

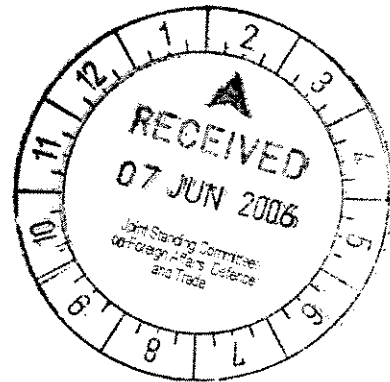


Submission No 2

Inquiry into Australia's aid program in the Pacific

Name: Mr Richard Stone

SUBMISSION



REVIEW

IMPACT OF AUSTRALIAN AID TO THE PACIFIC

HUMAN RIGHTS SUB-COMMITTEE OF THE
JOINT STANDING COMMITTEE ON
FOREIGN AFFAIRS, DEFENCE AND TRADE

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RICHARD STONE

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AIM

This submission to the Review of the Impact of Australian Aid to the Pacific by the Human Rights Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade is about recent developments in the Solomon Islands.

Throughout the submission the following issues are addressed:

- * Strengthening law and justice;
- * Improving economic management and public accountability institutions;
- * Maintaining access to basic services with special reference to health;
- * Anti-corruption and good governance measures;
- * Supporting peace-building and community and civil society development.

The submission also highlights the legacy of problems within the country and the failure of previous issues to be resolved in a satisfactory manner.

A list of recommendations and practical solutions has been provided to resolve outstanding problems.

INTRODUCTION

The recent problems in the Solomon Islands, marked by widespread looting and break-down of law-and-order, were the result of political chicanery and diplomatic links with Taiwan.

The problems of the Solomon Islands, however, have a much longer history. In recent years the country has been troubled with a number of developments including Bougainville and ethnic rivalries.

A general economic decline of the Solomon Islands has tended to exacerbate problems. An urgent need exists to re-generate the economy to provide well-being for the general population.

Failure to address outstanding problems will not resolve issues or the difficulties which have arisen.

BACKGROUND

In recent years Taipei has pursued a particularly aggressive foreign policy toward the Pacific region with the aim of winning international recognition. Its policies are the outcome of backing from the United States and the aggressive foreign policies of the Bush administration. They seek to encircle and contain China as a threat to US hegemony in the Asia-Pacific region and internationally.

As Washington realigns its foreign policy toward the Asia-Pacific region with moves to establish Japan as a full regional super-power, developments within the Solomon Islands have far-reaching implications for Australia. The status quo within the region is being altered. Canberra, however, has no wish to unduly upset Beijing, it seeks a full trade agreement with China in a co-operative regional environment. Other perspectives, nevertheless, have to be taken into consideration. Beijing fears enrichment and military threats to its growing hegemony across the region. Taipei, therefore, with recent diplomatic initiatives in Honiara, has created a regional crisis and serious problems for Canberra.

The Solomon Islands has had a troubled past in recent years.

Problems on Bougainville, technically part of Papua New Guinea, have spilled over into the Solomon Islands. Independence and successionist demands by rebels which arose from disputes over the largest open-cast mine in the world resulted in a major crisis for the Pacific region. Many Bougainvillians identify strongly with Solomon Islanders, historically and culturally. The feelings are mutual. During the Bougainville crisis rebels used Honiara as a headquarters for their organisation and diplomatic attempts to establish independent government. Throughout the armed insurrection and decade-long civil war it was generally recognised the Bougainville rebels had considerable support within the Solomon Islands, as their influences for independent government spread across the region. While agreements between Port Moresby and the rebels have resolved immediate problems with Bougainville, longer standing grievances and ethnic rivalries still exist. (See Appendix One)

Talks between the government of Papua New Guinea and officials from Rio Tinto about restarting exploration on Bougainville have recently taken place. Both parties recognise the sensitive nature of the issue. Rising gold prices together with scarcity of other minerals, however, has provided both parties with enthusiasm to re-open the mine which was closed during the crisis. (See Appendix Two)

Australia is considered a Mother Country to many islanders throughout the Pacific region. There is a strong identification with Canberra; a decision-making centre of a dominant regional power. The role carries serious responsibilities. Political independence for countries such as the Solomon Islands in 1978 did not include

sovereignty of economic affairs for Honiara. Canberra retained an agenda for the South Pacific region.

In recent years the South Pacific agenda of the Australian Government has included attempts to establish policies which usher in a new phase of neo-colonialism and a strengthening of ties between Canberra and Honiara. While attempting to make the agenda appear in the interests of Honiara, Canberra remains desperate to resolve problems largely of their own making from the previous period.

