

Australia's Arc of Instability

The Political and Cultural Dynamics of Regional Security

edited by

Dennis Rumley, Vivian Louis Forbes
and Christopher Griffin



Springer

Australia's Arc of Instability

The GeoJournal Library

Volume 82

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The Political and Cultural Dynamics of Regional Security

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Springer

A C.I.P. Catalogue record for this book is available from the Library of Congress

ISBN-10 1-4020-3825-9 (HB)
ISBN-13 978-1-4020-3825-9 (HB)
ISBN-10 1-4020-3826-7 (e-book)
ISBN-13 978-1-4020-3826-6 (e-book)

Published by Springer,
P.O. Box 17, 3300 AA Dordrecht, The Netherlands.

www.springer.com

Printed on acid-free paper

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TABLE OF CONTENTS

<i>Figures</i>	<i>ix</i>
<i>Tables</i>	<i>xi</i>
<i>Contributors</i>	<i>xiii</i>
<i>Preface</i>	<i>xix</i>
Introduction: Australia and the Arc of Instability	1
<i>Editors</i>	
1. The Emergence of Australia's Arc of Instability	11
<i>Dennis Rumley</i>	
2. Australia's Maritime Space: Conflict and Cooperation	23
<i>Vivian Louis Forbes</i>	
3. Australia's Unauthorized Arrivals: Security Threat or Moral Responsibility?	49
<i>Trudy Hoad</i>	
4. Christmas Island: Remote No More	69
<i>Ee Tiang Heng and Vivian Louis Forbes</i>	
5. Indonesia and the Arc of Instability	83
<i>Bilveer Singh</i>	
6. East Timor in the Arc of Instability	101
<i>James Dunn</i>	
7. West Papua: Indonesia's 26th Province or Australia's New Neighbor?	111
<i>Keith Suter</i>	
8. Discontents of Daily Life in the South Pacific	129
<i>William C. Clarke</i>	
9. Papua New Guinea: Disorderly Democracy or Dysfunctional State?	151
<i>Ron May</i>	
10. Solomon Islands: Unity in Diversity – the End of a Dream?	171
<i>Trevor H. B. Sofield</i>	
11. Nauru in the Arc of Instability: Too Many Degrees of Freedom?	199
<i>Richard Herr and Donald Potter</i>	
12. Vanuatu 2001–2004: Political Will and the Containment of Unrest	215
<i>Michael Morgan</i>	
13. The French Geopolitical Project in New Caledonia	229
<i>Dennis Rumley</i>	
14. Unity, Identity, Nation Building: Challenges to Fijian Leadership	247
<i>Christopher Griffin</i>	

15. Rock of Ages: Tension Underlying Stability in Tonga <i>I. C. Campbell</i>	271
16. Samoa: Australia's Pacific Success Story? <i>Penelope Schoeffel and Malama Meleisea</i>	287
Conclusion: Future Prospects and Possibilities <i>Editors</i>	303
<i>Index</i>	319

FIGURES

1	Australia and its region	2
2.1	Australia's maritime jurisdiction	24
3.1	Illegal entry into Australia by boat: 1995 to July 2003	51
4.1	Christmas Island	71
5.1	Provinces of Indonesia	86
6.1	Timor island	102
7.1	West Papua	112
8.1	Australia's Neighbours	130
9.1	Provinces of Papua New Guinea	153
10.1	Solomon Islands	172
11.1	Nauru	200
12.1	Vanuatu	216
13.1	New Caledonia	231
13.2	The demographic structure of New Caledonia, 1891–1996	236
14.1	Fiji	250
15.1	Tonga	273
16.1	Samoa	288
17.1	Delimited Maritime Boundaries	313

TABLES

1	Arc of instability case studies	3
3.1	Summary of unauthorized boat arrivals 1989–2003	52
3.2	Per capita intake of asylum seekers in selected western countries 1998–1999	53
3.3	Recognition rates of asylum seekers 1991–1999	53
5.1	Typology of conflicts in Indonesia	87
8.1	Melanesian population change	134
8.2	Melanesian urbanization	135
13.1	Provincial socio-economic indicators 1996	238

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PREFACE

The idea for this book emerged from a conversation between Vivian Forbes and Charles Eaton following two seminars held in the Department of Geography at the University of Western Australia given by Trevor Sofield and Christopher Griffin more than five years ago. One seminar involved papers from Charles Eaton and Christopher Griffin on the recent Speight coup in Fiji; the other, given by Trevor Sofield, was on the Solomon Islands. The seminars were attended by, among others, Dennis Rumley, who on getting involved in the conversation, suggested the idea of a book and then followed through on its scope, structure, planning, and possible contributors. Looking back now, we owe a special debt of gratitude to Charles Eaton both for his enthusiasm and his ideas then, and for his continued support throughout the whole project.

Since that time five years ago, many people have boarded and have left the Arc. Indeed, the very project itself exhibited a degree of instability. At times, it even looked as though it might not stay afloat. Thankfully, several early boarders remained firmly anchored. Other authors were co-opted later, some at relatively short notice, one or two of them under mild duress. We extend our heartfelt thanks to all of these contributors for remaining patient, enthusiastic, and keeping faith with the project.

Naturally, a project like this, dealing with such a large and dynamic region, will always be out-of-date. It must also be in some sense incomplete, because for many practical reasons, a collection of national or territorial case studies like this one cannot include all those places one might otherwise wish. For this reason, too, our very selection could be challenged. However, there is another side to this ledger.

Each chapter stands alone and deals with a place in depth. At the same time, whilst not losing the complexity that first spurred us into wanting to explain to others what is going on in the “arc,” we have endeavored to make each chapter accessible to a broad audience. Furthermore, we are reasonably confident that the chapters are as “up-to-date” as is humanly possible. If some of what they contain is overtaken by events before publication – as inevitably they will – then that is the nature of the region, and, for that matter, all of society. Indeed, it reinforces our belief in the need not just for continual scholarly research in and of the region, in both single and multidisciplinary forms, but it prompts us to demand both more general education at every level, about the “arc” region, not least in Australia, and to call for more research of the kind that stimulates genuine and much more *sustained* conversation among researchers and policy-makers within and across the countries in Australia’s arc of responsibility.

We thank our publisher, Springer, and especially Myriam Poort, for their enthusiasm, flexibility, and willingness to get this project afloat as well as our helpful international manuscript referees and reviewers. We also thank Ms. Vui Lin Chong for her

cartographic expertise in preparing all of the maps with Vivian Louis Forbes. Finally, we dedicate the book to our loving families without whose support, cheerful and ever-patient understanding this book would not have been completed.

Dennis Rumley, Vivian Louis Forbes and Christopher Griffin
Perth, Western Australia
March 2005

DENNIS RUMLEY, VIVIAN LOUIS FORBES, AND
CHRISTOPHER GRIFFIN

INTRODUCTION: AUSTRALIA AND THE ARC OF INSTABILITY

The aim of this book is to describe, discuss, and evaluate through a number of regional case studies, the causes and likely implications for Australia and its region (Figure 1), of the possible, if contested notion, of an emergent arc of instability. The cases presented by no means cover every state in the region, for no matter how desirable, that was beyond our scope. Nevertheless, they represent a wide variety of states and territories, of various income levels, population size, economic potential, land area, and colonial regimes (Australian, Dutch, French, German, Indonesian, New Zealand, Portuguese, and British). Apart from New Caledonia and Fiji, which for reasons quite different from each other, are relatively rich per capita on a regional basis, and, leaving aside New Zealand and Australia, most of the cases discussed here are poor and three (East Timor, Papua New Guinea, and Solomon Islands) are among the poorest states in the Asia-Pacific region (Table 1).

Apart from this, all of the states and territories studied here have several things in common. Most are post-colonial states or state territories whose histories, and social, economic, and political structures raise concerns about their capacity to effectively deal with internal conflicts (Reilly, 2000, p. 267), and, in some cases, possible external hostilities or blandishments. All of them also receive substantial volumes of Australian official development assistance (ODA) and many are a part of what has been described as Australia's "aid front" (Rumley, 1999, pp. 179–192); that is, their per capita aid receipts are among the highest for Australian ODA recipient states. Indeed, some of these states exhibit a significant degree of ODA dependence, which, in turn, gives Australia considerable political influence in their affairs. It is perhaps no surprise, therefore, that Australia's "Pacific Solution" to its internal problem of "illegal" boat people was made easy by the fact of Nauru's bankruptcy and long-standing dependence on Australian economic aid (Table 1). For the same reason, Australia's "cooperative intervention" policy (see Chapter 1) has been particularly evident in Papua New Guinea and Solomon Islands. Yet, as Crocombe (2001, p. 392) points out, it must also be recognized that such dependency often arises from these same states' readiness to request aid, as it does to Australia's readiness to give it.

The book's approach is multidisciplinary and is predicated on the assumption that all disciplines have their own paradigms, and therefore generally are only able to provide partial but particular explanations and insights; therein lies both their strengths and weakness. In Chapter 1, Dennis Rumley discusses the emergence of the "arc of instability," a term made popular by the media and government reports, in terms of Australia's "region of primary strategic interest." He describes the development of a cooperative

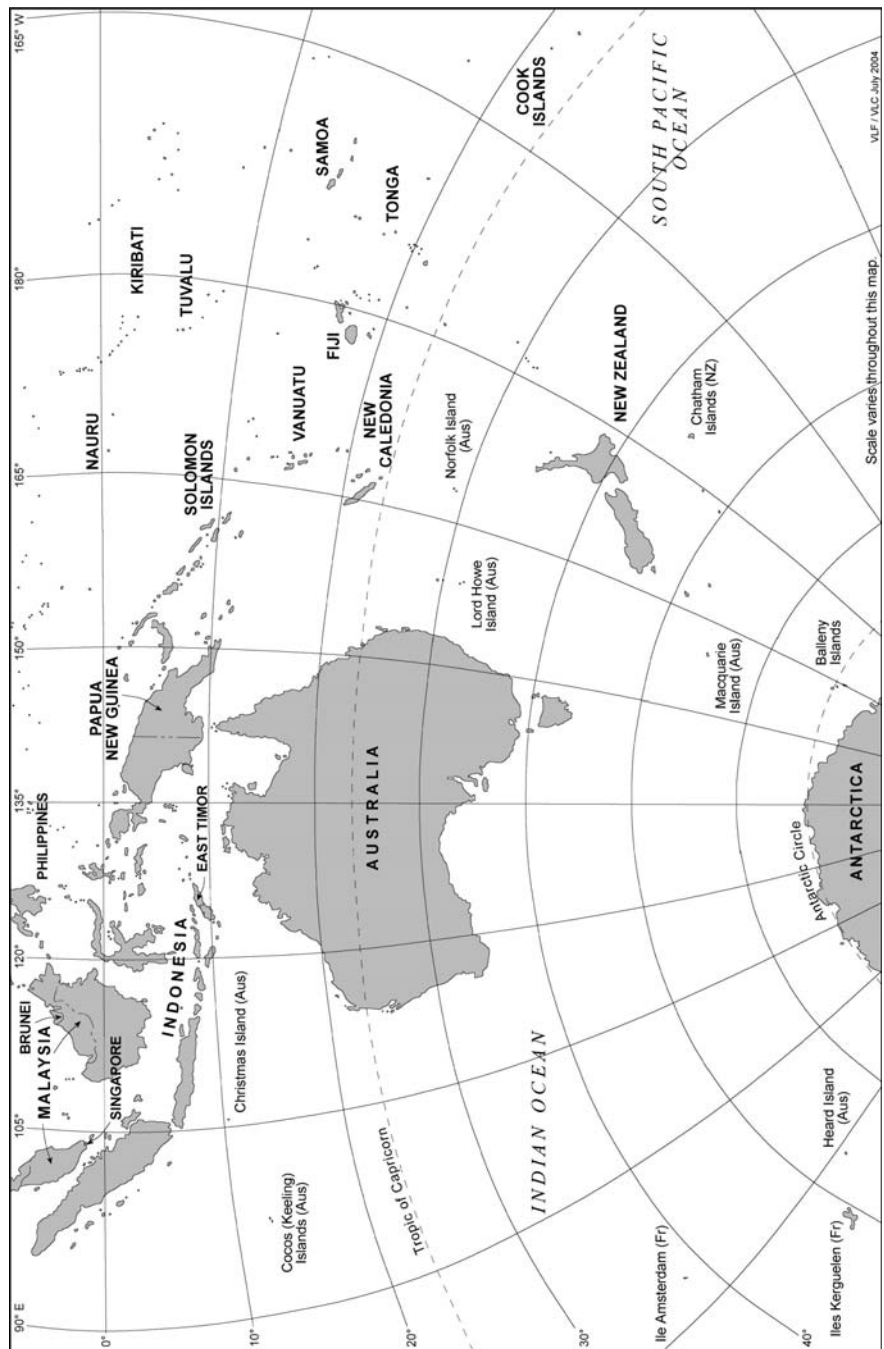


Figure 1 Australia and its region.

Table 1 Arc of instability case studies

	Population (2002)	Land Area (km ²)	GDP/Capita (2002 US\$)	Australian ODA A\$M 20032004 (A\$ ODA Per Capita)
East Timor	1,000,000	14,874	495	42.5 (42.5)
Fiji	800,000	18,300	1789	20.0 (25.0)
Indonesia	216,200,000	1,826,000	808	151.7 (0.7)
Nauru	10,065	21	2830	3.9 (387.5)
New Caledonia	200,000	18,580	12,859	Nil (0)
Papua New Guinea	5,700,000	463,000	508	333.6 (58.5)
Samoa	180,000	2840	1391	16.3 (5739.4)
Solomon Islands	500,000	28,900	532	37.4 (74.8)
Tonga	100,000	748	1593	11.7 (117.0)
Vanuatu	200,000	12,190	1058	22.7 (113.5)

Sources: Australian Department of Foreign Affairs and Trade (DFAT) website; *Pacific program profiles 200304*, AusAID, 2004.

Note: The data shown are only approximate. Those in column three, especially, should be accepted but be viewed cautiously as they vary considerably from those found in other equally reputable sources.

security front to Australia's north and east and discusses the factors associated with changes in its regional geopolitical environment. In particular, Rumley contends, the emergence of an arc of instability is linked to regional non-state and intra-regional conflicts. He examines how this region has been geopolitically characterized and evaluates its current representation. He argues that a fundamental assumption of the Dibb Report (1986), which links Australian security to geographic distance, is only partly relevant. He focuses instead on seven factors which have resulted in this geopolitical transformation: increased globalization of non-state threats, a regional history of colonialism, problems of political viability and governance, economic instability, aid dependency, ethnic tension, and religious fundamentalism. In addition to more conventional security responses, the author emphasizes that Australia needs to give more consideration to genuine regional cooperation, to help improve regional governance, and to nurture more effective human development strategies where possible and appropriate.

In Chapter 2, Vivian Louis Forbes discusses Australia's management of maritime space and commitment to the equitable delimitation of its maritime boundaries. His

chapter examines conflictual issues at local, national and international levels, especially those issues relating to Australia's northern maritime setting that have dominated foreign policy since the 1950s. Equally, it highlights the cooperative ventures Australia has developed to manage and use its maritime space efficiently and sustainably. His discussion is divided into four main parts – Australia's maritime jurisdiction, Australia's negotiated maritime boundaries, Australia and East Timor's relations, and Australia's potential maritime boundaries. Forbes outlines the extent of Australia's maritime jurisdiction, especially in terms of its conflict resolution processes that have inevitably involved much delicate diplomacy and raised complex geopolitical issues regarding energy security, finite energy supply, and state competition and advantage when maritime boundaries are involved. Looking in particular at Australia's relations with East Timor he argues, nevertheless, that this is only one of several maritime boundary issues that Australia must resolve.

In Chapter 3, Trudy Hoad examines another region-wide issue that may have implications for Australia's northern security, namely, unauthorized boat arrivals. In fact, Hoad questions this possibility and asks whether treating it as "non-traditional" security threat runs counter to its moral responsibility and obligations under international protocol. From a "realist" perspective, Hoad evaluates the actual and potential threats to Australia from the unauthorized arrival of people by boat via South East Asia, and discusses the implications of this process for the Australian government, including the costs of maintaining policies of mandatory detention and off-shore migrant processing. She concludes that the Australian government's reaction to increased numbers of unauthorized arrivals since 1998 should be regarded as judicious planning and that there is little justification for introducing policies that would support further unauthorized arrivals.

Ee Tiang Heng and Vivian Louis Forbes in Chapter 4 deal with the first of the case studies – Christmas Island – one of Australia's Indian Ocean Territories (IOT) located at the western end of the arc of instability. They argue that this Island, once regarded remote and insignificant, has recently taken on a new geopolitical importance, partly because of its economic uncertainty, but also following the events of August 2001, when the Norwegian vessel, *Tampa* was refused Australian government permission to disembark unauthorized migrants it had rescued at sea. The Howard Government, anxious that Christmas Island was becoming a "stepping stone" into Australia, moved in three ways to deal with the problem. First, it attempted to delimit a new "migration exclusion zone" around the northern Australian coast in order to stop anyone landing on one of the thousands of islands within the zone from applying for refugee status. Second, it ratcheted up the rhetoric of "unauthorized immigration," conscious of a forthcoming federal election (eventually called for November, see Marr and Wilkinson, 2003). Third, it built a permanent refugee-processing facility on Christmas Island in March 2002.

In Chapter 5, Bilveer Singh is concerned with a variety of Indonesian "vulnerabilities," largely left over from the unfinished business of nation building, following on from independence. The author points out that there have been more serious conflicts in Indonesia in recent years than in the previous three decades. This "period of conflict" has involved several inter-related phenomena, including the breakdown of the New Order authoritarian state, various economic problems following the Asian financial crisis of the late 1990s, and the whole difficult process of democratization. Singh

classifies these conflicts along two axes, one horizontal – based on sectarian, ideological, and intra-Muslim differences, and another vertical – arising out of economic difficulties or political conflicts. He then examines different categories of conflict, their primary causes, and considers the implications for national stability.

Singh is also concerned with how Australia sees Indonesia and what this means for Australian policy and for Australia–Indonesia relations. The main dispute among Australian policy-makers appears to be along a traditionalist-progressive line, wherein Indonesia is viewed either as a “strategic adversary” or else as a “strategic partner.” Clearly, these different positions involve different policy responses, though, as Singh points out, Indonesia does not see *itself* as being a part of anyone’s “arc of instability.”

In Chapter 6, James Dunn describes how originally, in the case of Portuguese Timor, Australia’s primary concern was Portugal’s capacity to maintain law and order and to resist the unwanted intrusion of adjacent European or Asian states. Australia’s real interest in Timor was never the Timorese people, but rather the strategic location of the island and its potential to pose a threat to Australian security. Australia’s initial interest in Portuguese Timor, especially in the post-war years, was also contradictory. On the one hand, it ruled out the idea of Portuguese Timor becoming an Australian colony, and, on the other, it did little to prevent it becoming a part of a still unstable Indonesia or even an “Asian Cuba.” Nor, according to Dunn, did Australia show much concern for East Timor’s instability under Indonesian occupation.

With Xanana Gusmao, however, Timorese resistance to Indonesian occupation shifted from left-wing ideological pre-occupations towards those which were more nationalistic and inclusive. Moreover, despite considerable external pressures on Indonesia in the 1960s, and others at the end of the Cold War, the changes that eventuated resulted more from inside forces than ones outside. Consequently, apart from internal problems associated with former resistance fighters, and questions of economic viability, Timor’s sense of internal unity is strong, and, providing Australia continues to support it to a level that ought not be underestimated, East Timor will, Dunn believes, enjoy stability.

In Chapter 7, Keith Suter discusses West Papua and what its future holds for Australia. He points out that, despite its considerable primary commodity reserves, the Province remains the second poorest in Indonesia. As with many former colonies, the division of New Guinea was made without proper consultation with the local inhabitants. While the Netherlands opposed West Papua’s inclusion into Indonesia, Suter maintains that the 1969 so-called “Act of Free Choice” was a “farce” to which Australia turned a “blind eye.” Nevertheless, its status as a Province of Indonesia is internationally recognized though there is an international NGO campaign to reopen the matter of the Act’s legitimacy. Suter also believes that while the Free Papua Movement (OPM) inside the Province will not succeed in forcing Indonesia out of West Papua in the near future, it will be difficult for Jakarta to defeat the OPM. He outlines the various difficulties Australia therefore faces in its continued support of Indonesia on the West Papuan question. These include human rights issues, its (Australia’s) role in training members of the Indonesian military, Indonesian suspicions of its deeper feelings, and the international criticism of NGOs. Suter argues that the status quo is not a sensible policy option and that it is in Australia’s best interests to take a more proactive position on West Papua in order to ensure its long-term stability.

By looking in Chapter 8 at four states – Papua New Guinea, Solomon Islands, Vanuatu and Fiji – in order to draw out some common themes in the social condition of these Melanesian states, William C. Clarke breaks the previous mould. He begins by challenging the myth of a previous Islands' Utopia, which is still held on to by many outsiders, including some Australians. He also makes the point that what ordinary Melanesians confront in the course of their daily lives is a "jumble" of problems, several of which he sets out to describe here, beginning with the all-important but immensely complex matter of land and the reluctance of government to deal with some of the problems of tenure. Clarke then considers the connection between demographics and health, as well as education, before going on to talk about crime, violence, corruption, elections, environmental degradation, and what he calls the "moral monfusions" Melanesians face in going about their daily business. Some of these themes also turn up in other chapters in lesser or greater detail, some do not; either way, Clarke's distinctive voice and long experience of these island states quietly commands our attention.

