

**SPEECH BY
THE HONOURABLE MINISTER FOR WATERWAYS DR. MAHENDRA REDDY AT THE
OPENING FUNCTION OF THE 2018 PACIFIC UPDATE CONFERENCE AT USP, 2018**

- Her Excellency Ms. Amy Crago, The Deputy Australian High Commissioner to Fiji and High Commissioner to Tuvalu;
- Professor Derrick Armstrong, the Acting Vice Chancellor of USP;
- Mr. Yogesh Karan; Permanent Secretary, Office of the Prime Minister, Immigration, Ministry of Sugar and Ministry of Waterways,
- Dr. Neelesh Gounder, Head of USP's Pacific Update Team;
- Representatives of University's Development partners;
- Members of the Regional and International Organizations;
- Senior Government Officials;
- Members of University Council;
- Members of USP Senate, Staff and Students,
- Distinguished Guests, Ladies and gentlemen

Bula Vinaka and a very good morning to you all.

Ladies and Gentlemen, it is indeed an honour to be present amongst you this morning for the opening of the 2018 Pacific Update and to welcome our distinguished guests to Fiji who have come together to deliberate on important policy issues in the region.

I bring along our Honourable Prime Minister, Rear Admiral Frank Bainimarama's special words of appreciation of your presence and invite you all to enjoy the Fijian hospitality during your visit. I, at this juncture applaud the efforts of the partners to this Conference, the Asian Development Bank, Australian National University's Development Policy Centre and our very own regional University of the South Pacific's School of Economics. From the first forum which started off in 2012, this Conference has grown in stature, size and quality and I extend my commendation to successful partnerships who have worked to take this highly successful event to where it is today.

Ladies and Gentlemen, the Pacific Update Conference is a vital forum for discussing important issues of public policy in the region. It is important for governments to get an outside expert opinion on critical matters that will not only ensure that we make the most efficient use of state resources, but also to ensure that we navigate our country in the right direction to secure a brighter future for future generations of Pacific Islanders. Having spent close to 4 years in parliament, and having being at the helm of two Ministries, I fully understand how important this former pursuit is. The concerted deliberations through the gathering of policy makers, academics, researchers, private sector and public sector partners, business people and other development practitioners adds to the prestige of this Conference. It is an excellent example of the link between research and policy thus, contributing to better use of research findings for the ultimate benefit of the society.

But Ladies and Gentlemen, having been in academia in the past and now in the policy making arena, I have noted that sometimes, if not often, research follows policy

making. It has to be the other way around. Policy must be pegged on sound research. Instead, in the absence of sound home grown research, we tend to rely on policy successes in other countries to decide on policy options at home. I do hope that in future, now that we have approved, last year, for the establishment a National Research Council, we could engage more with academia to support policy making as I have said it is not only about optimal public sector resource use but more so about mapping the best path for future generations.

Ladies and Gentlemen, we have more than 11 million people in the Pacific who add on to the earth's population. We even have 12 island nations who are members of the World Bank. We have some of the world's most unique environments including the Pacific being the 'tuna hub' of the world. Our rich culture and traditions has been the jewel of the Pacific and which is marveled by all globally. The friendliness and caring attitude of the Pacific people has given us the tag 'Pacific Way'. We pride ourselves on our food and hospitality. Pacific Island nations are also making their mark internationally in other areas such as, Sports and recreation. As with other countries, we face a number of challenges, some same as what are faced by others, while some unique to us only.

Despite being in the driver's seat for a reasonable period, we continue to notice prevalence of inequality and hardship amongst our population though at varying levels amongst the PICs. Our late attention to rural, interior and maritime community has led to a surge in population growth in urban centers with urban center growth benefits tricking down to only a small number of urban population, the oligarchs in particular. Our inadequate campaign and resources for a healthy population has led rise to rise in NCD's, and poor inadequate investment on resilience building infrastructure has contributed to greater vulnerability from natural disasters, exploitation of natural resources, and more recently climate change effects.

We need to join hands with all stakeholders in tackling these issues. Conferences of this nature which seeks to evaluate policies and research aimed at countering Pacific Island issues is highly instrumental. Over the last three and half years, we have dismantled a number of taboos and myths forwarded by our critiques.

One taboo was using public funds to support the small and micro entrepreneurs. After the collapse of our National Bank, those on the extreme right of the political spectrum argued that Government must keep their hands off the financial system. But government noted that at its present stage of growth and development, we must be the real drivers of the economy. It remodeled its development bank to focus on agriculture sector and started supporting small operators with micro capital injection. In a small economy like Fiji, facing a small number of players in the corporate sector, there is no other sustainable solution to reducing inequality and increasing greater participation of ordinary Fijians then to promote small operators via micro financing. There is remarkable success rates of these initiatives.

