

**SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE  
REFERENCES COMMITTEE**

**INQUIRY INTO PAPUA NEW GUINEA AND THE  
ISLAND STATES OF THE SOUTH-WEST PACIFIC**

**SUBMISSION**

**Submission No:** 71

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South Pacific Intl

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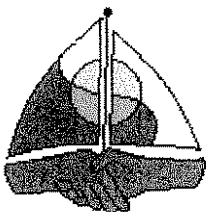
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**F S P I**

# The Foundation of the Peoples of the South Pacific Intl.

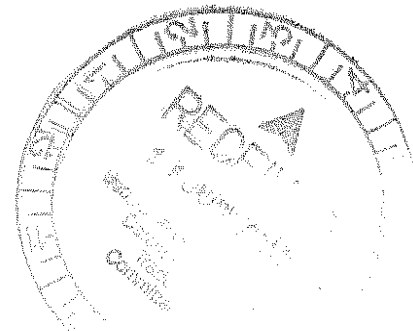
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26 May 2003.

## INDEPENDENT MEMBERS:

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Sydney*

*Counterpart Intl./FSP USA  
Washington*

*Foundation for People and  
Community Development  
(FPCD)  
Port Moresby*

*FSP Fiji  
Suva*

*FSP Kiribati  
Tarawa*

*FSP Vanuatu  
Port Vila*

*Just World Partners  
Edinburgh, UK*

*O Le Siosiomaga Society  
Apia*

*Solomon Islands  
Development Trust (SIDT)  
Honiara*

*Timor Aid, East Timor  
Dili*

*Tonga Trust/FSP  
Nuku'alofa*

*Tuvalu Association of NGOs  
(TANGO)  
Funafuti*

Dear Committee Members,

This is an open letter to welcome you to Fiji, and to also welcome your interest in the Pacific.

Australia, New Zealand and the Pacific Islands are linked inextricably. Your goals are our goals. This new century has shown that geographic size, military strength or economic influence are no longer the sole predictors of the impact a nation may have on its neighbours – for better or for worse.

More than ever, cultural understanding and open communication are more necessary to the stability and prosperity of our region.

We welcome your interest, and thank you sincerely for the opportunity to share our insights and knowledge of the Pacific. We genuinely hope our contribution may be of assistance to you.

With warm wishes,

Rex Horoi  
Executive Director  
FSPi

**Our Vision : Together we build communities in the Pacific.**

**Our Mission : We work with Pacific communities through people-centred programmes to foster self-reliance within a changing world.**

**Submission by Foundation of the Peoples of the South Pacific International  
to Foreign Affairs, Defence and Trade References Committee  
Monday 26 May 2003**

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## **1.1 About FSPI**

The Foundation of the Peoples of the South Pacific International (FSPI) is a network of independent non-government organizations working in the Pacific to foster self-reliance and sustainable development. FSPI is the largest, most experienced secular 'service-delivery' network in the Pacific, with more than thirty-five years experience working within Pacific Island communities.

FSPI affiliates are located in East Timor, Fiji, Kiribati, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu. In addition, the FSPI network works with three "metropolitan" non-government organizations based in Australia, the United Kingdom, and the United States.

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

Australia and the Oceania nations have traditionally enjoyed close political ties. While Australian responses to political upheavals in the Pacific have resulted in tensions, the importance of tourism and aid has always ensured that consternation is short-lived.

Political relations are marginally aided by the minimal coverage of the Pacific in the Australian media. While crises will receive immediate coverage, little follow-up is provided. As a result, the Pacific does not receive sustained attention in the Australian media, and is therefore rarely an issue of widespread popular interest.<sup>1</sup>

This level of media interest may be increasing. The media's focus on 'The War on Terror' is broadening. Political unrest in the Pacific is being equated with regional stability as a whole. When Australian nationals are affected by Pacific political situations, as shown recently in the Solomon Islands, the media's focus on Pacific security issues increases. This headline from the Sydney Morning Herald: "Pagan tribesman held over beheading"<sup>ii</sup> is fairly indicative of Australian media representations.

Pacific coverage will often employ misrepresentative stereotypes. The Pacific will usually be portrayed as either an island paradise, or as a wild frontier. This trivialises Pacific political issues, and will result in a less than serious treatment in the media.

