid in kind, as well as “tied aid” in the form of financial support for infrastructural, roading and energy projects for which China will supply their own labour and materials rather than sourcing them within Fiji (Interview 21, 29 June, 2010). Although this is not the place to argue which approach to development is more appropriate or indeed helpful for the recipient country, what can be noted is that the ‘Northern’ donors, which provide their assistance through loans, infrastructural development or aid in kind to the recipient government are less likely than donors such as Australia, New Zealand and the EU to support Fiji’s civil society. Donors like China and Japan, rarely if ever, provide funding to local NGOs. If Fiji does continue to push its traditional donors to the margins, it is understandable that local NGOs would want to ensure they have access to diverse and alternative sources of funding.

## 6.4 Summary

For NGOs in Fiji, funding from Australia, New Zealand and the EU comes through a number of different instruments. In light of the most recent coup, each of these donors has made particular commitments to supporting Fiji's civil society. After suspending its primary development assistance to Fiji, the EU has introduced a funding instrument that provides funding only to NGOs. Australia and New Zealand have also announced their renewed commitment to strengthening Fiji's NGOs, however, both countries have since placed their civil society funding programmes under review with no temporary replacements.

The NGOs interviewed were divided on whether they are at an advantage or disadvantage following donor suspension or reduction of bilateral aid. For some of the NGOs it has meant more funding is available and thus they are able to implement more of their projects. Others, though, have noted that the rhetoric of donors is not reflected in the reality of support to Fiji's NGO community. In addition to affecting current projects, some NGOs highlighted that the lack of communication and disorganisation among the donors is, more importantly, affecting the relationships between the NGOs and the donors. For several NGOs, this has highlighted the increasing need to diversify their funding sources, as the future of each of these donors as significant contributors to Fiji's development is in question. As the following chapter will discuss, the affects of a sanctions regime on civil society, however, are not necessarily always financial.

## CHAPTER SEVEN

### THE (IN)EFFICACY OF TARGETED SANCTIONS IN FIJI

*Smart sanctions are those that are adapted when circumstances change and the targeted states react. Thus, sanctions become part of a wider negotiating process between the international community of states and a targeted elite. A related issue is the time limit of sanctions; smart sanctions refer to the idea that sanctions should be periodically reviewed, and ended if ineffective.*

Brzoska, 2003, p. 522

#### 7.1 Introduction

A defining aspect of smart sanctions is the ability to selectively target individuals without violating the human rights of innocent civilians. Perhaps even more importantly, however, is Brzoska's (2003, p. 522) belief that the "relative smartness" of targeted sanctions is that they provide the sender with the flexibility to choose contextually appropriate measures as well as constantly reassess the evolving situation and react accordingly. In Fiji, however, the same sanctioning measures have been in place for more than four years, while few of the demands of the international community have been met. Increasingly people within and outside of Fiji are recognising that the sanctions have been relatively ineffective, and are in fact impacting a number of unintended targets. Where donors have the power to impose sanctions, they also have the responsibility to recognise and address these unexpected impacts.

Despite donor efforts to shield innocent civilians in Fiji from the devastating impacts of economic or trade sanctions, limiting the impacts of smart sanctions to only the targeted individuals is extremely difficult. One example in Fiji of one of the sanctions increasingly being recognised as ineffective is the use of targeted travel restrictions. According to Tostenson and Bull (2002, p. 390), travel restrictions "fit well into the smart sanctions concept because they selectively target elite individuals" while "minimizing unintended humanitarian consequences." While travel bans have both tangible and symbolic impact on the ruling elite and their immediate families, Tostenson and Bull (2002, p. 391) recognise

that “innocent people could inadvertently be affected” which can compromise “the credibility of the entire exercise.”

The media both overseas and within Fiji has exposed a number of cases in which sanctions have extended beyond the intended targets. This chapter presents several examples of the unexpected targets of the travel bans specifically within Fiji’s NGO community, further supporting Anderson’s (2001) assertion that, “no sanction targets one person.” The chapter concludes with a summary of comments from both donor agencies and NGOs regarding the inefficacy of targeted sanctions in achieving their objectives in Fiji.

## **7.2 Unexpected Targets of Travel Bans**

Chapter Five detailed the smart sanctions Australia, New Zealand and the EU have applied to Fiji (see Table A.6 in Appendix I for a comprehensive breakdown). Among the measures taken, Australia and New Zealand in particular have chosen to impose travel bans targeting the “military, Government ministers, senior civil servants, Directors of statutory bodies, and Judges and Magistrates” (Gates, 2009) as well as the immediate family members of these individuals. Like other forms of smart sanctions, targeted travel restrictions are meant to “more effectively target and penalize ... the political elites espousing policies and committing actions deemed reprehensible by the international community” (Tostensen & Bull, 2002, p. 373).

While the move to ban the travel of military and senior government officials is widely understood and supported, there is a growing acknowledgement that the travel bans are affecting a number of unexpected targets. The media has highlighted a few such cases, including that of family court Judge Anjala Wati whose infant son was initially denied a visa to travel to New Zealand for emergency surgery (Field, 2009). Similarly, in 2007 a group of ten boys was banned from attending a scout jamboree in Christchurch (*The Fiji Times*, 2007). Australia and New Zealand also introduced new visa requirements after the 2006 coup, which Walsh (2009) notes are “intrusive” and have led to “increased negative perceptions of ANZ [Australia/New Zealand].” He also argues that the negative rhetoric and imagery portrayed by all three countries, while not necessarily a sanction, has indeed

taken an economic toll on “ordinary people”, in particular those involved in Fiji’s tourism industry (Walsh, 2009). Lastly, Walsh (2009) argues that there is growing recognition that the travel bans have impeded Fiji’s government from recruiting non-military personnel for heads of government departments and public servant roles for fear being targeted by the travel bans. Consequently, the travel bans are further adding to the militarisation of Fiji’s civil service, which will be further discussed later.

While there is increasing recognition of the impacts of sanctions, particularly the travel bans, on innocent civilians, there has been little to no discussion about the potential impacts on Fiji’s civil society community. This is of course reflective of the wider gap in sanctions and political conditionality studies which has rarely focused on the specific impacts of sanctions on NGOs.

### *7.2.1 Travel Ban Case Studies*

Neither Australia nor New Zealand has directly targeted any NGO or civil society group among its lists of banned individuals or associations, although both AusAID and NZAID acknowledged the possibility for an individual representing an NGO to be captured by the bans due to familial relationships (Interview 20, 3 August, 2010; Interview 21, 29 June, 2010). Where possible, exceptions can and have been made (Interview 20, 3 August, 2010). As one MFAT representative explained, “it is possible to make the application for an extension or to come off the list,” however, “it’s not an easy process” (Interview 25, 13 October, 2010). A donor representative conceded that there have been some cases of individuals being “unintentionally affected” by the bans (Interview 21, 29 June, 2010). While the representative admitted that this has been “unfortunate”, he went on to say that, “there’s not much you can do about that” (Interview 21, 29 June, 2010). In addition to familial ties to a targeted individual, one donor representative explained a separate reason why an NGO may be subjected to the travel restrictions:

I think any organisation that is a part of the [Charter] process or [an] individual - the travel ban affects them or the funding, because they are working with the whole of Government. The illegal Government, as we see. Anyone involved in the process is banned from travel (Interview 21, 29 June, 2010).



The EU has not imposed European-wide travel restrictions, a representative from the European Delegation explained, as the decision to impose travel bans falls outside the scope of the Cotonou Agreement. The application of such measures, according to the representative, comes from “our member states’ discussions in the Council, so it is usually a member state push, because they control the immigration” (Interview 23, 13 July, 2010).

Below I highlight five cases in which NGO staff have been directly affected by the travel bans. I also point to examples of the Fiji Government utilising the concept of travel bans against Fijian NGOs, echoing Robinson’s (1995) concern about the ability of recipient governments to retaliate against local NGOs.

#### *7.2.1.1 Case 1*

In 2009, the NGO in this case hired a new director at a time when there had been high staff turnover throughout the organisation. The director was a previous employee of the military whose spouse was currently employed by the military. After taking over the role, the new director was meant to attend two to three important meetings in New Zealand, funded by NZAID through a NZNGO. The director notified the New Zealand High Commission (NZHC) of the familial links to the military hoping that being honest and upfront would increase the chances of the visa being granted. The NZHC notified the director that the chances of receiving a visa was low, but the director applied and paid the application fee hoping that travel on behalf of an NZAID supported NGO would be grounds for an exception. However, the visa was declined. As it was not appropriate to send other junior staff or board members, the director was instead forced to travel to Germany for similar meetings – a trip which costs on average approximately three times that of travel to New Zealand. Additionally, both the director and a second staff member were denied visas to attend a regional planning meeting in Australia, again due to familial ties (spouse and sibling, respectively) to the military forces (Interview 18, 9 July, 2010; Interview 29, 30 June, 2010).

### 7.2.1.2 Case II

In 2010, this NGO was given the opportunity to nominate an individual from one of their programmes to be sent to a conference being held in Auckland with funding from the Fiji Ministry of Youth. Unfortunately, the nominated individual was unable to attend. According to the NGO representative:

His visa was delayed purposefully, we believe because his father is [a Government employee]. We thought that all that was clear. We received [confirmation] from Government to say that he was never an appointee of Government but was working - the youth's father. Still, nothing. The New Zealand High Commission responded purposefully late, and by that time the conference had finished (Interview 2, 15 June, 2010).

### 7.2.1.3 Case III

The relationship between Australia, New Zealand and Fiji was of some concern for this NGO. Among the issues causing concern was the travel bans. The director of the NGO spoke about how the travel bans were affecting NGOs in general and how they were sure to extend beyond their initial targets:

There are a lot of people working amongst the NGOs and would like to have open travel so they can be communicating and networking with other partners around the world. For those who have travel bans it becomes a problem. Irrespective of independent NGO operation, we will get into difficult areas especially when you have relationships. And Fiji is a small country and you've got relationships ... or get married to anybody. Basically in Fiji you are probably related to every third person on the street. How could you then hold somebody who is working tirelessly and very openly for the benefit of the people to be exposed to the same ratings? (Interview 16, 5 July, 2010).

The director told me how one of their staff members had been unable to obtain an Australian visa. According to the director, "there was a limitation because of relationships with persons in the military by marriage. They were travelling for official reasons – 'official conferences'" (Interview 16, 5 July, 2010). In general, the NGO has been able to work around the travel bans, that is, "unless we have to visit Australia ... there are other routes available now, which facilitate. So I wouldn't rate it as a major problem for us. Except if we have to [be in Australia]" (Interview 16, 5 July, 2010). Fortunately for this NGO, the staff member banned from Australia is a New Zealand permanent resident,

although the director acknowledged that the staff member would likely otherwise be banned from travelling to New Zealand as well.

#### 7.2.1.4 Case IV

As previously mentioned, both AusAID and NZAID acknowledged that exemptions to the travel bans can be made upon application. One NGO that I met provided an example of a travel ban exemption being granted on humanitarian grounds. Within this NGO, one staff member has been involved both in the Charter and is a government-appointed legal aid commissioner. In 2010 the staff member needed to apply for a visa to go to New Zealand, as a member of his immediate family was to undergo a serious operation. In the application the staff member acknowledged both his role with the Charter and government-appointed position. According to him:

They came back immediately and said that they wouldn't normally allow me at all, but for humanitarian reasons they would. But I was only allowed to go once; I'm not allowed to go back. I could stay up to three months. Now I can't afford to stay up to three months – economically, work-wise. So it was a stupid thing. I asked if I could have a multiple entry visa so I could go now for the operation and then later if my [family member] needs me I could go back. But no – it was either I go now, but I can't go back. So I went for two weeks. I couldn't even stay in the end for the operation as it was delayed. I had no ability to apply to go back. I was told not to bother (Interview 19, 22 June, 2010).