Ron May in Chapter 9 sets out to argue that, in spite of commonly being portrayed as occupying the "crest" of Australia's arc of instability, Papua New Guinea actually enjoys a relatively high level of political stability, as well as for the most part, good relations with its neighbors. This is the paradox at the heart of his essay. According to May, another long-time student of PNG, Papua New Guinea, is a "disorderly democracy" that, despite formal indicators of instability like extreme ethnic fragmentation and a high turnover rate of politicians, indeed *because* of them, has actually had political stability. At the same time, May demonstrates that PNG's increasingly weak state capacity impacts negatively on public perceptions of its legitimacy, which in turn tends to undermine its democratic institutions.

Although May believes there is no doubt about Australia's continuing commitment to PNG, with which it has had such close historical ties (closer than any other in the region, in fact), he warns about the resentment felt by some of the younger generation of PNG leaders who consider that Australia often behaves like a patronizing "big brother." Australia is thus faced with the dilemma of balancing proactive policies that run the risk of being regarded locally as infringing on PNG sovereignty, with what could be locally interpreted as neglect should it resist future requests for help. Engagement, he insists, is in the best interests of both countries, yet the solution to PNG problems of governance and social instability can only come from within.

Chapter 10, by Trevor Sofield, concerns Solomon Islands, the former British protectorate which in 2000 underwent a coup and saw such violence before and after that, together with government mismanagement, it drew from some observers (as did PNG) the label, "failing state." In 2003, this led to the formation of a Regional Assistance Mission to Solomon Islands (RAMSI), comprising police and soldiers from Australia and several island states, under Australian command, being sent to the Solomons, at the request of Solomon Islands government. Sofield, a former senior Australian diplomat, concentrates on two things: the disruptive effects of internal migration and the Howard government's neglect of Solomon Islands prior to June 2003. Sofield begins by explaining how much of the recent Solomon Islands problems have their roots in Malaitan migration to Guadalacanal, which owes something of its genesis to Australia's history of Malaitan labor in the sugar cane fields of Queensland. As well as drawing attention to colonial history, Sofield also argues that we need to understand Solomon

Islands' cultures. For this reason, he explores traditional leadership, kinship and identity, customary obligation, and how of these each carry over into contemporary politics. As do others in this collection, Sofield also deals with the very real, yet thorny, matter of "corruption." He acknowledges the good work being done by RAMSI, but also indicates why bloody conflict could recur.

When the US Bush administration introduced its *Patriot Act* in December 2002, the first state it nominated for possible financial sanction was one of the smallest and remotest on earth, the single island Republic of Nauru. When Prime Minister John Howard of Australia sought to allay public criticism of his government's remote region immigrant "detention centers," and at the same time win favor from the electorate by dissuading Middle Eastern "illegal immigrants" from landing in Australia, his "Pacific solution" involved distant, barren Nauru (and for a while Manus Island in Papua New Guinea). Once one of the richest per capita states on earth, bar Saudi Arabia, thanks to its phosphates, but now virtually bankrupt Nauru was reduced to such activities as "selling" passports of convenience and providing off-shore "shell banks" to foreigners, including money launders. Australia's "Pacific Solution" was therefore Nauru's god-send. In Chapter 11, Richard Herr and Donald Potter examine this and several other disquieting chapters in the story of this former UN Trust Territory and detail Nauruans' strong intense sense of cultural identity within the discourse of "instability" and "failed states." The authors bring home just how far reaching geographically and strategically are the processes and dimensions of globalization.

Michael Morgan in Chapter 12 discusses political instability, financial dealings, and threats to the state in Vanuatu beginning with the constitutional crisis of March–April 2001. He thus confines his study and suggests that despite the volatile nature of politics, the government has been successful at countering dissident internal forces, and despite protracted instability since the end of the Cold War, the country has never succumbed to entrenched violent conflict or an effective coup d'état. Rather, he suggests that, of all of the Melanesian states, this one perhaps presents the most compelling challenge to the arc of instability idea.

Morgan presents two things to support his argument. The first is Vanuatu's sheer range of diverse ethnic groups, which has mitigated against the build up of dominant, competing, ethnic concentrations, not least in urban areas. The other, possibly more important, factor has been the Government's effective management of conflict. While Vanuatu is prone to instability through political, economic, and social tensions with the potential to spark violent conflict, the government has managed to contain them. In putting this down to political will, the author reminds us that quality of leadership is fundamental to good governance.

In Chapter 13, Dennis Rumley evaluates what France's geopolitical project means for the stability of the country and the region. He explains how, since the end of the Cold War, France has reinvigorated its role in the South Pacific, and how because of New Caledonia's geopolitical and economic importance to France, and because French conservative views cut across those of the independence movement, there is likely to be ongoing conflict until such times as indigenous demands are appropriately accommodated. The chapter identifies the main objectives of French colonialism in general, as well as those in New Caledonia in particular and the nature of indigenous resistance.

The signing of the Matignon Accords in 1988, and more especially the Noumea Accord in 1998, held out the hope of Kanak self-determination and resulted in a change in the status of New Caledonia to that of a “French Overseas Country.” In reality, however, while the Noumea Accord represented a major shift in the public position of the French government, it was also a holding strategy sufficient to cause concern in the independence movement that the proposed referendum, promised some time in the next 14 years, would not eventuate. However, since then, the May 2004 election has brought a shift to the political landscape of New Caledonia in that the new government is now much more predisposed to power-sharing than its predecessor.

Set against a backdrop of Durkheim, Weber, and more recent social theory writing on cohesion and social capital, Chapter 14 by Christopher Griffin, analyzes the problems of economic modernity and modern leadership faced by indigenous Fijians and their leaders in what he identifies as a politically still volatile and unstable society. Three inter-related issues form the core of the leadership problem: ethnic Fijian unity, ethnic Fijian identity, and nation building. Other important issues flow from or are linked to these. Cast in historical terms from pre-colonial times to the present, and taking in the 1987 and 2000 coups, Griffin examines the workings of traditional Fijian polities, networks, the role of symbolic activity in Fijian culture, and what he believes is a lack of interpersonal and inter-group trust that is both the cause and effect of rumor, violence, and the undermining of civic institutions, including leadership itself. He argues that it is in their own intra-Fijian relations, and not their relations with other groups like Indians, that Fijian leaders must focus. This is the view of the Fijians whom he documents. While accepting the fact that without the British (many of whom came from Australia) Fiji would probably never have had indentured laborers from India settle among them, the author does not share the view of some observers that Fijian relations with Indians are only or mainly best explained in terms of colonialism. Rather, he sees Fijians and Indians, and for that matter most “non-Fijians” (as the equivalents of this phrase is variously used in Fiji) as separated by *culture* and its symbolic manifestation, in a way that has been too often denied or underestimated by otherwise open-minded observers as well some more ideologically blinkered ones. This is not to say the author denies the very important fact that culture also *connects* Fijians and Indians, sometimes very closely, just as it connects them to many other people, rather what he seeks to argue is that despite the problems facing Fijians, many lie among themselves, not with Indians, yet the differences of culture and psychology nevertheless are real. And being real they mark, in this case, a substantial boundary that the coups have only reinforced. Griffin, who is critical of Australia’s poverty of cultural intelligence, ends by summarizing in list form how some of the finer details of Fijian culture and society, looked at earlier, mould the state.

Chapter 15, by Ian Campbell, examines the island kingdom of Tonga, the only country in this book that was never colonized, and also by far the most socially stratified. Campbell, who is an historian, opens by querying the very concept of an Australian “arc of instability,” and then casts his eye on both ancient and modern Tonga to argue that Tongans are almost uniquely united in their “political culture” and in their vision of the role of nobles. About a century ago, he tells us, Tongans went through a period of considerable social and political instability. Today, he says, they periodically air their grievances on matters such as constitutional reform, the need of political parties, and

the necessity of a free press. Yet, he declares, these same people – including the reformers in Tonga – are generally very supportive of the monarchy and aristocracy and of their role in governance. It is a view that would probably surprise many, but that is the point. Campbell lays down a stern challenge to those observers – mostly outsiders – who would judge Tonga's political system arcane. He asks them to look about the Pacific Islands and identify which system is best for Tonga given the experiment there with democracy. At the same time, Campbell asks whether it was the expertise that Western individuals brought to Tongan governance, in the past and now, that partly explains the country's stability (as well as occasional prize foolishness). To ensure its continuation, Campbell urges Australia to maintain what he regards as a record of discreet, diplomatic, non-invasive dialog.

Chapter 16, written by historian Malama Meleisea and anthropologist Penelope Schoeffel, discusses Samoa, or what until 1997 was Western Samoa (as distinguished from American Samoa). A former German colony, it was annexed to New Zealand in 1914 and achieved independence in 1962. With a population of roughly 180,000, Samoa, like Tonga, is ethnically homogenous compared with most Pacific islands and does its best to keep it that way. The authors focus on two main issues – migration and aid – and examine the way migrant remittances contribute to Samoa's success story of social and economic and stability. Like several other writers in this book, Schoeffel and Meleisea, dwell on globalization, in this case by way of looking at the role of Samoan migrant networks (and remittances) that extend to New Zealand, Australia, and mainland USA as well as to nearby American Samoa. Far from being remote, Samoa is a globalization "hub," albeit one that most young Samoans choose to leave given half a chance. As Crocombe notes elsewhere (2001, pp. 117–118), when it comes to transnational networks, Polynesians are well ahead of Melanesians, yet when they emigrate they also shoulder a vast amount of responsibility for those they leave behind. It is that willingness and sacrifice of wealth in the way of remittances by emigrants that the authors of this chapter say keeps Samoa buoyant. It has also been blessed by able leaders in ways less common in some of the countries further west. This, we add, probably reflects on Samoa's particular form of chiefly rule in which a good many titles are *achieved* (mostly by men) by way of service reward. However, what would happen if host countries made emigration more difficult, as to some extent has already happened in the case of New Zealand, from where, incidentally, an ever-growing number of Samoans head for Australia? Both as an aid donor and a concerned party in the Pacific, this is something for Australia to ponder.

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1. THE EMERGENCE OF AUSTRALIA'S ARC OF INSTABILITY

1.1 INTRODUCTION

At the end of the Cold War period, the geopolitics of Australia's regional relations were described in terms of the application of a "directional front model" – that is, it was argued that, during the late-Cold War and post-Cold War periods, Australia's regional relations had been developed along four broad "fronts" (Rumley, 1999). These four fronts had been developed primarily for reasons of regional security, in the broadest meaning of the multidimensional term security. The most recent creation of the fourth (Indian Ocean) front can also be represented as a "closing" of the circle of security around Australia. The end result was that Australia had attempted to construct a geopolitical foundation for a secure regional future. However, to some extent, this construction has been jeopardized by the increasing incidence of non-traditional security threats, especially after 9/11 and 12/10, and the emergence of a so-called "arc of instability" located within Australia's region of primary strategic interest (ROPSI). The increasing importance of non-traditional security threats since the end of the Cold War has engendered a regional geopolitical transformation in the character of Australia's ROPSI. Since the nature of the main security threats has shifted away from traditional state-based to non-state-based threats, then this has some fundamental implications both for regional relations and for the structure and conduct of Australian regional security policy. The principal purpose of this chapter is to discuss some of the main elements of this process of transformation in Australia's ROPSI toward an arc of instability. The chapter will first describe the development of a cooperative security front to Australia's north and east. It will then consider some of the elements of the changed geopolitical environment and the regional role of the United States. The arc of instability concept will then be evaluated and the regional causes of instability will be discussed. Finally, there will be a brief consideration of some policy implications.

1.2 A COOPERATIVE SECURITY FRONT

Much of the current Australian, and indeed regional, security debate continues to illustrate the lingering preeminence of the realist paradigm – that is, that security threats emanate from other states and are perceived primarily in military terms. Although this paradigm has dominated Australian security thinking and policy since Federation, there have been some important paradigm shifts, especially after the Second World War (Lee, 1999). Each shift in the nature of the strategic environment has been

accompanied by a shift in security thinking and defense policy. Thus, the Cold War realist policy of “forward defense” was gradually replaced by a post-Cold War realist “defense of Australia” (DOA) strategy. Furthermore, this latter “old defense policy” (Monk, 2003) is being replaced in the 21st century with a post-Cold War post-realist regional strategy which emphasizes “cooperative intervention.” However, to some regional commentators, this latter strategy sits uneasily with political rhetoric, which espouses a doctrine of pre-emption.

It is noteworthy that the shift from a post-Cold War realist to post-Cold War post-realist posture has also been associated with a shift in the scale of policy application – that is, away from a state-based scale and toward a more regionally oriented strategy. For example, one statement of Australian foreign policy refers to a broader conception of security set in the context of *regional* stability: “Australia’s national security and its economic interests are inextricably linked to the security and stability of the Asia-Pacific region” (DFAT White Paper, 1997, p. 1). Thus, any threat to regional stability, such as an economic crisis, social conflict, military confrontation, or environmental degradation, also potentially threatens Australian security. Seen in the context of this broader regional conception of security, it can be argued that the process and policy of Australia’s reorientation toward the Asia-Pacific region is driven principally by the need to fulfill a more self-reliant and independent requirement for economic, social, military, and environmental security.

To some degree, however, it has been said that historically Australia has been subject to something of a “regional security paradox”. On the one hand, Australia has traditionally possessed a relatively high level of insecurity and perceived vulnerability, and even a sense of being alone and regionally isolated. At the same time, however, in spite of a number of regional geopolitical challenges, Australia has been located in a relatively benign geopolitical environment (Rumley, 1999, p. 166).

Prior to the 1970s, these locally derived regional perceptions, informed to some degree by the British colonial view of the spatial structure of the state, became fused into what has been referred to as the “gravity theory” of Australian security – that is, what was up there (the North) must sooner or later come down! (Evans and Grant, 1995, p. 110). To a considerable degree, these regional perceptions were reinforced during the Second World War and during the Cold War period and thus served to strengthen the efficacy of the realist security concept.

However, throughout the Australian security debate in the 1980s and 1990s, there emerged a concept of security which was geographically based and which was much broader in scope than the traditional military concept. In particular, this has been associated with factors of distance and proximity, with Australia’s perceived regional sphere of influence and has incorporated non-military considerations such as environmental security. One of the most explicit considerations of Australian regional geopolitical priorities was the identification of what was considered to be Australia’s “ROPSI,” which comprised two broad zones stretching from the Cocos Islands in the west, eastwards in an arc around to New Zealand and to the South Pacific islands, and from the archipelago and island chain in the north to the Southern Ocean (Dibb, 1986). In short, Australia’s ROPSI incorporated Southeast Asia, the South Pacific, and the eastern edge of the Indian Ocean. Some critics have suggested that, since this vast region comprises about 10% of the earth’s surface, that, from a practical policy perspective,

the implementation of non-military strategies is most likely to guarantee Australia's security (Rumley, 1992).

Nonetheless, arising out of this geopolitical analysis, it was suggested that Australia should concentrate its defense priorities along three strategic fronts – first, the north and northern approaches; second, the South Pacific; and, third, the Indian Ocean. This was to have a direct policy impact because, by the mid-1990s, an air and sea “ring of defense” was in place to secure all three fronts and comprised a series of airfields and naval facilities.

Some commentators have suggested that, from a traditional security perspective, Australia has always been a part of a “dependency” relationship (Bell, 1988). This dependency relationship was seemingly necessary because it was assumed that, in the event of a hostile geopolitical environment, Australia did not have the capacity to properly defend itself. From the time of European colonization to the end of the Cold War period, Australia has been dependent, in turn, on each of the world's greatest economic and military powers. Thus, from 1788 to the Pacific War, Australia was subject to “Pax Britannica.” Furthermore, from 1942 to the end of the Cold War, Australia was subject to “Pax Americana” which was reinforced by the 1952 ANZUS Treaty associated with Australia's second front, the Pacific. However, during the Cold War period, Australia was also implicated in the orientation of the United States toward the Indian Ocean as well as in its overall global strategy. The United States “strategic axis” policy, centered on Diego Garcia and with its flanks in South Africa and Western Australia was in part a response to the Indian Ocean vacuum left by the British withdrawal east of Suez. In addition, the Western Australian flank was part of an integrated system of US-Australian “joint facilities,” including Pine Gap at Alice Springs, Nurrungar at Woomera in South Australia, and North-West Cape in WA. The United States was also given permission to land B-52 bombers in Darwin and use of docking facilities for nuclear-capable submarines at Cockburn Sound in Perth, WA.

For the 21st century, of these joint facilities, only Pine Gap is expected to remain as a key element in the cooperative intelligence program. However, both Cockburn Sound and the Fremantle porting facilities are expected to continue to be used, and, if required, Australia may well be amenable to the location of future US bases on its territory consequent upon relocations from elsewhere in the Asia-Pacific region. Certainly, due to a number of key changes in the nature of the regional geopolitical environment, ANZUS in its original form has become much less important as a “cornerstone” of traditional Australian security policy (Fry, 1991). Indeed, in a practical policy sense, ANZUS currently no longer exists due to New Zealand's withdrawal. However, under the current conservative Howard administration, security ties with the United States have become much stronger in the post-Cold War period, a situation which has been a cause for concern among some Asian neighbors (Woolcott, 2003, pp. 298–303).

1.3 THE CHANGED GEOPOLITICAL ENVIRONMENT

Notwithstanding Australia's current traditional security dependence upon the United States, four fundamental changes to the geopolitical environment have necessitated the implementation of a much broader conception of Australian security, especially from the 1990s – the end of the Cold War, Australia's regional reorientation to the Asia-Pacific

region, the impact of globalization and the realization of the existence of a range of “non-traditional” threats. It has been argued, for example, that the most effective form of regional security framework for Australia needs to be built upon a multidimensional concept of security which comprises several interrelated components (Evans and Grant, 1995, pp. 113–116). Firstly, maximizing Australian security necessitates a traditional military component which is designed to be and is regionally perceived to be defensive. Economic engagement with Australia’s region, on the one hand, does not sit easily with what might be perceived to be an offensive posture toward it, on the other. Thus, from a regional perspective, the principal goal of this policy element would be the maintenance of a “secure south” for Southeast Asian states, a “secure west” for South Pacific Island states, and a “secure east” for Indian Ocean states.

Clearly, this indicates that Australia possesses shared security interests with regional states and that the precise nature of these interests will vary according to the geopolitics of each of the four fronts noted earlier. Thus, proximity and perceived potential threat dictate the need to develop a cooperative security regime to the north, while state stability associated with developmental considerations are relatively more important to the east on Australia’s aid front. To the west, the need to rebuild economic and other linkages through the Indian Ocean Region Association for Regional Cooperation (IOR-ARC) is likely to be a precursor to the emergence of stronger traditional security ties. Other elements of a multidimensional security strategy – the use of traditional and public diplomacy, trade and investment, official development assistance (ODA) and the need to address many non-traditional threats (such as terrorism, environmental degradation, the transmission of diseases, drug trafficking, and unregulated migration) – all necessitate not only national legislation but also require a framework for regional cooperation, such as the creation of the pan-Antarctic rim environmental consultative forum, Valdivia, for Australia’s environmental security front to the south (Rumley, 1999, pp. 193–209).

Since Australia threatens no state and that there appears to be no state which currently poses a military threat to Australia (Dupont, 2003, pp. 60–62), and since the only foreseeable military threat can emanate from the north, then it seemed quite rational for Australia to immerse itself in the development of a regional security community in order to create a cooperative security front. Thus, in order to guide the development of strategic policy to 2010, it was argued that Australia needed to continue to build a “strategic partnership” with Southeast Asia. Furthermore, a policy of “constructive contact” was advocated with China, India, and Japan (Department of Defence, 1993).

Australia’s involvement in an emerging regional security community can be seen in both multilateral and bilateral terms. The inaugural meeting of the ASEAN Regional Forum (ARF) in 1994 was symptomatic of increasing government concern over the need for regional security cooperation. From a bilateral perspective, it is interesting to observe how the nature of Australian security thinking and its portrayal have changed – for example, in the mid-1980s, Indonesia was viewed as the only potential threat to Australia (Dibb, 1986), while 8 years later, Australia’s relationship with Indonesia was seen as the most important in the post-Cold War period, since Indonesia and Australia possessed “shared strategic interests and perceptions” (Department of Defence, 1994, p. 87). The next logical step was thus for the two governments to sign an Agreement on Maintaining Security (AMS) which occurred in December 1995 and

came into effect in July 1996. Unfortunately, due primarily to its reaction to Australia's involvement in the liberation of East Timor, the AMS was terminated by Indonesia in September 1999. However, despite recent difficulties, the Australian government is currently committed to building a "productive relationship" with Indonesia (Commonwealth of Australia, 2003a, p. 81) typified by cooperation on counter-terrorism and the joint investigation into the Bali bombings.

Three of the five major strategic objectives outlined in the 2000 Defence White Paper reinforce an Australian concern to maintain a cooperative security front to the north – to ensure the DOA and its direct approaches; to foster the security of Australia's immediate neighborhood; to work with others to promote stability and cooperation in Southeast Asia; to contribute in appropriate ways to maintain strategic stability in the wider Asia-Pacific region; and to contribute to the efforts of the international community, especially the UN, to uphold global security (Commonwealth of Australia, 2000, pp. 29–32).

1.4 AUSTRALIA, THE WEST PACIFIC AND THE UNITED STATES

One of the many additional issues noted in the 2000 White Paper was the "renewed vigor" of the Australia–United States Alliance. Although mutual help would be expected in times of conflict, Australia should not *depend* upon US armed assistance in the event of such a conflict. In short, this was somewhat of a reaffirmation of the self-reliance principle, although it is important to mention one major exception to this – that is, Australia's reliance on extended deterrence provided by US nuclear forces to deter the remote possibility of any nuclear attack.

