



**AUSTRALIAN  
COUNCIL FOR  
OVERSEAS AID**

**INQUIRY INTO AUSTRALIA'S  
RELATIONSHIP WITH  
PAPUA NEW GUINEA  
AND OTHER  
PACIFIC ISLAND COUNTRIES**

**SUBMISSION  
TO THE  
SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE  
REFERENCES COMMITTEE**



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ACFOA is the coordinating body for some 100 Australian non government organisations in Australia and administers a Code of Conduct committing members to high standards of integrity and accountability. ACFOA is an NGO in Special Consultative status with the Economic and Social Council of the United Nations.

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## **EXECUTIVE SUMMARY**

ACFOA welcomes the opportunity to comment on Australia's relationship with Papua New Guinea and other Pacific Island Countries. In this submission, ACFOA draws on the wide experience of its 100 NGO member organizations in the aid and development sector. Many have extensive knowledge and understanding of the Pacific Islands Region which has grown from working in long-term partnerships with Pacific Island governments and communities.

This submission includes comprehensive information which ACFOA and its members consider important in assisting the Inquiry to fully appreciate and understand the current Pacific Islands context. We make a number of recommendations aimed at strengthening Australia's relations with its Pacific Island neighbours. The key principles of these recommendations centre on the importance of Australia's relations with Pacific Island Countries being based on (i) a more sensitive approach, which fully appreciates Pacific Island diversity; (ii) recognition of the strong linkages between Pacific poverty reduction and regional security; and (iii) a clear understanding of the benefits to Australia of having stability within the region.

Australia's engagement with its Pacific Island neighbours, through a strengthened partnership based on mutual respect and heightened understanding, is important in furthering Australia's interests for the following reasons:

### ***Strategic***

- Australia, together with New Zealand, has strong historical linkages with the Pacific Island Countries – together they make up the Pacific Region where there are mutual strategic, economic and geographic interests;
- Economic and environmental vulnerability of Pacific Island Developing States is well recognized internationally. Australia is seen by other OECD countries as having a prime leadership role in assisting its Pacific Island neighbours to develop;
- The 14 independent and self-governing Pacific Island states form a strong voice which could provide support for Australia's positions on the international front, e.g. UN Security Council, World Trade Organisation, etc.;
- Increasingly, other donor country support is coming into the Region. This could result in a loss of strategic advantage for Australia and a gain in influence for countries that are not directly part of the Region, e.g. China, EU.

### ***Economic***

- Poverty, whilst not in itself a direct cause of conflict, can produce a number of preconditions for unrest. Growing poverty in the Pacific could thus lead to increasing pockets of conflict which will have an impact on Australia's budget for defence, aid and migration;
- Conflict and economic instability in the region result in a crisis-driven focus for Australia's aid and, as the Minister for Foreign Affairs has stated, "Violent conflicts reverse development gains and cause poverty, while high levels of poverty increase the risk of violent conflict";
- Poverty, conflict and economic instability in Pacific Island countries lead to greater out-migration and displacement of Pacific people who inevitably look to their developed neighbours (Australia and New Zealand) for employment and support. This has implications and costs for Australia;
- Regional stability, on the other hand, brings important benefits to the Pacific Islands as well as to Australia and New Zealand – through tourism and trade.

## **Humanitarian**

- Besides the above strategic and economic reasons for good Australian/Pacific Island relations, there are important, less measurable humanitarian considerations which also have an impact on Australia. For example,
  - (i) increased incidence of HIV/AIDS will place great stress on already inadequate Pacific Island health services with a likely impact on the Australian aid budget. As well, HIV/AIDS knows no borders and a pandemic in the Pacific Islands has implications for Australia;
  - (ii) food and drinking water security issues in very fragile environments will have an impact on Australia's aid budget;
  - (iii) non-competitive trade situations, vulnerable economic situations and associated rising levels of international debt if left unattended will continue to make the Pacific Island Countries heavily dependent on Australia.

ACFOA appreciates the strong focus on the Pacific Islands Region and increased total aid flows to the Pacific, announced by the Minister for Foreign Affairs in the 2002-03 budget statement. The AusAID "Peace, Conflict and Development Policy" and the draft AusAID Pacific Regional Strategy 2002-2006 are also welcomed as positive guiding tools towards regional peace and stability and associated poverty reduction. ACFOA welcomes further positive initiatives by the Government.

However, Australia can do more to strengthen its relations with PNG and other Pacific Island Countries and this submission makes recommendations under the four headings as requested by the Committee of Inquiry (see Recommendations Section). Within these recommendations there are several major elements that we believe to be vitally important:

### **I. The current state of political relations between regional states and Australia and New Zealand**

ACFOA recommends that Australia's future relations adopt a strong, yet sensitive people-centred approach to technical advice and guidance. Such an approach should reflect an appreciation of the specific Pacific Islands context, value systems and recognize local and national diversity. It is also recommended that Australia adopt a proactive approach to restore Australia's image in the Region following events associated with the Pacific Solution. Australia's relations in the Pacific could also be enhanced by representation, in future Pacific Island Forums, at the highest political level. Efforts to build good mutually respectful relations with the new, upcoming generation of Pacific Island leaders would further strengthen future relations. Efforts by many developed countries, to reduce greenhouse gas emissions have been welcomed by the vulnerable Pacific Island Countries. Australia could improve its relations in the region through additional investigation of measures to further reduce Australian levels of such emissions.

### **II. Economic relations, including trade, tourism and investment**

A supportive relationship between Australia and its Pacific Island neighbours is vital to ensuring regional peace and stability. Such support should continue to focus on poverty reduction, through a good governance agenda. However, ACFOA believes that the definition of "good governance" should be more broadly defined. "Good governance" should encompass a strong human-rights and democratic reform approach, targetting not only Pacific Island Countries but also the global institutions and donor nations with which they interact.

Increasing international debt of Pacific Island Countries is a matter for concern and it is recommended that Australia closely monitors this trend and provides a voice on the international front to assist with debt relief measures, recognising the early formative stage of island economies and their vulnerability. ACFOA encourages Australia to support regional initiatives on security, transnational crime and trade that will result in support of both Australia's and Pacific Islands' interests.

**III. Development cooperation relationships with the various states of the region, including the future direction of the overall development cooperation program.**

ACFOA encourages continued support for basic education, health (especially HIV/AIDS), trade-related capacity building, food security and management of natural resources. AusAID's policy on "Peace, Conflict and Development", together with the draft AusAID Pacific Regional Strategy 2002 – 2006 are positive guides to regional growth and stability and recognise that 'conflict' can be a powerful reverser of development gains. Accordingly, it is recommended that increased support be forthcoming for existing and potential conflict areas, such as Solomon Islands and Vanuatu, noting also the emerging issue of Irian Jaya/West Papua.

ACFOA recommends that Australia's approach to aid delivery makes greater use of the strong Australian/Pacific NGO and community partnerships already existing. Such an approach is recommended in light of the importance of long-term on-the-ground assistance and capacity building across all sectors that facilitate Pacific Island 'ownership' of aid delivery and in line with the democratic reform agenda. Considerable expertise and experience exists in Australia through returned field workers from the NGO sector whose knowledge could greatly assist in guiding future aid delivery.

**IV. The implications for Australia of political, economic and security developments in the region.**

The important connection between poverty, economic instability and conflict cannot be overstated. ACFOA calls upon the Australian Government to monitor the Pacific Island levels of international debt and requests Australia to raise its concern with multilateral bodies such as the Asian Development Bank (ADB).

ACFOA recommends greater donor harmonization, especially in light of the increasing "other donor country" support creeping into the region. The increasing influence and strategic alliances from countries outside the region could, in the long-term, result in a weakening of Australia's important historical and strategic ties to its Pacific Island neighbours.

This Inquiry is most timely, coming at a crucial time in Pacific regional developments. It is in Australia's interests to be part of an economically robust and politically stable Pacific Region. ACFOA commends this submission to you as a contribution to how Australia can achieve this objective.

## **SUMMARY OF RECOMMENDATIONS**

### **The current state of political relations between regional states and Australia and New Zealand**

#### **It is recommended that:**

- 1. Australia continues, at officials level, to adopt a supportive role at regional and international forums, providing “strong yet sensitive” technical advice and guidance to Pacific Island Countries which reflects Australia’s appreciation of Pacific Island perspectives and cultural sensitivities;**
- 2. Australia endeavours, at the political level, to restore Australia’s image in the region through proactive statements that reflect Australia’s appreciation to the people and governments of Nauru and PNG (Manus) for their role in assisting with the Pacific Solution. It is important, in this context that the statements show a degree of humility and an understanding of the impact on local communities;**
- 3. Australia follows the lead of other industrialised nations with regard to greenhouse gas emissions seriously investigating measures to reduce emissions while reviewing its decision regarding the Kyoto Protocol, noting especially the potentially significant impact of climate change and sea level rise on vulnerable Pacific Island Countries;**
- 4. Australia, at the political level takes cognisance of, and builds good mutually respectful relations with, the new (and upcoming) generation of Pacific Island leaders;**
- 5. Australia, whilst strengthening its existing focus on ‘basic’ education in its aid support to the Pacific education sector, should also encourage Australian academic institutions to give additional emphasis to Pacific Studies and research, through strengthened linkages between Australian and Pacific national and regional universities and other tertiary institutions. This recommendation highlights the importance of a better understanding by Australians of their near neighbours;**
- 6. Australia, in recognition of its location as part of the Pacific Region, makes a serious awareness-raising effort to increase the Australian public’s knowledge of its Pacific Island neighbours through incorporation of Pacific Islands content in formal and non-formal education curricula;**
- 7. AusAID, whilst maintaining its existing focus on poverty reduction through good governance in Pacific Island Countries, should review its mode of aid delivery in the Pacific, making it less “short-term consultant oriented” and more “longer-term on-the-ground community oriented”, tapping into existing partnerships developed between the Australian NGO aid and development sector and their Pacific partners.**

## **Economic Relations, including trade, tourism and investment**

### **It is recommended that:**

- 8. Australia continues its support to Pacific Island Countries through the "good governance" agenda. However, the "good governance" agenda should be more broadly defined to place greater emphasis on (a) a human rights based approach; (b) democratic reform at national level and also of global institutions (c) social impact assessment of aid and debt, especially that associated with global and transnational involvement in Pacific Island countries, eg ADB, World Bank;**
- 9. Australia gives due regard to social and cultural impact in its structural adjustment programs in the Pacific. Involvement of all sectors of society in the early stages of program development will lessen the chances of adverse impact.**
- 10. Australia continues to give priority to the Pacific Islands Region through its aid budget;**
- 11. Australia takes a proactive approach, at international forums, calling for fairer trade relations for Pacific Island Countries, given their vulnerability and competitive disadvantages.**
- 12. Australia makes firm commitments to significant levels of funding for appropriate trade-related capacity building and food security projects in Pacific Island Countries;**
- 13. Australia, at international forums, proactively calls for debt relief for Pacific Island Countries;**
- 14. Australia continues to support Regional initiatives on security and transnational crime;**
- 15. Australia maintains the existing financial commitment to the global National Human Rights Institutions (NHRI) program through the OHCHR Voluntary Trust Fund;**
- 16. Australia examines options through the Centre for Democratic Institutions (CDI) for training workshops for NGO networks and associations in countries, additional to those where training is already underway.**



## **Development Cooperation Relationships with the various states of the region, including the future direction of the overall development cooperation program**

**It is recommended that:**

**17. Australia's development cooperation relationships take fully into account the Pacific Islands context, recognising:**

- the importance of consultation across all sectors of society at the very earliest stages of project development;**
- diversity (national, cultural) and the unique and complex circumstances of each society;**
- Pacific "value systems", appreciating the differences between these and western value systems;**
- that "poverty" in the Pacific is a serious issue although of a form different to that of other developing parts of the world;**
- the importance of not "cutting and pasting" economic models from industrialised countries but rather developing ones that are appropriate to the respective Pacific Island Countries and their 'specific' national characteristics;**
- the importance within the Pacific Islands Region of a people-centred approach to aid, especially through national capacity building across all sectors of society (government, community and private sector);**
- the valuable role played by the Australian NGO aid and development sector and the potential for greater utilisation by AusAID of Australian NGOs and their Pacific partners in Programme implementation;**
- the benefits to Pacific Island Countries of hands-on capacity building and culturally appropriate skills transfer provided through Australian Volunteer attachment.**

**18. Australia, continues its long-term sustainable development and poverty alleviation agenda thus ensuring that Pacific economies are healthy and that crises, and a crisis-driven approach to Pacific aid, are avoided;**

**19. Australia ensures that development cooperation relationships associated with natural resource management take into account that: (a) benefits remain with the community owners; (b) projects are of an appropriate scale and technology; (c) significant value can be added through a community-based approach;**

**20. Australia ensures effective community involvement and Pacific Islander 'ownership' of aid programs through a stronger emphasis on capacity building through civil society partnerships between Pacific Island community groups and the Australian aid and development (NGO) sector;**

- 21. Australia takes heed of the emerging issue of Irian Jaya/West Papua and notes that it already appears on Pacific regional agendas;**
- 22. Australia recognises the seriousness to the Pacific Islands Region of the spread of HIV/AIDS, especially noting that in many countries incidence could be much higher than is actually reported. In this regard, it is recommended that Australia further strengthens its support to HIV/AIDS education and strengthening of health services;**
- 23. Australia recognises the knowledge and skills of returned field workers from the NGO aid and development sector, including Australian Volunteers and utilises their expertise in helping guide future aid development work.**

## **The Implications for Australia of political, economic and security developments in the region**

### **It is recommended that:**

- 24. In the interests of Pacific regional stability, Australia continues to recognise the importance of a Pacific Islands "poverty alleviation" focus in its aid program, appreciating especially that "conflict" is a powerful reverser of development gains;**
- 25. In light of the above and in line with AusAID's "Peace, Conflict and Development Policy", Australia continues to provide assistance through increased budgetary allocations, especially targeting those countries where the potential for future conflict exists;**
- 26. Australia continues to support Regional initiatives on security and transnational crime;**
- 27. Australia undertakes a specially commissioned review of future employment prospects for Pacific Islanders in Australia, consistent with the type of skills required by Australia and taking into account the issues associated with the Pacific Islands 'brain drain';**
- 28. Australia notes the growing presence of "other donor country support" within the Pacific Islands Region and calls for greater coordination by Australia with these other donor countries, similar to the current efforts at donor harmonisation being explored between Australia and New Zealand;**
- 29. Australia takes a proactive role at international forums to support measures that will assist fairer trade outcomes and debt reduction in Pacific Island Countries.**

## INTRODUCTION

The Australian Council for Overseas Aid (ACFOA) welcomes the opportunity to provide a submission to the Inquiry into Australia's Relationship with Papua New Guinea and Other Pacific Island Countries. ACFOA is an association of some 100 Australian Non Government Organisations (NGOs) working in international aid and development, whose vision is attainment of sustainable human development by people in developing countries to ensure that they enjoy the full range of human rights, opportunities for real life choices, free from injustice, poverty and inequities. A list of ACFOA's Members is attached as Appendix I.

At their 2001 Governing Council Meeting, ACFOA Members agreed to strengthen their engagement in the **Pacific Islands Region** and to enhance their policy dialogue on Pacific issues with AusAID, DFAT and other relevant government and multilateral agencies. Within an overall framework of poverty reduction based on sustainable development, ACFOA members have identified their key areas of focus within the Pacific Islands Region as:

- human rights – self reliance and good governance;
- employment – focused on youth and women;
- trade, debt and structural adjustment – macroeconomic issues;
- environment - development and natural resources, including the impacts of climate change, forestry and mining (1).

ACFOA members undertake a significant amount of development work in the Pacific Islands Region with a range of Pacific partners including churches, community groups and regional and national NGOs. A list outlining Australian NGO-supported Projects in the Pacific in 2001 is attached as Appendix II, together with a table showing Australian NGO spending in the Pacific in 2001, Appendix III.

Accordingly, ACFOA is providing a submission to this Inquiry on behalf of its members in recognition of the significant role played by the Australian aid and development sector in PNG and other Pacific Island Countries.

Some of our members will also be making their own submission on particular issues and ACFOA commends these to you.

# 1. THE CURRENT STATE OF POLITICAL RELATIONS BETWEEN REGIONAL STATES AND AUSTRALIA AND NEW ZEALAND

## Historical relationship

Australia and New Zealand have historically (dating back to the signing of the Canberra Agreement in 1947 and beyond) had very good political relations with Pacific Island Countries (PICs) (2). Both Australia and New Zealand have been regarded by PICs as important players on the regional scene that, unlike some other major powers in the Pacific Region, have adopted a relatively sensitive approach, especially with regard to regional stability and security, economic support, technical assistance and financial aid. As important voices at regional and international meetings, both Australia and New Zealand have been looked to by Pacific Island governments and administrations as major sources of advice and guidance. Their significant support to the Pacific regional organisations (which make up the Council of Regional Organisations in the Pacific - CROP) as well as Australian and New Zealand bi-lateral assistance to Pacific Islands, has far surpassed support from other donor sources both in terms of consistently high level and relevance.