While the staff member acknowledged that he was grateful the humanitarian exception was granted, as he put it, “they had to make it as difficult as possible” (Interview 19, 22 June, 2010). Although the NGO representative had not yet attempted to travel to Australia, he expected similar restrictions to be in place<sup>28</sup>.

#### 7.2.1.5 Case V

Like the public servants who have declined roles in the government for fear that their family will be targeted by the travel bans, the director of this NGO chose to turn down a government-appointed commission position. The director told me that he initially accepted

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<sup>28</sup> I learned later that when the NGO representative's family member passed away New Zealand did indeed grant another visa to return for the funeral, although the duration and conditions of the visa are unclear (Interview 28, 16 September, 2010).

the position, but then later chose to decline the appointment for fear of the ramifications for his family. He explained:

The invitation came after nine months. In between I went to Australia and had an operation on my kidney... and I had to go back and forth. [A family member] who works for [another NGO] as a project manager ... was travelling, another is working for [a regional airline]. If I had taken up that, the travel ban would've applied to all of these people. I politely said, I agreed to it nine months [ago] and I've had an operation. Health-wise, I'm not able to take that up. With that excuse I withdrew. Just before that someone else was appointed as chairman and everything was cut off. The poor guy resigned and didn't take up that [position]. It would've affected [us], but we've avoided those things (Interview 3, 12 July, 2010).

#### 7.2.1.6 *Retaliating with travel bans*

In 2009, Amnesty International published a report on human rights violations in Fiji, detailing a number of cases in which the Government has placed critics of the regime and human rights activists on travel bans (banning them from travelling outside of Fiji) (Amnesty International, 2009, p. 38). Similar bans on outward travel have also been placed on staff members from NGOs known to be supportive of sanctions or providing information to Australia and New Zealand. During my fieldwork, three NGOs were identified as having had staff members of their organisations placed on government-imposed travel bans (Interview 15, 7 July, 2010; Interview 29, 30 June, 2010). One NGO representative explained how the Government was retaliating against local NGOs using travel bans:

We've had travel bans imposed by the regime. They won't let us fly out. For example, I was on a travel ban for six months, in the first period of the coup. One of my board members has been on a travel ban for a month. The travel ban has been imposed by the regime on us because they know we are the ones informing the High Commissions here and Wellington and Canberra. That's been the biggest impact (Interview 6, 5 July, 2010).

Travel restrictions have directly affected each one of the above organisations. Many of these NGOs have been able to find ways around the travel bans, either applying for exceptions or avoiding travel to and through Australia and New Zealand. NGO budgets, likely predominately provided by the same countries, are small and the difference between

flying to Auckland versus Berlin is significant. These cases provide evidence that no matter how targeted the travel bans have been, their effects have reached beyond their intended targets. As evidenced by the very cases that have led to the creation of targeted smart sanctions, sender countries have a responsibility when imposing sanctions to periodically assess if their actions are indeed targeting the right individuals, acknowledge when they do not and make the appropriate changes if they are affecting unexpected targets.

### **7.3 Perceptions on the (In)Efficacy of Targeted Sanctions in Fiji**

After more than four years in place, sanctions have made little headway in forcing a quick return to democracy. Since the imposition of sanctions, none of the demands of the international community have been met and Fiji has continued to set its own deadlines for replacing the constitution and holding elections. In Fiji, very few of those interviewed, including donor agency representatives, expressed faith in the sanctions.

As the previous section discussed, the travel bans are affecting some unintended targets within Fiji. In particular, there has been an increasing realisation recently that the travel bans themselves are further aiding a militarisation of Fiji's public service, which Yabaki (2011) explains:

The sanctions imposed by Australia and New Zealand on civilians taking up positions within the current government have no doubt contributed to the high number of military appointments. The extension of travel bans to not only individuals but also their family members has acted as a significant deterrent from many qualified civilians applying to governmental roles. As military personnel and their families are, on the other hand, already subject to such sanctions, there is no further penalty applicable for them filling vacant civil service posts.

For the first time, in March of this year, New Zealand's Minister of Foreign Affairs acknowledged the contribution New Zealand's sanctions have made to Fiji's inability to recruit for senior positions. The Minister conceded that, "there's a point where it's going to be in our interests for them to be able to recruit heads of government departments that are not members of the military; that means at that point you have to look at the sanctions" (Trevett, 2011).

Although this sentiment is only recently receiving public acknowledgement, it was a common opinion held by a number of the NGOs interviewed. As one NGO representative noted, “57 per cent<sup>29</sup> of key ministry positions are now held by military men”, which he argued was a direct impact of the travel bans (Interview 1, 15 June, 2010). Another NGO representative agreed, insisting that the bans are delaying progressive change in Fiji:

No one wants to sit on a board for the Interim Government because of the potential ramifications on them being able to visit people and places overseas. You end up with a lot of the boards being [filled] by people that could’ve been chaired by even better people. Those better people are holding back and refusing to serve because of what it will mean. It is holding back what could be happening better (Interview 8, 25 June, 2010).

Many people in Fiji, and more recently in New Zealand and Australia (Hayward-Jones, 2011), have come to recognise the inefficacy of the travel bans in encouraging positive changes for Fiji. In addition to affecting unintentional targets, the bans have inadvertently lead to a further militarisation of the civil service, which will likely serve only to make the transition to democracy more difficult.

### *7.3.1 Donor Perceptions*

The donors themselves held varying opinions on the effectiveness of the sanctions. AusAID was adamant that the combination of sanctions from Australia, New Zealand, the EU, the Commonwealth and PIFS had been effective in maintaining pressure on the regime (Interview 20, 3 August, 2010). A representative from New Zealand MFAT reiterated confidence in the sanctions noting:

One of the objectives of the sanctions was to make it as difficult as possible for the regime to achieve what it wanted to achieve, whatever that may have been. I think unquestionably it has made it very difficult. They have been unable to get people to serve in a lot of their public positions because people would rather come to New Zealand than to be banned (Interview 25, 13 October, 2010).

Representatives from NZAID and the EU, however, were less convinced. One representative from NZAID conceded, “if you were going to say the original goal was to restore Fiji to democracy and have elections, then they have been ineffective in that sense”

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<sup>29</sup> More recently Yabaki (2011) has stated that “67 per cent of Fiji’s government ministries have military personnel in senior positions” which “represents known appointments only”.

(Interview 21, 29 June, 2010). A representative from the European Delegation, too, acknowledged the shortfalls of the sanctions, explaining that judgement of the success of the measures was dependent on what exactly one considered the original objectives. When asked if the sanctions appear to have been effective, the EU representative responded:

If the objective was to bring elections forward, no, I don't. If the objective is to isolate the current Government, I think the recent cancellation for the recent MSG [Melanesian Spearhead Group] Plus meeting might be an indication that there is continuing isolation of the Government. If the objective was to support Fiji to get back on track, I can't really comment (Interview 23, 13 July, 2010).

While representatives from New Zealand and the EU tried to remain positive about the impacts of the sanctions, their comments show an inherent recognition that their sanctions have been symbolic rather than instrumental. The NZAID representative was hopeful the sanctions “might have changed some other possible activities or things planned by the Government” (Interview 21, 29 June, 2010) while the European Delegation representative was optimistic that the measures have “drawn attention to the population in Fiji as well as how the international community works and sees things [sic]” (Interview 23, 13 July, 2010). However, the donors understood that the primary purpose of the sanctions has been to “send a signal to Fiji, rather than to impose any serious economic ramifications” (Interview 22, 12 October, 2010). The sanctions have been at best a “daily reminder” of the illegitimacy of the military regime (Interview 25, 13 October, 2010). As none of the donors could pinpoint specific ways in which the measures have brought about tangible change, their comments on the inefficiency of the sanctions reinforce Nossal's (1991, 1994) assertion that sanctions imposed by middle powers serve simply as symbols rather than effective measures of statecraft.

### *7.3.2 NGO Perceptions*

In the aftermath of the 2000 coup, prominent NGOs asked donor countries to carefully consider the ramifications of applying sanctions. Following the 2006 coup, however, the same NGOs actively lobbied donors and the international community to apply pressure to the interim regime (Anderson, 2001). Yet, more recently there has been “a growing consensus in the country that it has to change” (Interview 1, 15 June, 2010).

Increasingly, NGOs are realising that the measures taken by the donors have been “too harsh and ineffective” (Interview 12, 2 July, 2010) as well as “counterproductive” and “isolating” (Interview 1, 15 June, 2010). Throughout Fiji, there is a growing realisation that punitive measures and disengagement has not worked. As one development practitioner involved with a number of NGOs explained, “the people aware of the sanctions ... a lot of them have said that the sanctions don’t really work, [it] doesn’t impact much on this Government” (Interview 29, 30 June, 2010). Another NGO representative pointed to the fact that there is little popular support remaining for the same methods that have so far failed to move Fiji forward:

I would understand the Australia/New Zealand policy if there was resistance in the country to which there was support. Non-engagement in the debate is an indication that ... if they were doing it and there was resistance, great. But the amount of people who have disengaged ... frankly, we just need to move on (Interview 10, 15 July, 2010).

Those organisations that had initially pushed for sanctions to be imposed instead are seeing the need for renewed engagement. As one NGO representative put it, “even people who have been very anti-government are saying it has to change” (Interview 1, 15 June, 2010). A representative from one NGO acknowledged that while they had originally advocated for sanctions, with time, their support has waned:

When the coup first happened [in 2006], that’s exactly what we told them: pull all funding from the military. But now, the longer we are in it we realise, ok, you need to come back in again (Interview 6, 5 July, 2010).

The NGO representative pointed specifically to the impacts of the travel restrictions on unexpected targets, like the case of Judge Wati, noting, “it really did show that some people’s rights were being violated” (Interview 6, 5 July, 2010).

For other NGOs, the scale and intensity of the measures was of particular concern. One NGO representative mentioned that the impacts of the sanctions have been “many, as bilateral aid has suffered and certain services funded by these partnerships [have suffered]” (Interview 4, 23 June, 2010). Particularly devastating, she noted, was the suspension of EU aid, which was “affecting potential development for rural development in the rural areas [sic] and hampered development for alternative livelihood projects which has been much of



a need” (Interview 4, 23 June, 2010). Another NGO echoed these concerns regarding the scope of the sanctions, noting that it is particularly “ridiculous how broad they go” (Interview 1, 15 June, 2010).

It should also be acknowledged that during the interviews, some organisations were hesitant to express their opinions on the effectiveness of the sanctions. When asked, one NGO told me, “probably I don't want to comment on that one as it may affect us directly as an organisation” (Interview 16, 5 July, 2010). For many NGOs, self-censorship has become a necessity (Interview 13, 6 July, 2010; Interview 29, 30 June, 2010) and a means of maintaining their relationships with the Government as well as their donors. The impacts on these relationships are explored further in the following chapter.