It remains an unfortunate fact that Canberra was poorly informed about developments in the Solomon Islands during the late 1990's. One can but speculate and wonder what quality of intelligence was available in Canberra during the period. Developments indicate it remained of an extremely limited nature, totally insufficient to address outstanding issues of national and international concern. Any serious observer could see a crisis developing in the Solomon Islands. Canberra, nevertheless, refused the necessary assistance to the government of Bart Ulufa'ulu which requested a small contingent of Australian Federal Police to train their counterparts in the country. It was only after the Solomon Islands government was reduced to seeking international assistance to deal with serious problems, for example, that Canberra took any action, held by most observers to be too little, too late. (See Appendix One)

Australia has two reasons for the decisions they have taken in recent years: economic, defence and security. Both remain closely intertwined.

The economic situation within the Solomon Islands has deteriorated. Implementation of economic rationalist policies at the behest of Canberra and international financial institutions has resulted in economic decline and collapse. The economy, dependent upon Australia, is a shambles. The flight of capital has been enormous. Having been plundered and pillaged by the metropolis, GDP, today, is half, in real terms, what it was at independence in 1978. These developments have not resulted in improved life-chances and living standards for large sections of the population. To the contrary, the policies have resulted in a large section of the population being forced into a precarious existence on the very margins of capitalism.

The economic crisis which confronts decision-makers in Honiara has considerable bearing upon counterparts in Canberra. Despite enormous revenue being generated by mining companies' returns on private investments in mining and other industries the mass of the population see few advantages. They receive little benefit from such economic development. Many Solomon Islanders live traditional life-styles. The role of mining companies and other business organisations has also upset traditional Melanesian authority patterns and life-styles, exacerbating many problems which include rising crime rates, concerns about law-and-order and widespread corruption.

Secondly, defence and security issues remain of paramount importance for Canberra. In an era of international tensions and hostilities Australia requires strong and reliable

government in Honiara. The legitimacy of many of the institutions of state in the Solomon Islands has, however, been undermined by general economic decimation. Canberra is increasingly concerned whom and what organisations will fill the vacuum.

Far from being a small, far-flung country to the northern shores of Queensland, the Solomon Islands has become a major problem for Canberra.

Using the pretext of a deteriorating security situation, Canberra ratified a report from the Australian Strategic Policy Institute (ASPI) which recommended government policies based on 'co-operative intervention'. While attempting to present the policies as humanitarian, Canberra has sought to establish more formal neo-colonial control with agendas which are big-business-orientated. It should be noted mining companies present a formidable lobby in Canberra. Decision-makers appear to have accepted many of the presentations of their spokespeople without serious questions being raised.

This is clearly specified from the ASPI report with statements which include, 'Despite its poverty, there is wealth in the Solomon Islands', and 'the collapse of the Solomon Islands is depriving Australia of business and investment opportunities'. (1) Blueprints presented by the ASPI offer development plans for the Solomon Islands which makes the country safe for the business-classes.

Examples of the detached way of thinking employed by decision-makers in Canberra who plan blue-prints for the Solomon Islands include statements from such people as Satish Chand in the Pacific Economic Bulletin. The publication is a product of the Asia-Pacific School of Economics and Government, the Australian National University. The blueprints they offer may as well begin with the statement, 'Once upon a time', and conclude with, 'And they all lived happily ever after'. There appears little room in the cosy, fantasy-type images for the mass of the population of the Solomon Islands who remain poverty-stricken.

Chand acknowledges the first role of government is as a provider of basic services such as basic health-care and primary education.(2) When addressing access to basic services including primary education and basic health-care, Chand specifies, 'It is envisaged that international donors who have funds and necessary expertise will become heavily involved at this stage. The onus will be on planners to ensure that new public investments provide the best possible return'.(3)

The fact a large section of the population of the Solomon Islands live without a regular source of income and are unable to pay for basic services is conventionally overlooked by Canberra. One can but wonder what level and standard of basic services Chand envisages for the mass of the population. The fact such facilities, which in common-sense terms provide the basis for people to become integrated into

decision-making processes and society, are regarded as investments for foreign business interests, is little other than a disgrace.

It remains unlikely the Solomon Islands will develop a strong, business-orientated economy, under present global conditions. The general problem is recognised by those situated within the heartlands of the United States National Security Council (NSC); an organisation composed of the President, Vice-President, Secretary of State and Secretary of Defence. It is a supreme body situated over numerous intelligence and security organisations. A document released by Washington in 2001 as a result of an 18-month project involving NSC personnel and independent consultants concluded it was unlikely economic globalisation would result in benefits and a well-being during the coming 15-year period. It was noted the gap between rich and poor, both within countries and between them, was growing and would continue to do so.(4)

It is highly significant to note public statements from Canberra concerning the successes of globalisation and supposed benefits created by a trickle-down effect for millions of people became much less common following disclosures in the document. The document further specified the developing world was likely to fall far behind the richer, more technologically advanced countries, led by the United States. Technological advancement, for the former, logically implied greater dependency upon the latter, emphasising a more exploitative relationship. Washington further recognised problems of political instability created by their policies.

