



Submission No 31

Inquiry into Australia's aid program in the Pacific

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Executive Summary

This paper argues that in order to enhance cooperation and self-reliance among the Pacific Island nations, Australia's aid program should be directed towards strengthening regional institutions, as far as possible, looking towards the development of an eventual Pacific Community. Specific proposals include:

- Australia's aid should be channelled, where feasible, through the Forum Secretariat or other regional institutions;
- Funds should be provided for regular meetings of a Pacific Council of regional cabinet ministers;
- Funds should be provided to set up regional marketing boards for timber, fish, and other major island products;
- Funds and technical assistance should be provided for regional monitoring and surveillance of logging activities and fishing vessels in the region;
- Funds and technical assistance should be provided to set up a Development Bank to provide micro-credit loans in the Pacific region;
- An educational authority should be set up to monitor educational standards and provide distance education facilities for the region;
- A Pacific Islands Regiment should be set up to carry out peace-keeping duties, and provide training and employment in the region.

Introduction

It is generally agreed that Australia has important responsibilities towards the Pacific Island nations in our neighbourhood. As the largest and wealthiest country in the region, we should be concerned to promote security, good governance and economic development in the islands. Establishing peace and prosperity in the region is important to all of us, especially in view of the current 'war on terror'.

It also seems to be generally agreed that short-term, 'Band-Aid' programs of aid are not of great use in the long term, and tend to promote a culture of dependency. It is far better to develop self-reliance and indigenous development by means of suitably targeted, longer-term aid programs.

The aim of the World Citizens Association is to campaign for better governance at both the regional and global levels. At the regional level, we look forward to the development of the Pacific Islands Forum into a fully-fledged Pacific Community, an economic association for the common benefit of all the island nations, within the next few years. The smaller islands, in particular, cannot possibly fulfil their aspirations to a prosperous modern lifestyle relying solely on their own resources. Islands such as tiny Niue, for example, with only 2000 inhabitants, are not large enough to support a university or a hospital. For tertiary education or anything more than basic health care, they must look offshore. The development of a Pacific Community is therefore of vital importance to them if they are to enter the modern world.

Many elements of such a community already exist, of course, such as the University of the South Pacific, or have been foreshadowed, such as the new Technical College. In the longer term, we would hope that a political association will also develop. We believe that Australia's aid program should be shaped so as to help

bring about these developments. Similar ideas are foreshadowed in the Pacific Plan, agreed recently in New Guinea.

Specific Suggestions

With these ideas as background, we would like to put forward the following suggestions for Australia's aid program:

1) Reinforcing the Forum Secretariat

As part of the campaign to strengthen regional governance and promote co-operation and self-reliance in the region, a large proportion of our aid should be channelled through the Forum Secretariat and other regional institutions. The Australian contribution to the Secretariat has doubled recently to \$9 million, and the size of the Secretariat has also doubled; but this is still small beer compared, say, to the annual budget of a single Australian university, which might be \$500 million. We should aim to boost the Secretariat budget to of order \$100 million within a few years, adding new functions as appropriate, and perhaps seconding Australian personnel to it where necessary. One important new function which has been flagged by the Secretary-General, Greg Urwin, is the provision of auditing services to help check corruption in the islands.

2) Institution of a Pacific Council.

The leaders of the Forum nations already meet once a year to coordinate policy. Funds should be provided to the Secretariat to underwrite the meetings of a 'Pacific Council' as well, or in other words, regular meetings of Ministers from the Forum countries to set policy in specific areas, after the pattern of the European Council. This would have to be approved by the Forum leaders, of course.

For example, Forestry Ministers from the Melanesian nations, plus Australia and New Zealand, could meet to coordinate action on the logging industry, one of the mainstays of the island economies. It is well known that the logging industry in the Islands faces enormous problems of corruption, illegal logging, and unsustainable rates of harvesting. Contracts are often let way below market prices; a recent report estimates that three out of four logs harvested in New Guinea are taken illegally; and the rainforests of the Solomon Islands will all be gone in five or six years at the current rate. The Forestry Ministers could agree on measures such as:

- Establishing a common marketing authority for forestry products to ensure that market prices are achieved, thus boosting income by many millions of dollars, and checking corruption in the industry;
- Establishing a common regulatory authority, using technical resources such as satellite data from Australia plus on-site patrols to monitor and prevent illegal logging, ensure that logged areas are properly replanted, and cut back harvesting to sustainable levels.

3) Economic Initiatives

Further regional initiatives which could be undertaken with aid from Australia in the medium term include:

- Establishment of a common Marketing Authority for other Island products. Despite the recent tribulations of the AWB, a collective marketing authority can be very effective in offsetting the purchasing power of multinational companies.
- Establishment of a Development Bank for the Pacific, to act as a focus for aid and economic development in the region. The model here is the Grameen Bank, which provides ‘microcredit’ loans to help get household productive enterprises off the ground in Bangladesh and elsewhere, which has apparently been very successful.
- Establishment of common regulatory and marketing authorities for the fishing industry. This is another mainstay industry for the islands, and the problems here mirror those of the logging industry, including the exhaustion of fish stocks and illegal poaching by international operators. Again, Australian aid could provide resources for surveillance and control of the Maritime Exclusive Economic Zones of the islands, to set up a Pacific Islands Maritime Patrol to combat illegal fishing, piracy, drug smuggling and similar problems in the region. Such a force would probably need to involve both seaborne and airborne elements, and might also be able to make use of facilities such as the Jindalee over-the-horizon radar installation in Australia. This is already happening to some extent, but no doubt more can be done.

4) Educational Initiatives

The building of a new Technical College for the region is an excellent idea. Another measure might be:

- Establishment of a regional educational authority to monitor educational standards and promote better education in the region. Providing distance education would be another obvious beneficial role.

5) Security

This is a sensitive area which goes to core issues of national sovereignty, and the Pacific Plan is notably bare of long-term aims in this section. We have already argued, however, that it would only be sensible to look for the creation of a regional Maritime Patrol

Another obvious thought would be the creation of a land-based security force, perhaps a Pacific Islands Regiment, to carry out peacekeeping duties both within and outside the region, and if necessary to intervene in “extra-constitutional crises” in the region. Interventions by such a force would carry much greater legitimacy than a similar intervention by (say) Australian or New Zealand forces, which are always subject to charges of paternalism or neo-colonialism. It could also provide a significant source of employment for some of the smaller islands.

Conclusions

The Pacific Islands Forum is already firmly launched on a path towards greater integration. If wisely managed, this course will indeed lead to a Pacific region

“of peace, harmony, security and economic prosperity, so that all its people can lead free and worthwhile lives.”

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