

A number of SDGs are linked to economic development and poverty alleviation.

SDG1 is to end poverty

SDG8 is to promote sustained, inclusive and sustainable economic growth, productive employment and decent work for all

SDG10 is to reduce inequality within and among countries with one of the targets being that by 2030 (i.e. within 14 years from now) to progressively achieve and sustain income growth of the bottom 40 % of the population at a rate higher than the national average”

Debate will cover whether Fiji is on track to reach this target and whether Fiji’s economic growth is benefitting all Fijians?

Madam Speaker

Distinguished Panelists

Ladies and Gentleman

Ensuring basic needs are met for all is important for achieving SDG targets. Inequality is a problem for every society and for every country. And it must be tackled at every step to narrow the gap between the rich and the poor.

Because I will be emphasizing on the role of the private sector beyond what they do, I wish to make it clear that I am not anti-business, anti-investment and anti-profit. I am anti-bad business practice that not only robs a consumer but also robs government and other businesses that trade ethically.

Since the underlying objectives of SDGs are to eradicate poverty, protect the planet and share the prosperity, it is vital to recognize that both consumers and businesses are crucial for economic growth. It is consumption and investments that contributes to economic growth. If businesses are the engines of our economy, then consumers are the fuel that fires the engines. Central Bank revealed today that consumption spending remains main economic driver where consumption related credit increased by 7.8% and private sector credit grew by 10.7%.

To improve people’s quality of lives, it requires effective markets and trade opportunities for people to secure their livelihoods. Trade is a sector that is of interest to businesses that produce and market, governments that regulate the market and also consumers who consume these goods and services. However, traditionally in all this, governments only considered the interest of the private sector, particularly

the formal business sector. And consumer interests were seen as incidental.

But this is not the case in Fiji now. The Fijian Government has demonstrated the importance of consumer protection and empowerment by introducing various policies to protect and promote consumer interests. There is a recognition that consumer rights are central to achieving sustainable development.

We have also seen the Government introducing a range of policies to stimulate inclusive growth. It has rolled out targeted policies for low income earners. Government's agenda also features the development of infrastructure to expand economic opportunities, promoting self - job creation, regulatory and institutional reforms and many more.

In all these where is the private sector? Private sector growth is widely acknowledged as an essential component in poverty alleviation and for providing economic opportunities in any society. However, to focus on growth alone generates a risk of creating or worsening inequality. It has to be growth that strengthens the society and the country as a whole.

But is the private sector in Fiji doing enough beyond creating jobs and paying tax?

- Yes, they create jobs. But are they paying fair wages/salaries? We have all heard the debate when it comes to increasing the National Minimum Wage Rate. I give credit to the Government for increasing 2% employer contribution to benefit employees. Poor is affected more when cost of living increases more than their income.
- Yes, they are paying taxes but are they paying full taxes? Recent study from the World Bank on the black economy reveals that one third of Fiji's GDP i.e. \$3 billion is derived from black or unground economy? Whereas, 2016/2017 National Budget is based on slightly more than 3 billion dollars revenue and expenditure. Tax evasion or tax avoidance is a big issue for Fiji. More needs to be done in this area so that taxes can be collected which can be used for development.
- Does the private sector think of consumers during national budget submission? Yes, they do. But do they pass full VAT/ duty reduction to consumers once the

government reduces Vat/duty on goods and services? Efforts must be made to curb unfair trade practices which are built on the motives of generating more profits by “any means”. **However, I must reiterate that not all businesses are irresponsible or unethical.**

- Are they corporate citizens? Yes, but only **where they can get visibility and praise**? Charity is meaningless if the profits generated are through unfair trade practices, labour exploitation, environmental degradation and abuse of human rights. We need to tackle **social irresponsibility and wage inequality seriously.**

Some inequality is necessary to reward talent, skills and a willingness to innovate and take entrepreneurial risk. However, today’s extreme economic inequality is becoming a threat to our society.

In my view private sector can contribute more to narrow the gap between rich and poor. Government is doing a lot but I feel that the health sector needs more attention. We also need to seriously look at our financial sector to ensure low income and vulnerable consumers can access better financial products at a reasonable price to improve their living standard.

Why Financial services?

Financial services play an important role in social and economic development of a country. Most importantly, it plays a huge role in poverty reduction. Access to credit has enabled families to purchase homes, educate family members, obtain goods and services and create self - employment. Currently the financial services sector is poorly regulated in Fiji and it needs Government attention.

Conclusion

I have said three things today.

Firstly, I have thanked the government for developing policies and programs on consumer protection and consumer empowerment to allow consumers to participate effectively in the marketplace to better their standard of living.

Secondly, I have acknowledged the importance of private sector and emphasized

that private sector can do more to address inequality. **Private sector needs to understand its corporate social responsibility and must trade fairly and pay its taxes which can then be used to address inequality.**

Thirdly, I have emphasized that the Government needs to look into consumer financial protection and improve health services.

Finally, **whether Fiji is on track to reach this target and whether Fiji's economic growth is benefitting all Fijians? My view is that it's too soon to measure but there are indicators (for example decline in poverty from 35% to 28.1%) which shows that the Fiji government's inclusive economic policies are in right direction to achieve SDGs.**