It seems that the United States is dissatisfied with the operation of the emergent regional security dialogue forum – the ARF. It has been suggested, for example, that the ARF has failed to set up a mechanism to resolve disputes among the more than 20 participants. In addition, it has also been argued that a new regional dialogue for security matters would be preferred and that this would help revive the Japan–Australia relationship. A proposed Pacific Forum would comprise representatives from USA, South Korea, Japan, and Australia – a kind of "Allied versus the Rest" or Asia-Pacific "Western" security dialogue bloc. This idea was first considered at the Australia–US Ministerial (AUSMIN) talks in Canberra in July 2001. In this arrangement, Australia would not be seen as "deputy sheriff" to the United States in Asia; rather, it would be seen as an equal partner. To date, the regional reaction to this proposal has been somewhat mixed. However, it is clearly viewed with considerable suspicion by China and perhaps some other Asian neighbors and also reinforces perceptions and concerns over Australia's dependence on a powerful *extra*-regional ally.

One of the principal dilemmas of traditional realist-based security arrangements in the Asia-Pacific region as a whole is that they are built around an "old order" which is still run by a "Western club" (Bracken, 2000, pp. 168–170). Two of the essential assumptions of this old order are, first, that a considerable US regional military presence is necessary and second, that regional states are incapable of successfully managing their own security. There are at least three perspectives regarding the first assumption. First, that the US presence is necessary since it operates as a "regional stabilizer"; second, that the US presence is designed as part of a hegemonic project to create a "New Pacific Order" designed principally to enhance US regional economic interests

(De Castro, 1994); and third, that the US military presence is unnecessary, since, not only has there been a fundamental shift in the regional geostrategic environment, but that its very existence also constitutes a regional and/or local security threat (Choi, 2003; Rumley, 2003).

The second assumption – that regional states are incapable of collectively managing their own security – is paternalistic at best and, at worst, is likely to perpetuate regional insecurity. In the final analysis, regional security can only be guaranteed regionally and not extra-regionally. This means that regional states will have to be entrusted with guaranteeing their own regional security and that this will require a shift from Western domination to Asia-Pacific security regionalism, which, over time, will necessitate a phased withdrawal or relocation of the US military presence (Rumley, 2003). However, the careful and gradual removal of the US regional military presence will not of itself eradicate a range of human security problems associated with poverty and inequality. In short, solving regional security problems requires a policy emphasis on the *causes* of insecurity and thus a much broader view of security than that of the traditional military conception.

It is possible that Australia might be a partial recipient of any relocation of the US Asia-Pacific military presence. This raises a more general issue of the actual and potential consequences for Australia's regional security of its implication in US military security arrangements. Clearly, there are differing views on this matter, ranging from an optimistic view that Australia's close involvement with US global military strategy will help eradicate non-traditional security threats such as terrorism to a less sanguine view that Australia's involvement with US global military strategies will have a negative impact and will engender a greater regional security threat to Australia as a result. The al-Qaeda manual, *Targeting the Cities*, which was reported in the Australian press in May 2004, and which, for the first time, names Australians as the main target in Indonesia, is thus a major cause for concern in this regard.

1.5 THE ARC OF INSTABILITY

In the mid-1980s, the Dobb Report declared that Australia was “one of the most secure countries in the world” due to the nature and structure of its geopolitical environment. Not only was Australia distant from the main global centers of military conflict, it was also surrounded by large expanses of water which made it difficult to attack, and, furthermore, regional states possessed only limited capability to project military power (Dobb, 1986). However, in the post-Cold War period, and especially since 9/11 and 12/10, it has become clear that the nature of security threats can no longer be viewed solely through the lens of traditional realist frameworks and that the geopolitical character and structure of Australia's cooperative security front had changed. However, not only had there been a fundamental shift in the geopolitical character of the cooperative security front but that also it was clear that this change represented another shift in the type and scale of security threat – that is, increasingly away from the state to intra-state and non-state threats. In particular, the impacts of “non-conventional” threats, such as terrorism, transnational crime, drug trafficking, people smuggling, and money laundering (Dupont, 2001) in combination with a unique array of regional circumstances, have resulted in a series of intra-regional conflicts – for example, in Bougainville, East

Timor, Fiji, and Indonesia – and the associated emergence of an “arc of instability” to Australia’s north and east. Furthermore, as noted by the most recent Government White Paper on Australian foreign policy, instability is likely to be characteristic of Australia’s immediate region for the foreseeable future (Commonwealth of Australia, 2003a, p. 92).

1.5.1 Characterization of the Regional Concept

Many geopoliticians and policy-makers have a penchant for regional geometrical characterization, especially in the form of crescents, circles, triangles, and arcs. There also exists a long geopolitical tradition of identifying global regions of power (for example, the “Heartland” – Mackinder, 1919), regions of geopolitical commonality (for example, “geostrategic regions” – Cohen, 1964) as well as regions of instability (for example, “The Eurasian Balkans” – Brzezinski, 1997). From an American global perspective, the region stretching from the Middle East to Northeast Asia, for example, has been referred to as a “broad arc of instability” (US Department of Defense, 2001, p. 4). It has also been characterized as an “arc of terror” since it is seen to comprise many unstable states with few strong Western allies which possess an assemblage of either chemical and/or nuclear weapons (Bracken, 2000, p. 2).

In the Australian regional case, over the past several decades, its current “arc of instability” has been geopolitically characterized in various ways. For example, during the Cold War period, some geopolitical analysts referred to the region to Australia’s immediate north as a “shatterbelt” – that is, a region characterized by considerable internal fragmentation, which, to a degree, was exacerbated by external great power competition (Cohen, 1964). Others represented the region as a “cultural shatterbelt” as a result of a complex process of interaction among local ethnic groups, early culture impacts, primary religions, European influence, and Indian and Chinese settlement (Spencer and Thomas, 1971). Such representations tended to reinforce the “gravity theory” conception for Australian security noted earlier. Second, in the late-Cold War period, the region to Australia’s north was characterized as the ROPSI (Dibb, 1986). Third, in the post-Cold War period, the geopolitics of Australia’s regional relations have been represented as consisting of four broad “fronts” (Rumley, 1999). Regional security to the north was to be guaranteed regionally via a series of agreements among states and regional stability to the east was to be enhanced through appropriate Australian development assistance. Indeed, during the post-Cold War period, the highest per capita aid allocations have consistently been given by Australia to states in this region, which is the only one in the world to have been regarded as being a part of Australia’s traditional sphere of influence (Rumley, 1999, p. 188). As has been pointed out, this was formerly expressed in terms of an “Australasian Monroe Doctrine,” which emerged during the colonial period in the latter part of the 19th century, and which regarded the South Pacific Islands as an Anglo-Saxon preserve in which “other ‘powers’ should not trespass” (Fry, 1991, p. 12).

In the 21st century, however, many observers now commonly use the term “arc of instability” to characterize the region to Australia’s immediate north and east (for example, Hughes, 2003, p. 25) and it is a term which now appears in official Australian government reports (for example, Commonwealth of Australia, 2003c, p. 105;

Commonwealth of Australia, 2004a, p. 45). It is also a term which has been popularized by the media, especially following the close involvement of Australia in INTERFET in 1999. As a result, Australia's immediate region has been portrayed as being beset by separatist movements, dysfunctional governance, and actual or potential failed states (Barker, 2002). Furthermore, concerns over such a potentially threatening regional environment were reinforced by the Bali terrorist bombings of 12 October 2002 and lent weight to a view that Australia's defense planning should concentrate on its proximate region (Ayson, 2002).

However, it can be argued that Australia's immediate region is not homogeneously unstable, that the term "arc" is not a healthy metaphor and that it is an artificial construct. Furthermore, it can be suggested that the arc of instability concept is an over-generalization, an oversimplification and even an exaggeration and that the term "vulnerability" might be preferred to "instability." Indeed, the geographical extent and limits of the region are often vaguely defined with some suggesting that it extends into the Philippines and even into southern Thailand. This contested nature of the "arc of instability" appellation has prompted one influential commentator to refer to the region as an "alleged 'arc of crisis'" and to argue that this characterization is being used as a mechanism for increasing military spending or as a rationale for an outdated regional strategic orientation (Dupont, 2003). On the other hand, given the multidimensionality of the term security, then "the region's underlying problems which are overwhelmingly economic, social and environmental" (Dupont, 2003, p. 60) will inevitably be associated with national and regional instability. Such a situation, in turn, requires a multidimensional security policy response.

1.6 CAUSES OF REGIONAL INSTABILITY

The causes of the 21st century geopolitical characterization of the region as an arc of instability are multiple, complex, and interdependent. In summary, regional instability is as a result of a combination of economic problems and limited resources, social tensions, rapid population growth, and poor governance (Commonwealth of Australia, 2003a, p. 92). However, as has been argued, this region has also become more of a threat to Australian security as a result of the increasing globalization of non-state threats. The attacks of 9/11 and 12/10, for example, indicate the global reach of terrorism and demonstrate that the region "is no longer immune" to such events (Commonwealth of Australia, 2003b, p. 18). In short, a fundamental assumption of the Dibb Report regarding Australia's security on account of distance is no longer relevant. Thus, as has been argued, Southeast Asia is no longer the "strategic shield" it was expected to be for Australia when it possessed strong economic growth and was politically stable (Dibb, 1999). Indeed, other analysts have gone further to suggest that Southeast Asia may well have become the "second front" in the "war against terror" (Gersham, 2002; Commonwealth of Australia, 2004b).

A second cause of regional instability is linked to the regional history of colonialism in which the European powers arbitrarily divided territory without due regard to local social, economic, and political structures. The decolonization process in this region is not yet complete and is made more complex by the resurgence of ethnic identity and the requirement for much greater local political participation, even freedom

and justice, on the part of colonized peoples. Of the 16 Non-Self-Governing Territories identified by the United Nations, five are located in the Pacific – American Samoa (USA), Guam (USA), New Caledonia (France), Pitcairn (UK), and Tokelau (New Zealand). The current status of these territories not only is a cause for international concern, but it is also potentially a factor contributing to regional instability. On the other hand, territories which have been incorporated into a larger state (as was the case with West Papua) inevitably will agitate for greater local control as the host state itself moves toward greater democratization. In short, regional political development is itself likely to be associated with an increase in territorial instability (Rumley, 1999, p. 31).

A third cause of conflict in part arises from the second; that is, given decolonization and freedom, can the resultant political jurisdiction remain socially, economically, and politically viable? Many of these jurisdictions have small populations, are ethnically diverse, have few resources and rely heavily on a limited number of export commodities such as agriculture, fishing, tourism, and mining. Furthermore, all of these commodities are highly susceptible to fluctuations in world markets. Consequently, economic security questions are a regional cause for concern (Commonwealth of Australia, 2003c, p. 13). As has been argued, failed states can fall prey to lawlessness and to terrorist activities (Rotberg, 2002). Furthermore, problems of viability in a highly competitive globalized environment can result in political jurisdictions becoming hostage to a range of illegal and controversial social, economic, and environmental practices which invariably negatively impact upon the quality of governance. The end result can thus turn out to be a state which is the antithesis of the one anticipated at decolonization.

A fourth associated cause of instability is that many of the regional states and territories are economically unstable and have experienced low or even negative economic growth rates in recent years (Commonwealth of Australia, 2003c, p. 24; Australian Government, 2004, p. 92). As a result, most are heavily dependent upon a relatively small number of donor states for development assistance. In 2000, for example, the United States was the largest regional donor to the Federated States of Micronesia and the Marshall Islands; Japan was the largest donor to Fiji, Indonesia, Kiribati, Pulau, Samoa, and Tuvalu; Australia was the largest donor to Nauru, Papua New Guinea, the Solomon Islands, Tonga, and Vanuatu; New Zealand was the largest donor to the Cook Islands, Niue, and Tokelau; and, France was the largest donor to New Caledonia (Development Assistance Committee). Perhaps it is no surprise that, as Pacific states, ODA from Australia and New Zealand is the most regionally targeted of all of donor states reflecting a mixture of security, paternalistic responsibility, and humanitarian motives. Aid dependency, of course, is potentially problematical when it comprises a high proportion of a recipient state's budget (historically the case for Papua New Guinea) and where a very large proportion of ODA derives from a single donor state (for example, in the cases of Indonesia, Nauru, New Caledonia, Niue, Papua New Guinea, and Tokelau). For Australian ODA, the degree of regional aid dependency varies from 41.5% and 37.1% for Nauru and Fiji, respectively, to 19% for Vanuatu (Australian Government, 2004, p. 91). Furthermore, questions have been raised about the efficacy of development assistance programs, especially in terms of their relation to positive human development outcomes (Hughes, 2003).

Aid motives, whether they be humanitarian, strategic, or some combination, too often in the past have been determined by donor states and have been subject to change. Indeed, regional competition among potential donor states has included other countries such as the former USSR, China, and Taiwan. However, the dynamics of recipient state aid are equally evident regionally. Thus, for a time, France became Fiji's largest aid donor after aid from Australia and New Zealand was suspended following the 1987 coup (Bates, 1990, p. 123). This appears to illustrate, in the case of much regional Australian ODA, for example, that there has been a considerable tendency for it to be overly "crisis driven" (Commonwealth of Australia, 2003c, p. 105).

A further source of regional conflict has been ethnic tension, caused often, but not always, as a result of the territorial division of colonial control, and expressed usually between indigenous communities and/or between indigenous communities and more recent immigrant groups. Conflicts are triggered invariably by disputes over resources and/or the felt need on the part of some groups for greater economic and political participation, especially when the non-indigenous groups have a controlling interest or possess a disproportionate degree of economic and political power. Regional secessionist movements (for example, in West Papua), independence movements (for example, in New Caledonia), and actual and potential disputes over land and sea resources generally possess a strong ethnic dimension.

Religious fundamentalism is also officially seen as a contributory cause of the arc of instability. It has been argued that various types of religious fundamentalism are often both a response to globalization, which engenders a mismatch between ideological needs and available opportunities to satisfy those needs, as well an instant remedy to rapid change which is imposed from the outside (Misztal and Shupe, 1992). In Southeast Asia, for example, it has been suggested that "extremists within Southeast Asia target not only Westerners, but also seek to destabilise the region's secular governments" (Commonwealth of Australia, 2003a, p. 40). From this perspective, religious fundamentalism not only functions as an internal threat to the host state, but is also a direct threat to Australian regional interests.

1.7 CONCLUSION: SOME POLICY IMPLICATIONS

The collective outcomes of the above sources of conflict have resulted in the emergence of a regional arc of instability, which, in turn, has implications for Australia's multidimensional security policies. In the case of Southeast Asia, regional instability would clearly adversely impact upon Australia's investment and trade linkages with ASEAN states (Commonwealth of Australia, 2003a, p. 40). Furthermore, instability in the South Pacific negatively affects Australia's ability to protect its eastern approaches (Commonwealth of Australia, 2003a, p. 93) and potentially provides safe haven for a number of "non-conventional" security threats.

Dupont raises some significant questions over the relative importance of geostrategic considerations in shaping strategy, provides a cogent critique of "traditionalist" thinking on security, and calls for a "strategic renewal" of the Australian Defence Force. More importantly, he argues that a DOA approach does not give due consideration to non-conventional security threats (Dupont, 2003). However, it appears that the Australian government is already responding to these new threats in cooperation with

other states and within the ARF. For example, as the most recent government statement on foreign policy clearly states, the geostrategic reality is that "Southeast Asia is a major front in the war against terrorism" (Commonwealth of Australia, 2003a, pp. 37–40). In addition, the Australian Department of Defence is cognizant of the fact that the probability of a conventional military attack has decreased and that non-conventional threats have become increasingly important (Commonwealth of Australia, 2003b). Third, a recent Senate Committee Report recommended in favor of greater regional cooperation in the South Pacific in terms of security and in combating transnational organized crime, money laundering, and terrorist financing (Commonwealth of Australia, 2003c).

Australia's traditional military and peacekeeping role in East Timor and the *Operation Helpem Fren* in the Solomon Islands (see Chapter 9) must be seen as elements in a much broader array of multidimensional security elements, noted above. In particular, in the final analysis, dealing with the *causes* of instability and thus addressing the key regional issue of development in its broadest sense must be a central component in this strategy in the longer-term, however. The 2003 increases in AusAid funding to Indonesia and to the Pacific, especially the creation of a regional Peace and Security Fund, and the announcement of a Pacific Regional Policing Initiative at the August 2003 Pacific Islands Forum meeting in New Zealand, are thus important Australian security policy initiatives. In addition, building upon pre-existing regional initiatives, especially in terms of the prospect for the construction of a new Pacific Economic and Political Community (PEPCO) and the possibility of a common currency as well as a common labor market, are arguably worthy long-term goals in the face of national and regional instability (Commonwealth of Australia, 2003c).

ACKNOWLEDGMENTS

The author wishes to acknowledge the constructive comments on an earlier version of this Chapter from Viv Forbes and Chris Griffin. The Chapter also benefited greatly from an extensive critique given by many Indian academics at a seminar at Indira Gandhi National Open University (IGNOU) held on 10 June 2004 in New Delhi.

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2. AUSTRALIA'S MARITIME SPACE: CONFLICT AND COOPERATION

2.1 INTRODUCTION

Increased utilization of marine biotic and mineral resources and maritime space has spawned jurisdictional and management problems in seas between states and their subordinate political units and among management agencies within governments. The need for comprehensive policies on coastal zone management, the sustained development of natural marine biotic and mineral resources, and the protection of the marine environment are issues facing administrators and governments of all political persuasions (Forbes, 2001, p. 7). To this end, *Australia's Oceans Policy* has been formulated and documented (Commonwealth of Australia, 1998) and it sets in place a platform for integrated and ecosystem-based planning and management for all of Australia's maritime jurisdictions. A National Oceans Office has been established with its headquarters in Hobart, Tasmania, and the issue of native title over the sea and coastal zone is of increasing importance.

Australia, like many other coastal and island states, has determined its maritime boundaries with its near-neighbors, declared its jurisdictional limits for the management of marine biotic and mineral resources, defined zones of cooperation in instances where dispute settlement was at a stalemate and introduced Border Protection legislation when deemed necessary. Australia's neighbors in the frame of this chapter and in the context of the international law of the sea are East Timor, France (New Caledonia, Kerguelen Islands, and sector of Antarctica), Indonesia, New Zealand, Norway (sector of Antarctica), Papua New Guinea (PNG), and Solomon Islands. A potential new neighbor is West Papua (see Chapter 7).

Australia's maritime jurisdiction encompasses territories spread over a wide area of the Indian, south-west Pacific, and Southern Oceans, including a number of islands and two sectors of Antarctica, the ice continent (Figure 2.1). The Australian continent covers a surface area of about 7.7 million square kilometers. Its coastline is approximately 69,650 km in length and includes the coastlines of some 12,000 adjacent islands the land surface area of which is small, but under the provisions of international law enable Australia to proclaim jurisdiction over large tracts of ocean and seabed.

This chapter provides an analysis of Australia's commitments to management of its maritime space and an equitable delimitation of maritime boundaries. In particular, it examines the conflict issues – local, national, and international – relating to the maritime settings that have dominated Australia's foreign and national policies since the mid-1950s, and highlights the cooperative ventures in place to manage and utilize maritime space efficiently and in a sustainable manner. Some neighborly issues, in a

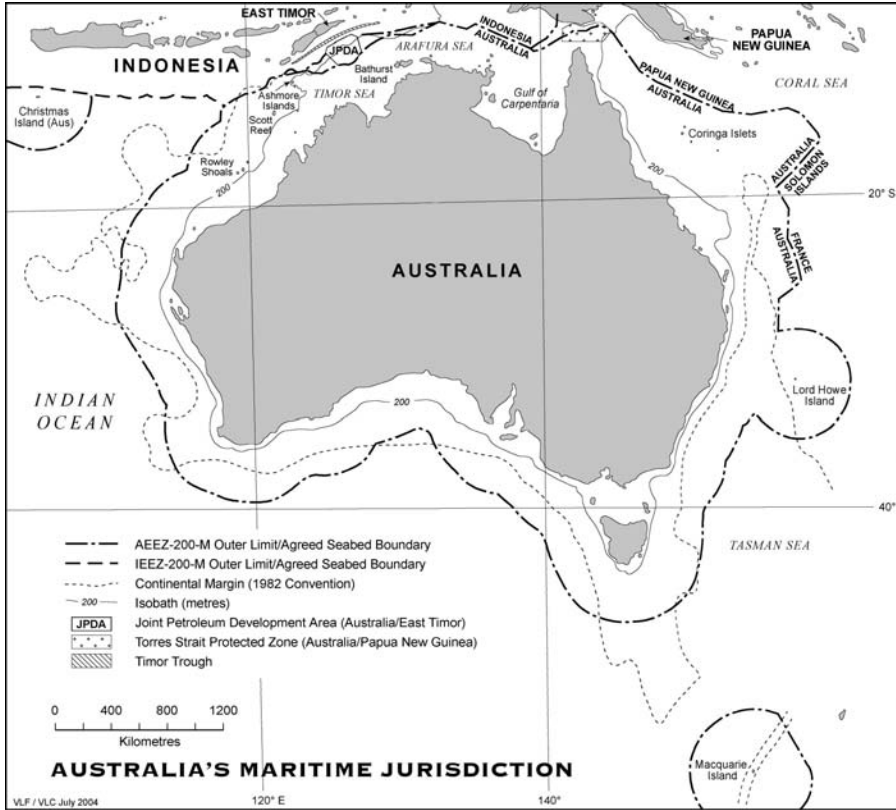


Figure 2.1 Australia's maritime jurisdiction

maritime context, have the potential to create geopolitical instability. In order to deal coherently with these issues, the chapter is divided into four principal sections: Australia's maritime jurisdiction, Australia's negotiated maritime boundaries, Australia and East Timor, and Australia's potential maritime boundaries.

2.2 AUSTRALIA'S MARITIME JURISDICTION

International developments during the 1970s and 1980s raised acute issues in a number of federations as to the appropriate division of obligations and responsibilities in the management of maritime jurisdictions. For Australia, these issues crystallized initially in Federal–State negotiations in the 1960s, which ended in the 1967 *Offshore Petroleum Agreement* in which the Commonwealth and States agreed to a common petroleum mining code whereby the “adjacent area” of each State would be administered by a “Designated Authority;” in practice, a State Minister.