#### **7.4 Summary**

Regardless of how targeted the sanctions have been “on the perpetrators and beneficiaries of the coup” (NZ Ministry of Foreign Affairs and Trade [MFAT], 2010), as this chapter has shown, there have been a number of cases where individuals neither directly associated with nor in support of the coup have indeed been unintentionally targeted. Despite their family relations or willingness to cooperate with the Government, many of the individuals discussed in this chapter have been actively involved in working to move Fiji towards a better future and their experiences of the sanctions, however unintended, deserve recognition.

As a number of the NGOs in Fiji have witnessed either first or second hand the unintended and unexpected outcomes of Australia, New Zealand and the EU’s sanctions, there is increasing recognition that the measures adopted by the donors have failed to contribute positively to rebuilding democracy in Fiji. Fortunately, some donors appear to recognise this growing consensus. While Australia and the EU appear less willing to shift their approach from stick to carrot, there are newly emerging signs from the United States and New Zealand that a more incentives-based approach is being considered (*The National Business Review*, 2010; Trevett, 2011). For the NGOs, what Fiji needs most now is for

donors to re-engage, promote credible dialogue and rebuild the relationships that have long lain fallow.

## **CHAPTER EIGHT**

### **THE IMPLICIT IMPACTS OF SANCTIONS ON RELATIONSHIPS**

#### **8.1 Introduction**

Whereas the previous two chapters have covered the direct impacts sanctions have had on NGOs in Fiji, this final discussion chapter focuses on the more implicit impacts of sanctions on relationships between the different development actors. In normal aid environments, the power dynamics within donor-recipient relationships are affected by a number of factors (Lister, 2000; Overton & Storey, 2004; Whitfield, 2009). However, in fragile environments, such as under a sanctions regime, this imbalance of power is further exacerbated. While it is extremely difficult to point to cause and effect with sanctions and their impacts, this chapter attempts to give the NGOs interviewed a chance to express the ways in which they feel their relationships between their donors, the Fiji Government as well as other NGOs, and the dynamics therein, have been affected.

#### **8.2 Relationships between NGOs and Donors**

At a time when donor relations with Fiji's Government has been increasingly strained, donors have proclaimed their commitment to engaging with and working through Fiji's civil society. In his doctoral research on Fiji's aid industry, Hodge (2009, p. 32) states that the "political instability in the country has further enhanced donor-NGO collaboration." However, Hodge's 'enhanced collaboration' between donors and NGOs has not necessarily been experienced by all NGOs in Fiji. For several NGOs, the political situation has not affected relationships with their donors (Interviews 2, 7, 11, 12, 16), whereas others believed that their relationships have been strengthened (Interviews 3, 4, 14, 13, 15). For these organisations, donor funding was not a problem, remaining either stable or increasing.

Yet, another group of NGOs felt the sanctions and the donors' stance toward the Government have negatively impacted their relationships (Interviews 1, 6, 8, 18, 19, 27, 30). The NGOs identified ways in which they believed their relationships have been negatively affected, of which four examples are highlighted below.

### 8.2.1 Lacking Donor Capacity

Chapter Seven examined the inadvertent impacts of travel restrictions imposed by Australia and New Zealand on NGO representatives. In addition to these unintended consequences, several NGO representatives remarked that the travel restrictions have had even further indirect impacts. In particular they highlighted that New Zealand's management of the travel bans and sanctions is affecting their engagement with local NGOs.

Following the 2006 coup, directors from different Ministries and Departments in Wellington produced an official list of individuals banned from travelling to or through New Zealand. The responsibility of managing that list as well as reviewing and processing visa applications and appeals belongs to the NZHC office in Suva, Fiji, an administratively intensive task. In addition to standard tasks of the NZHC, the added burden of "identifying all the members of statutory boards was quite time consuming" (Interview 25, 13 October, 2010) and was worsened further by having to cope with a number of natural disasters. Moreover, the NZHC has also been affected by the loss of three High Commission staff members, each declared *persona non grata*<sup>30</sup> by the military regime and expelled from the country. As one NZAID representative explained, the NZHC staff have suffered from "very limited capacity in this office," which, he added, has meant that "a lot of the things that should've been moved forward weren't able to" (Interview 21, 29 June, 2010).

As the NZHC has continued to grapple with the loss of its staff members and the ensuing increased workload, NGOs expressed that it has seriously impacted NZAID's ability to maintain relationships with local NGOs. Some NGOs were understanding of the situation, acknowledging that the sanctions "did require a lot more assessment of the people of the High Commission" (Interview 6, 5 July, 2010) and that staff were "absolutely overrun in workload" (Interview 8, 25 June, 2010). Regardless, the lack of capacity and

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<sup>30</sup> *Persona non grata* is a legal term that indicates a foreign diplomat is no longer welcome in the receiving state. Fiji expelled Michael Green, the NZ High Commissioner in June 2007, Caroline McDonald, the NZ Acting High Commissioner in December 2008 and Todd Cleaver, the Acting Head of Mission in November 2009.

communication from the NZAID staff over the last few years, attributable at least in part to the sanctions, has contributed to “strained relationships” (Interview 8, 25 June, 2010).

A representative from another NGO, however, was less forgiving. According to him, decreased communication from NZAID, perhaps also a consequence of the more recent structural changes, could still be a result of “the fact that they are so under-staffed” (Interview 1, 15 June, 2010). Regardless, he noted, “they just don’t seem to be engaging with people that well.” In particular, he noted, NGOs that are not currently funded by NZAID “don’t have any idea what they fund or do anymore” (Interview 1, 15 June, 2010).

### *8.2.2 Donor Selectivity*

In fragile political environments, civil society is often placed under an increasing amount of pressure to provide social services in addition to their roles as advocacy organisations (Dowst, 2009). For Fiji, a developing country facing recurrent political instability, donor representatives expressed a lack of confidence in the capacities of local NGOs to address the mounting social and political pressures. Although the donors claimed they were focusing increasingly on local NGOs, they acknowledged that they “often give [NGOs] a role that I think is far too big for what they can actually do” (Interview 23, 13 July, 2010) and that they were concerned with the capacities of the NGOs to undertake the amount of work that was expected of them (Interview 25, 13 October, 2010).

For many local NGOs, this lack of confidence has become apparent in the perceived increase in donor selectivity of NGO partners. One NGO representative told me that she knew that despite having partnered with as many as 47 organisations in the past, AusAID is currently “rationalising it down to six” (Interview 11, 24 June, 2010)<sup>31</sup>. The perception is similar with NZAID. According to one development practitioner, NZAID supports fewer NGOs through the CSS programme than when it first began (Interview 27, 27 September, 2010).

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<sup>31</sup> Based on information provided by AusAID, however, in 2009/10 the donor provided funding to 21 civil society groups in Fiji (AusAID, personal communication, 2010).

When asked how they felt the donors were selecting the NGOs to partner with, a number of NGOs felt it was based on the organisations' political leanings. For one NGO, despite having maintained a good relationship with AusAID, the representative believed they had been "blacklisted" by NZAID (Interview 1, 15 June, 2010). For another NGO representative, it was clear that "funds have definitely been put in places where people are saying the appropriate things" adding that she knew "that is why New Zealand has not been approving of us because we haven't said the right things" (Interview 19, 22 June, 2010). As one development practitioner involved with a number of NGOs remarked, "the donors have continued to fund NGOs which they think are either anti-government ... or neutral. I think they have been careful not to fund NGOs that are obviously pro-Government" (Interview 29, 30 June, 2010). Additionally, as previously mentioned in Chapter Six, several NGOs were concerned with what they saw as donors intentionally selecting their domestic consultants and NGOs over local NGOs in Fiji for funding.

For donors in Fiji, practicing caution in their NGO partnerships has been an unfortunate but necessary aspect of the current sanctions regime. One NZAID representative explained how as a donor they have continued to work with the NGOs with whom they have already established relationships, but have been increasingly "careful when funding terms expire, whether [NZAID] should continue supporting that particular NGO because of their stance [with the Fiji Government]" (Interview 21, 29 June, 2010). The NZAID representative explained the difficult position they are in:

Because of the sanctions, we have to choose [with] which NGOs we work. If they are pro-Government, we cannot support them. If they are in the middle, where they work with Government in some areas, and they don't where Government policies are contrary to their focuses, we have to be careful with those NGOs ... because their leaders, too, are seen as pro-Government (Interview 21, 29 June, 2010).

Under the current sanctions regime, the donors expressed a need to be increasingly selective with which NGOs they partner. Increasingly, they noted that funding decisions were based on a lack of confidence in local NGO capacities as well as political associations. Despite the rhetorical commitments to strengthening local NGOs, the donors'

lack of support and trust has instead damaged relationships between local organisations and the donors.

### *8.2.3 Visible Power Dynamics*

Imposing sanctions on Fiji has revealed the inherent power imbalance that exists between Fiji and its donors. However, the unequal power dynamics are manifested further in the relationships between NGOs and the donors. For a number of NGOs, this inequality has become apparent in their fear of being over reliant on and at the mercy of donors, forcing them to practice increasing self-censorship with their donors (Interview 13, 6 July, 2010; Interview 29, 30 June, 2010).

Chapter Six noted that the increasing concern about consistent donor funding coupled with NGOs' own fears of being too dependent on any single source of funding has made the NGOs realise the importance of diversifying their funding. As one NGO representative explained, "if suddenly the New Zealand Government makes some changes, we rely on them for funding. If they suddenly pull the strings, the [Fiji] Government doesn't have money to give us to do all these projects" (Interview 7, 29 June, 2010). Increasingly the NGOs noted that they were currently looking for new (Interview 29, 30 June), local (Interview 7, 29 June, 2010) and long term donors "outside Australia and New Zealand" (Interview 15, 7 July, 2010).

Reliance on donor funding becomes a serious issue when donors use their relative power over an NGO coercively. For one NGO, this had been a real problem. According to a representative from the NGO, after a statement made to the media about the military regime was misrepresented, the NGO was promptly reminded by the donor who it is that provides their funding. As the NGO explained, donor threats are subtle; they "won't say, 'We're going to take your money away unless you change your stance,' but they will remind you that they are giving you money" (Interview 1, 15 June, 2010). This was not the only time this donor has threatened withdrawal of funding to one of the local NGOs, the NGO representative added. However, she acknowledged that while it is not a "widespread or

massive” practice, it is, unfortunately, “very dangerous at a time like this” (Interview, 1, 15 June, 2010).

With donors admitting that they are hesitant to continue supporting NGOs seen as “pro-Government” or “in the middle” (Interview 21, 29 June, 2010), it is of little surprise that NGOs have been unwilling to criticise or share their true impressions of the donors’ policies. Instead, as one NGO explained, “we do our own self-censorship because we don’t want to be cut off” (Interview 29, 30 June, 2010). As a result of this unwillingness to challenge donor attitudes, another NGO representative claimed that donors are not getting “a proper message” from the NGO community:

They [the donors] are not hearing a broader message because no one will provide it to them because they have money to offer. I think that is what some of this aid is causing ... It is reinforcing their thinking and not allowing them to think broader (Interview 1, 15 June, 2010).

Not all NGOs agreed, however. One NGO representative argued that they have not withheld any information from their donors, but rather, the problem lies with “how they [the donors] are using that information” (Interview 6, 5 July, 2010).