Australia and New Zealand's recognition of the importance of harmonisation of donor policies and practices in delivering aid to the Pacific, has also been applauded in the Pacific Islands region. Donor coordination has been on the regional agenda for a number of years, and a range of donor countries and organisations have discussed the importance of (i) information sharing, (ii) avoiding duplication, (iii) strengthening inter-agency contacts and facilitating the flow of ideas. Australia and New Zealand have specifically taken concrete steps and shown a commitment to seriously address some major donor aid coordination issues through the Joint Mission, commissioned by AusAID and the New Zealand Ministry for Foreign Affairs and Trade (MFAT), resulting in the March 2001 report, 'Harmonising Donor Policies and Practices in the Pacific' (3).

Australian and New Zealand officials at Pacific regional and national forums have historically been very well regarded by their Pacific Island partners. They have adopted positions and made statements (usually in accord with each other) which have consistently reflected a sensitivity to the needs of their Pacific neighbours – a process that has been built up over a long period and which has engendered respect for Australia's and New Zealand's role with their PIC neighbours in the region. Both countries have a history of giving strong moral support and guidance to their PIC neighbours when the latter have been faced with external threats such as from nuclear testing, hazardous waste dumping and driftnet fishing activities instigated and undertaken mostly by countries from outside the region. PICs have thus experienced a high level of protection and security from their two closest developed country neighbours.

Australian and New Zealand Government policy towards the region is influenced by the notion of promoting regional "stability". Key allies see Australia playing a central role in the Pacific, as noted in the 1997 White Paper *In the National Interest – Australia's Foreign and Trade Policy*: "Australia's international standing, especially in East Asia and North America and Europe, is influenced by perceptions of how well Australia fulfils a leadership role in the islands region. (4)" New Zealand diplomat Nigel Moore has noted, "countries in North America, Asia and Europe look to New Zealand and Australia for interpretation of what's happening in the region. And when the Pacific goes through a tough patch - as it is now - they have more than a passing interest in how we plan to respond. (5)"

## **Relationships in 2002**

Despite earlier good relations, recent events within the region have served to taint Australia's reputation as a relevant and sensitive aid provider and supporter of the national and cultural interests of its PIC neighbours. These events are associated not only with the Pacific Solution but also relate to Prime Ministerial absence from the Region's major political meeting - the Pacific Islands Forum and possible concern, following leakage of an official document containing adverse remarks about Pacific Island leadership. New Zealand, on the other hand, has been careful to nurture its Pacific image as was recently evidenced by the New Zealand Prime Minister's apology, during Samoa's 40<sup>th</sup> Independence celebrations, for her country's past colonial misdemeanours. This apology, whilst only a verbal gesture, nevertheless served to give a strong and positive message to New Zealand's Pacific neighbours which showed significant understanding on the part of New Zealand at the political level, of the cultural importance of humility. As the Samoan Prime Minister, Tuilaepa Sa'ilele Malielegaoi said, "...many New Zealanders were not aware of the many injustices Samoans have suffered under New Zealand colonialism. The apology is an ideal avenue to inform New Zealanders of what had happened here during those early years....we thank Ms Clark for this thoughtful goodwill gesture. (6)"

## **Australia's Pacific Solution**

Although not overtly stated in PIC government quarters, political relations between PICs and Australia have been damaged of recent times, especially through Australia's Pacific Solution to the refugee problem. The Pacific indigenous NGO and Church sectors have been vocal throughout in expressing concern over the situation. In a joint statement by the major regional non-government and Church bodies in October last year, strong concern was expressed that Australia had made aid deals with the governments of Nauru and Papua New Guinea without wide national consultation on the very sensitive issue of accommodating refugees in detention centres on small Pacific islands. Whilst voicing concern over the Australian leadership's denial of their moral and legal obligation to support and protect those who flee their own countries because of persecution and violation of human rights, they also expressed concern over the potential adverse impact on the communal life of Pacific Islanders. "We collectively reiterate our stand in safeguarding Pacific Islands dignity and refuse to see the Pacific region continuously becoming a dumping ground for the benefit of industrialized nations. (7)" This statement alone, lumps the once respected Australia into the same category as some of the more aggressive perpetrating nations previously associated with a range of waste dumping proposals.

Recently, concern has also been voiced by one of the effected governments. Nauru's President Rene Harris described Australia's Pacific solution as "Nauru's Pacific nightmare", complaining that the \$30 million Australia had promised in aid had not come through and that his people were demanding to know just how long they would have to endure the pressures on island infrastructure created by the two detention centres (8). Whilst not yet openly stated by other PICs, concern exists and is likely to be voiced in regional forums.

The aid program was reviewed five years ago to focus on the one clear objective of poverty reduction, principally motivated by humanitarian compassion and characterised by a whole-of-government approach (9). As stated in ACFOA's submission to the Senate Select Committee on a Certain Maritime Incident, we are concerned about the lack of coherence between the government's stated aid program objectives and the current policy of diverting asylum seekers to the Pacific. Processing asylum seekers in the Pacific does not encourage good governance practices, may have deleterious impacts on fragile Pacific communities and undermines Australia's commitment to sustainable and participatory development in the Pacific. The message that is sent to the Pacific is that aid will be tied to the domestic political issue of the day in Australia.

In brief, ACFOA believes that the agreements with Nauru and PNG were unsatisfactory for the following reasons:

- It is not appropriate to use the aid program to provide inducement that meet short-term political objectives in Australia. Australia's obligations should be carried out in the spirit of the Refugee Convention. It is appropriate for development assistance to be directed towards a long-term strategy to address the problem of refugee movements at source and in transit countries;
- Negotiations were carried out in the context of the relative economic vulnerability of the Pacific states, especially Nauru. This undermines the confidence in the motivation of the Australian Government by Pacific Island states when this vulnerability is exploited to address a domestic political issue;
- There are serious humanitarian concerns arising out of the operation of the agreement, such as trauma symptoms in detainees, and the effect of the camps on local communities.

## **PICs and Australia differ over climate change issue**

At times, Australian policy has isolated us from fellow members of the Pacific Islands Forum (e.g. on climate change and the transport of nuclear wastes through the region). New Zealand policy, on the other hand, has remained in accord with PIC positions and at times is actively in the forefront of regional protection, as evidenced in its stance over nuclear waste transport.

Climate change is not simply an issue of the environment, but of social justice and equity on a global scale. For the Pacific region and other small island developing states, the issue of climate change and global warming is a fundamental development issue, affecting health, fisheries, infrastructure and other economic sectors:

- Devastating droughts, linked to El Nino, have hit important export crops and caused serious water shortages in many Pacific Island Countries including Federated States of Micronesia, Fiji, the Marshall Islands, Papua New Guinea, Samoa and Tonga. In 1998, Australia spent more than A\$30 million supplying food aid to isolated areas in Papua New Guinea affected by drought.
- Rising sea levels, especially in the low lying atoll countries which have very scarce land resources could make their already saline soils too salty for cultivation of staple crops such as taro, pulaka and yams, and pollute the fresh water lens, the major water supply for atoll nations.
- Coastal roads, bridges and plantations are suffering increasing erosion, even on islands that have not experienced inappropriate coastal development.
- Changes in weather patterns have left many Pacific Island countries with substantial reductions in their seasonal tuna catches. Changes in tuna migratory patterns mean they can move in and out of a nation's jurisdiction by leaving the 200-mile Exclusive Economic Zone. This is important for Pacific jurisdictions that see tuna fisheries as a vital economic source (70% of the world's catch of some types of tuna, worth nearly \$2 billion annually, are caught in the Pacific).
- Fringing coral reefs are a major resource for many Pacific island communities – providing the environment for subsistence fishing (especially artisanal coastal fishing which in some countries is undertaken mostly by women). The beautiful coral reefs of the Pacific are also a draw card

for hundreds of thousands of tourists who visit the region each year. Damage to coral has massive economic implications for countries that rely on tourism. It also has an adverse impact on the well-being of local indigenous communities. Globally, there has been an increase in the warming of ocean surface temperatures leading to the bleaching of coral reefs.

- Warmer temperatures lead to increased incidence of malaria, even in the highlands of Papua New Guinea and Solomon Islands, which previously were too cold for mosquitoes to survive. El Niño cycles have been linked to cholera - there have been outbreaks over recent years in the Federated States of Micronesia, Tuvalu and the Marshall Islands.
- In recent years, internal displacement of people and changes in food production patterns have been related to the vulnerability of small island developing states to climatic and environmental disasters: taro blight in Samoa, and drought and hunger in the PNG Highlands.

Industrialised countries must make substantial cuts in their domestic greenhouse gas emissions if fragile and valuable ecosystems such as coral reefs are to remain healthy and productive. Instead industrialised nations such as the United States and Australia have not followed the lead of other industrialised nations to cut industrial emissions through the Kyoto Protocol. This is a matter of concern to most Pacific Island governments. Although the Pacific Islands contribute the least to global greenhouse gas emissions (0.06% of the world's current emissions), they are among the most vulnerable to the effects of global warming.

Australia gives a mixed message, it seems, to its Pacific Island neighbours through its stance on global warming. On the one hand, Australia refuses to seriously address the issue of greenhouse gas emissions that cause sea level rise and climate change and could lead to a fundamental impact on indigenous peoples in the Pacific, causing migration and displacement. Yet on the other hand, Australia continues to provide major financial support to Pacific Island projects to monitor the effects of, and adaptation to, sea level rise and climate change. For example, since its inception in 1991, the South Pacific Sea Level and Climate Monitoring Project has been funded by Australia. This project has helped eleven Pacific Island countries to monitor and analyse climate and sea level changes through a network of sea level monitoring stations, satellite transmission networks and computer systems. The project was developed in response to concerns raised by Forum countries about climate change and sea level rise in the region and Australia is funding the third phase of the project until 2005. As well, Australia has provided significant funding, through the Global Environment Facility (GEF)-funded regional Pacific Islands Climate Change Assistance Programme (PICCAP) and continues support to climate change adaptation in Pacific Island Countries through assistance to projects of Pacific regional organisations.

At the non-government level, Pacific Islanders are vocal in their opposition to the stance taken by Australia over Climate Change. In 2000, a coalition of Pacific NGOs launched a petition-drive throughout the 22 countries and territories of the Pacific Islands region to support stronger action to curb global warming and lessen the impacts of sea level rise. World Wide Fund for Nature - South Pacific Programme, Greenpeace Australia-Pacific and the Pacific Concerns Resource Centre (PCRC) gathered thousands of signatures from Pacific Islanders to present to the Heads of Governments attending the October 2000 Pacific Islands Forum meeting in Kiribati, and the November 2000 COP6 meeting in the Hague. At the Pacific Island government level also, the difference in stance between Australia and its PIC neighbours is a contentious issue.

## **Australia: near to, or part of, the Pacific Islands region**

Australia's relationship with the Pacific Islands is influenced by the obvious impacts of geography and proximity – it is our region, and affects us directly. But Australia's strategic role is not matched by broad public awareness of the contemporary Pacific, and the work being done by Pacific Islanders and Australia to address the issues of the day.

### **Perceptions: Australian Awareness of the Pacific**

Through media exposure, travel and education in Australian institutions, many elite Pacific Islanders have a better knowledge of Australia than comparable Australians have of the contemporary Pacific. For older generations of Australians, there was an "organic knowledge" of the Pacific and varied interaction between Australia and the islands. Australia was a colonial power in the region, and there were extensive links through the missions, through the colonial administration, and through military service during World War II.

Apart from the hundreds of Australian volunteers who work at government, inter-governmental and non-government levels in the Pacific, most people of today's generation only know the islands through the prism of tourism, or media images of the crises that wrack the region. The dominant headline cliché is either 'paradise' or 'paradise lost' – tourist brochures provide the image of sunlit beaches and smiling faces, while the media focuses on crises like the coups in Fiji, the tension in the Solomon Islands or environmental disasters like the Rabaul volcano or Aitape tidal wave. Rarely do people from outside the region get a good sense of the daily life of islanders, as they live, work, sleep, and enjoy life with friends and family. Media commentary persists in referring to the region as Australia's "backyard" or "doorstep" – an unfortunate image that ignores the need for good neighbourly relations (10).

### **New Pacific leaders**

A new generation of leaders have been at the forefront of recent events in the Pacific – and personal ties are eroding between Australia and this new generation. In the past, relations were governed by paternalism if not racism: can we transcend that legacy of colonialism by working in an equal relationship? Many of the new leaders have had the benefit of developed country education and are increasingly experienced in negotiating on the international scene. Some Pacific leaders recognise that whilst their vulnerability as Small Island Developing States (SIDS) makes them continue to be aid-dependent, they are aware of their strategic value to their developed neighbours as well as their growing strength when talking as a regional block.

### **Sense of history**

While university research on Asia has commercial benefits and career paths for students and academics, this cannot be matched for the Pacific Islands. In spite of fine work at ANU and other institutions, Australian academic expertise on the Pacific is thinning. There used to be four universities in Australia with Pacific history courses – now there is only one – and government cuts to higher education have seen significant reductions in the number of Pacific studies and anthropology courses. Today, most Australians do not have a good sense of history or geography of the Pacific region, in comparison to New Zealand, which has a large Pacific Island community - families who migrated from Tonga, Samoa, Cook Islands, Tokelau and Niue – and the influence of the Maori tangata whenua, who have a unique perspective on the region.



It may seem that history of the Pacific is not a priority, but the reconciliation debate in Australia has shown that a sense of history is important for charting new directions and can inform our understanding of contemporary problems. For example, media commentary often dates the Bougainville crisis from the late 1980s. But this could be dated from 1975, when Bougainvillean leaders moved to declare independence, rather than join the newly emerging nation state of Papua New Guinea. Or it could be dated further back to 1969, when Australian colonial authorities arrested women landowners as they tried to block the bulldozers sent in to clear land for the Panguna mine. Or back again, to the carve-up of New Guinea and surrounding islands by Germany, Britain and the Netherlands at the end of the 19<sup>th</sup> Century.

## **Aid Delivery: consultants or on-the-ground support**

Australia's recent mode of aid delivery has come mostly through "consultants" who all too often are viewed within the Pacific Islands region as a "transitory elite". Many receive substantial pay, work not only as Australian consultants but as part of the international consultancy circuit (associated with the major development banks and substantial international rates of pay), drive large project-funded cars, are very selective about the appropriateness of housing accommodation and are viewed in some quarters as money makers – taking advantage of opportunities in the region to build reputations and gain experience, but not being ones who choose to live for very long 'in' the region.

It is important to develop a sense of "people's history" about the region. Many ACFOA agencies have active engagement with Pacific communities and are in a good position to help improve Australia's image in the region. This collective knowledge could be a valuable source to be tapped by the Australian government in endeavouring to improve its image with its Pacific Island neighbours. As a counter to the consultancy image of Australia's support to PICs, the longer-term, on the ground assistance provided by Australians working on the same pay scales, under the same living conditions as their counterparts, as is the case with most of the Australian NGO support, leaves a more appropriate and lasting image of Australians seeing themselves as being 'part of' the region – rather than a wealthy next door neighbour. It is an image that could do much to improve the way Australia and Australians are viewed by Pacific Island Countries.

## **RECOMMENDATIONS**

### **It is recommended that:**

- **Australia continues, at officials level, to adopt a supportive role at regional and international forums, providing "strong yet sensitive" technical advice and guidance to Pacific Island Countries which reflects Australia's appreciation of Pacific Island perspectives and cultural sensitivities;**
- **Australia endeavours, at the political level, to restore Australia's image in the region through proactive statements that reflect Australia's appreciation to the people and governments of Nauru and PNG (Manus) for their role in assisting with the Pacific Solution. It is important, in this context that the statements show a degree of humility and an understanding of the impact on local communities;**

- **Australia follows the lead of other industrialised nations with regard to greenhouse gas emissions seriously investigating measures to reduce emissions while reviewing its decision regarding the Kyoto Protocol, noting especially the potentially significant impact of climate change and sea level rise on vulnerable Pacific Island Countries;**
- **Australia, at the political level takes cognisance of, and builds good mutually respectful relations with, the new (and upcoming) generation of Pacific Island leaders;**
- **Australia, whilst strengthening its existing focus on 'basic' education in its aid support to the Pacific education sector, should also encourage Australian academic institutions to give additional emphasis to Pacific Studies and research, through strengthened linkages between Australian and Pacific national and regional universities and other tertiary institutions. This recommendation highlights the importance of a better understanding by Australians of their near neighbours;**
- **Australia, in recognition of its location as part of the Pacific Region, makes a serious awareness-raising effort to increase the Australian public's knowledge of its Pacific Island neighbours through incorporation of Pacific Islands content in formal and non-formal education curricula;**
- **AusAID, whilst maintaining its existing focus on poverty reduction through good governance in Pacific Island Countries, should review its mode of aid delivery in the Pacific, making it less "short-term consultant oriented" and more "longer-term on-the-ground community oriented", tapping into existing partnerships developed between the Australian NGO aid and development sector and their Pacific partners.**

## 2. ECONOMIC RELATIONS, INCLUDING TRADE, TOURISM AND INVESTMENT

### Trade: Background

Most Pacific Island Countries are reliant on overseas development aid, although foreign trade and investment is taking on greater importance in their economies. As part of a broader global trend, trade policy is a new arena of debate between OECD countries and developing nations in the Pacific.