In 1970, however, the *Territorial Sea and Continental Shelf Bill* was introduced into the Australian Parliament in pursuance of the then Government's view that it

would serve Australia's national and international interests to have the constitutional position resolved as soon as practicable by the Courts. That Bill was not proceeded with, but its introduction served to indicate the highly controversial nature of the subject. A further development was the 1971 *Report of the Senate Select Committee on Offshore Petroleum Resources*. The report concluded that notwithstanding the advantages of the legislation and its underlying concepts, the national interest was not served by leaving unresolved the extent of Commonwealth and State authority in the utilization of maritime space and marine resources in the substratum of the Territorial Sea and on the continental shelf.

Australia's experience in this regard was by no means unique. Similar questions arose earlier in the United States, and subsequently in Canada. The issue was also raised in Indonesia during 1998 and has been discussed in India and Malaysia, which have also adopted the concept of federation. Around continental Australia, sole Commonwealth Government jurisdiction stretches from three nautical miles (M) measured from the Territorial Sea baseline system to the external boundaries of the Exclusive Economic Zone (EEZ) and legally claimed continental shelf as defined in accordance with Article 76 of the 1982 Law of the Sea Convention (United Nations, 1983).

In accordance with the 1982 Convention, Australia has responsibilities for ocean space and seabed totalling nearly 16 million square kilometers, more than twice the area of its landmass, and has potential rights to the marine biotic and mineral resources within those limits. The great majority of Australia's marine area falls under sole Commonwealth Government jurisdiction.

The areas of ocean and seabed adjacent to Australia's external territories comprise around half of the total area of the Australian Exclusive Economic Zone (AEEZ) and adjacent continental shelf. The small island territories are an important part of Australia's external territories. The Government's aims are to provide residents of the inhabited islands with the same rights, opportunities, and responsibilities as possessed by those on the mainland. This includes promoting residents' economic development and the protection of their natural and cultural heritages.

The inshore areas, in particular those within the three-nautical mile zone, however, fall within the primary jurisdiction of State and Territory Governments as outlined in the *Offshore Constitutional Settlement* (OCS), which is discussed below. Local Government Authorities also play a significant role in the planning and management of the coasts and coastal waters as defined in the constitutional and legal framework of Australia.

Consistent with the provisions of international law, Australia has declared a range of maritime zones under the *Seas and Submerged Lands Act* 1973 in which a number of changes were significant, especially regarding width of Territorial Sea. The outer limits of all of these zones are measured from the Territorial Sea baseline that is located for the most part at the low-water line along the coast but also consists of bay and river closing lines and some straight baselines between the mainland and the adjacent islands, and across parts of the deeply indented coast. The zones, measured both from mainland Australia and from islands forming part of Australia include *Internal Waters*, *Territorial Sea*, *Contiguous Zone*, *Exclusive Economic Zone*, *Continental Shelf*, *Australian Fishing Zone (AFZ)*, and *Coastal Waters*.

Internal Waters are those lying landward of the Territorial Sea Baseline system, namely bays and mouths of rivers, for example, Shark Bay and Sydney Harbor, and the seas between the islands and the mainland where such islands are linked to the baseline system, as in the case of Cockburn Sound, Western Australia. The *Territorial Sea* comprises water 12 M seaward of the Territorial Sea baseline over which Australia has sovereignty save the one major exception in respect the right of innocent passage of foreign vessels. The *Contiguous Zone* lies between 12 and 24 M seaward of the Territorial Sea baseline system. Here, Australia can take limited enforcement measures in relation to customs, fiscal, sanitary, immigration, and other safety and security matters. The *Exclusive Economic Zone* is an area between the lines 12 and 200 M seaward of the Territorial Sea baselines. In this area, Australia has the right to explore and exploit living and non-living resources, and the concomitant obligation to protect and conserve the marine environment. The *Continental Shelf* is an area between 12 and 200 M seaward of the Territorial Sea baseline that covers much of the same area as the EEZ, plus any areas of natural prolongation beyond 200 M in accordance with Article 76 of the 1982 Convention. Here, Australia has the right to explore and exploit non-living, and harvest living resources. An *Australian Fishing Zone* first declared in 1979, later renamed the Australian Exclusive Economic Zone, subject now to the *Fisheries Management Act* 1991, is a zone between 3 and 200 M seaward of the baselines. Meanwhile, waters off the Australian Antarctic Territory were exempted in 1979 from the AFZ for foreign and national vessels. These waters are regulated in accordance with the Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR). Finally, a unique zone, termed *Coastal Waters*, introduced by a special Settlement between Federal and States Governments is a width of sea of three nautical miles immediately adjacent to a State or Territory of Australia.

2.2.1 Offshore Constitutional Settlement

In the early 1970s when the States challenged the Commonwealth's assertion of sovereignty under the *Seas and Submerged Lands Act* 1973 over the then three-nautical mile Territorial Sea, the High Court upheld the Commonwealth's assertion. At the Premiers' Conference, 29 June 1979, the Commonwealth and States completed an agreement of great importance for the settlement of contentious and complex offshore constitutional issues known as the *Offshore Constitutional Settlement* (Attorney-General's Department, 1980). Considered a milestone in cooperative federalism, its purpose was to give the States a greater legal and administrative role in offshore areas. Its principle legislation became effective in February 1983.

There are two fundamental elements framed by the OCS arrangements. First, the States and the Northern Territory were given title to an area called "*coastal waters*" consisting of all waters landward of the three-nautical mile limit but not including internal waters that are within the constitutional limits of a State; for example, Sydney Harbor. Second, the States and the Northern Territory were given concurrent legislative power over coastal waters; that is, they were given the same power to legislate over coastal waters as they would have over their land territory. The legislation implementing the OCS made it clear that should the Territorial Sea subsequently be extended from three nautical miles to 12 M the OCS arrangements would continue to apply only

to the three nautical miles limit. In 1990, the Territorial Sea was extended to the 12 M limit, but the relevant limit for the purposes of the OCS remains at the three nautical miles.

In effect, through the OCS, the Commonwealth agreed to give the States primary responsibility over coastal waters out to 3 M. Beyond that the Commonwealth retains primary responsibility. The OCS also included a number of cooperative arrangements for the management of resources offshore, such as harvesting of fisheries and exploitation of hydrocarbon reserves. These cooperative arrangements are reflected in the relevant Commonwealth, State, and Northern Territory legislation. Examples of such arrangements are those entered into under the *Fisheries Management Act* 1991 to enable a fishery both within and outside State coastal waters to be managed by one authority (State or Commonwealth) under one law (State or Commonwealth).

Most of the area of ocean falling within Australia's jurisdiction is the direct responsibility of the Federal Government, but there are also significant territorial waters where the Commonwealth has handed the primary management responsibility to the States and Territories. A range of constitutional powers enables the Commonwealth Parliament to pass laws relating to the oceans and their management. These include Commonwealth powers over trade and commerce, external affairs, corporations, defense, fisheries, territories, and quarantine. A number of aspects of the external affairs power are relevant, but principally that aspect, which allows the Commonwealth to legislate with respect to matters physically external to Australia, that is, beyond the low-water mark. The Commonwealth can also legislate under the external affairs power to give effect to treaties, matters of international concern, and matters affecting Australia's relations with other countries.

As noted above, the States and the Northern Territory were given power to legislate over coastal waters as part of the OCS. After implementation of the OCS in 1983, however, the High Court held that the general power of each State to make laws for the "peace, order, and good government" of the State enables each State to legislate in relation to its adjacent maritime area, provided there exists a reasonable connection between the State and the activity covered by the legislation. This means that the extension of State legislative powers to coastal waters as part of the OCS is now largely redundant.

The OCS does not prevent either the Commonwealth or the States from exercising their full legislative powers in the offshore area. The practice, however, has generally been to exercise those powers in a manner consistent with the OCS. Nevertheless, if there were conflicts between State and Commonwealth laws applying to the maritime area, then in accordance with Section 109 of the Constitution, the Commonwealth law would prevail. The State law would be invalid to the extent of the inconsistency. Such inconsistencies exist in the coastal strip and coastal waters, which are considered "gray areas" with respect to legislation and as noted below, when the issue of native title rights comes to the fore.

2.2.2 Coastal Zone

Defining the limits of the *coastal zone* is an important step in the Coastal Zone Management Process. The coastal zone is a complex natural ecosystem, which includes

both landward and seaward elements. Identification of the extent of the coastal zone should be based on the “ecosystem concept” to include inland waterways, watersheds, the seacoast (the area between Mean High Water to Mean Low Water, or better, between Highest and Lowest Astronomical Tide levels), the sea surface to the extent of land-caused influence, and the sea column and seabed. Only environmentally protective “sustainable development” is permitted within this coastal zone.

Despite being an ecosystem, the coastal zone tends to be managed in a fragmented, sectional, bureaucratic manner by numerous individual agencies operating according to equally variable individual laws. A recommendation would be for the coastal and island States to change their fragmented – area by area, agency by agency – to a more comprehensive, integrated approach under either a single coastal zone agency/ministry that is authorized by a single unifying piece of legislation, or else by effectively networking existing agencies under this same act. In the Australian context, the issue of native title claim may prove to be a challenge.

2.2.3 The Interests of Indigenous Australians

There are several processes under way to identify and agree upon indigenous peoples’ interests in the oceans, including those relating to marine management and conservation aspirations and responsibilities, fishing rights, and continued access to traditional marine resources. The cultural and economic importance of the coastal zone and adjacent sea for Aboriginal and Torres Strait Islander communities is acknowledged and recognized, and this will continue as indigenous communities play an important part in the development of integrated approaches to the planning and management of marine resources.

The *Torres Strait Treaty*, entered into by Australia and PNG in 1985, deals with sovereignty and maritime boundaries (discussed below) in the Torres Strait, and provides for protection of the way of life and livelihood of traditional inhabitants and the marine environment (Forbes, 1995a, pp. 120–122). Traditional inhabitants of Torres Strait can engage in cross-border traditional fishing, but are subject to the laws applying in the waters of the country that they visit. The cultural interests and traditional knowledge and management practices of Aboriginal and Torres Strait Islander peoples have been recognized and incorporated in ocean planning and management and related policy development.

Equity in maritime space and especially in resource utilization has come under increasing challenge in the late 1990s with assertion by coastal and island States that their sovereignty extends beyond their territory or landmass to areas of sea and seabed beyond. And linked to this is a trend in recent years toward increasingly ambitious claims by indigenous groups, who assert traditional fishing and access rights, as well as exclusive possession of the fishery, sea, and seabed.

2.2.4 Native Title Claim to Adjacent Seas

On June 3, 1992, the High Court of Australia handed down its decision in *Mabo v the State of Queensland*. This decision, and the subsequent *Native Title Act* 1993, which entered into force on January 1, 1994, has had a profound significance on indigenous people and various industry groups with vested interest in land and the adjacent seas.

Mabo established that indigenous people, who have maintained a continuous relationship with a particular area, may have rights of access and occupation for traditional, religious, hunting, or fishing purposes. Such rights have been loosely termed "native title," their existence being subject to demonstrating a continuous relationship. A catalog of cases involving native title claim to land and the adjacent seas is in the dispute-resolution process that has been assembled by the Native Title Tribunal (NTT).

In 1996, The Great Barrier Reef Marine Park Authority (GBRMPA) proposed the idea of a "Sea Council" for the north-east Cape York region. The proposed Sea Council was considered to be a major step toward recognizing indigenous sea rights, and would also be a practical way to bring traditional owners into the management of their sea country. It would provide indigenous people with decision-making powers, a forum for negotiating with commercial and recreational fisheries, and resources for training programs. Aboriginal and Torres Islander peoples, however, wary of the new body were concerned that it might simply be a token act by GBRMPA. At the 1996 Cape York Summit, participants supported the idea of a Sea Council, but insisted that it must have bargaining powers to ensure fair dealings with State and Federal Governments and other interested parties in the Far Northern Section of the Marine Park.

In another case heard by the High Court of Australia, *Commonwealth of Australia v Yarmirr* (1999), also known as the Croker Island case neither the Commonwealth nor the claimant emerged a winner. The court rejected its cross-appeal against the traditional owners, headed by Mary Yarmirr. The Commonwealth had sought to overturn the 1988 Federal Court ruling that Aborigines had established non-exclusive native title rights to fish, hunt, and protect places of spiritual and cultural importance in their "sea country." In a dissenting judgment, Justice Michael McHugh noted he would dismiss the Yarmirr appeal but upheld the Commonwealth appeal. He firmly rejected the notion that the courts should be called on to solve every social, political, or economic problem, or wrong. "If the law of Australia is to recognize and enforce the exclusive rights and interests in the Territorial Sea and seabed that the Aboriginal and Torres Strait Island people possess under their traditional laws, it must be done by an enactment of the federal parliament," he said, and "In my opinion this court has no authority to recognize and enforce those rights and interests." Justice Michael Kirby took the opposite view, rejecting the Commonwealth appeal and upholding the Yarmirr case. He argued for what he described as a new legal paradigm by which the common law took account of the vital and the peculiar problems of a special Australian character (*The Sydney Morning Herald*, 2001). He said the native people yielded the right to navigation and licensed fishing in their sea country but asserted a right under their laws and customs to consultation and a power of veto over fishing, tourism, and resource exploitation. "If that right is upheld, it will have obvious economic consequences for them to determine, just as the rights of other Australians in their title holdings afford them entitlements that they may exercise and exploit or withhold as they decide," he said.

Given the trend in recent years toward increasingly ambitious indigenous claims on the sea, States and Federal Governments are naturally concerned to regulate fisheries to ensure sustainability, and to exercise control over mining and exploration of seabed resources. Stakeholders, such as the fishing industry, are also vitally affected. It is therefore likely that the trend toward litigation will continue as native title over the sea becomes an increasingly heated issue.

In Australia, there is general acknowledgment and application of a duty of care toward ocean resources, and awareness that a collective sense of stewardship is a critical element in sharing the responsibility for these assets across all sectors. Federal and State Governments are concerned to regulate fisheries to ensure sustainability and to exercise control over exploration and exploitation of mineral resources. Local communities are encouraged to participate in local industries and in management strategies and to continue to share responsibility for the management of ocean resources. Nevertheless, there is a trend toward litigation as native title over the sea becomes a major issue, for example, *Elder v The State of Queensland* (1997), *Lardil v The State of Queensland* (1999), and *Commonwealth of Australia v Yarmirr* (1999).

The relationship of native title over the sea with land grants to indigenous peoples has also been the subject of litigation. In *Director of Fisheries (NT) v Arnhem Land Aboriginal Land Trust* (2001), the Court was requested to consider an application brought by the Land Trust, which sought declarations that the Trust, as owner, be entitled to exclusive rights to the fishery adjoining Arnhem Land and that any fisheries' licences that purport to allow fishing within sea areas adjoining Arnhem Land, be declared invalid. The Arnhem Land Trust (ALT) was given full title (as distinct from native title) to the land. The grant extended to the low-water mark. The primary Judge of the Case held that indigenous people could fish exclusively on the landward side of the high-water mark, and by inference they had exclusive right to fish in the tidal estuaries and rivers in Arnhem Land, but otherwise had only a public, non-exclusive right to fish in the waters to seaward of the high-water mark.

In addition to the claims and the cases noted above, other applications have been made on behalf of the Dingaal, Kuku Ya'u, and Wik communities and one application includes a claim over the Arafura Sea that stretches into "Indonesian waters." In the Torres Strait, there have been more than 60 claims over land and sea territory lodged with the Native Title Tribunal.

Past and present Australian Governments and their administrators have not only contended with native title claims to maritime space, they have also sought solutions to numerous conflicting issues posed by aliens fishing illegally, people smuggling, illicit drug importation, and marine terrorism to name but some activities that transcend international maritime boundaries.

2.3 AUSTRALIA'S NEGOTIATED MARITIME BOUNDARIES

As an island continent with a substantial claim to external territories, Australia has defined its national maritime limits and, where necessary, delimited its international maritime boundaries with most of its neighbors with the notable exception of East Timor. An Agreement with Indonesia, March 1997, in which lines of resource allocation were delineated, is still to be ratified (as of July 2005). The next section, moving clockwise starting with one of the earliest boundary agreements, namely that with PNG, offers an overview of the delimited boundaries between Australia and its neighbors.

2.3.1 Australia and Papua New Guinea

In geographical terms, Australia's closest neighbor is PNG. Australia's Saibai Island is located in Latitude 9°229' South, Longitude 142°39' East, a mere 4 km south of PNG's

coastline, and its sovereignty over this island and other islands in the Torres Strait is recognized by the PNG Government.

On December 18, 1978, representatives for the Governments of Australia and PNG signed the comprehensive *Torres Strait Treaty* that delimited a suite of multifunctional lines for resource allocation in the Torres Strait and northern portion of the Coral Sea. The Treaty was ratified on February 15, 1985.

The negotiations that produced the *Torres Strait Treaty* are described in detail by Burmester (1982) among others, and more briefly by Prescott (1985a, 1985b), Forbes (1995a, b), and Kaye (1995). Each author observed that this was an imaginative treaty that could well serve as a model for conflict resolution agreements by other coastal states. Strangely, the Australian public and citizens of PNG were not kept well informed of the negotiations; however, keeping boundary negotiations a secret is a trait of many Governments elsewhere in the World.

Whereas the negotiators for PNG wanted a single maritime boundary in the Torres Strait and the exclusion of some uninhabited islands, Australia was reluctant to have these islands effectively cut off from the mainland by a single all-purpose maritime boundary (Prescott, 1985b, p. 120).

The *Torres Strait Treaty* in fact produced four sets of boundaries, detailed study of which reveals the extent of Australia's concessions. On March 31, 1978 it conceded that the islands of Kawa, Mata Kawa, and Kussa were not among those originally annexed to Queensland and so therefore formed part of PNG. The *Treaty* defined the four boundaries as follows: the Territorial Sea limits around Australian administered islands in the Torres Strait north of latitude 9°33' South, a seabed boundary, a fisheries' boundary, and a Protected Zone boundary. Provisions for the protection of the marine environment within the Protected Zone are set out in Article 13 of the 1987 *Torres Strait Treaty*; protection of the fauna and flora in Article 14, and prohibitions on drilling and mining of the seabed in Article 16.

2.3.2 Australia and Solomon Islands

An Agreement between Australia and Solomon Islands, signed in Honiara, December 13, 1988, entered into force on April 14, 1989, and established a maritime boundary between the two in the Coral Sea (see Appendix A, Section A.1). Both parties agreed that if deposits of natural gas or of liquid hydrocarbons are found to straddle the delimited line they would seek an agreement on the most effective and efficient exploitation of the resources and consider means of equitable sharing (Article 2). Furthermore, any dispute arising from the interpretation or the implementation of the Agreement would be settled peacefully by consultation or negotiation. Overall, the simple text of the Agreement reflected harmony on the issue.

Likewise, there were no difficulties when Australia and France defined two maritime boundaries: one in the Coral Sea in the vicinity of Chesterfield and New Caledonia Islands and the other in the southern Indian Ocean south of Kerguelen Archipelago.

2.3.3 Australia and France

Australia and France defined their maritime boundaries in an Agreement signed on January 4, 1982 (see Appendix A, Section A.2). The focus of the first boundary was a

delimitation of the EEZs of Australia and France in the Coral Sea and northern Tasman Sea. The second boundary in the Agreement separates the EEZs of Australia and France in the southern sector of the Indian Ocean (see Appendix A, Section A.3). To the north of the line lies the Kerguelen archipelago administered by France and to the south of the line is the Australian territory of Heard and McDonald Islands.

The simplicity of the delimitation of the sub-Antarctic maritime boundary contrasts with the complexity of the geopolitical issues and the negotiations between Australia and Indonesia.

2.3.4 Australia and Indonesia

During the early 1970s, Australia and Indonesia reached agreements on the determination of two sections of seabed boundaries: one section in the Arafura Sea, the other, in a part of the Timor Sea. The first agreement, signed in Canberra on May 18, 1971, defined the continental shelf boundary through the Arafura Sea for about 530 M. Supplementary to the above agreement a second one was signed in Jakarta on October 9, 1972. It defined the seabed boundary in two sections in the Arafura and Timor Sea (Forbes, 1990). Geodesics link points A13–A16 and A17–A25 intentionally creating a “Gap” between A16 and A17 (see Appendix A, Section A.4).

The gap lay south of the former Portuguese administered territory of East Timor. It has become known informally as the “Timor Gap.” Both agreements were ratified on November 8, 1973. Indonesia, in principle, held reservations on the delimitation of this boundary. Australia’s position in the negotiations prior to the delimitation of boundaries was based on the provisions of the 1958 *Geneva Convention on the Continental Shelf*, namely, the geographical limits of the continental shelf, the 200-m isobath and/or the natural prolongation of the landmass. Indonesia took a differing view, arguing that the delimitation should be based on the equidistance principle. Initial negotiations between the two resulted in no satisfactory permanent delimitation of seabed in the Gap, but it did produce a cooperative proposal (Forbes, 1989, pp. 14–18; Forbes, 1991, p. 20).

2.3.5 The Establishment of a Zone of Cooperation

In reconciling the two countries’ competing claims to seabed jurisdiction in the Timor Sea and other related issues, negotiating teams of legal and technical experts representing Australia and Indonesia were nominated in the early 1980s. Their term of reference was to examine the possibility of establishing of a provisional “joint development” regime to operate petroleum licences within the “Gap,” pending final delimitation of the seabed (Forbes and Auburn, 1991, p. 6). Negotiations culminated in an agreement on September 5, 1988. The Gap was divided into three areas comprising a *Zone of Cooperation*. Officials from both countries initialled the text of the Treaty and its four Annexes on October 27, 1989. The Treaty was signed by senior government ministers two months later, and on February 9, 1991, the *Timor Gap Treaty* came into effect (Forbes and Auburn, 1991).