There is the other taboo of limiting expatriates in the country arguing that it will crowd out locals from top positions in private and public sector. Contrary to this thinking, our government has not shied away from getting the best and brightest minds to remodel our economy where we can't find equivalent locals. We cannot

compete in the global market by not having the best minds leading our various sectors. The results of this philosophy can be seen throughout Fiji...with more to come.

The third taboo and myth has been to hold back on our borrowings to avoid possible debt trap. But government noted that we need to invest in critical infrastructure and renew old infrastructure to support private sector to grow. This will provide much greater returns in the economy in the longer run surpassing the cost of borrowings and thus not only reducing our debt burden but also deliver on to our ultimate long term vision. Data in regards to this reveal we are doing remarkably well, if not extremely well on this front.

The fourth taboo, as echoed by some members of the opposition party in parliament is where all these graduates from our tertiary institution will go given governments substantial investment in education sector. This comment is based on the narrow view that Fiji is the only market and that all of the graduates will be job seekers. We do not only want a knowledge based society where individuals will conduct themselves based on full information, but we also want to expand the private sector in the longer run. We want thinkers...a thinking community urging to be an entrepreneur. Until such time we are able to achieve this, we will not be able to provide a sustainable solution to the problem of unemployment in small state economies, be it Pacific, the Caribbean or the small states African region.

The fifth taboo and myth has been that climate change may not pose a real danger to volcanic countries like Fiji. Contrary to this school of thought, our government took this issue head on. Our Hon Prime Minister has led the charge at the global level by taking up the Presidency of the 23rd Conference of Parties on Climate Change and at local level, we have taken up significant steps to build resilience to climate change and mitigate effects on vulnerable communities and our infrastructure. We now have a dedicated Ministry of Waterways, we have relocated some communities from vulnerable locations and are drafting policies to define conduct of stakeholders carrying out activities on our natural resources, to name a few.

The sixth taboo and myth has been that our primary sectors may no longer play as critical role for the growth and expansion of the secondary and service sectors. Our Government believes otherwise. We strongly believe that primary sectors will continue to play a very critical and strategic role in the livelihood of all Fijians and if we inject a corporate image in these sectors, then we will no longer see this sector only associated with backward communities but with those who wish to make this a business for them. For far too long we have ridded on advertisements of tertiary institutions who have advertised their programs to get high paying jobs in the formal sector thus treating corporate primary sector jobs as not even an alternative sector for investment. Our education system is now being addressed to change the mindset of the people and supporting institutions are being asked to redefine themselves to deliver on to this vision.

And lastly, we have crushed the myth that national budgets before the election should be an expenditure budget loaded with handouts. We are in the process of building the productive capacity of the economy while at the same time, we want to attend to the

urgent needs of the poor and low income households. We will not be irresponsible in raising minimum wage rates out of tilt of a sound economy, we will not kill efficiency in sectors by loading it with subsidies and attract more inefficient operators and producers in that sector. We are not here to make policies to win an election, but here to make policies to govern the nation to provide a brighter future for all Fijians, today and in years to come. Contrary to what the significant minority may think about the common business lexicon, we are serious about corporate governance within the public sector as well. Our single largest expenditure item is employees' wages and salaries funded by taxpayers. The taxpayers expect nothing less but quality service delivery and that's what our government is striving to achieve via reforms and by construction of service delivery infrastructure.

We live in a period where people's expectations are steadily rising resulting from important changes that is taking place in the structure of the society. In the next decades or so, as our general population are becoming more literate, social adjustments of one kind or another is inevitable in the country. In this era, we must all lead each other to think more about competence at all levels and this is what we in government have begun to do and you all must support this endeavor as you are funding the wages and salaries bill of our civil servants. In this journey of us to establish competence and quality, we must shed of this axiom of neoclassical consumer choice theory of "more is better" as argued by the famous American artist Georgia O'Keefe and be inspired by the view of some social scientists that "more may not necessarily be sustainable".

In conclusion, I wish congratulate again the organizers for putting together a very comprehensive discourse based on scientific research. I note that there are 17 parallel sessions and the research papers and presentations by you all are not a mere academic exercise but a demonstration of you and your organizations commitment towards development and prosperity of Pacific Island Countries.

While I do accept that some of the papers will deal with subject matter research thus pushing the frontier of existing body of knowledge, most papers be within the parameters of problem solving research. However, immaterial of the fact that some of the papers here will be on subject matter and will be published in an "A*"ranked Journal, it still has to contribute, in some way, to the improvement of the welfare of the society at large. Ultimately, that's what the final objective of all research work is and we must not lose sight of this. Having said this, we need to continually question this existing body of knowledge as well as expand it and it's you who are tasked to undertake this noble agenda.

Trust me, we in Cabinet or for our Ministerial statements in parliament, do read and use research papers and value expert opinions. We look forward to the outcome of these deliberations and I now have much pleasure in opening the 2018 Pacific Update.

Vinaka Vakalevu, Dhaanyavaad, and Thank you.