Australia, New Zealand, Fiji, Papua New Guinea and Solomon Islands are currently members of the World Trade Organisation (WTO), while Tonga, Samoa and Vanuatu have applied to join. Only Australia, New Zealand and Papua New Guinea are members of Asia Pacific Economic Co-operation (APEC), though the Forum Secretariat has observer status. With the growing importance of these bodies in the Asia-Pacific region, all island nations are affected by global trends on trade and investment. Many are undergoing structural adjustment, under conditions set by multilateral institutions such as the World Bank and Asian Development Bank (ADB), financially assisted in some cases by Australia.

A major impetus to develop trade agreements in the Pacific has been the growing importance of the European Union (EU) as a trade and aid partner in the region (11). The new EU-ACP Cotonou agreement, which came into force in 2002 requires the negotiation of new WTO-compatible trade arrangements, to enter into force in 2008. This development has strengthened Pacific Island efforts to create a regional trade agreement.

### Regional trade agreements

The concept of possible trade integration was first discussed by Pacific Island leaders as early as 1971. The need for an actual agreement was taken up more recently as part of the region's response to global trends towards trade liberalisation. In 1999, Forum leaders "endorsed in principle a free trade area among Forum members noting that this would be implemented in stages over a period of up to 2009 for developing Forum Island Countries and 2011 for the Smaller Island States and Least Developed Countries.(12)"

In June 2001, Forum Trade Ministers met in Samoa and endorsed the legal text of two new agreements: i) the umbrella ***Pacific Agreement on Closer Economic Relations (PACER)***, setting out how the island countries will trade with the two developed Forum members Australia and New Zealand, and ii) ***the Pacific Island Countries Trade Area (PICTA)*** agreement for the fourteen island countries (excluding Australia and New Zealand). PICTA and PACER were later endorsed at the 2001 Forum Heads of Government meeting in Nauru. PICTA provides for the phased elimination of tariffs between island countries. The larger island economies should have abolished most tariffs by 2009 and the smaller ones by 2011. The phasing in of the agreement over this period should be accompanied by strategies to help governments adopt alternative taxes and economic reform measures to compensate for the revenue they will lose from tariff reductions. The Trade Agreement will enter into force following ratification by six countries. Through PACER, Australia and New Zealand, while not being included as members of the Pacific Islands Trade Area, will be treated on at least the same negotiating basis as the European Union.

Australia has the opportunity to assist Pacific Island Countries through funding appropriate trade-related capacity building measures. Australia has worked hard for the introduction of a new Round and for the reduction of farm subsidies in particular. Capacity building support for least developed countries (LDCs) and smaller, vulnerable developing nations both within the WTO and those likely to join in the future, will serve to strengthen cooperation between Australia and developing countries on some key trade issues of mutual concern. This is important to Australia for three reasons:

- Firstly most LDCs will share a common interest in the reduction of agricultural export subsidies and market access concerns.
- Secondly, given Australia itself is a relatively small economy, they will add further weight to the need for a more balanced and fairer multilateral trading system able to spread the benefits of trade to include many poorer communities who currently remain on the margins, whether in rural Australia or in a developing country.
- Thirdly, there are the obvious multiplier benefits of a healthier regional economy with rewards for Australia particularly if we have played a significant part in developing business and economic partnerships with emerging developing economies in the Pacific region.

ACFOA also recognises that for some smaller and vulnerable economies, it will require long-term productive investment, technology transfer, and significant aid and governance reform for these economies to be of strong significance to our trading interests. This is where our longer-term international responsibilities must complement domestic concerns, not only because of our social and economic responsibilities under international human rights law but also in the interests of regional and global stability.

The Department of Foreign Affairs and Trade's report on Doha stated, "Australia will continue to actively engage with developing country members. We are committed to addressing concerns about difficulties in the implementation of WTO agreements that emerged from the Uruguay Round. Australia has an active program of technical assistance and policy dialogue with developing countries aimed at strengthening their capacity to fully participate in the new trade negotiations and to take advantage of new market access opportunities."

Australia is currently involved in a range of initiatives providing trade-related technical assistance and capacity building to developing countries. In 2000-01 Australia committed around \$25 million in direct trade-related technical assistance to developing countries.

In the future it is important not only that Australia budgets for a significant increase in our trade-related capacity building measures, but that we carefully address the quality of our trade assistance program. At Doha, LDCs commonly referred to a three-pronged approach to supporting their capacity needs for them to be able to realise the benefits of the global trading system: (i) market access (of little avail if there is little to competitively export), (ii) supply side solutions (to develop infrastructure, goods and services for exporting) in particular technology transfer, (iii) human resource development (education and training initiatives, support for implementation of WTO rules and support for equal representation and participation in WTO negotiations).

ACFOA believes an effective Australian trade assistance program needs to meet these identified needs and should be guided by the following criteria on quality:

- be driven by developing country demand;
- include the flow of technology to developing countries, LDCs in particular;
- support the representation and participation of developing countries in Geneva and in key WTO negotiation forums;
- be based on long-term needs of the poorer communities of developing countries;
- promote increased market access while ensuring special and differential treatment in support of food security and basic human rights of the poor.

Multilateral and bilateral trade assistance should be reviewed against such criteria. Our current bilateral program addresses some of these criteria, but has limited funds for greater technology transfer and long-term analysis of the trade needs of the Pacific.

## **Restructuring Pacific economies: Australia's involvement**

Changes to the regional trade regime are part of a larger restructuring of Pacific economies, being driven by multilateral organisations and supported financially in some cases by Australia. In Papua New Guinea, the World Bank has been the lead multilateral agency involved in public sector changes through structural adjustment programs. In other countries, the Asian Development Bank (ADB) has financed such "reform" programs: the Marshall Islands, Federated States of Micronesia, Samoa, Cook Islands, Fiji and the Comprehensive Reform Program (CRP) in Vanuatu. The process has been co-ordinated through donors' meetings and the Forum Economic Ministers' Meetings (FEMM). The ADB acknowledges that the FEMM Action Plan is based on "market friendly policies widely accepted as economically sensible, albeit politically difficult to implement. (13)"

The World Bank issued reports in the early 1990s that became key texts for donors concerned about low growth rates in the islands (14). Between 1991-93, the World Bank and the University of the South Pacific (USP) co-hosted a series of policy workshops, funded by AusAID and other donors, on private sector development, public sector reform, "making government more effective" and reforming government finances. Australian academics and journalists have also contributed to the ideological push for economic policy change in the Pacific, through the Pacific 2010 project (15). This "new doomsdayism" from Canberra was sharply criticised by community groups in the Pacific, concerned about the social and cultural impacts of these "reform" policies (16).

Australian involvement with these structural adjustment programs emanates from the 1994 South Pacific Forum in Brisbane, where the then Labor Prime Minister Paul Keating and Minister of Pacific Island Affairs, Gordon Bilney, stressed that Australia's aid to the region would not increase and that priority would be given to governments seen to be addressing structural reform. The 1995-96 Budget announced the Policy Management and Reform Fund (PMR) to allocate grants "competitively between island countries on the basis of demonstrated commitment to reform". Policy management and reform remains a central focus of AusAID programs in the Pacific. From \$4.6 million in 1995-96, the PMR budget increased steadily to \$20 million in the 2001 budget and in the 2002-03 budget, \$20 million has again been allocated. "Activities in economic reform and governance now account for over 24 per cent of Australia's aid to the Pacific islands (excluding PNG). (17)"

Since 1995, Australia has supported the Foreign Investment Advisory Service of the World Bank and International Finance Corporation, to provide support for the establishment of policy and regulatory environments to stimulate trade and support private sector development and investment in the islands. The 2001 budget announced that a further \$2.3 million would be provided for a new phase of the project. Under its Economic Reform and Governance program, AusAID provided \$1.2 million in 1999-2000 for the AusAID / World Bank Pacific Facility, to support the Bank's engagement in the region through technical assistance and feasibility studies (18).

Australia's aid and trade policies (in line with other regional aid) have been influenced through the FEMM whose Action Plan, adopted by the Forum, sets out a neo-liberal agenda for regional economic restructuring, including: liberalisation of trade and removal of tariffs; reduction of staffing in the public sector; flexible labour markets; corporatisation and privatisation of government agencies in transport, communications, energy, water and other sectors; introduction of Value Added Taxes; and removal of some controls on the finance sector. FEMM meetings highlight the private sector as having a central role in the stimulation of the economic environment

to initiate growth. The FEMM process was initially dominated by a push to integrate the Pacific Islands in line with broader APEC and WTO regimes. The July 2000 FEMM meeting noted, "We will, to the extent practicable, implement domestic measures consistent with WTO and APEC provisions and obligations, and co-operate in responding to and taking advantage of multilateral trade developments."

AusAID, the World Bank and the ADB have been major supporters of the restructuring program, with the ADB providing US\$100-150 million a year in loans to its 12 Pacific island members and another US\$15 million in technical assistance grants. Through the 1990s, the ADB proudly explained the impact of its reforms, especially significant cuts in public sector employment in some countries: a 57 % reduction in the Cook Islands (March 1996 – October 1998); 37 % in the Federated States of Micronesia (1996-January 1999); 33 % in the Marshall Islands (October 1995 – March 1999) (19).

## **Opposition to structural adjustment**

Such cutbacks hit working people hard and have caused resentment. In the Marshall Islands, the reforms involved a three-year wage freeze. In Papua New Guinea in 2000, the government rejected recommendations from the Minimum Wages Board to increase the basic wage by 160 percent (the current level was set in 1992). Popular anger rose however, because the Salaries and Remuneration Commission increased the basic salary of judges, civil servants and Members of Parliament by between 33 % and 100%.

## **Concern Expressed by Civil Society**

From 1995, the Pacific Concerns Resource Centre (PCRC), the Pacific Islands Association of Non-Governmental Organizations (PIANGO) and other church and community groups organised NGO Parallel Forums at the time of the annual Forum meeting, to analyse the impact of the FEMM process and discuss alternatives (20). A regional NGO meeting on globalisation, debt and trade in May 2001 noted, "These economic models and policies enrich a few people while impoverishing most others. There is growing evidence that current economic policies 'operate above the heads' of the people, marginalising many from the decision-making processes of governments, and particularly those shaping and directing our economy and its impact on our lives. All of these trends present major concerns for churches and non-government organizations. (21)"

Father Kevin Barr of the Ecumenical Centre for Research, Education and Advocacy (ECEA) in Fiji has noted that the islands have countervailing influences to global markets, that challenge the World Bank template, "The communal ownership of land is still strongly adhered to, the subsistence economy continues to complement the cash economy and provides livelihoods for many, and communitarian values of caring and sharing still motivate most people. Moreover, many who are unemployed in the formal sector of the economy create livelihoods for themselves (self-employment) in the non-formal sector. Thus in the Pacific alternatives to an export-oriented, market-driven globalised cash economy continue to exist and sustain small participatory communities...The modern formal cash economy devalues the traditional economy because, being money-based and reliant on production for cash, buying and selling and earning wages, it cannot comprehend or measure production for consumption, reciprocity, sharing and communal work without wages. (22)"

NGOs such as Development Alternatives with Women for a New Era (DAWN) have analysed the impact of WTO policies on Pacific women and young people – in the Cook Islands, the budget for education dropped from \$10.6 million (1993-4) to \$5.5 million (1996-7), while housing and community services were reduced from \$9 million to \$1 million in the same years (23).

## Specific country examples – effects of structural adjustment

In **Fiji**, the structural adjustment program during the 1990s, with a sweeping agenda over electricity, ports, airport, public housing, timber and media was resisted by church, union and NGO activists concerned over a steep rise in water rates, sell-off of public assets, sacking of Civil Aviation Authority employees as part of the privatisation of government services and introduction of VAT (24). The Labour-led Coalition removed VAT from essential foodstuffs and halted privatisation of government services, but many of these policies have been rolled back since the May 2000 coup.

In **Tonga**, the privatisation of government departments into Boards and Commissions was meant to provide better services at low cost. Promises were made, for instance, that electricity costs would be greatly reduced when, in fact, huge increases have occurred.

In **Samoa**, donors have lauded the country for its efforts in implementing the ADB economic reform program, though Samoa has not been unaffected by political fallout from the process (as shown with the assassination of Minister of Works, Luagalau Levaula Kamu on 16 July 1999, and government attempts to muzzle Apia's lively media).

Protest over structural adjustment has been sharpest in **Papua New Guinea**, which is the only Pacific country that has had an in-country World Bank office and which regularly accesses funds from the World Bank and International Monetary Fund (IMF). Structural Adjustment Programs were forced on Papua New Guinea because it was unable to meet the payment schedule on its debts to the international banks, first in 1989 and then again in 1994. In its second Structural Adjustment Program (SAP), the World Bank introduced a 27 point policy matrix, including land registration, requiring the ending of price controls, a freeze on wages, increases in health and education fees, and the abolition of the minimum wage. The Bank proposed environmental controls to regulate logging, and increased spending on health and education. The SAP also sought the completion of land registration in two of the most populous provinces, East Sepik and East New Britain (25). World Bank policies in Papua New Guinea have been centrally connected to the forestry sector, as it is one of the few countries where the World Bank has sought to use structural adjustment loans to promote environmental policy reforms – with mixed results (26).

In March 2001, troops of the Papua New Guinea Defence Force (PNGDF) rebelled and seized arms in their barracks in the capital Port Moresby. The protest was triggered by a Commonwealth review team recommending significant cuts to the size and operations of the army. The soldiers made explicit connections between their plight and the structural adjustment program. The rebel soldiers called for the expulsion of World Bank and IMF advisors from the country, together with Australian military advisors. Spokesperson Captain Stanley Benny stated, "Their foreign ideas have completely destroyed the nation. The World Bank, IMF and Australian influences – I repeat, Australian influences – have denuded the nation's vast resources under the guise of assistance. (27)" Hundreds of students took to the streets of the capital, protesting against the government's economic policies. They argued that the defence cutbacks were one part of an overall economic strategy imposed on Papua New Guinea by foreign agencies. In June, a five-day peaceful protest commenced against the government's privatisation policies. On 21 June, several thousand students and their supporters had marched from the university campus to Parliament House, closing schools and the public transport system and shouting "Rausim [kick out] World Bank, Rausim IMF, Rausim Australia".

Papua New Guinea is caught in a debt trap, owing the IMF, World Bank and other multilateral institutions some US\$906 million (Its total annual debt servicing of US\$211 million is about 40% of the government's whole budget). The growth of domestic debt has accelerated since 1992, especially during recent years when the PNG government was unable to access Bank funds, due to the sour relationship between the Bill Skate government and the multilateral agencies. As a condition on both existing loans and a further pending loan, the PNG government is attempting to

implement the IMF and World Bank structural adjustment program. The Morauta Government is cutting back the public sector and introducing privatisation of public assets such as Air Niugini, Post PNG and Telikom PNG, in return for further loans from the international financial institutions.

### **Concern expressed by some Pacific government leaders**

Some Pacific government leaders – especially from the smaller island states - have expressed concern at the pace and social and cultural impacts of economic adjustment.

At the sixth Pacific Islands Conference of Leaders, held in Hawai'i in February 2001, Niue Premier Sani Lakatani noted, "Small island nations are vulnerable and are practically of no consequence when it comes to combating the adverse effects of globalisation and what is emerging as the new order of colonialism. The uneven distribution of power and wealth points to the potential loss of sovereignty by national governments as the control of their economies become more subject to global forces such as multinational companies and the pressures of the select global brotherhood. Globalisation is good for some, not for others." Former Fiji President Ratu Sir Kamisese Mara also noted that, "Colonialism was usage of power by strong nations against weaker ones, while globalisation is the use of power by multinationals against the weaker. (28)"

Some Forum leaders are aware of the fundamental link between the social and cultural impacts of globalisation and regional security crises. As President Teburoro Tito of Kiribati noted at the 2000 Forum meeting in Tarawa, "There is a new consciousness in our region to address social and cultural issues as important issues for development. There has been too much emphasis on economic development and very little on social and cultural development. This gap is widening over the years and producing the things we see now with social and economic crisis. (29)"

### **Structural adjustment – appropriateness of "good governance" agenda**

There has been growing concern for the social and cultural impacts arising from the neo-liberal economic orthodoxy that underlies programs of structural adjustment in Fiji, Vanuatu, Solomon Islands, Marshall Islands, Federated States of Micronesia, Cook Islands, Samoa and Papua New Guinea.