The northern limit of the Zone was delineated by a simplified bathymetric axis line (that of the Timor Trough, at a depth of about 3500 m), the maximum Australian claim to the northern natural prolongation of the island continent. The southern limiting line

of the Zone was defined by an arc of radius 200 nautical miles measured from the Indonesian baselines, that is, the maximum Indonesian EEZ claim. The eastern and western limits of the zone were delineated by equidistant lines. The northern boundary of "Area A," the joint operation area is the simplified 1500-m isobath. The southern boundary of Area A represented the median line between Indonesia and Australia, which equated with a portion of the Provisional Fisheries Surveillance and Enforcement Line (PFSEL). It is something I return to in the next section.

The most significant features of "Area A" were the joint control of exploration and exploitation of petroleum resources and equal sharing in the benefits of the resources contained therein. This area contains the geological *Kelp* structure subsequently proven to bear potential hydrocarbon deposit in the substratum of the Timor Sea. "Area B" of the Zone was closer to Australia, and "Area C" nearer to Indonesia. Within the first area, Australian law applied subject to sharing with Indonesia part of its Resource Rent Tax; within the second, Indonesian law applied (Forbes, 1995c).

Theoretically, the boundary lines that defined the Zone of Cooperation had no effect on any final delimitation of a seabed boundary south of Timor Island between the two parties (Article 2:3). Obviously, such a provision avoided the argument the *Timor Gap Treaty* embodied *de facto* boundaries. It was argued that with due regard to the opposing principles of delimitation between Indonesia and Australia, the delineated boundary may well comprise permanent lines as long as the Treaty remained in force (Auburn, Ong and Forbes, 1994, p. 12).

2.3.6 Provisional Fisheries Surveillance and Enforcement Line

On November 1, 1979, Australia proclaimed an Australian Fishing Zone extending 200 nautical miles from its Territorial Sea baselines (see Appendix A, Section A.5). The outer limit of the AFZ around the island continent was defined by arcs of circles and the geographical coordinates of 750 arc intersections, intermediate points on arcs, and points on interim delineated lines. The defined zone covered an area of about 7 million square kilometers – an area equivalent to the continental landmass. The AFZ was depicted on Chart AUS 5060 produced by the Hydrographic Service of the Royal Australian Navy. In areas where this claim overlapped similar claims of neighbors, Australia delineated a median line (Forbes, 1991, p. 23).

The boundary between Australia and Indonesia in the Arafura and Timor Seas was defined by the geographical coordinates of 58 turning points, namely, points 91–148. The lines connecting these points represented the median line between the two countries in these seas. Points numbered 139–148 corresponded to points A12–A3 of the 1971 *Australia/Indonesia Seabed Boundary Agreement*.

The median line between these points generally lay south of the seabed boundary in the vicinity of points A12–A25. Westward of A25, the median line trended north-westerly to pass north of Ashmore and Cartier Islands.

During discussions between the two countries in early November 1980, Indonesia argued that the median line should be delineated without reference to Australia's distant-offshore islands, in particular, the Ashmore and Cartier Islands. Indonesia noted that it was disadvantaged in this regard. The area encompassed within the median line and agreed seabed boundary was about 52,120 square nautical miles (Prescott, 1985b, p. 106).

In late October 1981, Australia and Indonesia signed a *Memorandum of Understanding* (MOU), which effectively gave Indonesia, according to Prescott (1985b, p. 106), “control over about 70% of the disputed area.” The MOU set in place a *Provisional Fisheries’ Surveillance and Enforcement Line* arrangement for Indonesian fishermen to operate within the northern waters of the AFZ and delineated a PFSEL.

The MOU made provisions for both countries to exercise jurisdiction over sedentary fish species to the seabed boundaries agreed in 1971 and 1972. Article 6 of the MOU was explicit in stating that the entire arrangement was provisional and that it would not prejudice the position of either government. It further noted that the 1980 MOU did not affect traditional fishing by Indonesian fishermen under the terms of the 1974 MOU, and more specifically that Australian laws regarding fisheries applied to traditional Indonesian fisherman operating in the vicinity of Browse and Cartier Islets, Ashmore Islands, and Scott and Seringapatam Reefs (Campbell and Wilson, 1993; Forbes, 1991, p. 24; Prescott, 1985b, p. 107).

2.3.7 Challenging the Legality of the Zone of Cooperation

The *Timor Gap Treaty* was of wide interest because it was the most detailed and comprehensive joint development regime in force. There was no requirement, apart from economic reasons, to enter into such agreements at customary international law. However, the *Timor Gap Treaty* and for that matter other similar joint development regimes contributed to the development of a doctrine that there may exist a duty to cooperate on overlapping claims (Auburn and Forbes, 1993, p. 42).

This Treaty could be related to the widespread use of provisions for cooperation on hydrocarbon deposits that straddle perceived national boundaries. The Treaty indicated a broader and more comprehensive approach to such resource agreements than other agreements of similar nature. The *Timor Gap Treaty* was vital to the future of Australia–Indonesia relations, and was perceived to have enhanced Australia’s international image in the Asia–Pacific region by demonstrating the political will to resolve an issue amicably. The Treaty, however, impinged upon the important issue of self-determination in East Timor at international law.

The potential success of the Zone of Cooperation was called into question when Portugal initiated proceedings on February 22, 1991 at the International Court of Justice (ICJ, 1991) against the parties to the Treaty. The ICJ was requested to adjudicate whether the Treaty was void. Certain procedures, however, had to be followed before the ICJ could hear a case brought before the Chamber (Article 30).

2.3.8 International Court of Justice’s Decision

On June 30, 1995, the ICJ held by 14 to 2 votes that it could not adjudicate upon the dispute referred to it by Portugal in matters relating to Australia and Indonesia with respect to the *Timor Gap Treaty*.

It found that:

Portugal’s assertion that the right of peoples to self-determination, as it evolved from the Charter and from UN practice, has an erga omnes character, is irreproachable. The principle of self-determination of peoples has been recognised by the United Nations

Charter and in jurisprudence of the Court . . . ; it is one of the essential principles of contemporary international law.

However, the ICJ emphasized that “for the two parties, the territory of East Timor remains a non-self-governing territory and its people has the right to self-determination”.

After examining the Australian objection that the “real dispute” was rather between Indonesia and Portugal, the ICJ found that there actually was a legal dispute between Australia and Portugal. It concluded that Australia’s conduct could not be ruled upon without first deciding why it is that Indonesia could not lawfully have concluded the 1989 Treaty, while Portugal could have done so, and also noted that it could not “rule on Portugal’s claims on the merits, whatever the importance of the questions raised by those claims and of the rules of international law which they bring into play” (ICJ General List, No. 84, 1995, p. 8)

Notwithstanding the case at the ICJ, discussions between Australian and Indonesian legal and technical experts were held during two periods in March and in mid-October 1993. These talks and others held during 1994 and 1995 had failed to reach an agreement on the determination of a boundary between Java and Christmas Island in the Indian Ocean and for a westward extension of the seabed boundary from point A25 which was established nearly two decades earlier.

2.3.9 The March 1997 Treaty – “a Package Deal”

Discussions by the present author with authoritative sources in Canberra in late September 1996 revealed that further rounds of talks were held between the negotiators earlier that year followed by a meeting in Sydney on September 11–12, 1996.

During the September 1996 negotiations, an agreement to delimit two segments of the maritime boundary was reached in principle. Ratification of the agreement was expected to take effect in Perth, Western Australia, in early December 1996; however, the parties failed to agree on technicalities with respect to the geodetic datum to be employed in determining the geographical coordinates of the turning points of the seabed boundary. A Treaty signed by the Ministers for Foreign Affairs from Australia and Indonesia on March 14, 1997 in Perth, Western Australia, finalized the determination of a suite of maritime boundaries between the two nations. The agreement, noted Foreign Affairs Minister Alexander Downer, was “. . . very much in Australia’s national interest” (*The West Australian*, March 14, 1997, p. 10). His counterpart, Mr. Alatas, observed that:

“...[w]ith the signing of this treaty, the last remaining issues between our two countries have been resolved equitably in accordance with the 1982 United Nations Convention of the Law of the Sea” (*The West Australian*, March 15, 1997).

The Treaty of March 1997 was negotiated as a “package deal.” It took into account the provisions contained in Articles 74 and 83 of the 1982 Convention of the Law of the Sea. The boundaries are in the Arafura and Timor Seas and the north-eastern sector of the Indian Ocean. The suite of lines comprises the EEZ and seabed boundary between the Australian territory of Christmas Island and Indonesian Island of Java. The shortest distance between the two landmasses is 187.5 M (or about 375 km); the complete water column (EEZ) boundary between the Australian mainland and the southern

archipelagic islands of Indonesia is a distance of some 1500 M (about 3000 km, and an extension of the seabed boundary between the Australian mainland and Indonesia westward of point A25 as defined in the 1972 Seabed Boundary Agreement.

The Treaty contained a range of provisions that govern the obligations and rights of the two countries in the region where the water column jurisdiction of one country overlaps the seabed jurisdiction of the other. The Treaty will enter into force after certain legislative procedures have been enacted in both countries. In Australia's case, minor legislative amendments to the *Petroleum (Submerged Lands) Act* 1967 and a new EEZ Proclamation under the *Seas and Submerged Lands Act* 1973 were required. The 1997 Treaty was tabled in the Federal Parliament on July 26, 1997, examined by the Joint Standing Senate Committee on Treaties and made open for public comment during meetings held in selected capital cities of Australia in September 1997. This writer has maintained that the Australian Government was very generous to Indonesia in the negotiations.

With respect to a maritime boundary between the islands of Christmas and Java, Indonesia contended that the median line was not appropriate. This was contrary to the stand that country adopted in negotiating the southern boundary line of Area A of the Zone of Cooperation, which was to all intents and purposes the median line in the vicinity. Australia had always maintained that the bathymetric axis of the trough/trench was the geographical dividing line of the natural prolongation of the Australian continent.

A point located at 38.75 M north of Christmas Island had been negotiated as the southern limit of Indonesia's maritime limit south of Java Island. Perhaps this generosity was due in part to the close working relationships and cooperative approach to settling territorial and political disputes between the two governments since 1971 (see Appendix A, Section A.6).

2.3.10 Analysis of the March 1997 Treaty

Whilst some commentators described the Treaty as "creative," "complex," "confusing," and "super," others disagreed on specific issues (Forbes, 1997, pp. 8–12). However, the Parties to the agreement were of the opinion that:

... the establishment of comprehensive boundaries in the maritime areas between the two countries will encourage and promote the sustainable development of marine resources of those areas and enhance the protection and preservation of marine environment adjacent to the two countries (Preamble to the Treaty, paragraph 4).

Article 1 defined the geographical coordinates of the terminal and turning points (58 in total) of the western extension of the seabed boundary commencing at point A25. It also provided for an Australian jurisdictional zone of a 24-M radius to the north and west of Ashmore Islands (Pulau Pasir in Bahasa Indonesia). The EEZ boundary between the two countries is defined as points whose geographical coordinates are listed in this article. One hundred and one points were nominated (Article 2.)

The exercise of sovereign rights and jurisdiction on and under the seabed and in the area of the EEZ are provided in Articles 5 and 6, respectively. Article 7 sets out the rights and obligations of the Parties in those regions where the areas of the EEZ adjacent to and appertaining to one Party overlap those of the other Party. It covers such

issues as the construction of "artificial islands;" the granting of exploration and exploitation licences; the construction of installations and structures; the establishment of fish aggregating devices; notification of marine scientific research in accordance with the 1982 Convention; provisions for effective measures necessary to prevent, reduce, and control pollution of the marine environment; and the emergence of an island after the Treaty enters into force. Article 7 of the Treaty reflects the concern of both Parties to ensure that the marine environment is adequately protected.

Any dispute between the two Parties resulting from the interpretation or implementation of the provisions in this Treaty will be settled peacefully by consultation or negotiation as implied in Article 10. The Treaty will enter into force according to Article 11 on the date of exchange of the instruments of ratification. Personal communications indicate that the Indonesian Parliament was unlikely to have debated the merits of the Agreement and thus it is open to conjecture as to whether the Treaty will be in force before December 2004.

2.3.11 Implications and Issues

Forbes (1996, pp. 12–14) foreshadowed the delineation of a potential seabed boundary north of Christmas Island in the Indian Ocean and presented a case whereby Australia would forfeit a vast area of EEZ and seabed north of Christmas Island if the equidistant line principle were not adopted.

Indonesia rejected the proposal that the median line between Christmas and Java Islands should be the boundary. Indonesia initially argued that point C2 should be located a mere 12 nautical miles north of Christmas Island. During the eight rounds of negotiations, in the period 1993 to December 1996, the precise location of point C2 became the subject of a "floating point" varying in distance from 12 to 50 nautical miles north of Christmas Island. The final location of the C2 is about 59 nautical miles south of the equidistant point.

Indonesia's view was based both on adjudication in a certain *Jan Mayen* case, and on the fact Christmas Island was a distant island from the Australian mainland. Thus, a complex formula based on land area and length of opposing coastline ratio (queried by this writer), was utilized in defining point C2. However, in the light of events in East Timor since August 1999, the status of the *Timor Gap Treaty* and the functionality of the Zone of Cooperation had subsequently raised geopolitical questions about Australia's maritime space.

2.4 AUSTRALIA AND EAST TIMOR

Since 1982, at the request of the General Assembly, successive Secretary-Generals have held regular talks with Indonesia and Portugal aimed at resolving the status of the territory of East Timor. These talks have naturally had an impact on Australia. In June 1998, Indonesia proposed a limited autonomy for East Timor within Indonesia. In light of this proposal, the talks made rapid progress and resulted in a suite of agreements between Indonesia and Portugal, signed in New York on May 5, 1999. The two Governments entrusted the Secretary-General with organizing and conducting a "popular consultation" in order to ascertain whether the East Timorese people

accepted or rejected a special autonomy for East Timor within the unitary Republic of Indonesia.

To undertake the consultation, the Security Council on June 11, 1999, established a United Nations Mission in East Timor (UNAMET). The Agreements of May 5, 1999 stipulated that, after the vote, UNAMET would oversee a transition period pending implementation of the decision of the East Timorese.

On voting day, August 30, 1999, some 98% of registered voters went to the polls and by means of a direct, secret, and universal ballot, decided by a margin of 94,388 (21.5%) to 344,580 (78.5%) to reject the proposed autonomy and begin a process of transition toward independence. The vote sparked a violent backlash from pro-Indonesian militia who went on the rampage across the territory, burning houses and businesses, and killing unknown numbers of independence supporters. Peace was eventually restored with the arrival of a UN intervention force (INTERFET).

These events in East Timor and in the enclave on West Timor were unpleasant to say the least, but it is beyond the scope of this chapter to comment on them (see Chapter 6 instead). Sufficient to say that thereafter Indonesian Armed forces and police began to withdraw and eventually, along with administrators, departed from East Timor.

Indonesia and Portugal at a meeting with the United Nations, on September 28, 1999, reiterated their agreement for a transfer of authority in East Timor to the UN. They also agreed *ad hoc* measures were needed to fill the gap created by the early departure of the Indonesian civil authorities. UNAMET re-established its headquarters in Dili on September 28, 1999 and, as conditions allowed, immediately began restoring its logistical capacity and redeploying its personnel.

The Indonesian People's Consultative Assembly, October 19, 1999, formally recognized the result of the consultation. Shortly thereafter, on October 25, 1999, the United Nations Security Council by Resolution 1272 (1999), established the United Nations Transitional Administration in East Timor (UNTAET) as an integrated, multi-dimensional peacekeeping operation.

UNTAET's mandate consisted of the following main elements: to provide security and maintain law and order throughout the territory of East Timor; to establish an effective administration; to assist in the development of civil and social services; to ensure the coordination and delivery of humanitarian assistance, rehabilitation and development assistance; to support capacity-building for self-government; and to assist in the establishment of conditions for sustainable development. Hand over of military operations from INTERFET to UNTAET was completed on February 28, 2000.

2.4.1 MOU for the Continuity of the Timor Gap Treaty

A memorandum of understanding between UNTAET, acting on behalf of East Timor, and Australia, provided practical arrangements for the continuity of the terms of the *Timor Gap Treaty* in the transitional period to benefit the people of East Timor. The MOU assisted UNTAET in carrying out its functions entrusted to it under Security Council Resolution 1272 (1999). The MOU, however, was without prejudice to the position of the future Government of an independent East Timor with regard to the Treaty. An Exchange of Notes was signed in Dili, on February 10, 2000 to take effect from October 25, 1999 as stipulated in *Australian Treaty Series No. 9, 2000*.

The MOU offered continued applicability for the legal regime of the *Timor Gap Treaty*. All rules, regulations, directions, decisions, guidelines, procedures, approvals, authorizations, and other determinations made by either the Ministerial Council for the Zone of Cooperation ("the Ministerial Council") or the Joint Authority for Area A of the Timor Gap Zone of Cooperation ("the Joint Authority") before October 25, 1999, continued to apply. Furthermore, all existing Production Sharing Contracts under the Treaty continued to apply.

UNTAET designated its representative on the Ministerial Council and nominated for appointment by the Ministerial Council, an Executive Director in the Head Office of the Joint Authority, in East Timor. The Joint Authority paid East Timor's share of the proceeds collected from the production sharing arrangements under the Treaty, as from October 25, 1999, into a bank account advised by UNTAET. The Joint Authority closed its bank accounts in Jakarta and consolidated all of its funds into its existing bank accounts in Darwin. UNTAET advised contractors of details of a bank account into which all taxes payable to UNTAET pursuant to petroleum operations under the Treaty were deposited.

Notwithstanding the MOU, the National Council for Timorese Resistance (CNRT) hinted that it would re-negotiate the Treaty to seek a larger share of the potential wealth that would accrue from the exploitation of the hydrocarbon resources in the substratum of the Timor Sea. Indeed, there was a suggestion that CNRT would insist on a maritime boundary based on the median line principle. After initially condemning the Treaty, East Timorese leaders assured the Australian Government and the oil industry that they desired to have the development proceed under existing arrangements whilst East Timor is under UN administration. At the same time, the CNRT was unwilling to antagonize the Australian Government or deter the oil industry by claiming a larger share of revenue.

2.4.2 MOU of the Timor Sea Agreement

A memorandum of understanding between the Governments of Australia and the Democratic Republic of East Timor relating to an International Unitisation Agreement for the Greater Sunrise Gas Field was signed on July 5, 2001. The *Timor Sea Agreement* over oil and gas resources in the Timor Sea, expected to earn East Timor billions of dollars in revenue, recognized that royalties from production would be split with 90% going in favor of East Timor. The deal, reputed to be worth up to \$5 billion over 20 years, was considered critical for East Timor as it moved to full independence in 2002 and would substantially reduce its dependence on foreign aid. Australian Foreign Minister, Alexander Downer, said toasting the deal with a glass of champagne that "A great moment has arrived . . . I am convinced that the *Timor Sea Arrangement* is a good outcome for Australia and East Timor and that it will serve well in strengthening and deepening our friendship".

East Timor became an independent State on May 20, 2002. On that day, the Australian Government represented by the Prime Minister and other dignitaries met their East Timorese counterparts in Dili to sign The *Timor Sea Treaty* (TST). The two Governments desiring to cooperate in the development of the petroleum resources of the Timor Sea in accordance with the TST, noted that they would work expeditiously and in good faith to

conclude an International Unitisation Agreement (“the Agreement”) for certain petroleum deposits in the Timor Sea known as *Greater Sunrise*, by December 31, 2002.

The conclusion of the Agreement was without prejudice to the early entry into force of the Treaty, and was without prejudice to the agreement recorded in paragraph 9 of the May 20, 2002 *Exchange of Notes between the Government of Australia and the Government of the Democratic Republic of East Timor*, which stated that the Treaty was suitable for immediate submission to their respective Treaty approval processes and that the parties would work expeditiously and in good faith to satisfy their respective requirements for the entry into force of the Treaty. The TST established a Joint Development Petroleum Area (JDPA) that coincided with the limits of the Zone of Cooperation Area “A” (ZOCA). Areas “B” and “C” of the former Zone of Cooperation with Indonesia were now invalid.

2.4.3 The Australia-East Timor Maritime Boundary

An examination of a possible delimitation between Australia and independent East Timor shows the relevant Australian coast would stretch from Cape Talbot in WA to Cape Van Diemen in the Northern Territory. This line would follow the general trend formed by the Gulf, which is opposite East Timor. The length of this coastline is 900 km. The length of the relevant East Timor baseline from point 116 to Ponta Tche Tche is 270 km. A computation presenting a ratio of 1:3 (Forbes and Auburn, 1991, p. 6) would suggest the delimitation between East Timor and Australia could be further north than the present southern boundary point of the JPDA, about 38 M north of the median line.

Any negotiations to finalize the maritime boundaries between Australia and East Timor will need to factor in discussions that East Timor has with Indonesia on their respective maritime boundaries in the Timor Sea. Consultants representing the East Timorese case have argued that the eastern lateral boundary of the JPDA should be splayed further eastward (in favor of East Timor), which in effect would give East Timor a larger proportion, say 100% or more, of the *Greater Sunrise* gas field. Indonesia would naturally reject such a move and no doubt wish to retain the present lateral boundaries.

Australia has refused to give East Timor a timetable for reaching a permanent maritime boundary between the two countries with officials noting that talks in October 2003 and May 2004 were about the process for the negotiations. However, East Timor has continued to press ahead with an international campaign to force Australia to give up control of reserves such as *Greater Sunrise* gas field and the declining *Laminaria* oilfield. It has also received support from 100 non-governmental organizations (NGOs) from 18 countries that have argued in a letter that East Timor’s rights as an independent nation to establish maritime boundaries and to benefit from its own resources were at stake (*The Australian*, November 10, 2003). This outside influence is unsettling relations between the two Governments and may even be viewed as blackmailing tactics by the East Timorese Government in order to get more financial support from Australia.