As the media agenda will often influence political focus, it is important to recognise that popular misrepresentations can be detrimental to communicating the significance of Pacific policy. To ensure that the Pacific-Australia relationship is only perceived by balanced public opinion, it is essential that an accurate and representative understanding of the Pacific be established in the media.

## **2.2 Environmental considerations**

The refusal of the Government to ratify the Kyoto protocol, remains a cause of concern in the Pacific. Island states do not perceive raising sea levels as simply an environmental issue, but as an economic issue of primary importance.

A recent report by the Australian National University: "Human Health and Climate Change in Oceania: A Risk Assessment" that quantifies the likely impact of climate change on health<sup>iii</sup> will increase public concern and media interest, both in Australia and the Pacific.

Publicising the pursuit of alternate schemes, such as the trial of carbon emission trading, will demonstrate the seriousness with which the Australian Government is treating the issue.

## **2.3 Perceptions of development**

Recent coverage of the report "Aid had Failed in the Pacific" by the Centre of Independent Studies has created concern about perceptions of aid management in the Pacific.

While FSPI supports many of the conclusions in the report, the recommendation to "suspend all aid" has been latched onto by the media. This blunt assessment, coupled with the assertions of aid fund mismanagement may cause a degree of political concern. It has almost certainly created a topic that the media will examine closely moving forward. We will examine this in greater depth in section 4.1.

## **3.1 Economic relations, including trade, tourism and investment**

Australia remains an extremely significant trading partner for all Pacific nations, with the majority of Island imports deriving from Australia. Needless to say, Australian market trends have profound affect on the Pacific market. With tourism predictions at an all time low with outbound travel from Australia being predicted to fall by more than 4 per cent, the Pacific is preparing for a lackluster short to medium-term.

While external factors are compounding a downturn in island economies, political and social instability remains the greatest obstacle to productive investment. Increasing levels of lawlessness continue to be the major disincentive to external investment.

Governments are attempting to compensate by seeking to diversify into new markets and are investigating the efficiency of traditional industries, however this does not address the core issue: security risk to business. There persists a view that inefficiency and lax government are sanctioned by Pacific cultures, and as such governance and corporate governance programs can have limited affect. This is a myth.<sup>iv</sup>

Low crime levels combined with a predictable and stable political process will establish an environment that invigorates investment. The primary reason most governance programs have enjoyed limited success is not due to cultural

incompatibility, but to the limited focus of the programs themselves. This will be discussed further in the next section.

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

A change in mindset is required in the formulation of future development policies. With specific reference to the recent CIS report, this section will outline practical means of implementing this change.

As noted by the CIS report, all Pacific states are economically viable and would all be able to reach high living standards, like those of Australia and other industrial countries if they chose appropriate economic and political policies.<sup>v</sup>

There must be an increased focus on governance. Governance is the only field of development that will directly impact on every area of development. Successful good governance programs target two levels of society by i) improving the overall political and economic environment of nation, from the 'top-down' and ii) increasing the sense of empowerment of the individual via community based participatory programs – from the 'bottom-up'. The ultimate aim of every good governance program is to unify societies via an effective participatory process.

It is important to note, that the recommendation to focus on governance programs does not suggest that funding should be diverted from health-related, environmental or any other development programs. It does suggest that future selection of governance programs must assess the viability of their approach.

#### **4.2 Changing the development mindset**

It is essential that an effective development model be adopted that encompasses society from a 'top-down, bottom-up' perspective.

Many larger NGOs now suffer from an entrenchment at the higher bureaucratic echelons. While this representation is important, it becomes redundant if they are unable to also engage in effective development programs at the community level. Increasing focus on service-delivery NGOs remove pressure from government to implement their own policies. Cultural change occurs in the village, not in the parliament.

A critique of the bottom-up aspect of the model is that micro-projects may suffer from inefficiency of scale. However many Pacific islands, while possessing high rates of population growth, still have relatively small populations. Fiji, one of the Pacific's most developed nations, still only possesses a population of less than one million, distributed throughout its archipelago. For this reason, it is essential to alter the development approach now, while such micro-projects can still have a significant impact on island populations.