Critics have noted that the good governance agenda "is seen by some as a way of explaining the disappointing lack of progress which emanates from basic flaws in the donors' policies; by others as a device for legitimating a reduction in aid volumes; as a means of disciplining states which fail to provide the capacity for the implementation of projects; and as a means of assuaging domestic discontent by those in donor states facing new austerity measures associated with economic restructuring. (30)"

Donor programs on good governance have placed renewed emphasis on the role of civil society and "non-state actors" (churches, NGOs, private sector organisations, trade unions). But these programs have often failed to define the place of customary authorities and indigenous structures that are so important in the region. The Western dichotomy of state / civil society or the triangle of government / NGOs / private sector do not address the place of chiefs or kinship groups. Some Pacific activists have expressed concern that "the governance agenda may ironically lead to greater centralisation of government by de-emphasising the role of community-based [cultural] groupings and replacing them with 'artificial' non-governmental organisations which are closely linked to the government. (31)" Such community organisations gain their authority from culture and custom, not from government-sponsored systems of registration or accreditation.



Sustainable development is failing in part because of lack of community ownership and participation. This failure of development in rural areas is contributing directly to current political crises in the region. As one Fijian villager highlighted as he helped block the Queen's Road at Waileketu during the May 2000 crisis, "We are angry with the governments of the past twenty years who have lied to us about our water supply and installation of electricity. We have neither until today. All those ministers lied. We want our land for us to rule over, and all freehold land returned to us, the indigenous Fijians. The Fijians have nothing to our name as all the land is being used to build big homes for everyone but the indigenous landowners. (32)"

Current good governance programs are often based on Western models which downplay the significant rights entrenched in many Pacific Constitutions. Examples of this are Palau's Constitutional guarantees on land ownership, open access to government documents and bans on nuclear activity; the Bill of Rights in the 1997 Fiji Constitution, which entrenches the National Human Rights Commission and extensive anti-discrimination provisions; Papua New Guinea's commitment to women's rights. The challenge is to transform these aspirations into practice.

## **Ongoing Pacific Island economic structural adjustment**

In September 2000, the ADB updated its Pacific regional strategy as a framework for the next five years (33). During 2001-03, the ADB will provide US\$386.8 million to the Pacific Islands. The strategy document develops a sub-regional approach for the first time, recognising that different needs, priorities and strategies apply between Melanesia, mid-level states (Tonga, Samoa, FSM, Cook Islands, Fiji) and atoll states (Kiribati, Marshall Islands, Nauru and Tuvalu). The strategy shows continued focus on economic management, governance and public sector reform, through the promotion of private sector development, improved physical and IT infrastructure and stronger financial sector management. At the same time it suggests that the strategy will allow a more active role for women and civil society, support environmental management and use poverty reduction as a unifying theme.

The Australian government has endorsed the importance of an ongoing "economic reform" program in the region. Policy makers have underestimated the social costs of the current restructuring, but are reluctant to acknowledge the influence of past or present policy errors (it is a salutary lesson to reread old predictions from Canberra about how resource rich Melanesian countries would do well in a globalised economy, while small island states in Polynesia would suffer – a far cry from Canberra's current lauding of Samoa and angst over Solomon Islands and Papua New Guinea). There has been remarkably little self-criticism about how a generation of Australian consultants promoted the expansion of government bureaucracies in the Pacific, but are now touring the region saying government bureaucracies are an impediment to development!

## **International debt**

Pacific governments reliant on foreign aid, investment and markets are constrained in adopting alternatives. International debt leaves little room for manoeuvre or dissent. Although Pacific Island countries have relatively small external debts in comparison to Asian countries, the per capita debt as a percentage of per capita Gross National Product (GNP) is much higher than of China, South Korea and Malaysia (34).

Samoa with a population size of approximately 200,000, at the end of 1997 had an external debt/GDP ratio of 72% and the external debt servicing percentage was 11%. With management of economic reforms, at the end of 1998, the per capita debt as a percentage of per capita GNP was 102%. In Solomon Islands, overall public debt increased from US\$135 million in 1997 to US\$152 million in 1998 which was 52% per capita debt as a percentage of per capita GNP. Since the recent

crisis, Solomon Islands is on the brink of economic collapse as a result of political instability. A reduction in domestic and external debts was planned on the assumption that necessary funds could be raised through privatisation, borrowing from the National Provident Fund and also externally. Debt and non-debt arrears were reduced by US\$13 million, which was made possible in the first instance by grants from Papua New Guinea and Taiwan, which allowed for the clearance of outstanding ADB loans and thus made a new ADB program loan feasible. In Fiji, the national debt as at June 1999 was 52% of GDP (approximately 75% of this debt is owed by the national government with the statutory authorities owing the rest). After the May 2000 coup, current indications are that the national debt will double by the year 2004, largely to finance the national budget.

While Melanesian nations have sold their natural resources for low return, the export of labour and the return of remittances have been important for many Micronesian and Polynesian countries. SIDS like Tuvalu have also tried innovative revenue generation methods, from the creation of trust funds, to philatelic and dot.com deals. The sale of passports has been a much-criticised money-spinner, while many smaller countries like Nauru, Cook Islands, Vanuatu and the Marshall Islands have established tax havens, offshore banking facilities and flag of convenience shipping registries. Some of these highlight a certain level of desperation by PICs in pursuing revenue generation mechanisms - reflecting in many cases the fact that these countries lack a solid economic resource base.

## **Tax havens**

There is much public criticism over corruption in government and bureaucracy, and the way Pacific Island governments have used tax havens as a money spinner, at a time when corporate criminals are laundering "black money" from drug dealing and theft during privatisation of government assets. In its 12th annual report in May 2001, the OECD's Financial Action Task Force on Money Laundering detailed its work against so-called "non-cooperative countries and territories", including four countries in the Pacific: Cook Islands, Marshall Islands, Nauru and Niue. In 2002, the Pacific Islands Forum Secretariat has set as one of its goals, encouragement of its Members to implement legislative priorities under the Honiara Declaration, 1992 which include those relating to money laundering and drug trafficking.

But there is little self-criticism of corporate misbehaviour by foreign investors, or a willingness to develop enforceable Codes of Conduct for transnational corporations. Pacific governments are critical of OECD hypocrisy, such as Britain's refusal to follow OECD requirements to legislate against corporate bribery in developing countries (35). Many critics ignore the constraints on island governments in meeting popular aspirations, such as a lack of a strong tax base, the failure of transnational corporations to pay adequate taxes and royalties for timber, marine and mineral resources, and a lack of creativity in altering bureaucratic cultures inherited from former colonial powers.

## **Tourism in "paradise"**

Tourism has become a booming economic activity for many PICs and Pacific towns and beaches are being restructured around tourist desires. Pacific communities have long welcomed strangers to their shores and today, visitors provide necessary income for people in the Pacific Islands. In Palau, tourism earnings accounted for approximately 49% of GDP in 1996. In the Cook Islands, tourism plays a similar central role, amounting to 47% of GDP in 1996, even with the successful development of its black pearl industry. In Vanuatu and Samoa, tourism earnings contribute roughly 20% of GDP, and even Fiji, with its widely diversified economy, earns 17% of GDP from tourism. As with Vanuatu, tourism is the number one source of foreign exchange earnings. In Fiji,

tourism earns more foreign exchange than the sugar industry, and also more than the garment, gold, fishing and timber industries combined. Tourism levels fluctuate however, and can be devastated by foreign perceptions of conflict or disaster in the region.

A visit to Tahiti or Guam highlights the impact of the car culture, consumerism and the role of tourism in the economy. Without proper management and control, tourist ventures can degrade the fragile island environment on which the whole industry is dependent. Tourist ventures such as golf courses and hotels often compete for land and water resources that can be used for agriculture and other purposes. In 1997-98, for example, tourist hotels utilised an estimated three quarters of all water used in the west of Fiji, even though water resources for household use and farming were reduced during a drought at that time. Global warming is also contributing to coral bleaching, which can devastate local tourist initiatives.

In many cases, local communities in the Pacific have acted to protect their land, environment and culture against the ill effects of tourism projects. In Te Ao Maohi (French Polynesia), the Maohi organisation *Atuatu Te Natura* on the island of Bora Bora has lobbied against the construction of new luxury hotels. Existing hotels pollute the atoll's lagoon, disturb fishing grounds and create an artificial economy between the Maohi hotel workers and the international guests paying hundreds of dollars a night for a bungalow. Eighty four other Tahitian groups have campaigned to protect sacred *marae* and other religious sites on the islands of Tahiti and Moorea. In the early 1990s, church leaders, the association *Paruru ia Opunohu* and local villagers successfully campaigned to stop a Japanese golf course and luxury hotel being built at Opunohu on the island of Moorea by the Nishikawa corporation. The proposed golf course would have taken rich farming land, and threatened local *marae* (sacred sites).

Another key concern is to retain and nurture Pacific dance, arts and cultural activities in the face of commercialism from foreign tourist ventures. Pacific cultures are often degraded or trivialised in tourist imagery of the Pacific "paradise." Regional institutions such as the Oceania Centre for Arts and Culture at the University of the South Pacific are promoting the development of contemporary Pacific theatre, music, song and sculpture. The South Pacific Arts Festival involves artists, dancers and musicians from around the region, as part of efforts to highlight the vibrancy and diversity of indigenous cultures in the Pacific.

## **Human rights based approach to Pacific aid**

ACFOA has refined its structural analysis of poverty, and in particular the relationship between globalisation and human rights. Key determinants of poverty are decisions about investment and capital flow, debt, trade and so forth. A human-rights approach is vital because it puts the needs of the poor in the context of international human rights responsibilities and as such creates the legal and humanitarian obligation of the international community to observe the basic rights of the poor.

A human rights approach to development is one that sees poverty as a violation of human rights and places elimination of poverty as the primary goal of development assistance. A fundamental human freedom is the freedom from want. Poverty is a human rights violation, and freedom from poverty is an integral and inalienable human right (36).

The concept of poverty is a broad one, which encompasses not merely a lack of income but also a lack of opportunity and access to the benefits of development such as clean water, sanitation, health care and basic education and productive employment. It is the poorest communities, the

marginalised and vulnerable groups in developing (and developed) countries who are most at risk of violation of their civil, political, economic and cultural rights. Taking this as a starting point the human rights approach to development draws upon the body of international human rights law (37) as a framework to identify development objectives and focuses its activities on people living in poverty.

ACFOA advocates the following guidelines as the basis of a more comprehensive human rights based approach to Australia's aid in the Pacific:

- focus on people living in poverty, the marginalised and vulnerable groups such as women, children, minorities and indigenous peoples;
- recognise the interdependence of human rights and broaden the range of activities to address civil, political, economic, social and cultural rights and the concept of collective rights;
- adopt a participatory and inclusive approach to developing country strategies, program design, monitoring and evaluation which includes all stakeholders including civil society organisations and affected communities;
- translate human rights into development objectives;
- analyse development issues from a human rights perspective and identify systemic barriers to human development and the realisation of all human rights;
- promote transparency and accountability and the rule of law to strengthen the capacity of people living in poverty to claim and enforce their rights.

## **National human rights institutions**

ACFOA regards the National Human Rights Institution's program as an important contribution in the Pacific Region to building long term sustainable institutions for the promotion and protection of human rights. Building strong national institutions that are sustainable in the long-term requires a long-term commitment, a clear agenda and the resources and resolve to ensure that certain key criteria are met consistently over time. Weak national institutions will only serve to undermine human rights protection in the region by giving national governments the opportunity to window dress poor human rights records with a superficial commitment to addressing human rights issues. The Forum members vary widely in capacity and expertise so it is vital that they have an institutional mechanism which has the capacity to support them.

## **Centre for Democratic Institutions (CDI)**

The Centre for Democratic Institutions has made an important contribution to the development of good governance and human rights standards in the Pacific through its international training and seminar programs. ACFOA welcomes the continuation and extension of this training to include additional Pacific Island Countries.

## **Solutions?**

Obviously the economic options for PICs are limited. Their attempts to investigate money-making ventures (often of a suspect nature); their willingness to take on large international debt commitments, serve to highlight a level of desperation – doing whatever it takes to balance the national budget. Concern is expressed about the very high levels of international debt and the need for fairer trade relations. Australia, as a major voice for the region, could be proactive in calling, at international forums, for debt reduction for PICs and for more advantageous trade relations. There is a need for ongoing assistance for economic reform and structural adjustment. Australian Government support for this process is important. However, the foregoing information

highlights some concerns expressed both by Pacific Island governments and civil society and calls for a very cautious approach by Australia, taking full account of likely social and cultural impact of future reform exercises. Implementation of the "good governance" agenda could well benefit from a broader definition, taking full account of the Pacific Island context and adopting a human rights based approach and democratic reform (both at the national and global institutional levels).

## **RECOMMENDATIONS**

### **It is recommended that:**

- ***Australia continues its support to Pacific Island Countries through the "good governance" agenda. However, the "good governance" agenda should be more broadly defined to place greater emphasis on (a) a human rights based approach; (b) democratic reform at national level and also of global institutions (c) social impact assessment of aid and debt, especially that associated with global and transnational involvement in Pacific Island countries, eg ADB, World Bank;***
- ***Australia gives due regard to social and cultural impact in its structural adjustment programs in the Pacific. Involvement of all sectors of society in the early stages of program development will lessen the chances of adverse impact.***
- ***Australia continues to give priority to the Pacific Islands Region through its aid budget;***
- ***Australia takes a proactive approach, at international forums, calling for fairer trade relations for Pacific Island Countries, given their vulnerability and competitive disadvantages.***
- ***Australia makes firm commitments to significant levels of funding for appropriate trade-related capacity building and food security projects in Pacific Island Countries;***
- ***Australia, at international forums, proactively calls for debt relief for Pacific Island Countries;***
- ***Australia continues to support Regional initiatives on security and transnational crime;***
- ***Australia maintains the existing financial commitment to the global National Human Rights Institutions (NHRI) program through the OHCHR Voluntary Trust Fund;***
- ***Australia examines options through the Centre for Democratic Institutions (CDI) for training workshops for NGO networks and associations in countries, additional to those where training is already underway.***

### **3. DEVELOPMENT COOPERATION RELATIONSHIPS WITH THE VARIOUS STATES OF THE REGION, INCLUDING THE FUTURE DIRECTION OF THE OVERALL DEVELOPMENT COOPERATION PROGRAM.**

#### **Pacific Islands context**

The development challenges facing the Pacific Islands Region are significant. However, a response driven by perceptions of crisis in the Pacific will distort the type of development work undertaken. The overwhelming sense of crisis presented in much Australian media coverage does not reflect either the diversity of the region, the dynamism of change, nor the fact that Pacific Islanders are engaged in dealing with the social, environmental and political problems affecting the region. Crises come and go, and a sense of historical perspective is important. Remember the crises of the 1980s - the Kanak uprising in New Caledonia, Libyans in the Pacific, Russian fishing deals with Kiribati, French nuclear testing debates. It is important that Australia's development cooperation relationship with Pacific Island Countries and Territories should not be crisis-driven and that such a relationship focuses on assistance appropriate to the Pacific Islands context and to specific needs as identified by Pacific Islanders themselves.

The term "development" is foreign for many Pacific (especially rural) people and has negative connotations, implying criticism of traditional life and the systems already in place (38). A Pacific definition of "development" would incorporate considerable national and local capacity building; recognition of cultural and traditional values; involvement of all stakeholders (including community, government and the private sector) in development decisions; access to quality education; access to health, sanitation and safe water; employment opportunities; access to natural food; and maintenance of identity and culture. Several PICs are focusing on a village-based approach to development, starting at the rural level and ensuring that facilities available in the growing urban areas, are also available at the village level. Given the growing population levels in many PICs, national planners and others from within the region are calling for greater integration of population issues into development planning and a recognition by donors of the diversity of each Pacific Island Country – what is relevant in one country is not necessarily appropriate in another.