While NGOs are expected to act as voices of criticism toward the Government, the power imbalance inherent in the donor-NGO relationship actually disenfranchises many NGOs from critiquing donor policies and practices. Where NGOs may have partially agreed with Government principles or actions or disagreed with donor country principles and actions, the NGOs face considerable pressure to keep quiet for fear of upsetting their funders. Rather than creating a robust and engaging civil society community, the complications that have emerged in the relationships between donors and NGOs have only proven to widen the gap between the donors and the recipients rather than unifying them as equal partners in development.

### **8.3 Relationships between NGOs and Government of Fiji**

In addition to affecting the relationships between NGOs and donors, the sanctions are also having unfortunate impacts on the relationships between NGOs and the Government. For



many NGOs, this has left them feeling as though both the Government and the donors were pulling them in opposite directions. As one NGO put it, “partnering with one seems like disloyalty to the other!” (Interview 4, 23 June, 2010). At least six NGOs claimed that their relationship with the Government was indeed affected by their relationship with their donors (Interviews 1, 4, 6, 8, 18, 29). Detailed below are a number of ways in which NGO-Government relationships have suffered as a result of sanctions.

### *8.3.1 Restrictions on Partnering with the Government of Fiji*

Although donors have placed no explicit restrictions on NGOs, there are signs that donors are implicitly censoring NGOs from working closely with the Government. In particular, three examples show how some NGOs have felt their freedom to work, partner or communicate with the Government has been compromised.

The first NGO described feeling forced to alter one of their programmes because of its association with the Government. A representative from the NGO explained that recognising that their policy of not engaging with the military after the coup had left them with no “friends within the military” which now “makes it very difficult” (Interview 6, 5 July, 2010) to continue their work, they had designed a programme that would provide human rights and gender training to the military. However, after discussing the proposal with a partner NGO overseas, they were advised to alter the project proposal. The representative explained:

We’ve had to actually amend the training, so we’re not saying that we are doing any work with military specifically. What we’ve said is that we are going to work with key decision makers. So we’ve had to change the language of it. The reason being is because [the donor] pulled out all its funding for the military, and they don’t want to be funding anything to do with the military. Even though we’re the ones who got the money and we’d be training them and we’d be developing ... they don’t want to do that (Interview 6, 5 July, 2010).

A second NGO representative discussed the potentially conflicting commitments for overseas volunteers working with local NGOs. For the NGO representative, problems arose in the past while serving as a volunteer for Australian Volunteers International (AVI). According to him:

[AusAID] had very strict limits as to who AVI volunteers could talk to. When I was first here I was liaising directly with the Permanent Secretary, and the Country Manager at the time cleared that for me to do it. We got a new Country Manager and all of a sudden it's not o.k. any more. So, fortunately by that time the Permanent Secretary I'd been dealing with had moved on and because I'd gotten to know other staff in the department I was doing more work with the Director than with the Permanent Secretary. That was allowable (Interview 8, 25 June, 2010).

He pointed out that while the restrictions did not impact his job to a great extent, one “really had to watch where you went and who you talked to. And you were definitely not allowed to have any contact with Ministers.” The NGO representative recalled, in particular, when Bainimarama visited the organisation, complicating his role as both NGO staff member and AVI volunteer (Interview 8, 25 June, 2010).

For the third NGO, since the 2006 coup, the organisation's relationship with the Government has at times come under speculation by donors. As a representative explained, the NGO has received queries from more than one donor about the level of engagement they have had with the Government, with particular suspicion regarding their Memorandum of Understanding with two key ministries, as to how this may affect the NGOs neutrality (Interview 18, 9 July, 2010).

### *8.3.2 Rising Government Suspicions*

As donors have been increasingly suspicious of NGOs engaging with the Government, the Government, too, has been distrustful of NGOs connected with outspoken donors. More specifically, the Government has been “suspicious of NGOs that are funded by AusAID and NZAID” (Interview 1, 15 June, 2010). For a number of NGOs, particularly advocacy organisations, whether or not the NGO shares the donors' views, Government perceptions are critical. As one NGO explained, for them, it was very important not to be “perceived to be too close to them [the donors]” as the NGO is “trying to engage with the Government” (Interview 1, 15 June, 2010). Being perceived as a “lackey” or the “arm” of Australia and New Zealand, the representative added, is a serious concern for them.

Where aid was redirected through NGOs in a regime targeted by sanctions, as discussed in Chapter Three, Robinson (1995) illustrated that some recipient governments have retaliated against local NGOs. The likelihood that the Fiji Government could introduce devastating legislation, interfering in NGO funding mechanisms was a real and potential concern for at least two NGOs. With the almost absolute power contained by the military since the abrogation of the Constitution in 2009, one NGO was worried the Government would introduce “a new decree that any funding that comes to an NGO has to go through them” (Interview 6, 5 July, 2010). Fiji’s NGOs are only too familiar with the power of the Government to deregister NGOs under the Charitable Trust Act, as has happened in the past, albeit under the previous democratically elected Government. For one NGO representative, the organisation had already begun consulting donors and other NGOs about ways to continue to receive funding should this happen again (Interview 6, 5 July, 2010). Another NGO representative noted similar concerns, saying “I don’t know whether they [the Government] have any say in cutting off our funds, but that is a perception that we have” (Interview 29, 30 June, 2010). Fiji has been under a relatively constant state of Public Emergency Regulations (PER) since the abrogation. The PERs require all groups wishing to host a meeting or workshop to apply to the Government for a permit (Yabaki, 2011). This has been a particular challenge for NGOs the Government believes to be conspiring with or providing information to Australia or New Zealand and they have experienced regular delays or outright refusals for permits. As one NGO representative explained, maintaining a good relationship with the Government is vital:

We do a lot of grassroots [work]; we run workshops, a lot of activities that now require permits. After the abrogation and the introduction of the PER, we need to ask the government for permits every day. With the [donor] funds we run about 100 community education workshops a year, and for every one we need a permit. Everything we do needs a permit. If we are seen as just being a mouthpiece of Australia-New Zealand in the community they may very well stop our permits (Interview 1, 15 June, 2010).

This fear of Government’s interference in NGO funding, however, was more a concern for advocacy NGOs, which recognised the uniquely precarious situation in which they work. As one development practitioner explained, “if you are an NGO that does social work or development, you don’t worry. You’re serving the community quietly, no involvement in

political issues” (Interview 29, 30 June, 2010). The work of advocacy NGOs, however, is inherently political. As one NGO representative explained:

If we’re an advocacy NGO we are more prominently in the political arena, that’s why [another NGO] is worried and so are we. If they see us as being too dependent on Australia and New Zealand then we are strident in terms of anti-government [sic], then they can easily accuse us of being influenced (Interview 29, 30 June, 2010).

Another NGO representative agreed, noting that they are “accused constantly by the regime that we are pushing the New Zealand-Australia agenda” (Interview 6, 5 July, 2010). For NGOs doing both advocacy and service provision, it would seem advantageous to stress their former role over the latter. For one such NGO, the representative explained that they have chosen to shape their organisational strategy for future funding around this concern, with a distinct intention “to remain apolitical so there is no alignment to political issues” (Interview 16, 5 July, 2010).

### *8.3.3 Re-building Relationships*

Increasingly NGOs are recognising that the stances taken by the donors are keeping them from engaging in credible dialogue with the Government. Instead of encouraging and enabling progress, donor sanctions have further isolated the Government. As one NGO representative noted, every time a donor attacks Fiji in the media, and vice versa, “it creates a bad atmosphere” and NGOs have to wait through a “settling down period before we can begin to engage” (Interview 1, 15 June, 2010). Regardless of how relatively symbolic it is, in reality, the sanctions regime in Fiji “creates bad blood here and creates more trouble for NGOs actually funded by these donors” (Interview 1, 15 June, 2010). Many of the NGOs and development practitioners interviewed agreed that it is time to move beyond the confines of policies that have encouraged disengagement and begin to re-build relationships.

Attempts to engage with the Government have taken a number of forms. One NGO attended consultations with the Government for the Universal Periodic Review<sup>32</sup> (Interview 1, 15 June, 2010); other NGOs have engaged in a number of processes promoting dialogue with the Government and other stakeholders. As previously mentioned, some NGOs have been involved in the Charter Process, although a number of organisations do not recognise the legitimacy of the Charter. A representative from one NGO that has chosen to take part in the Charter explained his reason for supporting the process as a form of engagement:

As peace builders we are part of the process, we don't stand outside. We work with the oppressors and the oppressed. For us, one of the most important things about being involved in the Charter is ensuring that there is a voice for marginalised people (Interview 19, 22 June, 2010).

Importantly, the alternative dialogue processes are providing a space for formerly anti-Government NGOs to engage in a way they feel has not been co-opted by the Government. According to a development practitioner, one NGO in particular that has been extremely anti-Government in the past “kept asking themselves, ‘Are we, by doing this [not engaging], are we becoming part of the problem?’” (Interview 29, 30 June, 2010). Those NGOs that have been wary of engagement are now recognising that by not being involved in a process of dialogue, they are less likely to be able to “guide and influence” the Government (Interview 1, 15 June, 2010).

Support from donors for engagement and dialogue varies. AusAID’s dialogue with the Government, a representative claimed, has been ongoing (Interview 20, 3 August, 2010). The European Delegation representative stated that the EU is very interested in engaging with the current government to bring elections forward, however, they “just don’t have the dialogue” which they blamed on “general difficulty” (Interview 23, 13 July, 2010). Dialogue between New Zealand and Fiji has been mostly limited to ministerial visits and the maintenance of a High Commission office. When asked if New Zealand has been involved with a particular alternative dialogue processes, the representative responded, “I don’t know anything about it” (Interviews 21, 29 June, 2010). A development practitioner, however, argued that the donor is indeed aware of the aforementioned dialogue process but

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<sup>32</sup> The Universal Periodic Review is a state-driven process that involves reviewing the human rights records of all UN Member States every four years.

“at the moment they are forbidden to support anything that would look like they are giving funding to the Government” as supporting the dialogue process “might be seen to be breaking their own sanctions” (Interview 27, 27 September, 2010). Importantly, though, interviews with several NGOs revealed that at least one donor has been covertly contributing to one of the alternative dialogue processes.

In a time of instability and increased suspicion, NGOs are recognising the importance of maintaining or re-building relationships with the Government. Unfortunately, for a number of NGOs, donors are constraining NGO-Government relations both through implicit restrictions placed on NGOs as well as by rising Government suspicions toward NGOs receiving donor funding. In attempts to reengage with the Government, NGOs have initiated grassroots dialogue processes with uneven donor support. For many NGOs, donors appear to be putting their own concerns about maintaining symbolic sanctions ahead of engaging in a genuine process of dialogue to rebuild the deteriorated relationships with Government.

#### **8.4 Relationships Amongst NGOs**

The current environment in Fiji highlights the particular importance of inter-organisational as well as inter-personal relationships. Currently Fiji’s NGOs are finding it either advantageous or even necessary to exploit their relationships with other NGOs, both locally and overseas, as well as with particular individuals in the sector.

##### *8.4.1 Local NGO (Dis)Unity*

The split in Fiji’s NGO community that resulted following the 2006 coup (Naidu, 2007b; Yabaki, 2007), although diminished, remains as local NGOs compete for the increasingly selective donor funding. As one NZAID representative noted, while some NGOs receive a significant amount of donor support, others struggle, which has created “rivalry amongst the NGOs” (Interview 21, 29 June, 2010) as well as increased suspicion.