It is essential that 'measurable outcomes' are clearly defined and sought at the commencement of funding agreements. This is already a central concern, however

greater emphasis must be placed on a grassroots focus that can demonstrate the matching of successful governance objectives at the village level.<sup>vi</sup>

As recommended by the CIS report, aid should only be spent on mutually agreed development projects and programmes designed and monitored by teams nominated by the sovereign recipients and donors. Funds should only be disbursed on the evidence of met targets and audited expenditures.<sup>vii</sup> This will be achievable if the following model is adopted.

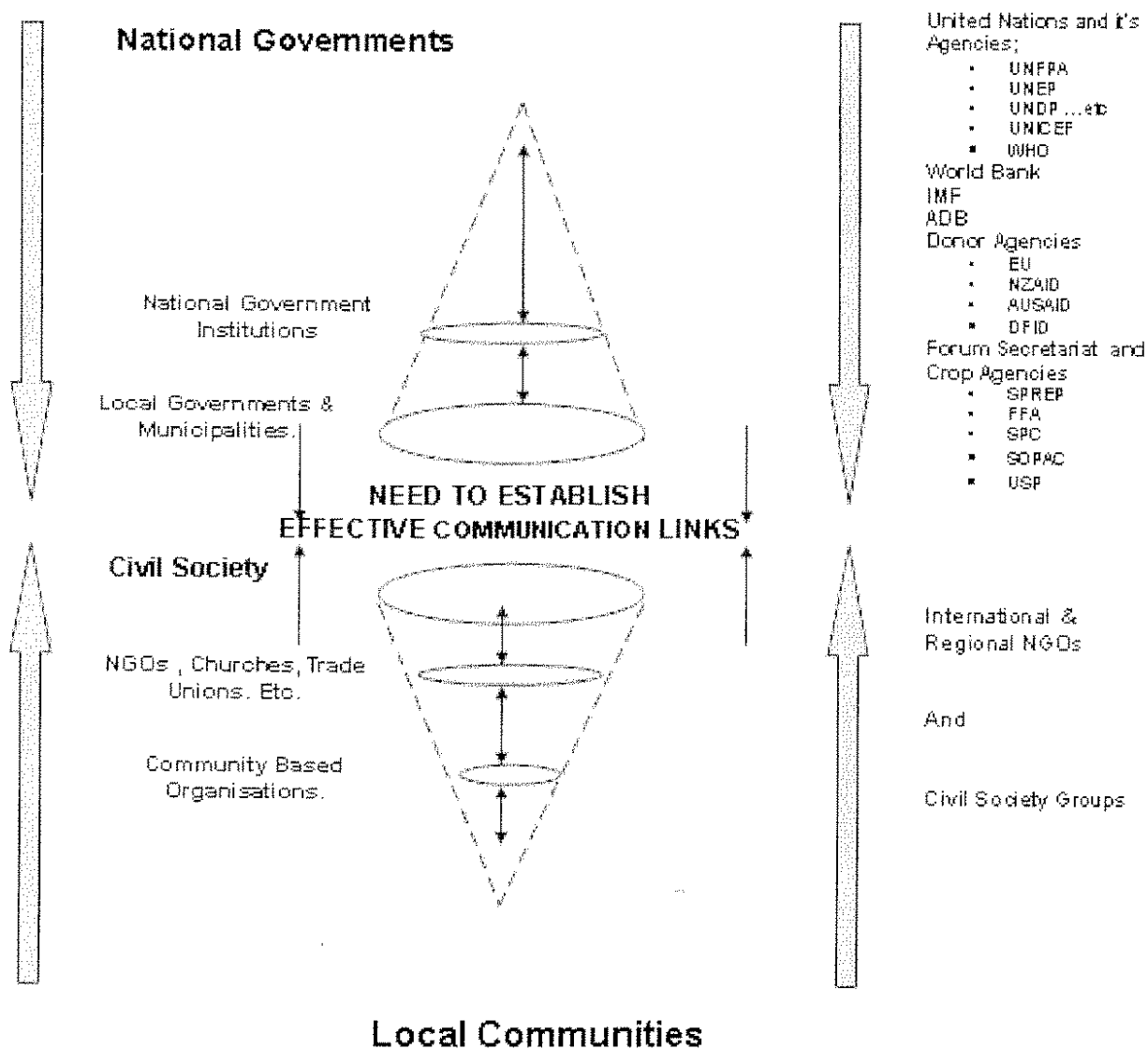


Figure 1.1 The FSPI "Ice-cream cone" development model

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

The nations of the Pacific are at a crossroads. Increasing levels of lawlessness are eroding the economic pillars of foreign investment and tourism. Without careful management, the worsening economic climate and breakdown of traditional support networks will make the Pacific particularly vulnerable to groups that seek to exploit the growing sense of political disenfranchisement.

Extremist ideology groups and gang culture will increasingly become an alternate source of identity to those displaced by urbanisation and unemployment. Their reason for being is social frustration, rather than specific political grievances.

As seen in Indonesia and The Philippines, the absence of identifiable political objectives defies the traditional understanding of terrorist organisations and makes them more difficult to engage. The initial prevention of such groups is essential. Developing good governance must be seen as an investment in security.