Many of the problems affecting the Pacific are global ones, not particular only to the region: e.g. the HIV / AIDS pandemic; the problem of finding jobs for young people; environmental crises that affect development opportunities; the impact of trade, debt and privatisation policies on the national economy; reconciling the rights of indigenous peoples to their land and culture with the demands of capitalism and resource-hungry transnational corporations. Pacific Islanders are struggling with the questions posed for everyone in this age of globalisation: How do we provide employment opportunities for young people, at a time when there are significant changes in the economy, and governments shed jobs as part of restructuring based on trade liberalisation and the privatisation of government services? How can we deal with the sexual violence that has become a feature of contemporary culture, with sex tourism and abuse against women and children? How do we reconcile the cultures of the Pacific, the values of hospitality, family and spirituality, with the values and mores of the global Internet culture?

Pacific cultures have mechanisms for negotiation and reconciliation that are often untapped, and Pacific Islanders, given time, have negotiated solutions to many of their problems. Since the violent conflict in New Caledonia between 1984-88, Kanaks, Caldoche and the French State have negotiated a peace accord that has held for over a decade and Kanak independence activists are now part of a coalition government. A decade after the 1987 coups, Fiji islanders managed to

develop the 1997 Constitution with entrenched human rights provisions that put constitutions of some developed countries to shame. After thousands of deaths, Bougainvilleans from different political tendencies have negotiated a settlement with a long period of autonomy leading to a vote on self-determination.

There are undoubted problems facing the region, but it is not all gloom and doom. Media commentary often under-emphasises the capacity of Pacific Islanders to respond to crises, as well as ignoring the contribution made by the policies of donor nations and organisations to creating and exacerbating the problem.

## **Pacific Islands diversity**

When talking of “the Pacific”, there is often an underlying assumption that all Pacific societies are the same – but there is vast diversity of social, political and economic circumstances across the region. The current crisis in the Solomon Islands has parallels in a few Pacific countries, but not many, and it is important to look at the unique and complex circumstances of each society (e.g. most Polynesian and Micronesian nations – with a strongly chiefly tradition, a monolingual society, and the safety valve of emigration – do not face the so-called “ethnic” conflict of multi-lingual Melanesian societies).

Pacific Island Countries and Territories range in population size from less than 50 people to over 5 million, with significant variations in the social, political, cultural and economic situations of countries around the region. Total population of the region is approximately 7.8 million people living on a land area of approximately 530,000 square kilometres with an aggregate Exclusive Economic Zone of over 20 million square kilometres. Population densities vary from 8 per square kilometre in Niue to 548 in Nauru and, at current rates of growth, some countries in the region are likely to double their population within the next 30 years (39). There are sub-regional differences: in Melanesia, population to land ratios are low and emigration is low; in Polynesia, population densities are relatively higher, growth rates low and emigration rates are high; in Micronesia, land areas are small and average population densities are higher and more youthful than elsewhere in the Pacific (40). Other factors complicate development cooperation relationships. For example, indigenous Pacific peoples speak 19 percent of the world’s estimated 5,000 languages, with many monolingual states in Polynesia and Micronesia but hundreds of language groups in Melanesia.

Access to economic opportunity varies between the Melanesian, Micronesian and Polynesian sub-regions. For instance, the Melanesian states have almost all the land and land-based mineral resources; the Micronesian states occupy the greatest sea areas with large tuna resources; and the Polynesian states combine agricultural and marine resources and possibly vast, but as yet inaccessible, deposits of sea-bed minerals.

## **Pacific Islands shared values**

An important consideration in development cooperation relationships is that most indigenous peoples in the Pacific Islands are still linked to their communal land, indigenous belief systems, spirituality and custom law. Societies tend to be communal rather than individually based with high levels of reciprocity, mutual support and sharing. The extended family forms a central part of life and the cornerstone of support and care. Conformity is valued, rather than individual initiative or assertiveness. People often have ascribed occupational and gender roles, with clear rights and responsibilities. Pacific Islanders typically have close associations with their land and surrounding sea. There are common social principles that have formed the basis of island culture: a) service to chief, family or clan; b) strong commitment to customary land ownership by descent groups; c)

reciprocal responsibility between leaders and the community; and d) the uniting force of Christianity. Today, some of these principles are under stress and challenge, as the region addresses the impact of globalisation and trade, aid, debt and investment policies from overseas countries.

It is hard to do justice to the range of issues and concerns in the contemporary Pacific, or the complexity of current social change, because of the diversity of the Pacific Island Countries and Territories. However, it is possible to outline current issues and trends in the Pacific region, common to most Pacific Island countries that are important to take into account in development cooperation relationships.

## **Development issues in Pacific Island countries**

Small size, remoteness, geographic fragmentation and dispersion, economic and environmental vulnerability impose severe development constraints. The abovementioned issues associated with the Pacific context (cultural and national diversity, value systems, view of development) also have implications on the type of development cooperation appropriate for the Pacific and are important considerations for Australia's development cooperation relations with its Pacific Island neighbours. Development issues in the Pacific Islands fall under the broad umbrella of poverty alleviation but "poverty", not as it applies to many other developing countries, but rather poverty with a specific Pacific flavour.

### **Pacific poverty**

Poverty was previously seen as an alien concept in the Pacific, as people have been able to live comfortably with low cash incomes, resulting in relatively little highly visible poverty and deprivation. Increasingly, however, money is needed to sustain livelihoods and now, in many Pacific Island Countries, poverty is increasing and the concept of poverty is linked to urbanisation because urban people are not as well protected by the safety net associated with a village lifestyle. The elderly and young are especially vulnerable and in some Pacific Island Countries we are now starting to see street children (38). The key causes of poverty in the Pacific are a combination of several factors:

- limited natural resources (in many PICs);
- limited employment opportunities, partly due to isolation;
- limited income generating opportunities;
- inadequate economic and social infrastructure, i.e. poor social services (particularly health and basic education);
- rapidly growing populations with high proportions of young and dependent people;
- poor governance at local and national levels;
- political crises and conflicts;
- breakdown of traditional support systems;
- rapid urbanisation;
- gender inequality (42).

The UN Human Development Index (HDI) regards 43% of the population in Pacific Island Countries as "disadvantaged" and the UNDP Pacific Human Development Report talks about "poverty of opportunity" in the Pacific that manifests itself through:

- high, but disguised unemployment levels;
- small, but emerging subcultures of urban youth crime (and associated despair);
- very high levels of youth suicide (in some parts of the region)



## **Resource exploitation and the environment**

The portrayal of the Pacific Islands as vulnerable, poor and reliant on overseas aid evades the question as to who controls the vast wealth of the Pacific: reserves of minerals and timber; the maritime resources of the ocean which links the islands; the rich biodiversity of the region (a target for pharmaceutical companies, researchers and other bio-prospectors).

Mineral wealth is spread around the region (indeed, from earliest days phosphate from Nauru and Banaba was spread across the rural districts of Victoria and NSW, leaving moonscapes on the islands) (43). There are extensive reserves of strategic metals especially in Melanesia (copper, gold and nickel).

The island countries' 200 mile Exclusive Economic Zones (EEZ) give sovereignty and control over marine resources around every islet, reef and archipelago. Kiribati has 824 square kilometres of land but 3.5 million square kilometres of EEZ. France has only 340,290 square kilometres of EEZ in Europe, but its overseas territories add 11 million square kilometres worldwide – over seven million in the Pacific alone. However, fishing fleets from the United States, Japan, South Korea, Taiwan and China are harvesting the rich tuna resources of these EEZs. Over US\$1.8 billion of tuna was taken from Pacific EEZs in 1998, while Pacific countries only gained access fees of \$60.3 million. Some other benefits accrue - employment by Pacific islanders in canneries and on tuna vessels, spending by locally-based tuna vessels (\$150 million), transshipment benefits (\$3.8 million), tuna exports and small scale tuna fisheries - but it is clear that the vast profits from Pacific fisheries go to foreign shores. Pacific Island Countries actively participate in the Multilateral High Level Conference (MHLC) negotiations to develop a convention for the management and conservation of tuna resources in the western and central Pacific (44).

The ocean seabed also harbours wealth such as polymetallic nodules and oil and gas reserves. The recent dispute over the control and management of the Timor Gap – and the division of revenues - is well known. Less well known is the 80,000 square kilometres of natural gas reserves discovered by joint Australian and French exploration of the waters between Queensland and New Caledonia.

## **Environment and equity**

Environment and development issues are integrally connected: through the link between debt and ecological debt; the need to build networks on food security and agriculture; and access to energy as a cornerstone of development, allowing people to stay in rural areas.

The ways in which natural resources are extracted can devastate ecosystems and destroy indigenous cultures and livelihoods, as shown with major mining and logging projects in countries throughout the Pacific Islands. For many mining projects, tailings dams are difficult to maintain due to geological and meteorological conditions, and riverine disposal of tailings is now unpopular after the devastation of the Ok Tedi, Porgera, Panguna and Freeport mines. NGOs are now calling for a ban on submarine tailings dumping in Pacific waters, as a threat to coastal and reef environments.

Some NGOs are working with communities to develop sustainable alternatives to find the cash they require for school fees, petrol, transport and other necessities. Projects such as the Solomon Western Islands Fair Trade (SWIFT) and the Maisin project in Papua New Guinea help develop sustainable eco-timber sites and niche markets for forest products, as an alternative to clear fell logging. Such projects combine resource management, income generation, community ownership and training and skills sharing (45). NGOs are working on solutions to harm done to families and communities by industrial logging, such as the adoption of small to medium scale business models. There is a need for donors to end funding and promotion of large-scale plantation developments

and industrial logging, to set up community compensation and restoration programs for villages badly affected by logging or plantation development, and to provide financial support for governments who move away from reliance on industrial logging.

### **Alternatives to mining and logging**

In Papua New Guinea, a range of NGOs and community groups are co-ordinating to develop alternatives to mining and logging projects that harm the environment and disrupt local development. The Environment Law Centre (ELC) has assisted local communities to understand their rights over customary land and resources. Local NGOs like Ecoseds in Daru have run community education programs to raise options for people affected by mining projects, such as the disastrous pollution of the Fly River by the Ok Tedi mine of the 'big Australian' BHP. The PNG Ecoforestry Forum (EFF) was set up by local, national and international organisations to advance the goal of "integrated rural community development and sustainable resource use through a viable and sustainable eco-forestry industry". The current membership of the PNG Eco-Forestry Forum comprises companies, education and research institutions, not-for-profit organisations and private individuals. The National Environmental Watch Group (NEWG) is a pivotal group of social and environmental NGOs and individuals who have become concerned about uncontrolled damage on the environment and social fabric of communities by development enclaves (particularly mining). NEWG's main concern is to promote a healthy and unpolluted environment, especially as PNG communities depend on their local ecologies for food, water, shelter, medicine and cultural well-being.

### **Mobilising local communities**

The Bismarck Ramu Group (BRG) works to assist communities in Papua New Guinea to organise themselves around issues the community have identified. BRG community workers place a strong emphasis on building a relationship with the community as well as building trust - things that are sometimes overlooked in Australian development cooperation at community level. BRG draws all its community workers from the villages, as opposed to seeking the formally educated that live in the urban areas. BRG has chosen not to have a permanent presence in the villages in which they work, patrolling the areas usually every month, to avoid communities relying on BRG staff and to promote self-reliance. Helping communities build confidence in themselves involves strong emphasis on history and culture. Some of BRG accomplishments have been:

- a) Fifteen clans establishing two Wildlife Management Areas, totalling over 100,000 hectares;
- b) Twelve clans establishing the first Conservation Area in Papua New Guinea, totalling 18,750 hectares, under the Conservation Area Act;
- c) Eleven clans signing a legal document amongst themselves, in which each clan has agreed not to sign Forest Management Agreements or Timber Authorities to allow large scale logging operations on their land. This is the first agreement of its kind to be signed in Papua New Guinea;
- d) Five clans established a "Traditional Conservation Area" totalling more than 30,000 hectares;
- e) Establishment of four literacy schools and two community health programs;
- f) Two communities being able to set up structures for discussing and dealing with the highly sensitive and emotional issue of *sanguma* (magic);
- g) One community establishing a community education fund for their children.

There is concern over the connection in some Melanesian countries between foreign owned logging companies, political corruption and institutionalized mismanagement. For example, the Kiunga Aiambak timber project in PNG has been operating since 1994. The illegality of the project was confirmed in the Independent Forestry Review (2001) and has been publicly acknowledged by the Prime Minister. Local landowners have been complaining since 1995, calling for an Ombudsman

Inquiry and for the project to be shut down. However, the project still proceeds with more than US\$50 million worth of logs having been exported. Meanwhile the Government has lost out on potential tax revenues because of illegal tax exemptions given to the project and the local people have suffered a range of negative social and environmental impacts. Such projects act as a major barrier to the gains made through Australia's focus on poverty reduction through good governance.

In parts of the Pacific, the living spaces, land and waters of indigenous peoples are targeted by industrialised nations for the dumping of toxic, hazardous or radioactive wastes from industrial or military operations – and some Pacific government officials have been willing to contemplate schemes without public assent or approval. Transnational corporations have used, dumped or sold pesticides, PCBs, POPs and other carcinogenic materials in the islands that have already been banned for use in industrialised nations. Often community residents are not informed of these activities, nor of the dangers they pose.

Pacific NGOs are also campaigning to strengthen the 1985 Rarotonga Treaty for a South Pacific Nuclear Free Zone (SPNFZ). As well, in recognition of the dangers associated with potential pollution by transboundary movement of radioactive and hazardous wastes, Pacific Island Countries negotiated the 1995 Waigani Convention, which entered into force in 2001, following ratification by ten parties. These two Conventions, together with the SPREP (also called, Noumea) 1986 Convention, aim to provide protection from the shipment of plutonium, MOX fuel and high-level nuclear wastes through Pacific fishing grounds and Exclusive Economic Zones; proposals to dump nuclear waste on isolated atolls, and other pollution emergencies.

NGOs and local community leaders are also working with the South Pacific Regional Environment Programme (SPREP) and have created 17 biodiversity conservation areas in marine and atoll environments (46). SPREP, headquartered in Apia, Samoa, co-ordinates Pacific government environment initiatives on biodiversity, climate change, waste management, pollution prevention, coastal resource management, international waters protection and sustainable economic development. SPREP places emphasis on building national and local capacity for environmental management through training, environmental education and community awareness raising. It co-ordinates Pacific input into global environment programs, providing technical support to Pacific Island attendees at UN Meetings associated with the wide range of sustainable development related Conventions and is the lead Pacific organisation (working in association with its partner regional organisations who form the Council of Regional Organisations in the Pacific - CROP) providing assistance to PICs at the forthcoming World Summit on Sustainable Development (WSSD). SPREP also works with Pacific Island Countries providing technical assistance and advice on a central issue affecting island nations: climate change, global warming and sea-level rise.

## **Development issues**

It is most important for Australia to focus on those specific issues that have been identified by Pacific Islanders themselves, as important to poverty alleviation within the Region. The Pacific Region's Development Planners (47) refer to a range of development issues. These concur with those issues identified by Pacific Islanders during regional meetings of the various sectors (eg Fisheries, Health, Environment, Women's Affairs) and by a range of community groups. High priority is given to: primary health care with an emphasis on improving access to health services and retention of trained medical staff; social issues, many of which are associated with women and youth; basic educational quality and relevance; environmental management; and governance as follows:

## **Health**

- HIV/AIDS. There are emerging high levels in some areas and potentially catastrophic impact on those small countries with a high proportion of their population in the younger age groups. There is a lack of adequate testing and treatment facilities and a view that HIV/AIDS could potentially place a huge burden on already inadequate health services;
- Health Data Needs. A common problem is that health data are collected, but not collated or analysed and so are not useable;
- Non-communicable diseases. These are becoming increasingly prevalent, the main cause being a switch to high fat, high sugar and low fibre foods and a relatively inactive modern lifestyle;
- Shortage of trained health staff;
- Insufficient Health Education;
- Reproductive Health issues, including high infant and maternal mortality in some countries.

## **Social issues**

- Domestic violence is a concern in most PICs, often linked to poverty;
- Sexual abuse of women and children is a growing concern;
- Youth unemployment and an associated migration of young rural people to urban centres, which in some countries exacerbates ethnic tension;
- Youth suicide – very high rates in PICs, amongst the highest in the world;
- Street Children, a previously unknown phenomena in the region, are emerging in the urban areas of some Pacific Island countries;
- Gender inequality.

## **Education**

- Despite high levels of expenditure on education, there is increasing concern over quality and relevance, especially relating to limited future employment opportunities;
- Evidence of large numbers of dropouts and repeaters (eg fewer than half of Pacific youth complete secondary schools and only 1 – 5% of youth complete some form of tertiary education);
- Low school achievement rates.