The NGOs added that the Australian Government should set a firm timetable to establish a boundary within three years. However, Australian officials said this was unrealistic as the history of establishing maritime boundaries suggested such negotiations could take up to 30 years to complete. East Timor claims a maritime boundary

extending 280 km from its coast, overlapping Australia's own claimed boundary. As a result, a large part of the Timor Sea, including the *Greater Sunrise*, is the subject of overlapping claims. However, this terminates once permanent maritime boundaries are agreed as does the International Unitisation Agreement and related memorandum of understanding for the Greater Sunrise fields. The Timor Sea holds the Greater Sunrise and *Bayu-Undan* gas fields and the *Laminaria*, *Corallina*, and *Elang/Kakatua/Kakatua North* oil fields.

The ongoing negotiations are expected to be complex as both countries claim the same parts of the Timor Sea, an area with vast oil and gas reserves. The Treaty gives to East Timor the vast majority of revenue, 90%, from a shared region spanning 62,000 square kilometers of sea. The Australian Government has said that in the meantime temporary arrangements have been put into place to ensure both sides benefit from the development.

2.4.4 Australia and New Zealand

Since the 1980s, Australia and New Zealand acknowledged that there were no pressing issues to delimit a maritime boundary in the Tasman Sea. Negotiations between the parties from 2000 to early 2004, however, concluded on July 25, 2004, with the signing of a Treaty to establish Certain Exclusive Economic Zone and Continental Shelf Boundaries in the ocean area adjacent to Australia in the Tasman Sea and south-western Pacific and Southern Oceans. Precise details and contents of the Treaty had not been published at the time of the announcement.

The Treaty provides certainty of jurisdiction over both the water column and seabed, including issues over fisheries and hydrocarbon resources, as well as in relation to protection and preserving the marine environment and undertaking marine scientific research. It will also benefit the fisheries and extractive industries, and will greatly reduce the potential for future disputes between the two countries. Furthermore, it will also ensure New Zealand's support for Australia's submission in late 2004 of data on the outer limits of Australia's legal continental shelf to the United Nations Commission on the Limits of the Continental shelf.

2.5 AUSTRALIA'S POTENTIAL MARITIME BOUNDARIES

This section discusses potential maritime boundaries in the light of conflict issues and cooperative ventures. Australia has yet to resolve its maritime boundaries issues with East Timor, ratify the March 1997 Agreement with Indonesia, and delimit boundaries with France, New Zealand, and Norway in maritime area adjacent to Antarctica.

2.5.1 Changes to International Dispute Resolution

The former Attorney-General, Daryl Williams, and the Minister for Foreign Affairs, Alexander Down, announced on March 25, 2002, changes to the terms upon which Australia will accept international dispute resolution mechanisms, particularly as they apply to maritime boundaries. These changes relate particularly to the ICJ and to dispute settlement under the 1982 Convention. Australia lodged a declaration accepting the ICJ and the International Tribunal for the Law of the Sea as venues for compulsory

dispute settlement under the 1982 Law of the Sea Convention. Australia remains one of only 61 countries out of the United Nations' 189 members that accept the compulsory jurisdiction of the ICJ. Of those, the majority have made various types of reservations to their acceptance of the Court's jurisdiction.

Under the Convention, Australia may choose the dispute resolution bodies it prefers and whether to exclude certain areas, such as maritime delimitation, from compulsory dispute resolution. Australia made a declaration excluding the setting of maritime boundaries from compulsory dispute resolution. Australia's strong view is that any maritime boundary dispute is best settled by negotiation rather than litigation.

Australia has also amended its acceptance of the jurisdiction of the ICJ under the so-called "optional clause" of the ICJ Statute. Under the changes announced, Australia will continue to accept the jurisdiction of the Court, subject to the following exceptions. These are, where the parties have agreed to other peaceful means of dispute resolution; where disputes involve maritime boundary delimitation or disputes concerning the exploitation of an area in dispute or adjacent to an area in dispute; and where a country has only accepted the compulsory jurisdiction of the court for a particular purpose or has accepted the compulsory jurisdiction of the court for a period of less than one year. This underpins Australia's view that actions relying on the compulsory jurisdiction of the ICJ should be undertaken on the basis of a long-term commitment to acceptance of that jurisdiction.

Australia remains committed to the negotiated settlement of disputes. The ICJ and the dispute resolution mechanisms under the Convention on the Law of the Sea play an important role in the settlement of disputes. The Government's view is that every endeavor should be made to reach an agreed resolution to disputes.

One matter that causes major concerns globally and nationally is the organized illegal movement of people from one country to another country (see Forbes and Hoad, 2000). In the period 1999–2000, 5869 persons arrived in Australia and were refused immigration clearance; of these, 4175 persons arrived by boat compared to 1695 by aircraft (DIMA, 2001, p. 16). The Australian Government was prompt to react to the statistics and also to review its migration policy in the light of September 11, 2001 (see Chapter 3).

2.5.2 Excision of Islands from the Migration Zone

On August 26, 2001 the Norwegian-flag container ship *mv Tampa*, en route from Fremantle to Singapore, was instructed by the Australian Maritime Safety Authority to divert from its intended course to provide assistance to a small boat (crewed by Indonesian nationals) in distress. It was alleged that the boat had some 80 Middle East asylum seekers aboard. The overloaded Indonesian fishing vessel eventually transferred 438 survivors to the *Tampa*. The asylum seekers made it clear that they did not want the Master of the *Tampa* to carry out his original intention to disembark them in Merak, Indonesia. Mindful of the safety of the ship, its crew and those rescued, and of his international obligations, the Master altered course and headed for Australia's Christmas Island to disembark the survivors. Australian authorities refused to allow the vessel into the Territorial Sea around Christmas Island, whereupon several of the asylum seekers went on hunger strike. Faced with deteriorating conditions on board,

the Master decided to ignore the prohibition, sailed into Australian waters and was boarded by Australian authorities and armed forces. In September 2001, Australia excised Christmas Island, the Cocos (Keeling) Islands and Ashmore Islands from its migration zone and introduced its so-called Pacific solution in an attempt to push responsibility for the asylum-seekers offshore. The legislative framework for this decision, apparently made in the national interest, was the *Migration Amendment (Excision from Migration Zone) Act 2001*, and the *Migration Amendment (Excision from Migration Zone) (Consequential Provisions) Act 2001*.

The September 2001 legislation was designed to maintain the integrity of Australia's maritime borders and its refugee programs, and to reduce incentives for people to journey to Australia. The message of the legislation was intended for those people who for what ever reason were tempted to abandon or bypass effective protection opportunities in order to travel to Australia, would never be rewarded with permanent visas. The legislation was apparently not intended to prevent a person with genuine protection claims from being accorded refugee status, rather it was a way of better controlling arrivals.

The Australian Government raised the issue of border protection legislation on June 20, 2002 by re-introducing its island excision rules. A hostile Senate, however, rejected the idea of excising 3000 islands off the northern coastline from the migration zone. The move to prevent potential asylum seekers from landing in an area of Australia where they would have had full legal rights afforded normally to those claiming refugee status followed the Government's attempt in December 2003 to excise around 5000 islands permanently by way of legislation, which was rejected by the Senate. The number of islands to be excised has varied greatly in the media reports.

When a small boat, the *Minasa Bone*, carrying Indonesian crew and 14 Kurd passengers (asylum seekers) neared Melville Island on Tuesday, November 4, 2003, one of the passengers asked: "Is this Australia?" They received the answer: "Yes, it's the Tiwi Islands." Little did the islanders or the 14 boat people know that the Australian Government was preparing to excise the Tiwis, along with almost 4000 other islands, from Australia's northern migration zone. The Federal Government re-introduced legislation rather than regulation, by way of amendment to the *Migration Act*. In accord with international obligations and protocol, an Australian naval ship escorted the boat into Indonesian waters and the asylum seekers were returned to an Indonesian island where they were received by an officer from UNHCR.

2.5.3 Other International Obligations

As a party to the 1982 Convention, since October 1995, Australia has sovereign rights to explore, exploit, conserve, and manage the AEEZ's marine natural resources. It has further rights and responsibilities to the limits of the continental shelf, and to the protection and sustainable management of the ocean according to the best scientific information.

In meeting its national and international obligations as a claimant state to the Australian Antarctic Territory and adjacent oceans, the Australian Government's objectives are to build a systematic knowledge of the Antarctic through strategic scientific research, to contribute to an understanding of global climate change, and to protect and conserve the Antarctic environment to provide the capacity for greater national effectiveness in the Antarctic Treaty System and in the areas covered by the

Antarctic Treaty and the *Convention for the Conservation of Antarctic Marine Living Resources*.

Australia recognizes the importance of maintaining the Antarctic Treaty System as an effective mechanism for protecting the Antarctic Environment, pursuing science and achieving all of Australia's Antarctic policy objectives. Australia also has extensive obligations under other ocean-related conventions and cooperative arrangements dealing with matters including fisheries, biological diversity, the conservation of whales, dolphins, and porpoises, meteorology, climate change monitoring, pollution, and shipping. Whilst international shipping is guaranteed freedom of navigation in AEEZ, poachers are not permitted to fish in this jurisdictional zone.

Australia has a world-renowned search and rescue service. As a signatory to the *International Civil Aviation Convention* 1944, *International Safety of Life at Sea Convention* 1974, and *International Search and Rescue Convention* 1979 it is responsible for search and rescue over a vast area made up of the eastern and southern Indian and south-west Pacific Oceans covering 52.8 million square kilometers, nearly 10% of the earth's surface.

2.5.4 Poaching in Australian Waters

Poaching, particularly in the Arafura and Timor Sea, was reason enough for Australia to delimit maritime boundaries in 1971, even though it already had agreements in place with companies in many countries allowing fishing in defined zones, time frames or seasons, and according to other rules concerning documentation of catch and inspection. One area Australian authorities paid scant attention till recently, however, was around Heard Island with its valuable fishery of Patagonian Toothfish.

The future of the Patagonian Toothfish (*Dissostichus eleginoides*) and the highly valuable fishery based on it, concentrated in the Southern Ocean, has come under increased pressure from illegal, unreported, and unregulated (IUU) fishing. According to a study released by TRAFFIC (August 2001), the wildlife trade monitoring program of IUCN, World Conservation Union, and World Wildlife Fund, IUU fishing is blatantly undermining conservation and management of the species. It alleged Mauritius was the primary site for such landings in 1999–2000, and identified four "hot spots" for IUU fishing, namely the vicinity of Prince Edward Islands, South Africa; Crozet Islands and Kerguelen Islands, France; and Heard and Macdonald Island, Australia.

2.6 CONCLUSION

Australia's Oceans Policy is established to provide for integrated and ecosystem-based planning and management for all of its maritime jurisdictions. The policy includes a vision, a series of goals and principles, and policy guidance for the whole country. It builds on existing effective sectoral and jurisdictional mechanisms, promotes ecologically sustainable development of the resources within Australia's adjacent seas, and encourages internationally competitive marine industries, whilst ensuring protection of marine biological diversity.

Australia's vast marine area is dynamic in nature and experiences continuous variability of physical, chemical, and biological properties on timescales ranging from minutes in time to centuries. Its coastal zone and marine areas are generally in good

condition compared with other countries, and this is reflected in its international reputation for clean and contaminant-free seafood products, and quarantine checks, at Australian entry points and marine tourism destinations.

Australia has negotiated maritime boundaries with five states: Indonesia, Papua New Guinea, Solomon Islands, and the French sub-Antarctic island group (Kerguelen), New Caledonia and New Zealand. It also has an interim working agreement with East Timor for joint development of part the Timor Sea, and has terrestrial boundaries in Antarctica with Norway, New Zealand, and France. It has yet to ratify an agreement with Indonesia signed on March 14, 1997, relating to seabed and water column boundaries – lines of resource allocations – in the Timor Sea and north-eastern sector of the Indian Ocean basin, and to finalize its maritime boundary with East Timor.

The geographical and legal basis by which Australia claims sovereign rights to the resources on and under its natural continental shelf is clear and unambiguous. That Australia is willing to forfeit certain of its entitlements to East Timor under the TST should be commended by the Timorese Government, not condemned. East Timorese Government will be well advised not to create instability on its soil and in the region as it could very easily backfire on them and thereby cause suffering to its citizens.

The Australian Government has maintained, with firm conviction, its position that the critical boundary between the two countries should reflect the extent of Australia's continental shelf. *Geography was never intended to be equal*: Australia's sovereign rights, naturally and legally, extend to the edge of the continental shelf and beyond within scientifically determined and internationally defined limits. The Australian Government would be doing a disservice to its citizens if it further conceded to East Timor's unrealistic demands perhaps to the extent of blackmail. The Law of the Sea Convention only suggests that states produce an *equitable* solution in the event of a dispute over the perceived alignment of maritime jurisdictional limits between states – an approach reflected in the unratified 1997 Treaty between Australia and Indonesia dealing with exploitation of seabed resources.

Australia's obligations in relation to the oceans under international conventions, bilateral and multilateral agreements, and arrangements to which it is party must be administered in the processes of assessment, allocation, and management of ocean resources: including commitments relating to peaceful use of the oceans and cooperation in access for national and international scientific research and monitoring programs.

International trans-boundary resources should be allocated and conserved in a fair and equitable way, placing a premium on the peaceful settlement of any differences regarding their use. Australia provides leadership regionally and internationally in the management of its oceans, recognizing that national activities may affect the marine jurisdictions of neighboring countries. For example, pollution which results in loss of amenity or diminished value of the oceans resource to other users is a form of resource use and, while it continues, should be costed accordingly.

Australia is one of the most biologically diverse countries on earth and its marine environments are home to spectacular arrays of species, many of which are unique to Australian waters. In the southern temperate waters, as many as 80% of species are endemic (not found elsewhere). In the northern tropical waters, which are connected by currents to the Indian and Pacific Oceans, overall diversity is even higher although the proportion of endemic species is lower at around 10%.

Management of maritime space is a continuously evolving and interesting area of law. It should not be a surprise that political and administrative maritime and terrestrial boundaries will continue to be defined by litigation brought about by Federal, State and local Governments, indigenous peoples, and by stakeholders such as fishery agencies and operators, port managers, and those with exploration and exploitation of minerals and hydrocarbon interests. In 2003 the Australian Government aimed to boost the integrity of its migration and temporary entry arrangements by addressing people smuggling and immigration fraud at the source, and at the same time it demonstrated how seriously it views the breaches of fishing by alien nations.

ACKNOWLEDGMENT

The author acknowledges the valuable comments of an earlier version of this chapter from Dr Charles Eaton.

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APPENDIX A

A.1 Australia and Solomon Islands

Three turning points, identified as U, V, and R1, were defined by their geographical coordinates in Article 1 of the Agreement. The delimited line comprised geodesics linking the turning points, which delineates the maritime boundary between the States that are party to the Agreement. Article 1, paragraph 2 noted that whereas point U is expressed in terms of the Australian Geodetic Datum (1966), the remaining points are expressed in terms of the World Geodetic System (1972).

A.2 Australia and France in the Vicinity of New Caledonia

The boundary was defined by 22 turning points whose geographical coordinates are described in Article 1 of the Agreement and are expressed in terms of WGS 72. Geodesics link the points R1–R22. Point R1 is the tri-junction point in the 1988 Australia/Solomon Islands Agreement. The Agreement stipulated in Article 3 that point R22 did not necessarily represent the position of either government as indicating the outer edge of the continental shelf. With respect to the present knowledge of water depths in the vicinity, point R22 lies in about 2500 m of water.

A.3 Australia and France in the Vicinity of Heard Island

Geodesics connect the six turning and two terminal points, S1–S8, whose geographical coordinates were defined in Article 2 and are expressed in WGS 1972. As stated above and reiterated in Article 3, paragraph 1 of the Treaty, points S1 and S8 were not to be considered as necessarily representing the outer limit of the continental shelf. Both sections of the Agreement entered into force as a Treaty on January 10, 1983. Provision is contained in Article 5 whereby any disagreement with reference to the interpretation and application of the delimitations would be resolved by peaceful means.

A.4 Australia and Indonesia

The boundary is delineated by geodesics linking turning points A1 through to A12. The geographical coordinates are listed in the text of the agreement. The seabed boundary lies in water depths generally less than 200 m (Forbes, 1986, pp. 8–10).

A.5 PFSEL

The PFSEL was defined by 44 points whose geographical coordinates were listed in an attachment to the MOU. Thirty-five of the first 39 points of this boundary corresponded with points 148–110 employed to define the AFZ. Points 36–39 inclusive differed slightly from the equivalent points delineating the AFZ.

At point 40 of the PFSEL the boundary followed arcs of circles with a radius of 12 nautical miles drawn from the baseline of Ashmore Islands (formerly and incorrectly termed Reefs). The boundary terminated at point 44 (latitude 13°56' South, longitude 120°01' East) which was located 200 M from the southerly point of Dana Island, base-point number 123 in Indonesia's archipelagic baseline system, as defined in 1960.

A.6 Australia and Indonesia in the Vicinity of Christmas Island

Article 3 provides for the delimitation of a seabed and an EEZ boundary to the north of Christmas Island. Three points are defined by their geographical coordinates. Points C1 and C3 are located at the intersections of 200-M arcs from identified points on Christmas and Java Islands. Point C2, whose geographical coordinates are latitude 9°46'49.8" South; longitude 105°50'55.4" East, is a negotiated point located 38.75 M north of Christmas Island on a line of the shortest distance between the island and the Java's southern coast. Geodesics link C1 to C2 and then to C3 to form the boundary. The values of the geographical coordinates employed in defining the points (Article 4) are expressed in terms of the World Geodetic System 1984 (WGS 1984). These may be treated as being equivalent to the International Earth Rotation Service Terrestrial Reference Frame (ITRF).

3. AUSTRALIA'S UNAUTHORIZED ARRIVALS: SECURITY THREAT OR MORAL RESPONSIBILITY?

3.1 INTRODUCTION

The degree to which unauthorized immigration into Australia, especially from its arc of instability, is a security threat is a contentious issue. Indeed, the unauthorized arrival of people in Australia has dominated political discourse in the latter years of the 20th century and continues to attract extensive dialog in the new millennium. Whilst previously security threats were perceived to represent conventional military threats, revisionist views incorporate a much more extensive evaluation of factors that can negatively affect or detract from the quality of life of a state's inhabitants, including socio-economic factors such as those that evolve from the unplanned arrival of groups of people seeking a new, safer, or better life for themselves (Dupont, 1998; Jacobsen, 1996; Mandel, 1994). Jacobsen (1996) elaborates on the "regime" and "structural" dimensions of national security and points out that governments that fail to protect themselves from internal disorder, and those that are unable to provide adequate resources to satisfy the demands of a growing population, are at risk of suffering regime insecurity. The unauthorized arrival of people incurs greater-than-usual costs on a receiving society which can induce discontent within a citizenry and create a lack of confidence with governments perceived to be unable to provide adequately for the immediate needs of existing residents.

The debate on unauthorized immigration is essentially one of opposing ideological paradigms. The first is represented by the "idealistic" approach to immigration supported by liberal-minded, altruistic members of a community who advocate the implementation of immigration policies that are informed solely by moral reasoning and the highest ideals (Carens, 1996). Opposing ideology relates to a more "realistic" approach defended by citizens who wish to assess immigration with reference to national interests and the welfare of the state as a sovereign political, cultural, and social unit. Whilst the theoretical assumptions of the idealists rely on the existence of a borderless world in which the freedom of movement among states is a universal right, in reality, the world remains a conglomeration of individual political bodies whose primary interests relate to their own citizenry and, to a lesser extent, to regional affiliates. In an "ideal" world, no-one would live in poverty or suffer persecution, and all people, regardless of ethnicity, religious belief, or gender, would be empowered to determine their own welfare if not in their own countries then in a new one. However, in "reality" there must be a recognition that those who have endeavored to build societies that provide not only essential freedoms but also a particular way of life should be allowed to safeguard that existence and enjoy the benefits of

their own labor. On the one hand, there must be a moral imperative for (relatively) wealthy Western states to assume some responsibility for the welfare of those people less fortunate. On the other hand, it is arguable to advocate that this should incur a continuous burden on those relatively few countries that represent those in the developed world that offer onshore and offshore assistance to displaced and persecuted people.

Apart from the “idealist” philosophy that refers to a moral imperative to offer assistance to asylum seekers arriving at Australia’s shores, their arguments are further premised on Australia’s obligation to uphold its commitment to the international agreements and conventions on the treatment of refugees that it has ratified. The moral arguments are compelling, and, in an ideal world, should remain uncontested. Conversely, and equally veracious, is the recognition that refugee immigration incurs extensive economic costs to the receiving community; that it has been socially divisive not only in Australia but also in many European states where anti-immigration sentiment has dominated many recent government elections (for example in France, Denmark, and the Netherlands), and that Australia’s relationship with its neighbors in the Asia-Pacific region, and with the international community, has been increasingly scrutinized. Therefore, whilst “idealists” vociferously disagree that unauthorized immigration represents a security threat – even when the concept of security is contemporaneously defined – the arguments of the “realists” are predicated on the need to maintain territorial and policy integrity that, in turn, addresses the socio-economic concerns of member citizens. All of this has implications within the parameters of Australia’s arc of instability in the Asia-Pacific region (Figure 3.1).

This chapter evaluates the actual and potential threats to Australia from the unauthorized arrival of people by boat via South East Asia (Forbes and Hoad, 2000). It discusses the implications of this process for the Australian government, including the costs of maintaining a policy of mandatory detention and offshore processing. In addition, it evaluates the proposition that the arrival of people in this manner, who subsequently remain in Australia as asylum seekers and refugees, incurs a significant long-term cost with respect to their settlement. Finally, the chapter analyzes the efficacy of both the process of arriving as an unauthorized migrant in a foreign state with little or no means of proving the veracity of any subsequent claims for asylum, and the government policies that have been introduced to deal with this phenomenon.