As recommended in the CIS report Pacific societies have to adopt policies that establish secure, free economic environments that deal with economic rents and make growth possible. While 'political empowerment' is an abstract concept, its means of achievement need not be. Good governance programs must be scientifically applied, targeting every section of the society. The limited impact of past governance programs is due to their focus on the government level. This 'top-down' paradigm must change. Adopting a concurrent "top-down, bottom-up" approach makes governance projects measurable and effective.

The predictability and stability of the region will depend on the effectiveness of its aid programs. Improving effectiveness does not require a change in funding, but a change in mindset.

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<sup>i</sup> Pacific Media Guide, David Robie eds, 2001

<sup>ii</sup> "Pagan tribesman held over beheading", Sydney Morning Herald 25.5.3

<sup>iii</sup> *Human Health and Climate Change in Oceania: A Risk Assessment*, ANU National Centre, 2003

<sup>iv</sup> "Competitiveness in Global Business -- The Dawn of a New Era", NII LANTE WALLACE-BRUCE, Melbourne Law Review, 2000

<sup>v</sup> "Aid has failed in the Pacific, Centre of Independent Studies, 2003

<sup>vi</sup> For an example of village level program, see Appendix A Sigatoka Case Study

<sup>vii</sup> "Aid has failed in the Pacific, Centre of Independent Studies, 2003.