For several NGOs, heightened suspicion has been a result of increased donor selectivity in their funding decisions. Bolstered funding to NGOs that are “saying the appropriate things” (Interview 19, 22 June, 2010) has not gone unnoticed. For one NGO, when their funding quickly escalated in the wake of the coup, people in the community believed that their increased funding was a result of funding to other projects being pulled. The redirected funding, the representative explained, created “tension” and “animosity” between them and other NGOs and “meant that work that should’ve gone quite smoothly kind of dragged out a bit” (Interview 6, 5 July, 2010). In the end, it made it much more difficult for that NGO to work with their colleagues.

Organisations receiving sustained and significant financial support from donors are a particular cause for suspicion among local NGOs. In addition to being financially secure, when those NGOs are also introverted and difficult to deal with, they make rebuilding the unity of the NGO community a constant challenge. One NGO in particular, according to a development practitioner, is well known for being “aloof”, not “mix[ing] with other NGOs” and being in general, “very difficult to engage” (Interview 29, 30 June, 2010). The NGOs unwillingness to engage with other local organisations only further magnifies distrust within the NGO community.

#### *8.4.2 The Benefits of Overseas NGO Partners*

Although a number of the donors in Fiji have begun providing direct funding to local NGOs, partnerships with overseas NGOs was still extremely important, perhaps even more so currently. Partnerships with northern NGOs are extremely valuable for a number of reasons, although two particular reasons were highlighted. According to the NGOs, partnering with overseas NGOs provided increased access to both funding and information. Establishing partnerships with overseas NGOs has meant, for some NGOs, more steady flows of funding. For one NGO, their partnership with a NZNGO was particularly beneficial when changes to the New Zealand aid programme were announced. A representative from the NGO explained:

One of the positive things for us this year, because we have [NZNGO] as our partner in New Zealand, and they get the funds from NZAID, they were able to

assess about two years ago if the situation was going to come to a head. So last year they applied for more funding. They applied for two years of funding and as a result of that, that has buffered us for an extra year (Interview 6, 5 July, 2010).

Had they not been in an established partnership with the NZNGO, they could have faced similar problems with their NZAID funding, similar to other NGOs, including “funding that was supposed to have ended in December this year, on the first of July they were told that it is no longer available” (Interview 6, 5 July, 2010).

Partnership with a European NGO was seen not as a benefit for accessing EU funding, but rather a prerequisite. Among the 19 NGOs interviewed, only one organisation was known to be currently receiving EU funding. While that NGO recognised that they are the only local organisation receiving EU funding, they acknowledged that they “get that through [their overseas NGO] partners”<sup>33</sup>. For local NGOs not in an established partnership with a European NGO, the “conditions” and “forms” involved in applying for funding are so time consuming that “a lot of NGOs have given up” (Interview 29, 30 June, 2010). A representative from another NGO agreed, noting that applying for EU funding “requires a level of expertise” they associate with being in a partnership with a European NGO (Interview 19, 22 June, 2010). Local NGOs trying to build those relationships with European NGOs have found it particularly challenging to do so since the European Centre on Pacific of Pacific Issues (ECSIEP) closed in 2007 (Interview 29, 30 June, 2010).

In addition to having greater access to funding sources, relationships with overseas NGOs also provide local NGOs with greater access to information, earlier than other organisations. For example, NGOs in partnerships with Australian and New Zealand NGOs were more familiar with the changes to New Zealand’s aid programme since 2008. As one NGO representative noted, “before [NZ AID] told me, I also had correspondence from [AusNGO] from a press release before it came out here” (Interview 2, 15 June, 2010). Another NGO explained how they, too, have benefitted from shared information from a partner NGO:

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<sup>33</sup> The interview code for this NGO has been withheld to maintain confidentiality.



I think that is one of the benefits of the partnership with [NZNGO]. We are not in New Zealand. There are so many changes going on at MFAT that we can't keep up with. Really, you need someone to be based there, and we don't. That is why I think we will continue to work with [NZNGO], that gives us sort of an edge (Interview 6, 5 July, 2010).

The NGO discussed in section 8.3.1 that felt forced to amend their programme proposal expressed that it was precisely because of their partnership with an overseas NGO that they were consulted in advance on how to word and amend the proposal to be more “sensitive or palatable to the [donor country] Government” (Interview 6, 5 July, 2010). For the NGO, an overseas NGO partner acts as “middle person mediating these changes and informing [them] how to move forward” (Interview 6, 5 July, 2010), which is a very important benefit to receiving their funding through an overseas NGO, rather than from the donor directly.

#### *8.4.3 The Importance of Inter-Personal Relationships*

As Fiji's political impasse continues to take a toll on official relationships between the NGOs and donors, interpersonal relationships have taken on an important role in maintaining open lines of communication between donors and the NGOs. Where official relationships have suffered, maintaining familiar and relatable professional or social relationships with donors has been the most effective means of staying up-to-date with the donors.

As previously discussed, the NZHC office has faced significant issues regarding capacity. Despite these challenges, for NGOs, the staff continuity and familiarity has been critical for maintaining a relationship with the donor. The ability to communicate with the same person over time, as one NGO highlighted, was extremely important:

I've always had a great relationship with [donor staff member 1]. I could ring him at any time and talk about anything. He went out of his way to do extra for me. Since they changed their focus, for example, I never even got to meet [donor staff member 2], but because I've got a good relationship with [donor staff member 3] who stays here there's that bit of continuity (Interview 11, 24 June, 2010).

Equally important for some NGOs is the ability to relate culturally and professionally to donor staff. For one NGO representative, this specifically meant seeing more Pacific Islanders in donor field offices. One donor, the representative explained, employed very few Pacific Islanders, and for her this contributed to a strained relationship. The representative explained how she “couldn’t really relate to them. And it was actually quite difficult explaining things to them” (Interview 6, 5 July, 2010). Over time, the representative admitted, this donor has hired more local staff. For her, seeing “people who look like you when you go up there to talk to them about your project” has meant that she feels like the staff will be able to relate to her organisation’s needs and concerns. This has also meant dealing with donor staff with a background in and understanding of the NGO sector (Interview 6, 5 July, 2010).

Like any other sector, personal relationships are formed both during as well as after working hours. For some NGOs, social occasions provided a valuable opportunity to network and gain information from donors, their staff and other organisations. Talking about one donor staff member, one NGO representative exclaimed, “Thank god we saw each other socially, because we were able to talk. Otherwise, you’re right, we never actually would know what was going on there” (Interview 6, 5 July, 2010). However, other organisations, either out of principle or lack of time, do not take part in this type of relationship building. Expressing his disdain at the necessity of such relationship building, a representative from another NGO proffered up a possible reason for being out of touch with some donors: “Maybe part of it is because I don’t do the cocktail rounds, I don’t do the selling. So we miss a certain conversation” (Interview 19, 22 June, 2010).

It could likely be argued that small aid environments tend to be extremely competitive as there are fewer resources, while the number of NGOs, globally, has grown rapidly. For NGOs in Fiji, perceived donor selectivity based on political leanings and activities has led to increasing suspicion among NGOs. With communication between donors and NGOs lagging, NGOs are forced to rely on their partnerships with overseas NGOs as well as personal relationships. Rather than encouraging collaboration during a period of insecurity, donors are further widening a gap that already exists among several local NGOs in Fiji.

## **8.5 Summary**

In times of crisis, relationships are tested. For Fiji's NGOs, beyond the impacts on funding and through the travel bans, sanctions have affected the relationships between NGOs and their donors, the Government and other NGOs. There is no particular pattern in how the various NGOs have been affected. Rather what is important is the recognition that sanctions have both explicit as well as implicit implications for NGOs. They can provide some NGOs with increased donor funding, thus strengthening their relationship with that donor. However, they can also heighten government suspicion as well as that of other NGOs, proving potentially devastating for NGOs in an unstable environment. Despite the difficulty involved in assessing the impacts of sanctions on relationships, donors have an obligation to acknowledge that sanctions have impacts that reach beyond their initial intentions.

## CHAPTER NINE CONCLUSIONS

*How do we change? You will not talk to me if you come in and I give you a slap on your face. You won't even look at me. But if I talk to you and tell you nicely that those things you did were not nice, you will listen to me and probably change your ways. You will not bad mouth me. That is the logic we are using.*

Interview 3, 12 July, 2010

### 9.1 Introduction

For six weeks in 2010 I had the opportunity to meet and speak with a number of people throughout Fiji to discuss how sanctions imposed by Australia, New Zealand and the European Union have directly and indirectly affected the local NGO community. This thesis has presented the results of this research. It has aimed to address sanctions through the lens of aid and development, rather than through a lens of international relations or political science. In order to contextualise the links between sanctions and NGOs the first part of the thesis examined the literature surrounding aid and conditionality, the evolution of sanctions over time and the role of civil society and NGOs in development, focusing specifically on fragile or failing environments.

The second part of the thesis localised the aforementioned debates, focusing specifically on Fiji. This section provided background information on Fiji's political and aid history and included a discussion on the history of Fiji's civil society, examining the role both global and local shifts have had in shaping this community today. The third and final part of this thesis presented the results of interviews conducted with 30 participants, representing local NGOs, donor agencies from Australia, New Zealand and the European Union as well as development practitioners involved in or familiar with Fiji's aid and NGO sectors. This section summarised participants' views and experiences of the impacts that sanctions have had on NGOs' funding, their freedom to travel and their relationships with their various partners.

In this concluding chapter I discuss some of the limitations identified during my research and provide some suggestions for future research. Most importantly, though, this chapter attempts to tie together the results presented in Chapters Six through Eight with the greater theoretical and academic debates on conditioned aid, sanctions and the importance of “relationship building as a development end rather than just a means” (Overton & Storey, 2004).

## **9.2 Limitations and Further Research Possibilities**

This research has aimed to include a wide variety of representatives from both Fiji and the donor countries. Despite these efforts, the results of the analysis were nevertheless limited to the comments made by the relatively small group of local NGOs that took part in the research. Based on Mohanty’s (2008, p. v) directory of civil society organisations, there are approximately 650 non-state actors in Fiji. The 19 NGOs interviewed for the purpose of this thesis thus represented a very small and select proportion of Fiji’s wider civil society and NGO community. The organisations that took part were primarily well known NGOs and were either currently or previously in an active partnership with the Australian, New Zealand or European donor agencies. While some were located outside the capital city, the majority were based in Suva. The methods of identification used excluded a large number of other NGOs, community based and grassroots organisations, particularly those not regularly counted in the ‘aid chain’. Despite their absence from this research, I recognise these organisations as extremely important members of Fiji’s civil society and development sector.

It is important here to recognise again my positionality as a *vulagi*, a foreigner, in Fiji as a potential limitation. My role as an outsider may have potentially constrained my access to some participants as well as my understanding of cultural nuances. It is equally important, though, to recognise that it may be because of my outsider status that I was able to access some participants. Civil society, including NGOs, is a very Western concept, and as such, most of those interviewed were likely educated in a Western style educational institution or are educated ex-patriots. Many of them would have had experience with researchers before or they themselves have conducted research.

In addition to expanding this research to include the impacts on other NGOs as well as community-based and grassroots organisations, a few suggestions for future research can be garnered from this research. Foremost, the findings acknowledge my assertion that further research on the impacts of sanctions on civil society is warranted. There exists a significant gap in the contemporary sanctions literature ignoring the role of and impacts on civil society organisations under a sanctions regime.

