

**Submission
to
Senate on Foreign Affairs, Defence and Trade References Committee.**

Inquiry into Australia's relationship with Papua New Guinea and other Pacific Island countries.

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Topic: Weak and Failed States in the Pacific

While it is important to note that the majority of Pacific Island States remain stable and peaceful, there is no denying the gravity of the political and economic crises that afflict some others. For many observers, endemic levels of political instability (demonstrated most dramatically in the recent coups in Fiji and the Solomon Islands), and the deteriorating law and order situation in parts of the region are evidence that the 'arc of instability' to Australia's north has now extended into the Western Pacific. The problems are most apparent in the Melanesian countries of Papua New Guinea, Fiji, the Solomon Islands and Vanuatu. The term 'failed state' has been used increasingly to characterise the seemingly intractable crises in these countries. Although by no means a precise concept, a 'failed state' is usually depicted as comprising a combination of the following features:

- High levels of political instability;
- Endemic corruption;
- Economic dysfunction;
- Breakdown of government services;
- Growing paralysis at the centre;
- Loss of authority (legitimacy);
- Collapse of law and order;
- Internal conflicts.

There is certainly evidence of some of these features in each of the Melanesian states although there is also considerable variation between countries. Solomon Islands is the most serious case at present and is arguably the first fully-fledged example of a failed state in the Pacific Islands. The 'ethnic tensions' between the people of Guadalcanal and Malaita followed by the coup of June 5th 2000 and subsequent descent into lawlessness have brought the Solomon Islands state and national economy close to collapse. While there have been some positive developments of late, particularly in relation to disarmament, the situation remains extremely fragile and is likely to remain so for the foreseeable future.

The State in Melanesia

In considering the crises of the Melanesian states, it is important to appreciate where these states are coming from and what kinds of social environments they operate in. All of these states have relatively short histories and operate in societies lacking long traditions of centralised authority. The institutional framework of the modern nation-state is an external imposition and still fits uneasily in this, the most socially diverse and fragmented region in the world. The Melanesian states have never been able to achieve the authority or dominance in their territories that we take for granted in the case of our own state. They often have little or no presence in large parts of their countries. Indeed, in many remote rural areas it is the churches or mining companies that serve as surrogate states and provide essential services and infrastructure like health, education and roads. From this point of view, the problem is less about state collapse as about the fact that these states have never been properly established in the first place.

In several countries, small and unrepresentative elites have effectively captured the levers of state power and use their positions to enrich themselves and reward their small support bases (often confined to members of their own lineage or language groups). The legitimacy of such states derives in large part from the recognition and assistance provided by the international community. Captured development funds and rents from unsustainable resource projects often fuel corruption among leaders and public office holders. This has generated growing levels of popular disenchantment with formal political processes and central government. It has also fueled secessionist tendencies and growing levels of crime and disorder.

The Primacy of Politics in Melanesia

The character of Melanesian politics as it has evolved in the period since independence has become a major part of the problem and underlies many of the symptoms of economic dysfunction. An older 'bigman' style of politics has insinuated itself in the institutions and arenas of state. In the case of the forthcoming PNG elections, we see the recurrence of a familiar pattern. An enormous number of candidates and parties are competing in a first-past-the-post election. Over 50 per cent of sitting candidates will not be returned. Many new members will be elected with less than 10 per cent of the vote and will be incapable or unwilling to represent the other 90 per cent. A coalition government is an inevitable outcome and in the absence of strong party loyalties and notions of public interest can only be held together by bribery. Self-interest and localism motivate most politicians. This is a recipe for corruption. There is a clear need to prioritise fundamental reform of the government system. This process has already started in PNG under the reformist Morauta administration but it has a long way to go. It has also met with growing levels of political and popular resistance. Many current MPs have resigned in order to avoid the risk of dismissal from office following investigations by the Ombudsman Commission. If re-elected, they are likely to engage in a storm of litigation to avoid revival of proceedings by the Ombudsman. There is also likely to be extensive litigation involving unsuccessful candidates before the Court of Disputed Returns. These developments undermine further the fragile legitimacy of the election process.

Australia and the Solomon Islands

What can/should Australia do in the case of the Solomon Islands?

a) It could simply turn its back and walk away.

This is not a realistic option. There are strong humanitarian and strategic arguments why Australia should remain engaged and, indeed, increase its level of engagement. The ramifications of having a collection of failed states on its doorstep hardly bears thinking out. Among other things, they would serve as magnets for organised crime syndicates and the smuggling of arms, drugs and people. Desperate leaders would resort to any means to acquire funds, including serving as dumps for other countries toxic waste (as evidenced in a current proposal to dump waste from Taiwan in the SI's Makira province). Probably the most important reason for remaining engaged is that the international community, including the Pacific Islands, expects Australia to play a leading role in the region. Australia has strong historical and ongoing ties with the region and is the best positioned external power to provide assistance. If Australia can make a difference anywhere, then surely it is here in its own backyard.

b) Armed intervention?

This seems unnecessary in the current circumstances. If troops were sent to Honiara what would they do, who would they assist? The immediate challenge is to assist the SI police to restore law and order and disarm criminals, including renegade police officers themselves. There are strong arguments for considering sending experienced police officers to serve alongside SI counterparts for a finite period.

c) Strengthening our aid program and ensuring that it is effectively targetted at the most outstanding problems.

This appears to me to be an essential step to take, not only in the case of the SI but also in the other Melanesian countries. This also involves becoming smarter and more creative in the area of development assistance and being much better informed about these particular countries. Some broad suggestions follow.

- Need to improve our capacity to predict and forecast problems before they escalate.
- Need to develop strategies for working in conflict situations. These strategies also need to be responsive to the changing dynamics of conflict situations.
- Need to move away from exclusively state-centred approaches to assistance in order to avoid capture by corrupt state politics. This can be done best by working through existing and revitalised civil society networks.
- We also need to appreciate that the crises in the Melanesian countries are deep-seated and are unlikely to be resolved quickly. Conflict in this region will continue and, very likely, increase in the years ahead.
- We should learn from those cases of successful peacemaking in the region. The Bougainville Peace Process is a prime example and a process in which Australia has played an important role as facilitator. Much of the reconciliation work and peacemaking on the ground has involved Bougainvilleans using a mix of old and new

approaches to conflict resolution. All too often outsiders see culture as an obstacle to progress. Culture can also be an important part of the solution and should be recognised as such. Developing effective strategies of intervention, whether it be in the case of peacemaking or capacity building, needs to be based on social foundations that are genuinely owned by local actors. There is a need to incorporate appropriate aspects of local culture and tradition in these endeavours in order to ensure their long-term sustainability. Restorative justice as espoused in the new PNG National Law and Justice Policy is an example of how capacity building can be approached in a culturally appropriate way.

- Given the deep-seated reasons underlying state weakness in Melanesia, we need to appreciate that our commitment here is a long-term one and that our assistance be directed at fundamental issues of nation-building.

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