## Appendix A

### Sigatoka Case study

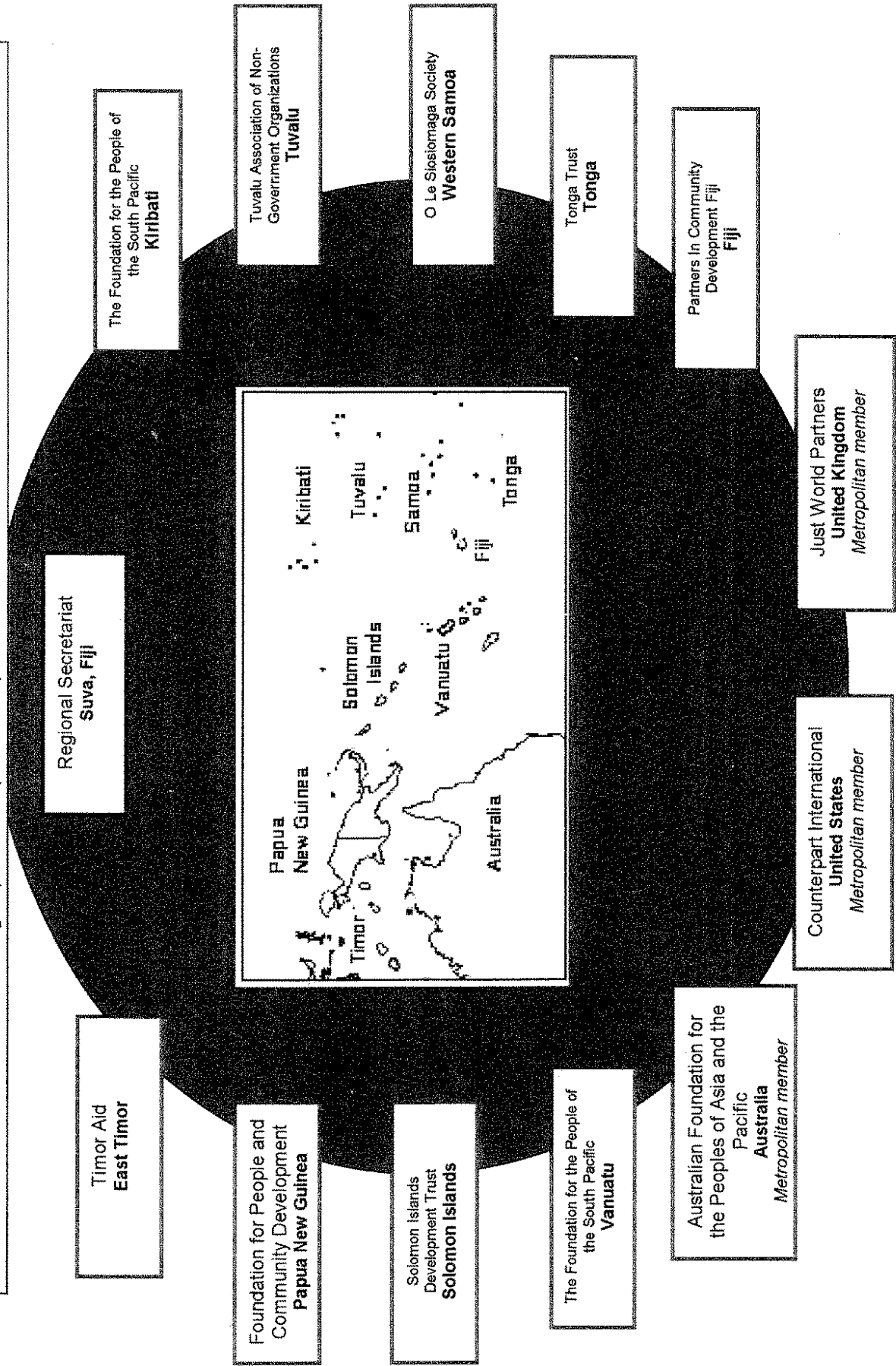
Pacific islands are undergoing rapid urbanisation. This is due both to internal urban growth and to inward immigration from rural areas. Concomitant with this growth is the mushrooming of squatter settlements often around existing village land on the periphery of urban centres. The project therefore includes in its sample, such communities at the periphery of urban settlements. To illustrate how the project is addressing learning townships and local communities in such situations, we use the case of the Sigatoka District in Fiji. Here seven villages around the Sigatoka township underwent the PLA exercise with the project. They came up with village action plans. Two priority problems they itemised that were common to most of them were what they claimed to be a high level of pollution of the river and their coastal fisheries, and the lack of land for their village use and expansion. Both these are beyond the authority of villages themselves to address. The project has therefore assisted the villages to organise a meeting of all stakeholders including the Sigatoka municipal authority, the national water and sewerage authority, the lands department, and the local tourism body to discuss the problems. It is the intention of the project that the meeting could put together a regional plan of action that will be driven from the town council but with full co-operation of all stakeholders including the seven village communities to address the issues of pollution and land use.

The *Voices and Choices: Gardening Good Governance and Democracy in the Pacific* project works in four areas:

- At community level - to facilitate local planning and decision-making through the creation and implementation of community "life plans" or action plans. Community life plans are created by the people themselves, making use of "participatory learning and action" (PLA) tools. These tools enable communities to identify local governance issues and identify solutions that can be fed up to the national and regional level. This process empowers communities to take steps to resolve critical problems (such as leadership issues and inadequate local services and structures) in ways they believe most appropriate.
- At district level - to improve linkages between communities and municipal or other sub-national authorities. The aim is to promote the development and use of appropriate structures and processes to better engage citizens in official decision-making systems and to enhance the capacity for effective civic engagement.
- At national level - to build capacity in the area of good governance by raising awareness of citizen's rights and responsibilities through incorporating rights-based principles within school curricula and national-level governance policies.
- At regional level - to establish and work with a Regional Governance Advisory Group to strengthen regional and national-level governance, promote greater accountability and transparency and to lobby for increased participation by communities and civil society agencies in policy-making processes.