## **Environmental management**

- Waste Management – solid waste disposal is an issue for all PICs, especially urgent for some of the highly populated, smaller atolls;
- Natural Resource Depletion – both terrestrial and marine is a growing problem in many countries;
- Coastal Erosion is serious in some of the low lying atoll countries;
- Climate Change and Sea Level Rise is a critical concern, especially for the atoll countries, for which adaptation measures are necessary.

## **Governance**

- Good governance measures, of a form appropriate for the respective countries, are increasingly regarded as a vital necessity for sustainable development and associated poverty alleviation;
- Institutional strengthening and capacity building of a form, and on a scale appropriate to small island developing states;
- Tensions between the modern institutions of democracy and traditional political power structures.

## **Potentially emerging issue: Irian Jaya/West Papua**

Many commentators view the current crisis in Irian Jaya/West Papua through the prism of Indonesian unity. However, the mood in the Pacific is that historically, culturally and geographically, West Papua has strong linkages with the Pacific. Today, these links are being recreated and some Pacific Island governments are providing increased support for Irian Jaya/West Papua's quest for independence. For instance, at the September 2000 UN Millennium Summit in New York, leaders from Nauru, Vanuatu and Tuvalu raised the issue – the first countries to declare support for West Papuan independence at the United Nations. Four leaders from Irian Jaya/West Papua were given official delegate status at the 31<sup>st</sup> Pacific Islands Forum in October 2000 as members of the Nauru delegation. At that Forum, Vanuatu, Nauru and other countries supported the push for human rights in the troubled country, even as they deferred to Australian and PNG sensitivities by acknowledging Indonesia's current political sovereignty. The Forum governments issued an unprecedented statement calling for peaceful dialogue on the future of the country, and an end to human rights abuses. The issue remained on the agenda of the 2001 Pacific Islands Forum in Nauru, even though representatives from Irian Jaya/West Papua were refused visas to lobby delegates at the meeting. The Forum's April 2001 decision to accept Indonesia as a post-Forum 'dialogue partner' was welcomed by pro-independence leaders in Irian Jaya/West Papua who are seeking international support for a peaceful dialogue with the Indonesian government.

This is included in this submission as an emerging issue, in light of the events that led to recent independence for East Timor. The Australian Government needs to sensitively monitor developments in Irian Jaya/West Papua, encouraging informed debate, respect for human rights and peaceful conflict resolution.

## **Future direction for development cooperation**

The above-identified Pacific issues are already known to the Australian Government and the aid and development sector. However, what is often not taken into account in development cooperation relations with the Pacific, are the nuances associated with appropriate aid delivery mechanisms.

## **Taking cultural context into account**

The specific cultural context within the different Pacific Island Countries (and even different inter-country and provincial cultural contexts) should be carefully taken into account in future programs of development cooperation. Development should not necessarily be seen as destructive to traditional culture but, rather, development programs if well planned, can capitalise on some aspects of culture to support the development objectives, e.g. traditional ways of settling land disputes. The Region's Development Planners believe that: "Countries need to be given the opportunity to explain their cultural needs to donors during the consultation process and to screen projects as appropriate. For example in Samoa, the council of chiefs must give its approval before the development of tourist facilities can proceed. The institutions that work within countries must also be culturally sensitive. Developing Pacific countries should avoid 'cutting and pasting' economic models or systems from industrialised countries and instead develop economic structures that are appropriate for their country and culture. (48)"

## **Integration of poverty issues into economic planning**

Poverty issues need to be integrated or mainstreamed into wider economic and financial planning. Social impact or 'poverty impact' assessments should be carried out on projects and an emphasis should be placed on inter-sectoral projects. Issues of social integration such as participation, social justice, human rights and good governance are integral to this approach – poverty will not be alleviated unless these issues are addressed (49). However, "Donors tend to concentrate too much on the economic aspects of poverty, and compare the Pacific with other parts of the world where the issues are very different. There needs to be a specific assessment of poverty in the Pacific, undertaken by Pacific Islanders. A minimum standard of material welfare could be devised, noting variations between countries and formulating country-specific definitions.....The typical island economy, based on subsistence culture and organised around the extended family cannot be measured in monetary terms. (50)"

## **Community participation**

The community, as an important player in the Pacific Islands region should not be underestimated. Sustainability of the results of a development cooperation program can only come about through 'ownership' of it across all levels of society within Pacific Island Countries. For instance, a government-endorsed project only succeeds on-the-ground if it has full community support and engagement, especially given Pacific land tenure considerations. For example, for many years, efforts at natural resource conservation focused on a western concept of protecting land, failed miserably. The development, through Global Environment Facility (GEF) funding to which Australia contributed, of a major programme of Community-based and Community-managed marine and terrestrial conservation areas (the South Pacific Biodiversity Conservation Programme – SPBCP) has acted as a very good example of the importance of involving, in conservation activities, those who actually own the land. The strong land tenure systems in the Pacific, make involvement of the community imperative. Community project participation, however, is the most difficult form of development cooperation to undertake. It involves long, sustained effort with consistent face-to-face involvement on the ground. It does not happen through short-term consultancy visits. This has been shown time and time again.

Civil society partnerships (involving Pacific Island and developed country NGOs) have proved most successful in this regard. The wide cross-section of civil society expertise (involving churches, health, environmental, youth groups) significantly adds value to the grass-roots development cooperation approach. Australian development cooperation should look to utilise this pool of expertise in a more structured way.

As noted above, the development challenges facing the Pacific Islands Region are significant. The issues are well known and it is important that the significant development gains made within the region through Australian support are sustained. This means that the future direction of the overall development cooperation program should continue to support those issues already identified by the Pacific Island Region's development planners. These include: health, social, education, environmental management, governance issues and are already on the Australian Government's aid agenda. What is vitally important in future development assistance is the mode of implementation. The importance to Pacific Islanders of donor countries and organizations adopting a sensitive, participatory and culturally respectful approach, should not be underestimated – an approach that clearly shows Pacific Island countries that Australia regards itself very much as part of the region.

## RECOMMENDATIONS

### It is recommended that:

- ***Australia's development cooperation relationships take fully into account the Pacific Islands context, recognising:***
  - ***the importance of consultation across all sectors of society at the very earliest stages of project development;***
  - ***diversity (national, cultural) and the unique and complex circumstances of each society;***
  - ***Pacific "value systems", appreciating the differences between these and western value systems;***
  - ***that "poverty" in the Pacific is a serious issue although of a form different to that of other developing parts of the world;***
  - ***the importance of not "cutting and pasting" economic models from industrialised countries but rather developing ones that are appropriate to the respective Pacific Island Countries and their 'specific' national characteristics;***
  - ***the importance within the Pacific Islands Region of a people-centred approach to aid, especially through national capacity building across all sectors of society (government, community and private sector);***
  - ***the valuable role played by the Australian NGO aid and development sector and the potential for greater utilisation by AusAID of Australian NGOs and their Pacific partners in Programme implementation;***
  - ***the benefits to Pacific Island Countries of hands-on capacity building and culturally appropriate skills transfer provided through Australian Volunteer attachment.***
  
- ***Australia, continues its long-term sustainable development and poverty alleviation agenda thus ensuring that Pacific economies are healthy and that crises, and a crisis-driven approach to Pacific aid, are avoided;***
  
- ***Australia ensures that development cooperation relationships associated with natural resource management take into account that: (a) benefits remain with the community owners; (b) projects are of an appropriate scale and technology; (c) significant value can be added through a community-based approach;***
  
- ***Australia ensures effective community involvement and Pacific Islander 'ownership' of aid programs through a stronger emphasis on capacity building through civil society partnerships between Pacific Island community groups and the Australian aid and development (NGO) sector;***
  
- ***Australia takes heed of the emerging issue of Irian Jaya/West Papua and notes that it already appears on Pacific regional agendas;***

- ***Australia recognises the seriousness to the Pacific Islands Region of the spread of HIV/AIDS, especially noting that in many countries incidence could be much higher than is actually reported. In this regard, it is recommended that Australia further strengthens its support to HIV/AIDS education and strengthening of health services;***
- ***Australia recognises the knowledge and skills of returned field workers from the NGO aid and development sector, including Australian Volunteers and utilises their expertise in helping guide future aid development work .***



## 4. THE IMPLICATIONS FOR AUSTRALIA OF POLITICAL, ECONOMIC AND SECURITY DEVELOPMENTS IN THE REGION

### Background

The implications for Australia of political, economic and security developments in the region are significant. Australia's engagement with the Pacific is influenced by the obvious impacts of geography, proximity and responsibilities emanating from colonial history. What happens in the Pacific Islands has a direct impact on Australia's aid budget, defence relations, migration policies, trade relations and on Australia's international standing as a responsible and major power in the region. Government policy is influenced by the notion of promoting regional "stability" and "the national interest" and by historic debts and legacies of colonialism. Australia cannot, and obviously would not want to, be a by-stander to Pacific Island developments – rather, as one of the few developed countries in the Pacific Region, Australia is inextricably involved in events effecting its Pacific Island neighbours.

### Colonial legacy and responsibility

The colonial legacy and also Australia's standing as one of the major wealthy powers of the Region, brings with it a responsibility on the part of Australia to take measures to assist poverty alleviation in its Pacific Island neighbours. This involves:

***Good governance agenda more broadly defined.*** Helping strengthen ailing Pacific economies through a broader interpretation of the "good governance" agenda, taking into account a human-rights based approach and recognising that reform of governance should target not only the Pacific Island Countries but also the global partners with which they interact;

***"Internal" security matters resolved through more appropriate mechanisms.*** Providing advice and assistance to help resolve "internal" security matters, noting that conflict in the Pacific can often be resolved through emphasis on appropriate local conflict resolution mechanisms;

***Job opportunities for Pacific Islanders in Australia – pros and cons.*** Recognising the importance to some PICs of Australia as a conduit for out-migration; also being aware of the "brain drain" phenomena;

***Regional/International supportive role.*** Australia, as a Member Country of Regional Organisations and as a strong voice on the international front, supporting issues at regional and international forums that are advantageous to its Pacific Island neighbours, such as:

- ***Reduction of PIC debt.*** Take a proactive approach to lobbying on the international scene for reduction of Pacific Island debt, noting the formative stage of economic development of the PICs;
- ***Fairer trade relations.*** Provide a "hand-up" for PICs by encouraging, on the international scene, fairer trade relations for small, vulnerable economies;

- **Greenhouse gas emissions reduction.** Further investigate measures for Australia's reduction of greenhouse gas emissions, in light of the vulnerability to sea level rise of some of the Pacific atoll countries.

The colonial legacy is well acknowledged. For instance, Australia's Foreign Minister has noted: "The poverty of the colonial inheritance has been felt in political or constitutional terms. All the Melanesian states have had to grapple with poorly laid out power-sharing arrangements between the centre and the provinces, as feelings of dispossession and of being denied a share of government resources, have emerged in rural areas and outer islands. (51)"

Colonialism typically included a paternalistic and distant form of government, with a strong emphasis on centralisation and the state as a provider of services. In many areas of Melanesia, colonial powers sought to build administrative coherence over essentially stateless societies, comprising enormous heterogeneity of language and culture. Local participation was generally restricted to a small number of educated elites, active in tightly proscribed roles within the civil service. The legacy of the colonial period includes radically new approaches to politics and social organisation, for which local communities have limited experience and management skill. Today, efforts to meld customary systems of governance with Western parliamentary and public service traditions are a focus of debate in most countries in the Pacific. There is extensive work being done to integrate customary systems and institutions of law and justice with Western judicial structures (52).

## **Good governance agenda – broader interpretation required**

Recognising the colonial legacy of imposing on Pacific Island Countries administrative structures not necessarily in accord with national experience and management skills, Australia has recently enthusiastically adopted the "good governance" agenda to ameliorate poor governance issues in a number of its Pacific Island neighbours. This agenda is also promoted by multilateral agencies such as the World Bank and Asian Development Bank (ADB) (53). The governance agenda has highlighted the need for institutional reform, especially of the public sector, with greater accountability and transparency by public authorities. The academic and policy debate over the last decade has been influenced by concern that Pacific states may be following the path of "failed states" in Africa and the corruption and crisis endemic in many developing countries. More recently, crises in Fiji, Solomon Islands and Papua New Guinea have highlighted concern over the so-called "arc of instability" in Melanesia (54).

However, Pacific conflicts have their own dynamic and systems of resolution and the "good governance" agenda should not be so narrowly defined that it overrides other more basic poverty alleviation measures. Pacific NGOs are concerned that public sector reform has meant that programs are focused on restructuring government and selling off public assets, without maintaining outreach programs in provincial and rural areas or addressing the basic needs of marginalised and outer island communities. Australian perceptions of mismanaged aid are matched by Pacific critiques of inappropriate projects and a "consultant culture" that distorts the potential benefits of overseas investment in development (55).

There is an obvious need for good governance, and associated transparency, capacity building and effective use of resources. However, all too often the costs are socialised while the benefits are privatised. At the same time that Australian taxpayers pay over \$300 million a year of tied aid into Papua New Guinea, and another \$160 million in aid to other Pacific island nations, transnational corporations are reaping the profits of resource exploitation throughout the region.

## **“Internal” security resolution – not increased militarisation**

For small island developing states in the Pacific, concepts of security extend beyond military issues, and are tied to broader notions of economic, social or environmental crises and vulnerability (56).

Nevertheless, questions of militarisation are important. Over the last decade, most strategic analysts in the region have noted that the main threats to national security in the Pacific islands are “internal” rather than “external”. With the exception of Papua New Guinea’s border with the Indonesian-controlled West Papua, no island states have a land border, or credible military threats of external aggression. In June 2001, the Forum’s Secretary-General Noel Levi noted: “New and emerging issues have replaced the orthodox security threats of nuclear testing, colonisation, and foreign military invasion...The main challenge for the Pacific Islands is dealing with their own internal security as we see in Fiji, Papua New Guinea, Solomon Islands and Vanuatu. (57)”

There are only three countries in the Pacific islands with standing armies (Tonga, Fiji, Papua New Guinea), though Vanuatu and Solomon Islands have elite paramilitary units as part of their police forces. A worrying feature of some Pacific Island nations is the militarisation of their military and police forces, and the culture that accepts the use of force by the State to resolve political and social conflict within the society. Military doctrines have now turned inwards, to deal with threats to the security of the State from resource and landowners, indigenous groups and movements for democratic rights. In a worrying development, a number of states have seen the intervention of military forces in the civil affairs of the society (most notably with the coups d’etat in Fiji in 1987 and 2000; the 1996 kidnapping of Vanuatu’s President by Mobile Force members; and the Papua New Guinea Defence Force (PNGDF) intervention in the Bougainville conflict between 1988 and 1998, leading to thousands of deaths). The Bougainville crisis inadvertently contributed to an increase of conflict in Solomon Islands, as the Solomon’s police increased their military capacity to cope with cross-border raids by PNGDF troops in hot pursuit of Bougainville Revolutionary Army (BRA) militants and civilian refugees.

In Papua New Guinea, PNGDF military troops have also been used in other civilian situations: e.g. the policing of industrial disputes; clashes with land and resource owners over mineral and timber projects; and crackdowns on criminal “raskol” gangs and unemployed youths. Governments in Papua New Guinea and Fiji have tried to develop Internal Security Acts to justify their control of such “rebellious” groups. The blurring of roles and responsibilities between military and unarmed constabulary police is a major concern.

As well as the direct effects of military operations, the culture of militarism can affect the values and ethos of a society. The role of troops in internal operations has indirect spillovers to other sectors of society (e.g. incidences of domestic violence against Papua New Guinea women by soldiers returning from the Bougainville war; the use of stolen military weapons in robberies in post-coup Fiji; the gun culture that has flourished in Solomon Islands amongst marginalised youth). In the wake of violent clashes in Solomon Islands, despite the weapons hand-back, criminal behaviour by groups of young former militia men will remain a serious concern for local communities, and the militarisation of youth could pose increasing threats to the security of island countries.

Foreign governments (especially Australia, New Zealand, Britain, France, and the United States) have contributed to the process of militarisation through the supply of training and equipment. Both Australia and New Zealand have pursued a policy of offering military-oriented support to local police forces. Australia has built and renovated military bases, supplied naval patrol boats to several Pacific Island Countries as well as other kinds of military equipment.

However the military stalemate in Bougainville and the 1997 Sandline Crisis were significant turning points in Papua New Guinea, affecting Australian policy and government attitudes to the role of military forces in the region (58).

## **More appropriate mechanisms and regional initiatives**

In recent years, there has been a new focus on joint peacekeeping operations together with New Zealand and Pacific island forces, including: the South Pacific Peacekeeping Force in Bougainville (1994); the Truce Monitoring Group and Peace Monitoring Group in Bougainville (from 1997); INTERFET and UNTAET in Timor Lorosa'e (from 1999); and the International Peace Monitoring Team in Solomon Islands (from 2000). In all cases, Australia has contributed greater resources than its Pacific counterparts.