My final suggestion for further research emerged from an issue highlighted by almost all NGOs interviewed. Following the election of a National-led government in New Zealand, a number of changes have been made to New Zealand's aid programme. For a number of NGOs in Fiji, these changes have had significant implications for them. The most important change has been a shift in the overall focus of the New Zealand Aid Programme (NZAP – formerly NZAID) from 'poverty alleviation' to 'sustainable economic growth'. Since the changes, at least two NGOs interviewed have had long term funding agreements cancelled with little notice (Interviews 5, 13 July, 2010; Interview 15, 7 July, 2010). Other NGOs expressed considerable concern about how the changes will affect both the focus of their future activities as well as their respect for the NZAP as a forward-thinking aid agency. An evaluation of how New Zealand's wider policy changes are affecting the operations of NGOs in Fiji is required, as at times they appeared to overshadow the effects of sanctions. In general, a greater understanding is needed on how domestic policy changes within a donor country can and does impact development NGOs in aid recipient countries.

### **9.3 A Review of the Impacts of Sanctions on NGOs in Fiji**

The main findings of this thesis were that sanctions have indeed had serious and unintended impacts on Fiji's NGO community. These impacts have been experienced both directly as well as indirectly. While NGOs are divided as to whether or not the community as a whole is benefitting or suffering, a number of NGOs noted that they are increasingly seeking to diversify their donor pool, looking for alternative sources of funding. Despite donors' claims of reorienting the aid programmes toward civil society organisations, some NGOs

have had their funding cut as a result of donors recalling funding to particular sectors, such as law and justice.

Although in some cases donors have restricted large portions of their aid programmes, sanctions imposed by donors in Fiji have been primarily non-financial and admittedly symbolic. As targeted, smart sanctions, they have included a range of alternative punitive measures such as travel restrictions, arms embargoes, the suspension of ministerial contact, bans on sporting team visits, travel warnings as well as several public statements regarding donors' retention of sanctions on Fiji. For NGOs in Fiji, the travel restrictions have been more than simply a symbolic gesture of the donor countries' disapproval; several NGO staff members have, however inadvertently, been captured by the travel bans imposed by Australia and New Zealand.

More implicitly, though, the sanctions are having indirect impacts on the relationships between the NGOs and their donors, the Government of Fiji and with other NGOs. While some NGOs believed that their relationships with their donors have been strengthened, a number of organisations acknowledged that in the last few years, relationships with their donors have become estranged. For some donors this has been a result of lacking capacity in their field offices, for others it is a result of the difficulty associated with applying for and receiving funding under the limited funding schemes available to NGOs. Despite Australia, New Zealand and the EU's supposed embrace of civil society as a key partner in development in the current environment, the strained relationships has served as a further push for a number of NGOs to actively pursuing alternative funding sources.

The resultant strained relationships stem from Fijian NGOs recognising a needs for change in the policies of disengagement, which they perceive donors to be ignoring. For the NGOs, Fiji is their home, their country and, for the time being, their Government. They do not have the option of withdrawing their staff, severing contact with the Government or, sadly under the current administration, issuing critical public statements about the Government. In fact, those NGOs most closely aligned with these donors have experienced such heightened suspicion from the Government that a number of organisations are actively

downplaying their associations with these donors. Suspicion and tension among NGOs, too, has increased, as a number of NGOs see organisations receiving bolstered levels of funding coincidentally voicing the sentiments of their donors, while others attempting to engage with the Government feel they have been ‘blacklisted’ by donors.

It is important to note that the impacts have not been solely detrimental. A few NGOs have indeed managed to sustain or increase their funding levels from their donors, which they believed has in turn strengthened their relationships with their donors. Additionally, for many of the local organisations, adversity has served as a catalyst for cooperation in a community previously starkly divided between those supporting and those refusing to engage with the interim Government. Whereas the donors have suspended high-level ministerial contact, a number of NGOs have come together for the sake of open dialogue in an attempt to move beyond the mentality of disengagement.

#### **9.4 Why Include NGOs in the Sanctions Debates?**

Sanctions are a tool of political conditionality often used in fragile or failing states, or states in which the ruling group are committing actions the international community deem unacceptable. Over time the motivations and methods of sanctions have evolved. As much of the literature has pointed out, sanctions are often ineffective in achieving their intended objective (Doxey, 1971; Pape, 1997) and have relied inherently on making innocent civilians suffer to the point they demand reform (Galtung, 1967; Weiss, et al., 1997). This realisation has been the driving force behind the development of more targeted smart sanctions.

Influenced by the emergence of neoliberal thinking, NGOs in the past were ascribed particularly significant roles as service providers. More recently though, with a growing focus in development on good governance and aid effectiveness, NGOs are increasingly taking a backseat to central governments as central partners in development. This paradigmatic shift in development has helped to shape the role of civil society and NGOs as the complementary and ‘alternative’ channel for aid provision, primarily when a government is considered unfit to manage its own development (Leader & Colenso, 2005;



OECD, 2009; Robinson, 1994). In the long term, however, NGOs are still viewed by donors as “a less-than-optimal solution” for service provision (OECD, 2008b, p. 34). It is only in times of fragility or state instability that NGOs take on a role as the donor’s primary partner in development.

The wider academic and policy literature on aid recognises the role NGOs play in development, especially in times of state fragility. There exists, however, a gap particularly in the sanctions literature regarding the impacts of sanctions on NGOs. While NGOs are acknowledged as valuable development partners when a government is no longer a credible conduit for development assistance, little research has been conducted on exactly how NGOs experience sanctions. Although some recognition emerged in the late 1990s regarding the impacts of aid conditionality and sanctions on NGOs (Robinson, 1995; Weiss, et al., 1997), this discussion has yet to be updated.

What this research contributes to the wider examination of the implications of sanctions is that NGOs face both explicit and implicit impacts under a sanctions regime. More importantly, though, these impacts are uneven, unintended and often unacknowledged. In theory, sanctions, even smart ones, may intend to strengthen the ties between donors and local civil society actors, however, in practice, these relations are not marked by long term respect. Instead, under a sanctions regime, donors can and often do utilise these relationships for political purposes. This recognition challenges the role of donors as reliable and genuine partners for development.

## **9.5 Final Remarks**

This thesis began as an endeavour to uncover the tangible impacts sanctions can have on a community often viewed as simply an alternative to normal development interaction. What I discovered, however, was that these impacts might not always be tangible or immediately apparent. The impacts of sanctions can begin as subtle and selective, however, the severity grows unintentionally beyond its original boundaries. While smarter sanctions are unquestionably more humanitarian than conventional sanctions, it remains that a comprehensive understanding of the impacts of sanctions has yet to be fully studied. It is

important that the community seen as the alternative partner in development in times of instability be safeguarded against the unwarranted and unintentional repercussions of sanctions as policies of statecraft.

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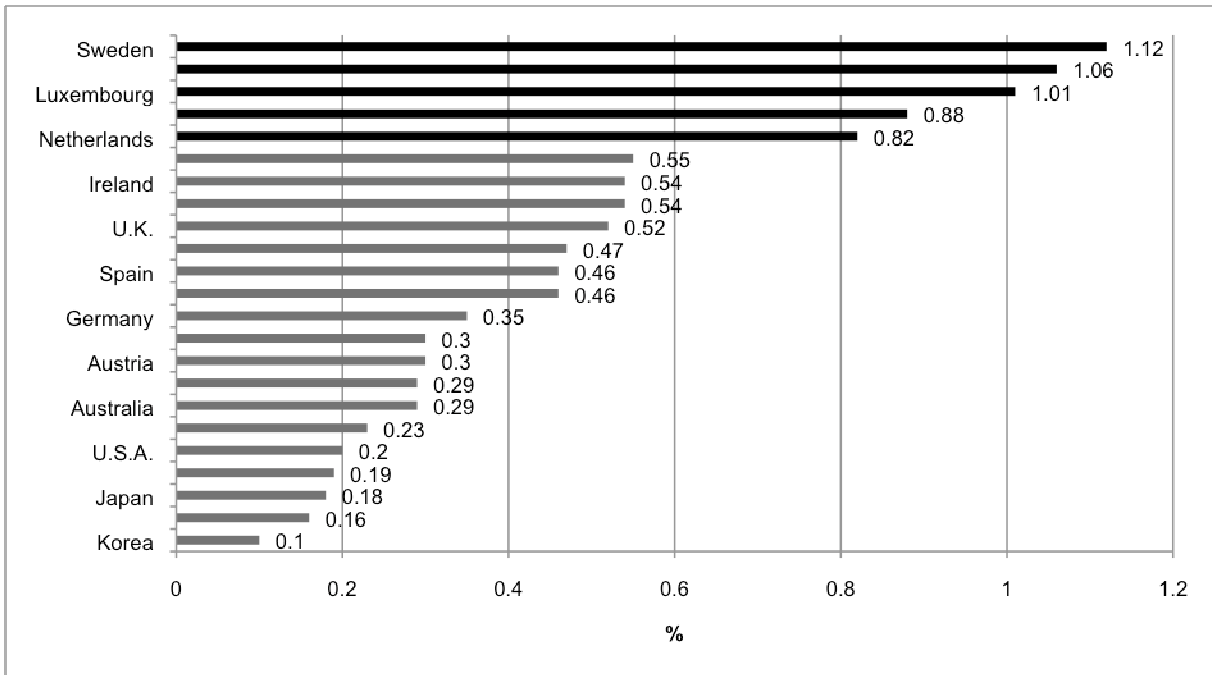
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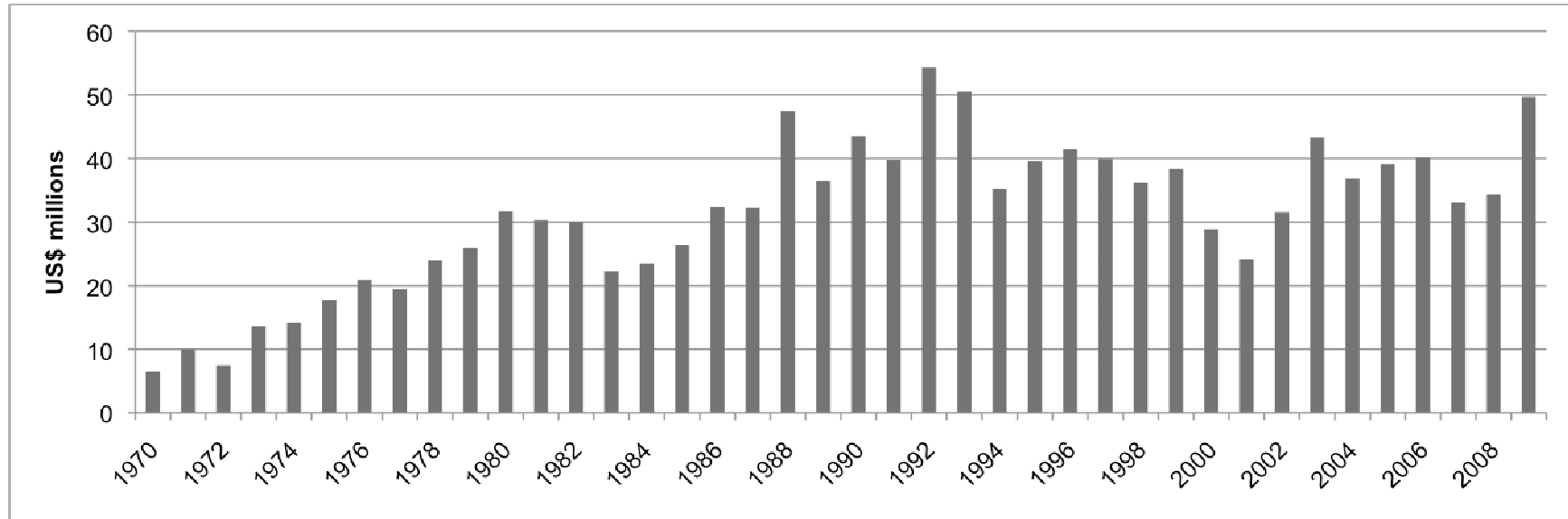
APPENDIX I – FIGURES AND TABLES