3.2 UNAUTHORIZED IMMIGRATION TO AUSTRALIA: THE ISSUE OF NUMBERS

Individuals and organizations who have lobbied for a more liberal approach to the unauthorized arrival of people to Australia’s shores have, since 1998, argued that Australia’s response to the increasing numbers of unauthorized arrivals is a gross over-reaction, considering the numbers of arrivals elsewhere (for example, individuals such as judicial activist and author, Julian Burnside QC; former Liberal PM, Malcolm Fraser; author, Peter Mares; President of the Labor Party, Carmen Lawrence; and organizations such as, A Just Australia and The Coalition Assisting Refugees After Detention, to name but a few). Such criticisms, therefore, demand an examination of the numbers and movements of humanitarian migrants to Australia in comparison to those arriving in other states.

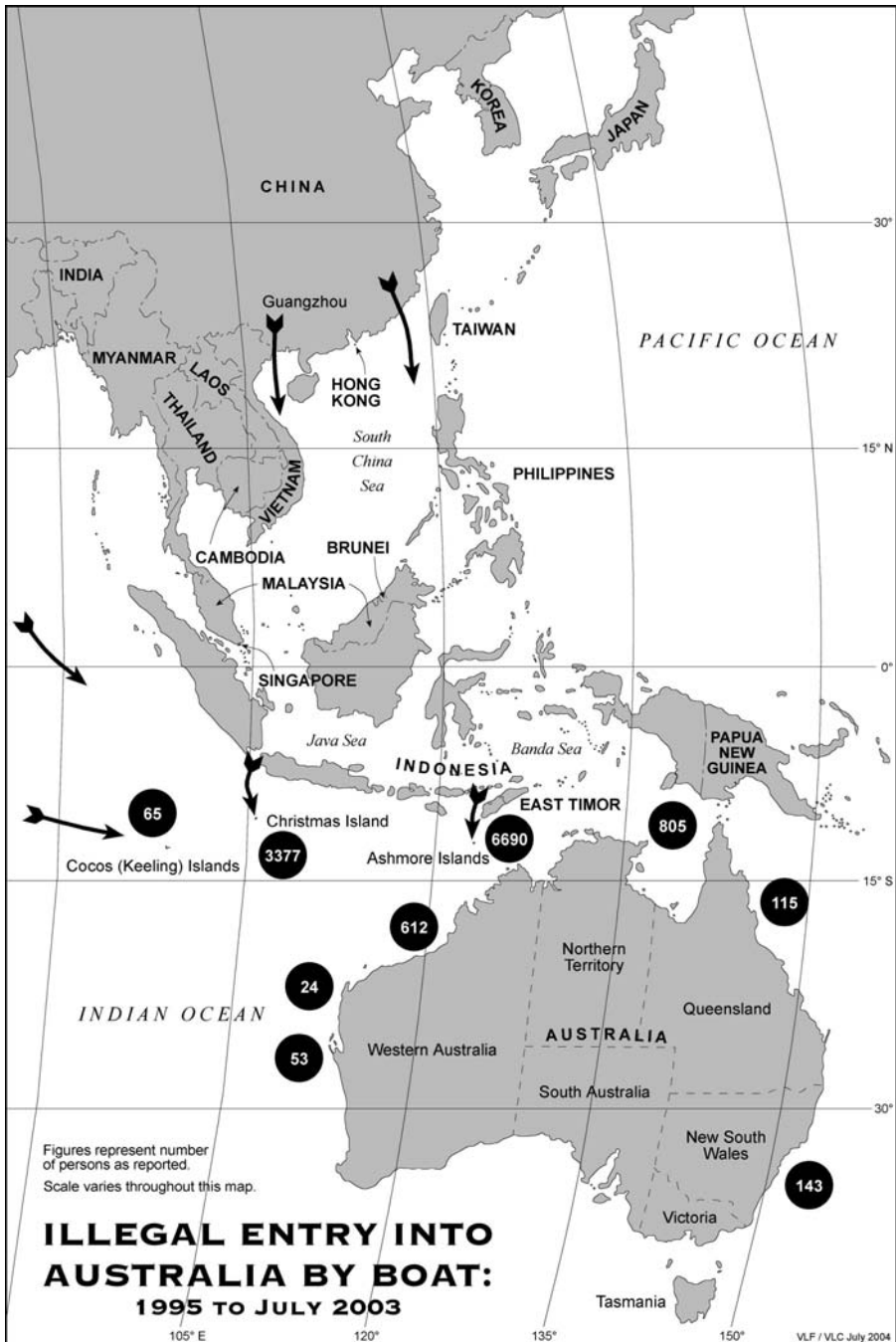


Figure 3.1 Illegal entry into Australia by boat: 1995 to July 2003

The unauthorized arrival of people by boat to Australia has increased significantly since 1989, but there was a dramatic increase in unauthorized boat arrivals between 1998 and 2001, before the changes to Australia's migration legislation (Table 3.1).

Table 3.1 Summary of unauthorized boat arrivals 1989–2003

<i>Year</i>	<i>Boats</i>	<i>Total Arrivals</i>	<i>Min/Max on Board</i>
1989–1990	3	224	26/119
1990–1991	5	158	3/77
1991–1992	3	78	10/56
1992–1993	4	194	2/113
1993–1994	6	194	4/58
1994–1995	21	1071	5/118
1995–1996	14	589	4/86
1996–1997	13	365	4/139
1997–1998	13	157	3/30
1998–1999	42	921	2/112
1999–2000	75	4175	3/353
2000–2001	54	4137	2/231
2001–2002	6	1212	60/359
2002–2003	1	14	14
Totals	260	13,489	2/359

Source: DIMIA Fact Sheet 74.

Boat arrivals for 1998–1999 numbered 921; in 1999–2000 they numbered 4175; and in 2000–2001 they numbered 4137 (DIMA Fact Sheet 74, 2002a). The data show a drastic reduction in boat arrivals to Australia after 2002 (Table 3.1). As discussed throughout this chapter, the reduction in unauthorized arrivals directly coincides with the introduction of legislation (in late 2001) to, amongst other things, excise some of Australia's Northern islands from the migration zone, and the implementation of a system of "offshore processing" (discussed further below).

The global refugee population has been estimated at approximately 22 million people (DIMA 2001a, p. 2), and, despite the arrival of greater numbers of people seeking refugee status in Australia, their number constitutes a relatively insignificant proportion compared with those arriving in other countries. For instance, it is estimated that Pakistan hosts 2 million Afghan refugees, and between 1996 and 2000, 100,000 Afghan refugees applied for asylum in Europe (Migration News, 2001a). Of those, Germany received approximately 33,000 Afghan asylum applications; the Netherlands 25,000 and the United Kingdom 13,000 (Migration News, 2001a). The United Kingdom received a total of 97,660 overall applications for asylum in 2000 (Migration News, 2001a). Tables 3.2 and 3.3, however, indicate that, although Australia received fewer asylum seeker arrivals, and had a lower recognition rate (for asylum) than some states, its rates of arrivals and acceptances were higher than some other similar states, and noticeably higher (per capita) than the intake to the United States.

Table 3.2 Per capita intake of asylum seekers in selected western countries 1998–1999

<i>Country of Population</i>	<i>Onshore Asylum Seekers</i>	<i>Asylum Seekers Per Capita</i>
Switzerland	41,100	1 per 156 residents
Netherlands	45,200	1 per 394 residents
Britain	91,000	1 per 604 residents
Germany	98,644	1 per 760 residents
Sweden	12,800	1 per 781 residents
Canada	24,937	1 per 980 residents
Australia	8,257	1 per 1,961 residents
United States	79,800	1 per 3,172 residents

Source: UNHCR in Crock and Saul (2002, p. 26).

Table 3.3 Recognition rates of asylum seekers, 1991–1999 (%)

<i>Country</i>	<i>1991</i>	<i>1993</i>	<i>1995</i>	<i>1997</i>	<i>1999</i>	<i>Total</i>
Australia	11.4	9.8	9.1	6.7	22.7	13.1
Austria	12.5	7.8	13.0	8.1	56.6	13.1
Belgium	23.5	23.3	25.5	20.4	32.4	24.5
Canada	68.7	55.2	70.1	52.4	58.0	61.8
Denmark	100.0	100.0	85.0	52.6	53.4	73.5
Finland	73.6	59.6	35.3	51.7	28.1	50.8
France	19.7	27.9	15.6	17.0	19.3	20.0
Germany	8.3	4.5	18.7	17.1	13.5	9.9
Ireland			42.9	52.4	13.1	17.9
Italy	4.9	9.1	16.9	21.1	72.6	15.6
Japan		25.0			28.6	9.2
Netherlands	15.7	48.8	65.6	55.2	15.6	38.8
New Zealand	50.0	4.7	26.7	16.7	25.7	17.6
Norway	34.4	53.7	52.3	29.7	44.6	42.8
South Africa				55.6	43.9	32.7
Spain	9.3	7.4	10.2	7.2	11.7	8.1
Sweden	45.4	44.7	39.8	62.0	47.5	49.7
Switzerland	6.9	46.2	52.0	39.1	52.7	38.5
UK	53.7	73.0	24.4	23.8	72.5	43.4
US	33.6	21.8	46.9	80.5	88.3	43.9
Total	21.1	20.9	34.0	29.8	35.0	26.0

Source: UNHCR, 1999 Statistical Overview in Crock and Saul (2002, p. 28).

Clearly, according to Table 3.3, Canada, the United States, the United Kingdom and the Scandinavian countries exhibit the most generous recognition rates (in total) amongst asylum seekers. Whilst Japan, Austria, Germany, Ireland, Italy, New Zealand, Spain, and Australia are less generous. Generally, whilst recognition rates have

increased steadily between 1991 and 1999 in the United States and, to some extent, the United Kingdom, the rates have diminished noticeably over the same period of time in Denmark, Finland, and New Zealand. The statistics presented in the two tables above, therefore, indicate that Australia's humanitarian record does not deviate markedly in the context of similar arrivals elsewhere. In fact, whilst some states provide greater access to the asylum process in their respective jurisdictions (than Australia), they may nonetheless exhibit lower rates of recognition (see for example, Germany). It is also useful to remember that, not only is Australia one of nine major resettlement countries, but it also contributes to the care of refugees and displaced people through its financial contributions to the UNHCR, and supports non-government organizations operating in countries of first asylum (DIMA, 2001b). Australia's present Humanitarian Program allows for an annual intake of around 12,000 migrants per annum, and represents approximately 17% of all immigration to Australia (DIMA, 2000a, p. 24). Since the Second World War, nearly 600,000 migrants have entered Australia under the Humanitarian Scheme (DIMA, 2002b, p. 7). Therefore, whilst some other states, such as Japan, make a larger financial contribution to the UNHCR than Australia, they do not also provide generous resettlement schemes that arguably incur ongoing costs to their communities. Japanese government immigration and asylum policies reflect a "deep rooted insularity" with respect to asylum seekers and foreigners disallowing any incorporation of migrants into Japanese society with the deliberate intention of maintaining cultural homogeneity (Weiner, 1998). What is clear, therefore, is that the composition of each state's contribution to the asylum and refugee regime remains different, and that Australia's compares favorably to some other developed states.

The assertion that "Australia's reaction to the most recent surge in unauthorised boat arrivals comprises a gross over-reaction" requires much greater analysis. Whilst the data presented above certainly reflect that the numbers of unauthorized arrivals to Australia are fewer than in many other states, there is a number of factors that have contributed to this anomaly. First, it remains a credible theory that Australia's geography and its position, far from the origin states of the most recent unauthorized arrivals (for example, Iran, Iraq, and Afghanistan), have been contributing factors in the relatively few arrivals to date. These factors have, for instance, not been present in the EU states which have experienced greater numbers of asylum seeker arrivals and illegal immigrants than Australia. Second, but not unrelated to the first point with respect to Australia's geography, Australia has been able to introduce specific and extremely effective policies (discussed further below) to address the increasing problem of unauthorized arrivals that would not have been practical if implemented in the European states. For example, common borders throughout Europe pose increased difficulties with regard to border control. In addition, although most receiving states, including the traditional countries of immigration, have instituted new policies intent on reducing the numbers of illegal and asylum seeker arrivals (DIMA, 2001a), EU member states would be constrained from acting entirely in their own best interests in repelling unauthorized and illegal arrivals since such an action on the part of any single member-state would impinge on the welfare of neighboring EU member-states, with political consequences in the region. Therefore, to some extent, the greater numbers of unauthorized arrivals, who subsequently

claim asylum in EU states, are not necessarily a deliberate function of a more liberal European refugee regime, but are due to exigencies that relate to the specific European context. Arguments by liberal-minded refugee advocates in Australia suggesting that Coalition government immigration policies to control unauthorized arrivals are unnecessarily harsh and aberrant, therefore, ignore the complexities inherent in this process. It is far more likely that most, or all, EU states would welcome the development of further strategies to control the numbers of unauthorized arrivals if these solutions could be moulded to the specific geographical and political context that defines the European Union.

Third, a point that should not be overlooked relates to the fact that all of the unauthorized boat arrivals to Australia (post 1998) have been the result of illegal people smuggling syndicates who gain large financial rewards for transporting people in this manner. The International Organisation for Migration (IOM) estimates that as many as 4 million people are transported illegally around the world each year with some migrants paying up to A\$40,000 to crime syndicates to achieve this result (DIMA, 2000b, p. 15). DIMA statistics indicate that "people-trafficking" worldwide is responsible for an estimated US\$7 billion per annum in illegal revenue (2000a, p. 15). Furthermore, during the first regional conference on people-smuggling in Bali in February/March 2002 it was even suggested that returns from the trade in the illegal movement of people now exceed those of drug smuggling (Barton, March 1, 2002, p. 4). On that basis, it is safe to assume that unauthorized arrivals to Australia would continue, and possibly increase, were it not for the introduction of policies in 2001 that acted to deter further arrivals, and to deny unauthorized arrivals from attaining an immigration outcome. For example, after a relatively long period of time after the arrival of the *mv TampaTampa* at Christmas Island on the 26 August 2001, a single boat arrived off Melville Island on the 4 November 2003, carrying 14 passengers. It signaled one of the first (illegal) incursions into Australian waters since the introduction of the *Migration Amendment (Excision from Migration Zone) Act 2001* and the *Migration Amendment (Excision from Migration Zone) (Consequential Provisions) Act 2001*. It was almost certainly a venture by illegal syndicates to test the resolve of the Australian government with a view to reviving people smuggling operations between Indonesia and Australia. There is no evidence to suggest, therefore, that had the Australian government not implemented such policies (in 2001), deemed by the "idealists" as an over-reaction, that the lure of the financial rewards from such a process would not have motivated many more similar illegal operations, thereby increasing the numbers of future unauthorized arrivals to Australia.

Fourth, as Hugo (1997) and Harris (1993) have pointed out, a large proportion of the global population increase will take place in the Asia-Pacific region and it will be those states within or near this region that will be most affected by the spontaneous movements of people. Indeed, regional overpopulation is likely to become an increasing security threat to Australia's interests (Rumley, 1999, p. 60). China alone is thought to have a "floating" population of at least 100 million people seeking employment. Furthermore, as has been suggested by Gould and Findlay (1994), some countries or regions are more at risk from the arrival of refugees than others. The states most at risk, they suggest, are those wealthy countries that border, or are located adjacent to, developing and poorer states. The illegal entry of Mexicans across the border into the USA

is probably the most obvious example of this phenomenon. Similarly, Christmas Island has been one of the most frequent sites for the arrival of unauthorized boat migrants to Australia, primarily due to its geographical location only 360 km south of Java Head at the southern entrance to the Sunda Strait (Hoad, 2000). Therefore, although it has been previously asserted that Australia's ocean boundary has provided a level of protection from unauthorized boat arrivals, the proximity of Christmas Island – and other similar northern offshore islands – to South East Asia remains a source of concern in relation to the ease with which boats can traverse the relatively short distance in the hope of an immigration result.

3.3 THE SOCIO-ECONOMIC IMPLICATIONS OF UNAUTHORIZED ARRIVALS TO AUSTRALIA

Having established that Australia receives relatively few unauthorized boat arrivals, it is opportune to discuss and analyze why the Australian government (and most/all other receiving states) has instituted policies that aim to deter and minimize the number of future similar (asylum seeker) arrivals. The most credible suggestion relates to a basic tenet of political realist theory; that migration and refugee policy are directly related to issues of national sovereignty and national security, and that the rules of entry and exit will be governed by receiving state interests (Carens, 1996).

Although some writers and commentators on immigration issues suggest that there is no link between immigration *per se* and strongly negative demographic, economic or social effects (for instance, Borjas, 1988; Chiswick, 1982; Cusworth, 2001; Pope, 1989; Pope and Withers, 1985, 1990; Simon, 1982; Withers, 1988; Wooden et al., 1994), others have argued that immigration can be problematic for receiving states (Abernethy, 1996; Birrell, 1978; Borjas, 1994; Borjas and Hilton, 1996; Borjas and Trejo, 1991; Borjas et al., 1992; Jacobsen, 1996; Kabala, 1993; McAllister, 1993; Weiner, 1996). Abernethy (1996) writes extensively on the ethical aspects of international migration and asserts, with reference to immigration to the USA, that the process “harms Americans.” In addition, Abernethy (1996, p. 139) cites work by the Centre for Immigration Studies that concurs in its conclusion that immigration in the USA imposes public costs in excess of the revenue gained from taxes paid by the immigrant sector; costs that are ultimately absorbed by all sectors of the economy. McAllister (1993), referring to the extensive scholarly debate on the economic consequences of immigration (to Australia) discussed in Wooden et al. (1994), states that the “popular view is quite clear-cut: immigration during periods of low economic growth and high unemployment is bad.” However, in general, and with regard to immigration as a whole in Australia, Wooden et al. (1994) concludes that the process confers slightly positive effects.

It is important to state, however, that there is a discernible difference between the costs and benefits of immigration *per se* on receiving countries, as opposed to the economic burden imposed on host states from the arrival and settlement of refugees, a specific category of immigrant. For instance, DIMA (2000c) alleges that the costs to Australia from the arrival of unauthorized immigrants have placed a great strain on Australia's detention facilities and the taxpayer. In 1997–1998, the government spent about \$115 million relocating, removing, and detaining people who had arrived in the

country as unauthorized migrants (*ibid.*). This cost rose to A\$128 million in 1998–1999 and was A\$211 million for 2000–2001 (*ibid.*). In early 2002, the Treasurer, Peter Costello, introduced an annual budget estimate for the “Pacific Solution” of A\$450 million (Crock and Saul 2002, p. 50). It is alleged that each unauthorized arrival costs the government A\$50,000 from the time of arrival to the time of departure accepting that they are repatriated, and that the average daily cost of keeping someone in detention is A\$115 (DIMA, 2000c). Detention costs alone, from July 1, 1999 to October, 1999 were A\$9.57 million (*ibid.*). Despite the alleged costs incurred from the detention of unauthorized arrivals, a report on “visits to immigration detention centres” undertaken by the Joint Standing Committee on Foreign Affairs, Defense, and Trade (2001) outlines a number of concerns, some more serious than others, about the conditions within centers and the treatment of asylum seekers awaiting an immigration decision, all of which indicate the need for an additional allocation of government resources.

It is also alleged that it cost Australian taxpayers A\$11.8 million in legal assistance in 2001 to enable detainees to appeal against their primary rejection notices (Dunn, January 31, 2002). Of those to appeal to the Refugee Review Tribunal, or subsequently to the Federal and High Courts, only 26% were successful in overturning the original rejection of their claim for refugee status (*ibid.*). Peters (2002, p. 2) relates that the litigation costs (to the US taxpayer) incurred by asylum seekers attempting to overturn rejected claims in the United States alone have amounted to over US\$10 billion – ridiculous in relation to the US\$15 billion quoted as the amount needed to rebuild Afghanistan. Therefore, it could be argued that, while the arrival of immigrants with job skills comprising part of an ongoing immigration program is shown to be marginally beneficial to Australia’s economy, the unauthorized arrival of immigrants incurs a number of problems not only with regard to the costs arising from their detention, processing, and possible repatriation, but, as discussed below, the problems that result from the settlement processes particular to Humanitarian entrants (Kabala and Nieuwenhuysen, 1991).

A report by VandenHeuvel and Wooden (1999), commissioned for the Department of Immigration and Multicultural Affairs (DIMA), undertook a longitudinal study of the settlement prospects of new immigrants to Australia. In addition, this report, as with other similar studies previously completed on immigration, examines the settlement outcomes according to visa category; in other words, whether the immigrants arrived as Preferential Family, Concessional Family, Business Skills, Employer Nomination Scheme, Independent, or Humanitarian migrants. Past research, the authors have stated, has shown that the settlement outcomes differ dramatically among visa entry categories, and Humanitarian entrants (including refugees) comprise the group that experiences the greatest problems in relation to labor force participation, English language attainment, and income and job mobility. The findings of the report would suggest that refugees, whether they comprise those who have arrived in Australia as Humanitarian visa entrants or those who have arrived as unauthorized entrants (and are subsequently released from detention as refugees), contribute least to the economic welfare of Australia, and indeed incur costs to the community through their ongoing dependency on welfare (free health care, accommodation, social security benefits, and special assistance) for a number of years after arrival in Australia (Kabala and Nieuwenhuysen, 1991).