Over the last decade, the Pacific Islands Forum has been developing a new focus on regional security, with a series of declarations at Forum meetings:

- the 1992 Honiara Declaration on Law Enforcement Cooperation, promoting legislative assistance on issues of extradition and transnational crime;
- the 1997 Aitutaki Declaration on Regional Security Cooperation which broadened the Forum's mandate and widened its focus to include regional security policy issues; and
- the 2000 Biketawa Declaration which outlines principles and guidelines for regional action during times of crisis in member countries, allowing the Forum Chair and Secretary General to respond to security crises in a variety of ways and supporting good governance, human rights and democratic processes.

Security issues were high on the agenda at the Forum Foreign Affairs Ministers Meeting (FFAMM), which met for the first time in Apia in August 2000. In the wake of coups in Fiji and Solomon Islands, the FFAMM established a working group to develop draft proposals for the leaders to consider, on possible Forum responses to political instability. A report submitted to the Forum Regional Security Committee in 2000 argued that "the most serious security threat in the region is internal security" caused by a mix of "ethnic differences, land disputes, socio-economic disparities and the perception of governments' inability to address the problems that are of paramount importance to the majority of the people. (59)" At the Forum Regional Security Committee Meeting, held in June 2001 in Fiji, the Forum's Secretary General Noel Levi noted: "the region's security environment had become more fluid and uncertain with the emergence of newer threats to regional security including transnational financial crimes such as drug trafficking, money laundering, and people smuggling. The Leaders also noted the increasing incidences of civil unrest.(60)" Forum leaders are also focusing attention on corruption in government, protecting borders and Exclusive Economic Zones (EEZs).

There are now a range of police, security and intelligence bodies working at inter-governmental level on regional security issues: the Oceania Customs Organisation (OCO), the South Pacific Chiefs of Police Conference (SPCPC), the Combined Law Agency Group (CLAG), and a proposed Financial Intelligence Unit (FIU) Project office, to be funded by the International Monetary Fund (IMF). Australia, France, the United States and New Zealand maintain intelligence and satellite installations that monitor email, fax and phone communications throughout the region (61).

## **Impact of Bougainville crisis**

The Bougainville crisis has had the most significant impact on Australian government policy. Opposition to the Panguna copper mine, highlighted by women blocking the bulldozers at Rorovana in 1969, contributed to the Bougainville independence movement at the time of PNG's independence in 1975 (62). The conflict flared again in 1988. Through the early 1990s, the Australian government consistently supported the territorial integrity of Papua New Guinea, and assisted PNG government military offensives against the Bougainville Revolutionary Army (BRA) and its supporters. The provision of helicopters, patrol boats and military supplies and training became a controversial element of this Australian support in the early 1990s (63). The Bougainville crisis has brought poison into the body politic of both Papua New Guinea and Solomon Islands (as shown with tensions with the PNGDF in March 2001 and the ongoing crisis in Solomon Islands after the 2000 coup).

It was only after the military failure of the Papua New Guinea Defence Force (PNGDF) and negotiations between different Bougainvillean political groupings, that the Australian government moved to de facto support for the right of self-determination – accepting that a vote on political independence may be an acceptable outcome of current negotiations over an autonomy process for Bougainville. Shortly after the New Zealand 1999 general elections, a joint statement by Foreign Ministers Goff and Downer noted: "New Zealand and Australia would support to the best of their ability the outcome of a negotiated settlement for Bougainville freely entered into by the parties."

This policy shift on Bougainville and PNG "territorial integrity" is important as a political precedent and has implications for development assistance programs. In the five years to 2002, Australia will have provided \$100 million aid for Bougainville reconstruction and reconciliation, drawn from the PNG aid budget. As the autonomy process develops, will Bougainville policy and aid delivery by both government and NGOs be mainstreamed back into management of the bilateral Australia – PNG program, or will Australia develop a separate program for Bougainville?

## **Job opportunities for Pacific Islanders in Australia – pros and cons.**

A high percentage of Pacific islanders now live overseas, especially in Pacific Rim countries such as Australia, Aotearoa / New Zealand, Canada and the United States. In the face of growing populations, migration has become an outlet for many Polynesian and Micronesian nations, with remittances sent home playing a vital role in the economy: Tonga, Samoa, Niue, the Cook Islands, the Marshall Islands, Federated States of Micronesia, Commonwealth of the Northern Mariana Islands, Kiribati, Tuvalu and Palau. Some freely associated states and territories have immigration rights to their former colonial power. In smaller islands such as Niue, Cook Islands, Wallis and Futuna and Rotuma, the number of people living overseas is greater than the numbers who remain - there are more Cook Islanders in New Zealand than in the Cook Islands, more American Samoans in the USA than in their home islands. (The geographer Gerard Ward suggests that the Polynesian triangle now needs to be extended to incorporate Los Angeles, Sydney and Auckland (64).)

This migration has caused significant social problems, as well as benefits such as the transfer of remittances, increased skills and education, promotion of tourism and small business etc. (65). In turn, there is concern in Fiji, Tonga and Micronesia over the import of Asian labour, as domestic workers, sex workers and garment industry labourers (66).

With regional economic integration, governments are happy for the free flow of capital but not the free flow of labour. Australian Immigration Minister Philip Ruddock says he is worried about what he sees as "back-door" entry into Australia by Pacific islanders using New Zealand's more relaxed immigration rules, and has asked Wellington to look at ways of closing such loopholes. People of all three New Zealand territories are entitled to citizenship and carry NZ passports. New Zealand also has an immigration quota scheme for Samoa, which New Zealand ruled until its independence in 1962. As New Zealand passport holders, Tokelauans, Niueans and Cook Islanders are entitled to free entry into the Australian labour market, which has already raised concerns in Canberra. A trans-Tasman union may mean Australian citizenship for Tokelauans, Niueans and Cook Islanders, and demands from Samoa for the immigration quota scheme to be continued. In spite of the small numbers, that is hardly an inviting prospect for Canberra, which wants highly skilled migrants.

In many Pacific Island Countries, the rate of population growth exceeds the rate of economic growth, placing serious and increasing pressure on the capacity of those countries to provide basic services to their peoples and placing a high burden on women in particular. Although their population density may be high, many islands have small populations in absolute terms, insufficient to generate economies of scale and thus limiting scope for full utilisation of certain types of highly skilled expertise. High levels of migration from Polynesian and Micronesian countries not only places undue burden on training facilities but forces island countries to import high-cost foreign expertise.

For example, since the 1987 and 2000 coups in Fiji, there have been thousands of emigrants from the Indo-Fijian community and also those indigenous Fijians with the necessary professional and trade skills to gain residency or citizenship in Australia, New Zealand, Canada and the United States. (In 1998, 3,798 people migrated, in 1999, 3,981 and in the first ten months of 2000, 4,665 people left the country) (67). The loss of many doctors, nurses, accountants and computer professionals is a significant concern, and Australian technical assistance agencies face the dilemma of replacing such personnel with contract staff or volunteers.

The issue of job opportunities for Pacific Islanders in Australia is a complex and sensitive one but the pros and cons of this issue need to be considered.

## **Regionalism/International supportive role**

Australia has a responsibility to the Pacific Islands region as a member country actively involved on the regional decision-making scene through its membership in the range of intergovernmental bodies, co-ordinated through the Council of Regional Organisations in the Pacific (CROP), namely:

- Secretariat of the Pacific Community (SPC - formerly South Pacific Commission), based in Noumea and Suva;
- Pacific Islands Forum Secretariat (formerly South Pacific Forum), created in 1971, based in Suva and annual meetings of Heads of Government from 16 member states.
- South Pacific Regional Environment Programme (SPREP) based in Apia;
- South Pacific Applied Geoscience Commission (SOPAC) based in Suva;
- University of the South Pacific (USP) – with campuses in Fiji, Vanuatu, Samoa and extension centres around the region,
- South Pacific Tourism Organisation (SPTO) based in Suva;
- Pacific Islands Development Program (PIDP) based in Hawai'i;  
and
- Forum Fisheries Agency (FFA) based in Honiara.

However, at the United Nations, Australia and the Pacific Island Countries are in different blocs; the Pacific Islands being part of the Asia group and ESCAP (which stretches from Iraq to the Cook Islands) while Australia and New Zealand are members of the Western Europe and Others (WEOG) group. With the growing importance of issues such as climate change for small island states, there is strong sentiment that the islands bloc should be more united and distinct from the Asian bloc. The 2000 Pacific Islands Forum in Tarawa agreed to establish a committee to study the creation of a Pacific Islands grouping at the United Nations. It is not surprising that the governments of the small island developing states are seeking to create and strengthen a separate but common identity, to address the particular needs and issues affecting them. Already they join with other small developing states of the Caribbean and Indian Oceans through an informal grouping of small island states with Missions to the United Nations based in New York, called the Alliance of Small Island Developing States (AOSIS). In the last two years, Tonga, Nauru, Kiribati and Tuvalu have become full members of the United Nations – more Pacific countries could join in the coming decade as they achieve political independence.

Australia is also represented on many regional church and NGO networks, linking groups throughout the Pacific islands which include Pacific Concerns Resource Centre (PCRC), the Pacific Islands Association of Non-Government Organisations (PIANGO), the Pacific Conference of Churches (PCC), Pacific Women's Network Against Violence Against Women; The Pacific Foundation for the Advancement of Women (PACFAW). A number of Australian NGOs work closely in partnership with Pacific regional and national NGOs, with community groups and with international NGOs active in the Pacific. A list of Australian NGO involvement is attached in Appendix II.

Australia is a member of many of these regional networks – yet most Australians are not aware of their activities, or engaged with them. Australians are *in* the region, but are they *of* the region? Many Pacific island groups do not feel their priorities and interests are well represented in Asia-Pacific meetings by Australian, New Zealand or Asian colleagues. As there are an increasing number of international meetings and UN conferences, Pacific island representatives are often organising and caucusing separately.

There are a number of important issues about which Australia could take a more proactive role on behalf of its PIC neighbours – in the interests of regional cooperation, security and poverty alleviation. These include: lobbying on behalf of PICs at international meetings relating to debt reduction and fairer trade relations, noting that developing countries are endeavouring to “develop” at a time in history when they are significantly disadvantaged *vis a vis* developed competitors. (See Section III for more detail). Australia's stance on greenhouse gas emissions, which sends very negative messages to its Pacific neighbours, is an obvious issue on which it could signal more support.

## **Another issue for Australia: new donors/strategic implications**

Apart from the direct subsidies to the French and US colonies by their colonial powers, Australia is the largest aid donor to the Pacific of the OECD DAC countries in 1995-99. However, the historic role played by Australia and New Zealand as the key aid donors to the independent island nations is fading. As Australia and New Zealand have reduced their overseas aid budgets in the last decade or shifted from untied to tied aid, other players have stepped into the breach, including Japan and the European Union. The World Bank and ADB are significant forces in trade and aid policy in the region.

But these Western countries are not the only donors in the region. The strategic clash between the United States and China sets the context for the battle between the People's Republic of China and Taiwan for island support - a significant feature of aid politics in the region (Canberra is stuck in

the middle, trying to keep Washington happy while wooing business opportunities in Beijing). With small but increasing trade links and the growing islands bloc at the United Nations, China and Taiwan are actively lobbying for support from Forum countries (65). In recent years China has struggled to maintain its "one China" policy in the region, in the face of a Taiwanese diplomatic offensive fuelled by liberal injections of cash. Some Pacific island countries have switched allegiance to Taiwan (Palau, Marshall Islands), another from Taiwan to China (Tonga) and others back and forwards (Papua New Guinea, Solomon Islands)! The same situation applies to the Pacific Regional Organisations, some accepting donor support from the People's Republic of China only, others only from Taiwan.

Since 1999, there have been a series of high level visits to China by Pacific leaders, including: the King of Tonga; the President of the Federated States of Micronesia; the Prime Ministers of Fiji and Samoa; Foreign Ministers from Vanuatu, Solomon Islands and Papua New Guinea; the Speaker of Papua New Guinea's Parliament and numerous ministers from Kiribati, the Cook Islands, Vanuatu, Tonga and Fiji as well as Heads of Regional Organisations. In 1999, China provided 280 million yuan in economic aid to Pacific island countries, and significant grants to regional organisations. China currently has over 880 labour and construction contracts around the Pacific, worth more than US\$1 billion. China built the government offices and a stadium in Samoa and the Parliament in Vanuatu, and gave a ferry to Kiribati and cargo boats to Micronesia. They are supporting construction of a Foreign Ministry building in Port Moresby and a stadium in Suva for the 2003 South Pacific Games. China also builds roads, provides engineers and agriculturists, and donates cash without the Structural Adjustment and privatisation policies demanded by the World Bank.

At the 2000 Tarawa Forum, China's Vice Foreign Minister Yang Jiechi signed three agreements with Forum and SPREP officials. One agreement provided US\$3 million over five years for the China-Pacific Islands Forum Co-operation Fund. US\$1million from this fund will go to establish the PIF Trade Office in Beijing this year. The remainder will be used for trade, tourism and training projects. The trade office is being funded by the Chinese government, and joins existing trade bureaux in Sydney, Auckland and Tokyo. Trade between China and Forum island countries reached US\$168 million in 1999, an increase of 93.6% over the previous year.

Five Pacific nations that maintain relations with Taipei rather than Beijing: Nauru, the Marshall Islands, Tuvalu, Solomon Islands, and Palau. Since 1993, Taiwan has provided US\$6.8 million to regional organisations, as well as extensive bilateral grants. In 2000-2001, Taiwan will make grants totalling US\$1,004,500 to the Forum Secretariat, Forum Fisheries Agency, SPC, USP, SOPAC, South Pacific Tourism Organisation, PIDP, and Fiji School of Medicine. Taiwan will also contribute US\$500,000 a year for scholarships to the Taiwan/Republic of China – Forum Islands Countries Scholarship Fund. As Taiwan and China seek diplomatic and political support, the competition for the islands bloc will intensify.

Indonesia's entry as a post-Forum dialogue partner for the first time in August 2001 in Nauru, will also complicate Australian policy, especially over West Papua. France is also pushing for greater involvement in regional affairs, seeking observer status at the Forum for French Polynesia, and pushed the Government of New Caledonia (rather than the FLNKS independence movement) as host of the July 2001 Melanesian Spearhead Group in Noumea.

Japan too has become a significant donor to the region, doubling its ODA between 1987 and 1995, and becoming the third largest donor to the Forum Secretariat. In 1997 and 2000, Japan and Forum member governments have held summits in Japan, with Tokyo's aid program having diplomatic benefits at a number of levels (69). The Japanese government is seeking the support of the growing islands' bloc at the United Nations, in its efforts to secure a permanent seat on the UN Security Council, but is also seeking to quell island criticism of Japanese policy on whaling, climate change and nuclear transshipments through island Exclusive Economic Zones. Japanese corporations seek ongoing access to Pacific tuna and forest resources, and are also interested in rights to the island nations' undersea mineral wealth (In February 2000, an agreement for deep



ocean mineral exploration in the Exclusive Economic Zones around the Cook Islands, Fiji and the Marshall Islands was signed by those countries, the South Pacific Applied Geoscience Commission, the Japan International Cooperation Agency and the Metal Mining Agency of Japan).

Significant other donor country funds are entering the region as outlined above and could thus strengthen their voice and influence with Australia's Pacific Island neighbours.

As outlined above, political, economic and security developments in the Pacific Islands Region have a definite impact on Australia. The important connection between poverty, economic instability and conflict cannot be overstated. It is important, therefore, that Australia continues to provide strong support for poverty alleviation in Pacific Island Countries. Australia should ensure that relations with Pacific Island Countries are strengthened through a proactive effort on the political front and through provision of appropriately targeted aid. Australia should be aware of the increasing "other donor country" support in the Region and ensure that Australia's aid is well coordinated and harmonized with these new initiatives.