Serious academic research studies throughout the recent period have highlighted the effects of globalisation. In 1980 the income of the advanced, industrial countries was eleven times larger than the developing world. By 2000 it had risen to 23 times larger. Policies of international financial institutions have contributed toward a doubling of world inequality in twenty years. Between 1980 and 2000 the share of world income held by the developing world fell from 29 per cent to 19 per cent. Studies show the inequality grew at an annual rate of 2.4 per cent in the period 1970-80, and an annual rate of 3.9 per cent in the period, 1980-2000.(5)

Research by United Nations organisations support the view marginalisation is an increasing problem within the developing world.(6)

The marginal existence of many people in the developing world and the failure of Canberra to provide adequate security for many Solomon Islanders in recent times has been highlighted in a recent United Nations report completed in October, 2004. The report, about child exploitation in the Solomon Islands has provided an insight into widespread child abuse, child pornography and the trafficking of children for sexual purposes. The report remains unpublished and considerable obstacles are placed in the path of those wishing to obtain access to the UN document. Parts were leaked, however, to Time magazine. What little information is available, makes unsavoury reading. (See Appendix 3) It remains highly likely many Solomon Islanders are

extremely angry about these developments and the failure of Canberra to police some of their own personnel who have been held responsible for disgraceful and criminal behaviour.

Concerns have also been raised in the recent period about the Solomon Islands becoming part of international drug-smuggling operations by criminal syndicates. It should be noted the problem only appears to have arisen during the period of Australian military involvement. Numerous statements about drug-taking have been published.(7)

Recent developments also provide ample evidence how another country can, with relative ease, breach what Australia regards as its security and proceed to create conditions for widespread damage to infrastructure and property. A government was also destabilised and toppled. Whatever would have happened in time of war? Perhaps what is more to the point, is Australia is in danger of being dragged into a war situation at some future date by failure to address and resolve pressing issues?

Canberra is faced with the realisation its role in the Solomon Islands does not form a rich, proud history. Decades of neglect, ulterior motives and hidden agendas masking neo-colonialism have come to haunt this country. Crass incompetence and ineptitude do not make Australia proud.

REPORT

Aid and assistance by Canberra for the Solomon Islands in recent years have taken place to:

1. restore and achieve Australian security with the Defence of Australia doctrine;
2. enable the general exploitation of the vast mineral deposits and raw materials.

It has been unsuccessful as illustrated by recent violence, disorder and subsequent repression.

If the economy of the Solomon Islands is to be developed for the benefit of the mass of the population and to achieve stability through consensus it requires immediate aid and assistance for:

- a. small-scale economic projects and co-operative development to provide meaningful and regular employment and essential services for the mass of the population;
- b. housing programmes;
- c. educational, health and welfare programmes;

Economic development programmes benefiting the mass of the population will create the necessary conditions for political initiatives and responsible, transparent government commanding the respect of citizens and voters. Solomon Islanders will then have a vested interest in the maintenance of law-and-order and their country if they are allowed a mainstream existence of the society of which they form part and an appropriate standard of living.

Plans by Canberra to rely on the Solomon Islands for co-operation with security issues will then be based on firm foundations as opposed to repressive measures.

CONCLUSION

Important issues in the Solomon Islands require the immediate attention of Australia and the international community.

Failure to address the immediate problems of the Solomon Islands will create conditions for a further escalation of problems. While the mass of Melanesian people are renowned for their placid, humane and collective lifestyles, the continued economic decline of the country has exacerbated many problems. Tensions run high. It should be noted fears exist of further ethnic rivalries and hostilities which could potentially create conditions for islands under the present sovereignty of Honiara to declare autonomy or independence; a nightmare scenario for Canberra.

Failure to address the problems of the Solomon Islands will create widespread distress among the islanders. Further ineptitude by decision-makers in Canberra will cost Australia dear; enormous expense for Australian tax-payers.

To date, Canberra has been hesitant to declare the costs of the recent military involvement. It is generally considered to be enormous, far, far in excess of the cost of providing the small contingent of Australian Federal Police officers requested by the government of Bart Ululfa'alu to resolve problems in the late 1990's.

RECOMMENDATIONS

1. Canberra should reconsider its options and alter existing plans for the Solomon Islands.
 2. An urgent need exists to use the expertise of agencies which have the necessary skills to assist with the economic development of the Solomon Islands. The matter should be dealt with immediately using APHEDA, the international aid arm of the Australian Council of Trade Unions (ACTU) and sympathetic aid agencies.
 3. Canberra should assist with the economic initiatives by providing a sympathetic environment to allow enterprise to flourish.
 4. Stringent controls in banking and commerce to prevent the flight of capital should be introduced.
 5. Regulatory bodies such as AUSTRAC be introduced to provide appropriate policing of the economy and prevention of non-legitimate finance in the country.
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