# The Foundation of the Peoples of the South Pacific International

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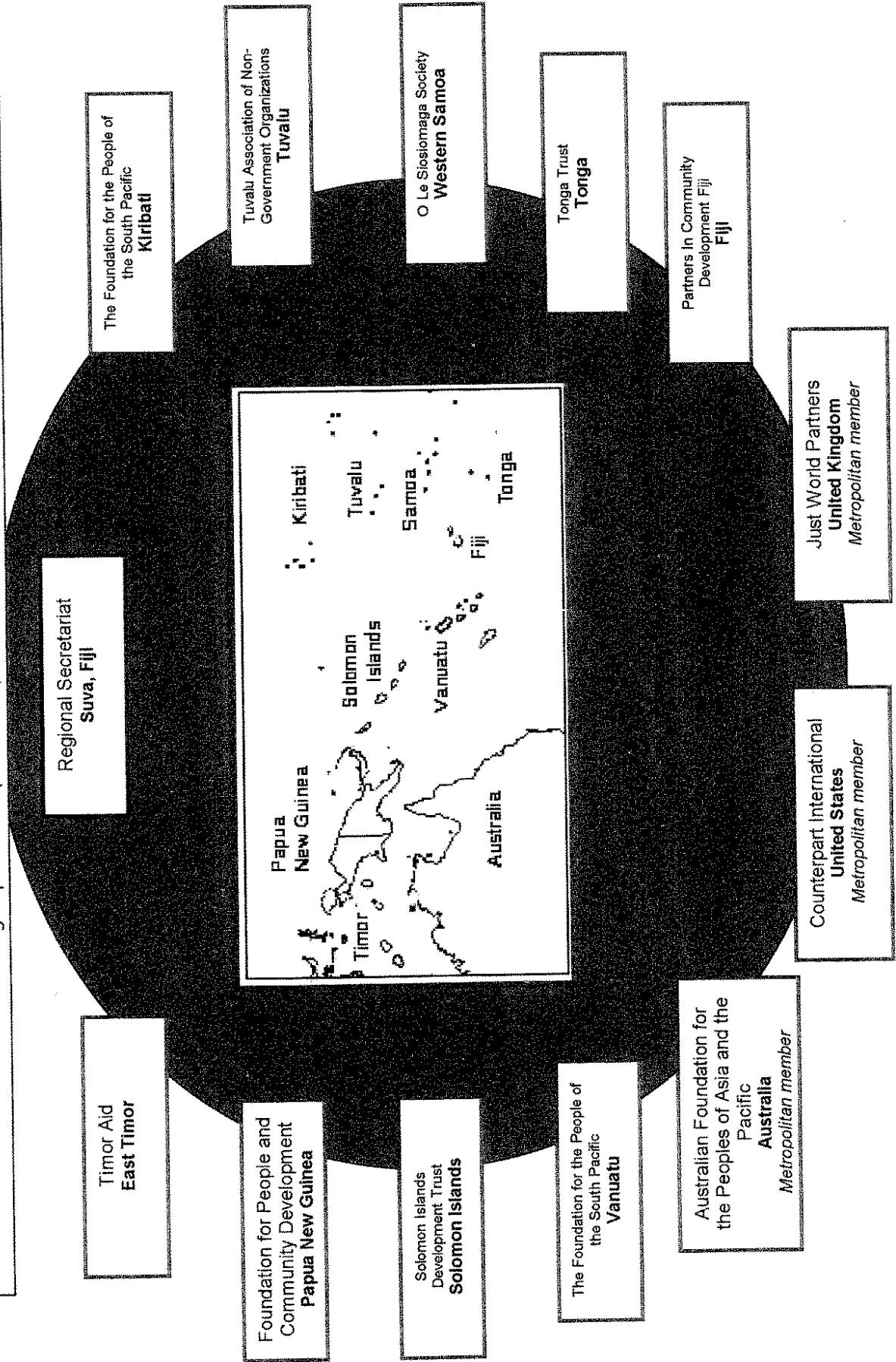
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