## **RECOMMENDATIONS**

### **It is recommended that:**

- ***In the interests of Pacific regional stability, Australia continues to recognise the importance of a Pacific Islands "poverty alleviation" focus in its aid program, appreciating especially that "conflict" is a powerful reverser of development gains;***
- ***In light of the above and in line with AusAID's "Peace, Conflict and Development Policy", Australia continues to provide assistance through increased budgetary allocations, especially targeting those countries where the potential for future conflict exists;***
- ***Australia continues to support Regional initiatives on security and transnational crime;***
- ***Australia undertakes a specially commissioned review of future employment prospects for Pacific Islanders in Australia, consistent with the type of skills required by Australia and taking into account the issues associated with the Pacific Islands 'brain drain';***
- ***Australia notes the growing presence of "other donor country support" within the Pacific Islands Region and calls for greater coordination by Australia with these other donor countries, similar to the current efforts at donor harmonisation being explored between Australia and New Zealand;***
- ***Australia takes a proactive role at international forums to support measures that will assist fairer trade outcomes and debt reduction in Pacific Island Countries.***

## APPENDIX I: LIST OF ACFOA MEMBER ORGANISATIONS

AAA	Action Aid Australia (For Those Who Have Less)
AAP	Assisi Aid Projects
ABM	Anglican Board of Mission - Australia
ABWA	Australian Baptist World Aid
ACF	Australian Conservation Foundation
ACMFF	Australian Craniofacial Foundation
ADRA	Adventist Development and Relief Agency
AEA	African Enterprise Australia
AESOP	AESOP Business Volunteers Limited
AEU	Australian Education Union
AFAO	Australian Federation of AIDS Organisations
AFAP	Australian Foundation for the Peoples of Asia and the Pacific
AIA	Amnesty International Australia
AID/WATCH	AID/WATCH
ALRI	Australian Legal Resources International
ALWS	Australian Lutheran World Service
ANCORW	The Australian National Committee on Refugee Women
AnglicORD	AnglicORD
APACE	Appropriate Technology for Community and Environment
APHEDA	Australian People for Health, Education and Development Abroad
ARC	Australian Red Cross
ARHA	Australian Reproductive Health Alliance
ARMS	Australian Relief and Mercy Services
ASIAC NSW	Australian Society for Intercountry Aid Children (NSW)
ASORAF	Archbishop of Sydney's Overseas Relief & Aid Fund
ATC	Australia Tibet Council
ATCA	Australian Tuberculosis and Chest Association
AUSTCARE	AUSTCARE: Australians Caring for Refugees
AVI	Australian Volunteers International
CAA	Community Aid Abroad - Oxfam Australia
CAPS	Centre for Asia-Pacific Studies-Victoria Uni
CARE	CARE Australia
CARITAS	Caritas Australia
CBMI	Christian Blind Mission International (Australia)
CCFA	Christian Children's Fund of Australia
CEDAH	Community Education Development and Health
CHATA	Community Health and Anti-Tuberculosis Association
CISLAC	Committees in Solidarity with Latin America and the Caribbean
CUFA	Credit Union Foundation Australia
DTP	Diplomacy Training Program
DWM	Divine Word Missionaries Inc.
ECPAT	ECPAT Australia
FAJCS	Federation of Australian Jewish Community Services
FDC	Foundation for Development Cooperation
FHF	The Fred Hollows Foundation
FOE	Friends of the Earth
Foresight	Foresight (Overseas Aid and Prevention of Blindness)
FPA Inc.	Sexual Health & Family Planning Australia
GEC	Global Education Centre of South Australia
HELP	HELP International Inc.
HHA	Habitat for Humanity Australia

HRC	Human Rights Council of Australia
ICARE	International Christian Aid Relief Enterprises
ICEE	International Centre for Eyecare Education
Interserve	Interserve Australia
IWDA	International Women's Development Agency
LM	The Leprosy Mission Australia
MAA	Muslim Aid Australia
MBC	The Macfarlane Burnet Centre for Medical Research
MMC	Marist Mission Centre
MOM	Melbourne Overseas Mission Fund
MPI	Mineral Policy Institute
MW	Mission World Aid Inc.
MWI	Mercy Works Inc.
NCCA	National Council of Churches in Australia, Commission for Christian World Service
NTA	Nusatenggara Association Inc.
OIA	Opportunity International Australia
OPAL	Overseas Pharmaceutical Aid for Life
Oz Child	Oz Child
Oz Green	Oz GREEN - Global Rivers Environmental Education Network Australia Inc.
PALMS	Paulian Association (PALMS Cross Cultural Program)
PLAN	PLAN International Australia
PV	Project Vietnam
QSA	Quaker Service Australia
RCA	Refugee Council of Australia
RedR	RedR Australia
RESULTS	R.E.S.U.L.T.S. Australia
SCA	Save the Children Australia
SIMAID	SIMAID
SP	Samaritan's Purse
SSI	Salesian Society Incorporated
TEAR	TEAR Australia
UCOA	Uniting Church Overseas Aid
UNAA	United Nations Association of Australia
UNICEF	UNICEF Australia
VFST	The Victorian Foundation for Survivors of Torture Incorporated
Vinacare	Vinacare
WVA	World Vision Australia
WWF	World Wide Fund for Nature Australia
YMCA	National Council of the YMCAs of Australia
YWCA	The YWCA of Australia

## APPENDIX II: Australian NGO-supported projects in the Pacific in 2001

Source: ACFOA Statistical Survey 2001

ORGANISATION	COUNTRY	PROJECT NAME
Adventist Development and Relief Agency	PNG	Country Program PNG MED Summit PNG Heart Surgery-A Loupa PNG Literacy 1/3 PNG Micro Finance1/3 PNG Project Support PNG Simon Tunjio Student Sponsorship PNG Sonoma Student Assistance "PNG Water, Health and Sanitation 1/3" Program Related Costs PNG Program Support Project Monitoring PNG Water, Health and Sanitation 1/3 TEACH PNG Support
	Kiribati	WP Kiribati Kauma Clinic Toilets Fly & Build WP Kiribati Kauma Water and Sanitation
	Solomons	Program Support Project Monitoring Solomon Island East Guadalcanal Relief Solomons Med Capacity Building Solomons Water TEACH Sols Support WP Solomons Atoifii Hospital Support WP Solomons Auki School Building Training WPSolomons Feasibility Study WP Solomons Kukudu Slipway WP Solomons Maranatha School Ambrym
	S. Pacific	Dental Volunteers and Equipment – South Pacific
	Vanuatu	Program Support Project Support TEACH Van Support Vanuatu Water Program1/2 Western Pacific Vanuatu Aore Student Sponsorship WP Vanuatu Aore Elect Water Supply WP Vanuatu Naurotakara Clinic & Sanitation
ANGLICORD	Solomons	Malaita & Reconciliation Water & Community Care
Appropriate Technology for Community and Environment	Solomons	Bulelavata Micro Hydro Kastorm Garden 2 Peace & Unity SI Village First Program VF Light up the Future IGP Village Electricians Training Buila PSS Manawai Village Hydro Babatana Ethno-Botanical Manual
	PNG	PNG VFP Bouganville KGP Bouganville Training Bouganville Village First
	Vanuatu	Vanuatu projects

<b>Australian Baptist World Aid</b>	PNG	Village Vocational Training ABNS Admin Support Relief Garaina Hydro Medical Project
<b>Australian Church of Christ Overseas Mission Board Inc.</b>	PNG	Relief-Kwuetabu Cyclone Community Development Education Subsidy Medical & Emergency Relief Water tanks at Gandep Youth Development
	Vanuatu	Londua Technical School Ranwadi High School] Tanna School Relief-Earthquake
<b>Australian Federation of AIDS Organisations</b>	PNG	PNG National HIV/AIDS Support Project
<b>Australian Foundation for the People of Asia and the Pacific</b>	Pacific	Pacific Regional Program Pacific Regional Monitoring FSPI Regional Training Program
	Kiribati	FSP Environmental Education
	PNG	Training FSP Hospital Equip & Systems Strengthening
	Bougainville	Hospital Equipment
	Solomons	Programs Development SIDT Systems Strengthening
	Tuvalu	TANGO Institutional Strengthening
	Tonga	Tonga Trust Women's Development
	Vanuatu	FSP Systems Strengthening
	Kiribati	Water & Sanitation SAPHRE Program
<b>Australian Red Cross</b>	Solomons	Solomons Capacity Building Solomons Medical Assistance
	PNG	Bougainville Refugee Program Field Personnel-AusAID Funded Field Personnel-AusAID Funded Field Personnel-AusAID Funded Field Personnel-IFRC Funded
	Pacific	Papua New Guinea & Pacific
<b>Australian Reproductive Health Alliance</b>	PNG	Village Birth Attendance-Training Mens Project
<b>Australian Volunteers International</b>	PNG	Ombdsman-TMRG Ginigoada Project Disabled sports project
	Bougainville	Bougainville Microfinance Scheme
	Kiribati	Black pearl project phase 2
	Pacific	Pacific technical assistance facility
	Vanuatu	Secondary Teachers phase 2 Teachers Education Urban Infrastructure

<b>Caritas</b>	Pacific	CEPAC/CJD Capacity Building Caritas Oceania-Capacity Building
	Kiribati	Water Tanks Projects Outreach Project
	PNG	Advocacy Program Partnership Program
	Bougainville	Rehabilitation Program
	FSM	HIV Program (Seminar)
	Solomons	Resettlement Programs Caritas Solomons-Cap, Building
<b>Christian Blind Mission International (Australia)</b>	FSM	Medical Service
	PNG	Services for Disabled Persons Services for Disabled Persons Services for Disabled Persons Creative Self Help Centre Mount Sion Centre for the Blind Rural Ear and Eye Service Sepik
	Tonga	Handicapped Children's Centre
	Vanuatu	Vanuatu Society for Disabled People
<b>Christian Children's Fund of Australia</b>	PNG	Sponsorship/Gifts PNG Water Program PNG Health Program PNG Education Program
<b>Community Health and Tuberculosis Australia</b>	Cook Islands	Improve capacity of Laboratories in TB microscopy Improve capacity of Laboratories in TB microscopy
	Kiribati	Improve capacity of Laboratories in TB microscopy Improve capacity of Laboratories in TB microscopy
	Samoa	Improve capacity of Laboratories in TB microscopy Improve capacity of Laboratories in TB microscopy
	Tonga	Improve capacity of Laboratories in TB microscopy Improve capacity of Laboratories in TB microscopy
<b>Compassion Australia</b>	Solomons	Education, Community development
<b>Credit Union Foundation Australia</b>	Pacific	CU Operations Manual
	Samoa	CU Savings Clubs (Microfinance)
	Solomons	CU Savings Clubs (Microfinance)
	Vanuatu	CU Savings Clubs (Microfinance)
<b>Daughters of Our Lady of the Sacred Heart Overseas Aid Fund</b>	Kiribati	Education-secondary, fees Generator for School Sludge pump Aid for the poor families "Education-secondary fees" Photocopier to print materials for schools Teachers reference materials "Education-pre-university, fees" Photocopier-school Education-pre-university, fees
<b>Diplomacy Training Program</b>	Pacific	Human Rights Training Program

<b>International Women's Development Agency</b>	Vanuatu	Kam Pussem Hed Walkabout Peer Education
	PNG	Community Based Counselling Building Capacity of Buka and Nissan Women's Councils Bougainville participation in Summit of Women Mayors and Councillors** Diplomacy Training Participation Strengthening Communities for Peace
<b>Interplast Australia Royal Australasian College of Surgeons</b>	Cook Islands	Plastic and Reconstructive Surgery
	Vanuatu	Plastic and Reconstructive Surgery
	Samoa	Plastic and Reconstructive Surgery
	Tuvalu	Plastic and Reconstructive Surgery
	Kiribati	Plastic and Reconstructive Surgery
	PNG	Plastic and Reconstructive Surgery
<b>Marist Mission Centre</b>	PNG	Motor Vehicle Leadership Courses Specified gifts
	Solomons	Women's Development Workshops Specified gifts
	Vanuatu	Specified gifts
	Vanuatu	Specified gifts
<b>Melbourne Overseas Mission Fund</b>	PNG	Kanabea Bema Basic Health Boroka-Education Waigani-education Kanabea Education
	Pacific	St Paul's Overseas Aid
<b>Mercy Works Inc</b>	PNG	Water System Personnel Support
<b>National Council of Churches in Australia</b>	Solomons	Youth Program
	PNG	Capability Building Program
	Fr Polynesia	Youth & Women's Development Program
<b>OXFAM Community Aid Aboard</b>	PNG	Gender Work Training Literacy Environmental Protection Institutional Support Gender & Development Program Sex Workers Support Environmental Protection Development of Web-based Information Strategic Planning Workshop
	Pacific	Rehabilitation and Reconciliation Project Trainer support Pacific partner exchange and Training Pacific resource coordinator (OCAA staff) Translation of Identity: Faces without masks HIV/AIDS Survey Pacific Indigenous Peoples Exchange Review of NNT Indigenous Peoples Movement Network

<b>OXFAM Community Aid Aboard (continued)</b>	Solomons	Adult Literacy Assessment Mission-Vanimo Assessment Mission-Solomons Housing Assistance for IDPs Peace Building Sewing Machine Workshop
	Vanuatu	Institutional Support
<b>Oz Green</b>	PNG	PNG Community Catchment Protection Project
<b>Salesian Society Incorporated</b>	PNG	Emergency Assistance
	Samoa	Secondary education
<b>Samaritans Purse</b>	Solomons	Basic Education
	PNG	Child Support
<b>Save the Children Australia</b>	PNG	Program Management Child Rights Program Research and Conservation Preventative Health Program Salvation Army-Misapi Project
	Solomons	Program Management Family Support Centre CBR Field Supervision/Support Youth Outreach CBR Advocacy Womens Peace Initiative Youth & Womens Peace
	Vanuatu	Program Manager SCFA Child Advocacy Young Peoples Project Sth. Santo Envir. (VASS/SCFNZ) District PHC
<b>Service Fellowship International Inc</b>	PNG	Tinsley Health Centre Teleformin Health Centre Agricultural Program
<b>Sexual Health &amp; Family Planning Australia</b>	Pacific	South Pacific Reproductive Health & Family Planning Training Program Development Assistance in the South Pacific Region South Pacific Reproductive Health & Family Planning Training Program Development Assistance in the South Pacific Region
	PNG	Reproductive Health Teacher Training Project Reproductive Health Teacher Training Project
<b>Summer Institute of Linguistics Australia</b>	Solomons	Vernacular Literacy, Language Anal
	Vanuatu	Vernacular Literacy, Language Anal
	PNG	Supervisors Tokples Education Program Vernacular Literacy Program Venture 24 Program
	Solomons	Vernacular Literacy Program
<b>The Fred Hollows Foundation</b>	Pacific	PNG Eye Care Program
	Solomons	Solomons Short Term Ophthalmic Consultancy
	Vanuatu	Vanuatu Eye Care Program



<b>The Leprosy Mission Australia</b>	PNG	Control of Impairment/Disability Unspecified projects
<b>The Macfarlane Burnet Institute</b>	Tuvalu	Youth and HIV/AIDS
<b>UNICEF Australia</b>	Pacific	Juvenile Justice
<b>Union Aid Aboard APHEDA</b>	Solomons	Joint NGO Support Peace, Education through Media SIARTEC HES project "Joint NGO Support Peace, Education through Media"
	Bougainville	Education & Training pacific Region 1999-2000 Education & Training pacific Region 2000-2001
<b>World Vision Australia</b>	Solomons	Guadalcanal Community Based Development Makira Community Based Development
	Vanuatu	Tanna Community Based Development Big Bay Bush Community based Development Cyclone SOSE Relief Project
	PNG	Capacity Building Ogea Water & Sanitation project Bougainville Community Development Child Sponsorship Child Sponsorship Child Sponsorship
<b>World Wide Fund for Nature Australia</b>	PNG	Kirori Integrated Development Conservation Area Strengthening Transfly Sustainable Forest Management in PNG Kirori Integrated Development Conservation Area Strengthening Transfly Sustainable Forest Management in PNG

### APPENDIX III: TABLE OF AUSTRALIAN NGO SPENDING IN THE PACIFIC 2001

	Funds raised from the Australian Community	Funds raised from AusAID	Funds raised from other sources (eg.UN)	Gifts in Kind	Totals
<b>Total</b>	<b>\$6,840,250</b>	<b>\$14,982,024</b>	<b>\$2,526,303</b>	<b>\$1,376,647</b>	<b>\$25,725,224</b>
Cook Islands	\$44,653				\$44,653
Federated States of Micronesia	\$49,393				\$49,393
Kiribati	\$284,185	\$20,035	\$43,302	\$36,558	\$384,080
PNG	\$3,695,397	\$3,645,011	\$686,248	\$595,772	\$8,622,428
Bougainville	\$94,454	\$1,389,513	\$1,170	\$67,358	\$1,552,495
Samoa	\$124,847	\$30,187	\$186,284		\$341,318
Solomon Islands	\$657,909	\$1,648,107	\$64,970	\$909	\$2,371,895
Tonga	\$40,473	\$48,050			\$88,523
Tuvalu	\$24,718	\$52,260			\$76,978
Vanuatu	\$380,540	\$710,401	\$510,329	\$60,090	\$1,661,360
Regional/ sub reg.	\$1,443,681	\$7,438,460	\$1,034,000	\$615,960	\$10,532,101

Australian NGO recruited aid and development personnel working in the Pacific: 476

Source: ACFOA Statistical Survey 2002

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