Figure A.1 - ODA/GNI in 2009



Source: OECD, 2010

Figure A.2 ODA to Fiji, all commitments (Current USD millions), 1970 – 2009



Source: *oecd.stats.org*, 2011

**Table A.1 - Total Bilateral Aid to Fiji, Current Prices in US\$ millions, 1960-2009**

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
<b>Australia</b>	..	..	..	..	..	..	0.1	0.12	1.53	1.79	0.85	1.2	0.66	2.36	4.53	4.14	3.59
<b>France</b>	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>Japan</b>	..	..	..	..	..	..	..	..	..	..	..	..	0.01	0.02	0.14	0.02	0.1
<b>Korea</b>	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>New Zealand</b>	..	..	..	..	..	..	..	..	..	..	..	..	0.96	1.79	1.53	4.29	7.25
<b>United Kingdom</b>	1.08	0.98	10.81	4.39	3.39	4.3	3.9	2.52	4.11	6.5	5.64	7.77	4.71	8.26	6.61	7.23	8.48
<b>United States</b>	..	..	..	..	..	0.01	0.01	0.09	0.51	..	..	1	1	1	1	1	1
<b>EU Institutions</b>	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	0.15	0.69
<b>Taiwan</b>	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
<b>Australia</b>	5.1	8.67	10.34	11.2	11.57	15.56	9.57	9.94	10.03	13.75	11.32	19.76	18.68	19.37	20.54	24.61	15.15
<b>France</b>	..	..	..	0.15	0.29	0.28	0.2	0.48	..	0.6	1.93	10.21	2.17	2.57	1.65	1.35	1.17
<b>Japan</b>	0.26	0.64	0.52	3.23	2.09	3.21	2.05	3.44	8.15	10.98	10.34	9.07	7.54	9	8.23	16.26	20.3
<b>Korea</b>	..	..	..	..	..	..	..	..	..	..	..	..	0.01	..	0.19	0.23	0.24
<b>New Zealand</b>	3.88	4.09	5.76	4.12	3.43	2.95	3.51	3.39	3.39	2.27	3.82	1.81	2.68	6.19	2.8	5.84	7.34
<b>United Kingdom</b>	8.79	8.94	7.28	9.53	8.08	3.14	2.91	1.67	1.81	1.57	0.87	0.48	1.75	2.08	2.74	1.97	2.24
<b>United States</b>	1	1	1	2	3	2	2	2	1	1	1	3	1	1	1	1	2
<b>EU Institutions</b>	1.71	0.38	3.15	2.26	6.76	2.35	6.41	4.31	3.6	6.8	1.4	2.7	1.7	2.9	1.39	5.25	6.64
<b>Taiwan</b>	..	..	..	..	..	..	..	..	..	..	..	0.07	0.17	0.45	1.19	0.82	0.86
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
<b>Australia</b>	15.77	13.97	12.54	13.9	11.16	11.01	10.71	8.52	8.64	12.93	15.77	20.46	21.87	18.61	18.31	20.07	
<b>France</b>	1.35	0.82	1.21	1.03	0.56	1.15	0.69	0.61	0.75	0.83	1.72	1.02	1.29	1.11	0.97	-0.68	
<b>Japan</b>	11.21	13.87	18.59	16.94	19.23	20.87	15.07	12.73	18.74	24.79	14.15	12.59	7.98	5.75	6.31	23.23	
<b>Korea</b>	0.32	0.52	0.71	0.8	0.33	0.35	0.23	0.18	0.26	0.34	0.42	0.33	1.13	1.45	1.8	1.25	
<b>New Zealand</b>	3.31	6.63	6.64	5.41	4.41	4.75	2.06	1.83	2.8	2.7	2.76	3.47	5.92	3.64	3.85	3.33	
<b>United Kingdom</b>	-0.15	1.15	..	..	..	..	..	..	..	..	..	..	0.5	0.64	0.75	0.58	
<b>United States</b>	1	2	1	1	0.21	..	..	0.01	0.1	0.93	1.62	0.94	1.34	1.21	1.27	1.94	
<b>EU Institutions</b>	1.75	-0.76	2.9	2.26	-0.85	-7.2	-2.8	-1.26	-0.77	4.01	21.88	19.77	8.96	10.74	6.03	12.8	
<b>Taiwan</b>	0.78	0.88	1	..	0.02	..	..	..	..	..	..	..	..	..	..	..	

Source: *OECD, 2011*



**Table A.2 Aid by Donors, 1996-2010, F\$ million**

Donor	1996 Actual	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Revised	2010 Budget
Australia	15.20	15.00	15.20	11.40	4.00	4.56	6.80	12.50	12.50	16.90	17.43	21.88	20.90	16.30	21.70
Canada	0.00	0.00	0.50	0.00	0.25	0.28	0.25	0.04	0.04	0.27	0.00	0.00	0.00	0.00	0.00
China	0.50	0.50	0.00	17.50	2.75	6.25	2.75	0.00	0.00	0.30	1.41	17.85	17.30	11.80	9.30
EU	20.50	11.30	1.10	2.30	2.20	3.31	12.84	22.20	22.20	27.82	8.39	24.00	17.40	25.90	20.30
France	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	7.50	6.20	6.30	1.10	3.20	4.00	4.80	8.20	8.20	0.75	0.00	0.00	0.00	15.00	3.00
Korea	0.00	0.00	0.00	0.00	0.06	0.20	0.20	0.00	0.00	0.00	0.00	0.00	0.00	1.30	0.40
New Zealand	5.10	5.10	5.10	2.60	0.09	0.62	0.86	0.40	0.40	1.90	2.61	0.83	2.90	1.70	9.60
UNDP	1.20	0.90	1.20	0.10	0.25	2.12	0.25	0.01	0.01	0.10	0.01	0.80	1.40	1.20	0.60
Others	2.70	2.50	2.10	0.30	0.80	0.80	1.60	2.59	2.59	2.40	6.75	2.07	4.30	3.90	8.90
<b>Total</b>	<b>54.70</b>	<b>43.40</b>	<b>33.80</b>	<b>35.30</b>	<b>13.60</b>	<b>22.14</b>	<b>30.35</b>	<b>45.94</b>	<b>45.94</b>	<b>50.44</b>	<b>36.60</b>	<b>67.43</b>	<b>64.20</b>	<b>77.10</b>	<b>73.80</b>
Comprising															
Cash	7.30	9.60	2.64	1.70	1.10	0.46	0.27	1.97	3.40	4.38	6.40	3.5	12.60	5.40	8.90
Aid in Kind	47.40	33.80	31.16	33.60	12.50	21.68	30.08	43.97	42.54	46.06	30.20	63.93	51.60	71.70	64.90

Source: Ministry of Finance and National Planning Supplement to the Budget Address: 1996 – 2010

**Table A.3 United States Bilateral Official Development Assistance (ODA) Fiji, CY2004-2009**

Agency	Appropriation Symbol and Name			Source	CY2004	CY2005
<b>Department of Commerce</b>						
	13x1450	National Oceanic and Atmospheric Administration, Operations, Research and Facilities	COA	DOC National Atmospheric and Oceanic Administration		
<b>Department of Commerce Sub-Total</b>						
<b>Department of Health and Human Services</b>						
	75x0943	Disease Control, Research, and Training, Centers for Disease Control	CDI	CDC Global Immunization Program		
<b>Department of Health and Human Services Sub-Total</b>						
<b>Department of Justice</b>						
	15x0700	Salaries and Expenses, Bureau of Alcohol, Tobacco, Firearms and Explosives	DOJ	DOJ Department of Justice		
<b>Department of Justice Sub-Total</b>						
<b>Department of State</b>						
	72x1037	Economic Support Fund	SAP	State East Asia and Pacific	100	
	72x1037	Economic Support Fund	SDH	State Democracy and Human Rights	50	
	72x1037	Economic Support Fund	SOE	State Oceans, Environment and Science		
	19x0209	Educational and Cultural Exchange Programs, Department of State	SAF	State Ambassador Fund		
	11x1022	International Narcotics Control and Law Enforcement	SGT	State - Office to Monitor and Combat Trafficking in Persons		
<b>Department of State Sub-Total</b>					<b>150</b>	
<b>Department of the Interior</b>						
	14x1652	Multinational Species Conservation Fund, United States Fish and Wildlife Service	IFW	Interior Fish and Wildlife Service		
<b>Department of the Interior Sub-Total</b>						
<b>Peace Corps</b>						
	11x0100	Peace Corps	PCO	Peace Corps	1,439	944
<b>Peace Corps Sub-Total</b>					<b>1,439</b>	<b>944</b>
<b>U.S. Agency for International Development</b>						
	72x1035	International Disaster and Famine Assistance	UEI	USAID Phoenix (EIS) Data	25	
<b>U.S. Agency for International Development Sub-Total</b>					<b>25</b>	
<b>ODA Total</b>					<b>1,614</b>	<b>944</b>

Source: USAID, 2010

**Table A.4 Aggregate View of Australian ODA through NGOs in Fiji, 1992 – 2004**

		1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
<b>ANCP</b>			\$315,433	\$210,335	\$224,503	\$131,234	\$57,340		\$85,648	\$57,131	\$29,407	\$171,752	\$164,181
<b>Country Program</b>	<i>Aust NGOs</i>	\$154,400	\$279,400	\$150,000	\$14,000	\$208,000	\$188,920	\$2,954		\$517,940	\$9,903	\$631,045	
	<i>Non-Aust NGOs</i>		\$81,864	\$789,332	\$365,769	\$610,748	\$107,851		\$316,313	\$733,367	\$725,169		
<b>Regional Program</b>				\$295,000					\$400,139				
<b>DAP</b>	<i>Aust NGOs</i>				\$10,266								\$50,819
	<i>Non-Aust NGOs</i>		\$159,993	\$159,997	\$149,000	\$15,525	\$112,981		\$18,636	\$20,309	\$9,370	\$133,083	
<b>Emergency/ Humanitarian Relief</b>	<i>Aust NGOs</i>	\$16,400		\$2,368									
	<i>Non-Aust NGOs</i>	\$50,000										\$696,196	
<b>WID SGS</b>	<i>Aust NGOs</i>			\$40,000									
	<i>Non-Aust NGOs</i>												
<b>Volunteer Programs</b>						\$304,999	\$301,583					\$342,167	\$1,043,400
<b>PAIDS</b>		\$20,000	\$30,032	\$18,705			\$20,000					\$9,675	
<b>TOTAL</b>		\$240,800	\$866,722	\$1,665,737	\$763,538	\$1,270,506	\$788,675	\$2,954	\$820,736	\$1,328,747	\$773,849	\$1,983,918	\$1,258,400

Source: AusAID-NGO Cooperation Statistics, 1992-2004

**Table A.5 Total NZ ODA to Fiji, Amount and Percentage to Fijian NGOs, 2001-2010 (\$NZ '000)**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	TOTAL
<b>Amount directly to Fiji CSOs/NGOs</b>	486.73	560.18	664.60	659.43	1,275.15	594.78	1,374.65	759.04	1,721.95	<b>8,096.51</b>
	16.6%	21.3%	29.9%	28.7%	15.7%	16.5%	43.5%	15.5%	29.8%	<b>22.7%</b>
<b>Head of Mission Fund</b>	15.36	8.69	8.16	13.80	19.57	1.40	39.09	20.62	7.68	<b>134.37</b>
<b>Te Kakano Fund</b>	350.74	402.38	250.21	116.88	953.7	-	196.80	37.66	-	<b>2,308.37</b>
<b>Total NZ ODA</b>	2,934.62	2,631.73	2,224.62	2,301.66	8,127.88	3,599.49	3,159.09	4,895.22	5,787.26	<b>35,661.57</b>

Source: NZAID, personal communication, 2010

**Table A.6 Sanctions Measures and Mechanisms by Country**

<p><b>Australia<sup>+</sup></b>  Autonomous Sanctions Bill</p>	<ul style="list-style-type: none"> <li>▪ Travel Restrictions against coup-leaders and high profile supporters, interim government Ministers, ranking Fiji Military (RFMF) officers, and to their families</li> <li>▪ Travel Restrictions against other RFMF members, interim government-appointed senior public servants, and to other interim government appointees including to the judiciary, but not to their families</li> <li>▪ Arms embargo</li> <li>▪ Suspension of ministerial contact with members of the interim Government</li> </ul> <p><b>Source:</b> Australia Department of Foreign Affairs and Trade, 2010</p>
<p><b>New Zealand<sup>‡</sup></b>  Cabinet Decision</p>	<ul style="list-style-type: none"> <li>▪ Cessation of Ministerial level contact with Fiji, except for dialogue or mediation purposes;</li> <li>▪ Bans on travel to, or transit through, New Zealand by all RFMF personnel, persons appointed to the post-coup administration, prominent coup supporters, and the families of people in these categories;</li> <li>▪ Exclusion of Fiji from countries eligible to participate in the new regional work scheme for the Pacific;</li> <li>▪ Exclusion of Fijians from participation in other seasonal work schemes;</li> <li>▪ Suspension of Fiji’s eligibility for Pacific Access Category immigration ballots;</li> <li>▪ Immediate cessation of all training, exercises, and study for RFMF personnel in New Zealand, with a requirement to leave the country forthwith;</li> <li>▪ Bans on visits by Fiji sports teams, except where international and legal obligations required;</li> <li>▪ A freeze on new development assistance initiatives with the government in Fiji and a review of current activities;</li> <li>▪ Reviews of specific assistance programmes (e.g. to the Elections Office);</li> <li>▪ Discontinuation of new study and training awards; and</li> <li>▪ Efforts to bring pressure on the coup-makers through regional and international organisations.</li> </ul> <p><b>Source:</b> Interview 25, 13 October, 2010</p>
<p><b>European Union<sup>*</sup></b>  Article 96; Cotonou Agreement</p>	<ul style="list-style-type: none"> <li>▪ Suspension of 9<sup>th</sup> and 10<sup>th</sup> EDF funded projects</li> <li>▪ Suspension of Sugar Protocol</li> </ul> <p><b>Source:</b> Council of the European Union, 2007; Interview 23, 13 July, 2010</p>

## APPENDIX II – ETHICS FORMS

### NGO Participant Information Sheet

**Title of project:** The Impact of Aid Sanctions on a Developing Country's Civil Society: a case study of Fiji

Ni sa bula vinaka. My name is Morgan Hanks and I am a Master of Development Studies student at Victoria University of Wellington, New Zealand. As part of my degree I am writing a thesis on the impact of aid sanctions on civil society organisations in Fiji.

I would like to invite you, as a representative of a Fijian NGO, to participate in an interview in which you will be able to share your experiences and stories of how any fluctuations in funding due to sanctions being imposed on Fiji's aid have impacted your organisation. I am interested in both the direct and indirect ways this has affected your organisation's work. I am also interested in what methods your organisation has chosen to adapt to the current political atmosphere in Fiji's development sector.

The discussion we have will be structured around questions I have prepared in relation to this topic.

Victoria University requires all students conducting research with people to undergo ethics assessment and approval. As part of this process there are several things that you need to be aware of before you consent to participate in this research:

- With your permission I will tape interviews. Written and electronically recorded material made during the interview will be safely stored and will only be seen by my supervisor and myself. The researcher will take all necessary steps to keep interview information safe during time in the field.
- All interview materials will be destroyed upon completion of the thesis.
- It will be your decision as to whether you and your organisation will be identified or will remain confidential in the published thesis.
- As a participant, you do not have to answer all questions.
- If you agree to take part in the interview you are free to withdraw at any stage without having to give a reason.
- You are free to withdraw any information you have provided before data collection and analysis of the research is complete on 1 December 2010.
- Following our discussions you will have an opportunity to review the information that you provided prior to it being used in the published thesis.

Upon completion of my thesis, a copy will be lodged in the Victoria University library and a summary of findings will be made available to you, if this is of interest. The research may also be published in academic or professional journals and/or disseminated at academic or professional conferences as the opportunity arises.

I hope you will agree to participate in this research and I look forward to speaking with you soon.

Vinaka Vakalevu,

Morgan Hanks  
[hanksmorg@myvuw.ac.nz](mailto:hanksmorg@myvuw.ac.nz)  
Fiji mobile: 912.1738

Professor John Overton (Supervisor)  
[John.Overton@vuw.ac.nz](mailto:John.Overton@vuw.ac.nz)

## Donor Agency Participant Information Sheet

**Title of project:** The Impact of Aid Sanctions on a Developing Country's Civil Society: a case study of Fiji

My name is Morgan Hanks and I am a Master of Development Studies student at Victoria University of Wellington, New Zealand. As part of my degree I am writing a thesis on the impact of aid sanctions on civil society organisations in Fiji. I will be conducting interviews with representatives of Fijian NGOs to understand their views and experiences on how sanctions imposed on Fiji's aid have affected their organisation. I am also interested in what methods these organisations have chosen to adapt to the current political atmosphere in Fiji's development sector.

In order to provide a comparison I would also like to talk to you about the same issues as well as your donor agency's reactions following the coups and its relationships with Fijian NGOs. The discussion we have will be structured around questions I have prepared in relation to this topic.

Victoria University requires all students conducting research with people to undergo ethics assessment and approval. As part of this process there are several things that you need to be aware of before you consent to participate in this research:

- You will be one of only a few people that I interview from donor agencies. Nothing you say will be attributed to you personally, however I will list the roles of those I interview. Therefore I cannot guarantee you will remain confidential despite the fact that I will not use your name.
- With your permission I will tape interviews. Written and electronically recorded material made during the interview will be safely stored and will only be seen by my supervisor and myself. The researcher will take all necessary steps to keep interview information safe during time in the field.
- All interview materials will be destroyed upon completion of the thesis.
- It will be your decision as to whether you and your organisation will be identified or will remain confidential in the published thesis.
- As a participant, you do not have to answer all questions.
- If you agree to take part in the interview you are free to withdraw at any stage without having to give a reason.
- You are free to withdraw any information you have provided before data collection and analysis of the research is complete on 1 December 2010.
- Following our discussions you will have an opportunity to review the information that you provided prior to it being used in the published thesis.

Upon completion of my thesis, a copy will be lodged in the Victoria University library and a summary of findings will be made available to you, if this is of interest. The research may also be published in academic or professional journals and/or disseminated at academic or professional conferences as the opportunity arises.

I hope you will agree to participate in this research and I look forward to speaking with you soon.

Thank you,

Morgan Hanks  
[hanksmorg@myvuw.ac.nz](mailto:hanksmorg@myvuw.ac.nz)  
Fiji mobile: 912.1738

Professor John Overton (Supervisor)  
[John.Overton@vuw.ac.nz](mailto:John.Overton@vuw.ac.nz)

## Participant Information Sheet

**Title of project:** The Impact of Aid Sanctions on a Developing Country's Civil Society: a case study of Fiji

Ni sa bula vinaka. My name is Morgan Hanks and I am a Master of Development Studies student at Victoria University of Wellington, New Zealand. As part of my degree I am writing a thesis on the impact of aid sanctions on civil society organisations in Fiji.

I would like to invite you to participate in an interview in which you will be able to share your experiences and stories of how any fluctuations in funding due to sanctions being imposed on Fiji's aid have impacted local civil society organisations. I am interested in both the direct and indirect ways this has affected local CSO's work. I am also interested in what methods these organisations have chosen to adapt to the current political atmosphere in Fiji's development sector.

The discussion we have will be structured around questions I have prepared in relation to this topic.

Victoria University requires all students conducting research with people to undergo ethics assessment and approval. As part of this process there are several things that you need to be aware of before you consent to participate in this research:

- With your permission I will tape interviews. Written and electronically recorded material made during the interview will be safely stored and will only be seen by my supervisor and myself. The researcher will take all necessary steps to keep interview information safe during time in the field.
- All interview materials will be destroyed upon completion of the thesis.
- It will be your decision as to whether you and your organisation will be identified or will remain confidential in the published thesis.
- As a participant, you do not have to answer all questions.
- If you agree to take part in the interview you are free to withdraw at any stage without having to give a reason.
- You are free to withdraw any information you have provided before data collection and analysis of the research is complete on 1 December 2010.
- Following our discussions you will have an opportunity to review the information that you provided prior to it being used in the published thesis.

Upon completion of my thesis, a copy will be lodged in the Victoria University library and a summary of findings will be made available to you, if this is of interest. The research may also be published in academic or professional journals and/or disseminated at academic or professional conferences as the opportunity arises.

I hope you will agree to participate in this research and I look forward to speaking with you soon.

Vinaka Vakalevu,

Morgan Hanks  
[hanksmorg@myvuw.ac.nz](mailto:hanksmorg@myvuw.ac.nz)  
Fiji mobile: 912.1738

Professor John Overton (Supervisor)  
[John.Overton@vuw.ac.nz](mailto:John.Overton@vuw.ac.nz)



## Consent to Participation in Research

**Title of project:** The Impact of Aid Sanctions on a Developing Country's Civil Society: a case study of Fiji

**Researcher:** Morgan Hanks, School of Geography, Environment and Earth Sciences, Victoria University of Wellington

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I have read the Participant Information Sheet and understand the purpose of this research project.

I understand the interview will be electronically recorded and any notes or recorded material from interviews will be destroyed at the end of the research process.

I understand that all information I provide will be safely stored accessed only by the researcher and research supervisor.

I understand I will have an opportunity to see a summary of the interview.

I understand I may withdraw myself, and any information I have provided, from this research project without explanation at any time before 1 December 2010.

I understand the results of this research will be included in a thesis and may be used for publication in academic or professional journals, and for dissemination at academic or professional conferences.

I agree to take part in this research.

Please tick as appropriate:

I would like to receive a summary of the results of this research when it is completed.

I consent to my name being used when my comments or opinions are used in this research.

**or**

I request that my name be omitted and a pseudonym assigned by the researcher be used if my comments or opinions are included in this research.

I consent to the name of the organisation I work for being used in this research.

**or**

I request the name of the organisation I work for to be omitted from this research.

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Organisation: \_\_\_\_\_ Email: \_\_\_\_\_

Signed: \_\_\_\_\_