Other studies on the socio-economic integration of humanitarian migrants also identify significant problems in relation to the economic adjustment of this group of migrants with the implication that these migrants are more likely to remain medium to long-term welfare recipients compared with any other migrant group. A study completed by Waxman (2001) on the “economic adjustment of recently arrived Bosnian, Iraqi and Afghan refugees in Sydney, Australia,” concurs with the results of Vanden-Heuvel’s and Wooden’s (1999) study. Waxman states that indeed there is a relationship between length of residence and English language proficiency and, subsequently, English proficiency and employment status. Waxman (2001) points out that the recent arrivals from the Middle East (Afghanistan, Iraq) exhibited little or no workforce participation mainly due to their lack of English proficiency. A similar study in the Western Australian context with Afghan, Iraqi and Iranian Temporary Protection Visa (TPV) refugees also found that 88% of the respondents were unemployed and in receipt of welfare benefits, and that the respondent group possessed remarkably poor English language skills, workplace skills, and educational qualifications (Hoad unpublished thesis, 2004). In addition, both Wooden’s 1991 study and a study undertaken by Flatau, Petridis, and Wood (1995) point out that NESB male immigrants (comprising most of the unauthorized arrivals in Australia) in general appeared to be permanently disadvantaged in the Australian workforce.

A number of studies in the USA and Europe have also suggested a positive link between immigrants and welfare participation. Garvey and Espenshade (1997, p. 140), in relation to the USA, state that studies that have tracked immigrant cohorts have concluded that immigrants actually “assimilate into welfare” the longer they remain in the country. In the USA Blau (1984), Borjas and Trejo (1991), Borjas (1994), Borjas and Hilton (1996), and Hu (1998) all suggest that immigrants are more likely than natives to receive welfare. A similar outcome has been established in Germany (Castronova et al., 2001). Glazer (1998) also distinguishes between immigrants *per se* and refugees, and their respective association with welfare use and states that refugees exhibit a higher proportion of welfare use than voluntary immigrants. One of the reasons he cites for the high welfare use amongst refugee immigrants is the possibility that initial Federal refugee support habituates people to believe that all subsequent welfare support is not only natural but also “their due, rather than a stigmatized last resort” (Glazer, 1998, p. 67).

Immigration policies, therefore, need to continue to be formulated with regard to the relative ratios of migrants in each category that comprise the annual immigration intake. That is, there is a need to balance the numbers of immigrants who will be a drain on any welfare system and a net cost to the receiving community with those who comprise part of a skilled intake and who, it could be argued, contribute more to the immediate and medium-term economic welfare of a country. The alternative is that those states that experience increases in unauthorized and “illegal” immigration will proceed to initiate strategies to effect a reduction in other spending. For example, although Norway consistently meets UN aid targets, the five states that provide the most aid dollars – Japan, the United States, Germany, France, and the United Kingdom – each contributed less than 0.4% of their GDP in 1999; below the recommended level of contribution (OECD, 2001, pp. 64–65). The USA, which, during the mid-1980s, had an annual refugee admissions quota of 200,000 people has, in more recent

times, reduced its intake to 70,000 people per annum (New York Times, 2002). It has been reassessing its commitment to the resettlement of refugees for some time. Similarly, Barton (May 16, 2002, p. 33) points out that an overview of the 2002 Australian Federal Budget relates that increased spending on border protection has induced the Australian government to reduce its funding obligation to the UNHCR, responsible for the welfare of 23 million refugees worldwide, by half to A\$7 million. A reduction in contributions to the UNHCR by EU states has forced the UNHCR to cut services by 10% (*ibid.*). Whilst the major countries of resettlement have spent US\$10 billion processing the relatively few asylum seekers who manage to arrive as unauthorized migrants (that is, not through the main refugee regime organizations set up to oversee and manage this process), their contribution to the UNHCR for the care of those who have already been recognized as refugees amounts to US\$800 million (Migration News, 2001b).

In summary, whilst Australia remains committed to a multicultural ethos and, by implication, an ongoing (relatively) non-discriminatory immigration policy, unauthorized refugee immigration and its attendant costs achieve limited support. There are finite resources and an expectation that the demands and requirements of existing citizens are met. The inability to satisfy the constant need for resources to bolster ailing health, education and social welfare budgets and reforms promotes greater scrutiny of government spending and a perception that a significant proportion of taxpayer's funds are used to support the increasing welfare demands of "aliens" unable to achieve self-sufficiency. All of this undermines public confidence in the Government and poses internal stability problems in relation to increased xenophobia, racism, and possible conflict.

Having outlined the costs that arise from unauthorized immigration to Australia, it is now opportune to discuss the policies introduced by the government to deal with this phenomenon.

3.4 AUSTRALIA'S POLICY CHOICES WITH RESPECT TO UNAUTHORIZED ARRIVALS

3.4.1 Mandatory Detention

Mandatory detention has become one of the most contentious of Australia's immigration policies to date. Whilst Australia is not the only government to justify detaining all "illegal" arrivals on the basis of national security and public order, the Executive Committee of the United Nations High Commissioner's Programme states authoritatively that "the detention of asylum seekers, who may well be refugees, should, in principle, be avoided" (UN, 2001). In addition, the Committee states that detention should not be used as a deterrent. Indeed, more broadly, the United Nations and UN bodies have criticized Australia's treatment of asylum seekers based on claims that a number of immigration protocols currently in place in Australia are in breach of the 1951 Convention (Edmund Rice Centre for Justice and Community Education, 2002).

The government, in defense of mandatory detention, states that the aim of the policy is not primarily for punitive purposes or to act as a deterrent to further would-be

arrivals, it remains the means by which the government ensures that such arrivals do not abscond whilst officials undertake health, identification and character checks, and assess the veracity of claims for asylum (DIMA, 2001c). It is, therefore, a matter of national security, and the means by which both Australia's immigration programs and the asylum regime can be protected. Statistics from other states, such as Britain, Sweden, Canada, Ireland, Norway, France, and the USA, indicate that asylum seekers who are not detained, whilst awaiting an outcome from the determination process, regularly abscond from authorities and disappear into the community (Ruddock, 2003). Whilst refugee advocate groups point out that people who arrive "legally," on a valid visa, and who subsequently claim asylum, are not held in mandatory detention (pending a determination outcome), it is important to point out that these asylum seekers have, at least, complied with Australia's immigration guidelines, and have undergone the appropriate immigration checks at the point of application in the country of origin. In other words, "legal" arrivals enter Australia with appropriate documents for identification purposes, whereas the vast majority of unauthorized arrivals enter with no documents, many of which have been deliberately destroyed *en route* to Australia (DIMA, 2001c). The destruction of all documents deliberately obfuscates the identification process and disallows a credible inquiry into the efficacy of asylum claims. As a result, the government has discovered that some unauthorized arrival asylum seekers have fraudulently claimed to be from Afghanistan, but have, instead, arrived from Pakistan; a place in which they did not suffer persecution or fear for their freedom or lives (for example, the Baktiari case). These people have, instead, used the asylum regime to subvert the normal immigration guidelines with the aim of achieving a migration result (in Australia).

Whilst Article 31(2) of the Convention states that restrictions must only be imposed "if necessary" and until the applicant's status is established one way or another, the Convention fails to adequately provide for all contingencies (DIMA, 2001c). For example, where an applicant is discovered not to engage in a country's protection obligations, the Convention fails to suggest or clarify any recourse with respect to those who are neither regularized, in the sense that they are eligible for either a temporary or permanent visa (Weis, 1995, pp. 291–292), nor able to attain entry to another state. Indeed, it has been suggested that with reference to the growing number of failed asylum seekers, whilst the Convention makes no allowances for this contingency, nor does it oblige states to keep illegal entrants in their territory, it remains the prerogative of the state to apply any necessary restrictions (including a regime of restricted movement in prison or refugee detention) according to its international law obligations and its national immigration and asylum laws (Goodwin-Gill, 1996, p. 153; Robinson, 1953, p. 156; Weis, 1995, p. 282). The legal aspect of what is perceived by refugee advocates as "indefinite detention" is currently under challenge by lawyers in Australia on behalf of applicants who have remained in detention for extended periods of time. Legal practitioners argue that all of the aforementioned sections that deal with the detention of unlawful arrivals "*imply temporal and purposive limitations*" such that ongoing and indefinite detention, after all avenues of tribunal and legal recourse to attain a visa have been unsuccessful and are, therefore, exhausted, is illegal (DIMA, 2001c). However, lawyers also proceed to acknowledge that, in effect, in the absence of any further legislation, DIMA is able to indefinitely detain an unlawful arrival providing it can be seen to be complying with the provisions (contained in the Act) pertaining to its endeavors to

remove the detainee as soon as it is reasonably practicable (*ibid.*). The Australian government relates that there is provision in the *Migration Act 1958* under sections 178, 182, 189 and 196 to detain, for at least 273 days from the time an application for entry has been submitted, those who arrive as unauthorized migrants until such time as a visa has been issued or they leave the state (DIMA, 2001c, p. 162).

3.4.2 The Pacific Solution

The process by which unauthorized boat arrivals to Australia are removed to neighboring Asia-Pacific states for processing has, almost certainly, been costly. However, the costs would have been far greater had there been ongoing arrivals throughout 2002 and 2003. Barton (May 15, 2002, p. 4) states that the costs for 2002/2003, which relate predominantly to the asylum seekers from the mv Tampa which arrived at Christmas Island in late 2001, are reported to be A\$129.3 million for that year. More important, though, in terms of Australia's arc of instability, Barton (March 2, 2002, p. 51) relates that there has been some concern about the effect of this policy on the internal political affairs of Nauru and Papua New Guinea. In addition, the Secretary-General of the Pacific Islands Forum, Noel Levi, has questioned the efficacy of Australia's use of these small Pacific states as detention and processing centers. Although the Australian government has been accused of its heavy handed tactics and patronizing attitude towards the Pacific states in which unauthorized arrivals are now detained and processed, it is useful to point out that the costs of undertaking such a program have been borne by the Australian government, and that the countries involved have been provided with much needed financial recompense for their participation. In addition, Papua New Guinea is the single largest recipient of Australian foreign aid, and the South Pacific (including Nauru) is the largest regional overseas development assistance recipient (Evans and Grant, 1995). Therefore, from a realist perspective, while some critics might judge it to be a consequence of aid dependency, to some extent, off-shore processing in the South Pacific could be viewed as regional cooperation.

3.4.3 The Temporary Protection Visa (TPV)

Refugee advocates in Australia have criticized the government's use of temporary visas for refugees who arrive unauthorized on boats since the provisions of the visa disallow family reunion; prohibit the visa holder from returning to Australia if the visa holder leaves its jurisdiction; differentiate in the level of settlement support provided to the refugee once in the community and, place the responsibility on the TPV refugee of proving an ongoing need for protection when the visa expires. DIMA proposes that, at no stage during the preparation of the Convention document was there any intention to suggest that the differential treatment of refugees, on the basis of their mode of arrival, would constitute a penalty that would breach Article 31 (DIMA, 2001c, pp. 145–146). Article 31, in itself, discriminates between those asylum seekers who arrive in a country of refuge legally, as opposed to those who arrive as unlawful entrants. Although the UNHCR advocates that Contracting states should not discriminate between different groups of refugees, Article 5 of the Convention would appear to permit differentiation between groups with respect to any rights and benefits over and

above those that states are obliged to provide all refugees and aliens (DIMA, 2001c, p. 146). DIMA (*ibid.*) further suggests that it is clearly permissible to create and apply various different visa categories and, by implication, to apportion various benefits accordingly. As noted by the UNHCR, providing states have accorded (by) their obligation with regard to Article 33, not to return a refugee to a place from which they escaped persecution, the Convention does not dictate to host states the type of visa that should be issued to refugees (*ibid.*; Goodwin-Gill, 1989).

Prior to the dramatic increase in asylum seeker arrivals to Australia in 1998 (Table 3.1), all asylum seekers found to be refugees enjoyed the same benefits, including permanent residence, the right to engage in family reunion opportunities, and settlement services, all of which the DIMA allege are beyond the obligations set out in the Convention (DIMA, 2001c). However, subsequent increases in claims for asylum motivated the Australian government to differentiate those refugees who had been screened already by the UNHCR and for whom resettlement in a third country was the only option, from the other refugees who arrived with the aid of organized smuggling syndicates but for whom alternative options had been available in countries *en route* to Australia (*ibid.*).

The Australian government's view has always been that although refugees have the right to protection, their rights do not extend to the choice of country that provides that protection, or to permanent integration into a country of refuge (DIMA, 2001c, p. 149). Furthermore, according to the government, refugees do not have the right to abandon protection in one country in favor of achieving similar protection in another preferred destination. The underlying philosophy here is that the arrival and acceptance of asylum seekers who have neglected sanctuary in another country, and whose arrival directly relates to their economic ability to undertake the services of criminal organizations to realize an immigration result, is essentially inequitable. It disadvantages those refugees who may be equally or in greater relative need of a settlement place, including those living in appalling conditions in camps in Pakistan, many of whom are women and children, who have no access to the required economic resources to alter their predicament.

In summary, the introduction of the TPV system is an initiative broadly developed to retard the erosion of the Humanitarian resettlement program and to disrupt people smuggling operations. It is a direct consequence of the increasing secondary movement of refugees, the adoption of fraudulent practices in relation to migration in general, and to unauthorized migration to Australia specifically.

3.5 AUSTRALIA'S NEW BORDER CONTROL LEGISLATION

In September 2001, after the arrival of the *mv Tampa* at Christmas Island, the government passed a raft of new laws to deter people smugglers and to protect Australia's borders (DIMA, 2001d).

3.5.1 Migration Amendment (Excision from Migration Zone) Act 2001

This legislation, enacted after the 8 September, 2001, ensures that although certain territories remain part of Australia's jurisdiction, they are excised from the migration

zone specifically for the purposes of unauthorized migration. As a result, anyone who arrives unauthorized at one of the nominated excised territories will be unable to apply for an Australian visa. The legislation relates to those Australian islands that receive most of the unauthorized arrivals, for example, Christmas and Cocos Islands in the Indian Ocean, Ashmore and Cartier Islands in the Timor Sea, and other offshore resource and installation facilities.

3.5.2 Migration Amendment (Excision from Migration Zone) Consequential Provisions Act 2001

This legislation has a number of functions. It disallows any unauthorized arrivals to places that have been excised from attaining permanent residence in Australia. In addition, it allows for such arrivals to be detained and removed from the excised place to another country in which their claims for asylum can be processed. Third, the legislation allows for a differentiation in the benefits provided to refugees depending on whether the applicant has bypassed the safety of other states thereby arriving in Australia by way of a secondary or subsequent movement.

3.5.3 Border Protection (Validation and Enforcement Powers) Act 2001

This Act imposes minimum penalties for people smuggling of five years for a first offence, and eight years for a second conviction. More importantly, this Act validates the actions of the Australian government with respect to the removal of the unauthorized arrivals from the *mv Tampa* and the *Aceng*.

3.5.4 Migration Legislation Amendment (Judicial Review) Act 1998 and Migration Legislation Amendment Act (No. 1) 2001

The first gives effect to the government's commitment to restrict access to judicial review in migration matters in all but exceptional circumstances. This was the direct result of increasing migration litigation and its associated costs, as well as the attendant delays in the removal of non-citizens who sought to utilize the processes of judicial review as a means of extending their tenure in Australia. The Act does not preclude either High Court or Federal Court review, however it does limit the grounds for review, thereby allowing faster resolution of court cases and reduced costs. It also facilitates the swift removal of non-citizens who have no basis to remain in Australia.

The second gives effect to the government's commitment to prohibit the use of class actions in migration cases that, again, serve to delay the removal of non-citizens and incur extensive costs to the Australian government (with minimal costs to applicants), and often lead to further proceedings in the courts.

3.5.5 Migration Legislation Amendment Act (No. 5) 2001

This provides the avenue by which private sector organizations, such as airlines, can divulge information to DIMA about people's travel arrangements where previously they would have been precluded from undertaking such an action according to the provisions of the Privacy Act.

3.5.6 Migration Legislation Amendment Act (No. 6) 2001

This allows for a definition of the UN Convention Relating to the Status of Refugees as it is applied in Australia. It, therefore, clarifies the meaning of some of the key elements of the Refugee Convention including Article 33 and Article 1. This has been enacted in the face of increasing incidences of fraud in the presentation of claims.

3.6 THE IMPORTANCE OF REGIONAL COOPERATION

Graycar and Tailby (2000) assert that the unauthorized movement of people has the potential to adversely impact upon Australia's international relations, and, therefore, affect security. For example, the relationship between Indonesia and Australia, which had already been strained as a result of the East Timor crisis, was further damaged during and after the Tampa incident in which both countries sought to distance themselves from the predicament and outcome relating to asylum-seekers rescued by a Norwegian vessel in Indonesian waters. During the period in which Australia received greater numbers of unauthorized arrivals, there were added concerns relating to Australia's image in the Asian region and the possibility that it would be accorded "pariah" status internationally as a result of the introduction of what are perceived to be highly contentious immigration policies. However, the initiative of the Australian and Indonesian Governments to co-host a people smuggling and security conference in Bali, Indonesia, in the aftermath of the "Tampa affair" in 2001, offered both states the opportunity to express their concerns over the incident and to formulate strategies to combat the illegal people smuggling operations responsible for the increasing arrival of asylum seekers to Australian shores. In addition, in early 2004, Indonesia and Australia co-hosted a similar conference on the issue of the global terrorism threat. Helton (2002) suggests that refugee crises require bilateral and multilateral cooperation at an organizational, national, and international level, and the coordination of policies to effect a satisfactory outcome.

3.7 CONCLUSION

Whilst the number of unauthorized arrivals to Australia constitutes a fairly small proportion of those arriving to some other Western states, there are credible reasons to suggest that the numbers would be far greater were it not for Australia's geographical isolation as a continent surrounded by water. In addition, people smuggling remains extremely lucrative and comprises a financial incentive to those who face economic hardship in neighboring South East Asian states. Faced with the reality that there are over 20 million displaced people globally who are seeking an alternative place in which to live, and the rapid population increases throughout the Asian continent that will almost certainly, in time, demand increased attention, the Australian government's reaction to the increases in unauthorized arrivals post 1998 could be construed as a judicious act of forward planning. Most of all, there are very few, if any, credible justifications for the implementation of policies that would support further unauthorized arrivals. The costs associated with the detention and processing of unauthorized arrivals, and the longer term costs of supporting those released into the community on temporary visas as refugees, is prohibitive, especially in relation to the relatively few people who benefit from such a process. The

same amount of money could be used to support many more people through the primary refugee regime that is entrusted with the care of most of the world's refugees. These are refugees who have already been determined to be in need of support and/or re-settlement and who have, themselves, provided evidence to support the veracity of their claims for asylum. Conversely, of the vast majority of unauthorized arrivals that have bypassed effective protection in one or more states *en route* to Australia, most provide no evidence to support their claims for asylum, some have deliberately destroyed documents *en route* to Australia, and (some) others have proceeded to make fraudulent claims to further their case for asylum. Any subsequent process to determine the veracity of their claims for asylum is, therefore, flawed as it is largely dependent on anecdotal evidence that cannot be properly substantiated. The process of arriving unauthorized to Australia undermines the carefully planned immigration program in which 12,000 places have already been provided to support those who are most in need of re-settlement according to the UNHCR. In addition, the unauthorized arrival of people has subsequently impacted on the amount of money and support that Australia (and other Western states) provides to the refugee regime through the UNHCR. It, therefore, disadvantages those who are unable to travel elsewhere to attain an immigration outcome simply due to their lack of financial resources. This equates to the vast majority of refugees who are forced to rely on the refugee regime for care.

Despite earlier concerns that the introduction of policies to deal with unauthorized arrivals would impact negatively on Australia's relationship with neighboring states, there is no evidence, as yet, to suggest that this has transpired. In fact, there is much more evidence to suggest that this phenomenon has provided an additional avenue of discourse and cooperation between Indonesia and Australia. It has also been argued that the allocation of resources for the detention and processing of unauthorized arrivals to Nauru and Papua New Guinea could be viewed as regional cooperation especially in the knowledge that both states are ongoing recipients of Australian development assistance in the region.

Finally, the unauthorized arrival of people (anywhere) can promote xenophobia and racist ideas, and can create economic hardship for receiving communities all of which creates tension, political dissatisfaction, and potentially civil strife – arguably constituting revisionist interpretations of security threats. The emergence of right-wing groups in some European states highlights this point. Whilst the move towards more restrictionist measures must be evaluated and tempered at all times by moral reasoning as well as national interests, they can nonetheless be justified in the light of “collective economic frustrations and uncertainties about the future, and the reality that Western receiving states have suffered years of declining real wages for working and middle-class citizens” (Cornelius, 1998, p. 384). As a result, it is not unreasonable that receiving community citizens are concerned about any immigration, but especially that which benefits relatively few humanitarian migrants but exacts the greatest costs.

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4. CHRISTMAS ISLAND: REMOTE NO MORE

4.1 INTRODUCTION

Christmas Island is more than just a remote island in the northeast sector of the Indian Ocean basin, along with the Cocos-Keeling Islands Group, it forms part of Australia's Indian Ocean Territories (IOT). That it should only make news headlines in Australia when so-called "illegal immigrants" land there from Indonesia and other parts of Asia, in boats regarded unseaworthy by Australian standards, is only part of a much bigger story that concerns Australia's national security, and other interests.

In June 1958 Christmas Island was perceived to be not only a stepping stone to Australia's developing relations with the newly formed Commonwealth country of Malaya, independent Singapore, Indonesia, and other Southeast Asian countries, it was also marked out as a potential rocket launching station (*Melbourne Herald*, 10 June 1958). But it was not till June 2001, that the Australian Government eventually declared it would fund some A\$105 million to establish a satellite spaceport there. When, however, in July 2004, the Australian Federal Government announced it was neither going to redevelop the Island's casino nor re-instate its licence, it also seemed to signal the demise of the spaceport idea (*The West Australian*, 20 July 2004, p. 45).

In August 2001, an Indonesian ferry with 433 alleged Afghan and Sri Lankan "illegal immigrants" on board, *en route* to Australia, sank near Christmas Island. Rescued by a Norwegian cargo ship, the motor vessel *Tampa*, the Master of the ship was later refused permission by Australian authorities to disembark the rescued, and Indonesian Norwegian, and Australian authorities subsequently debated who was responsible for them. On 27 August 2001, under orders from the Australian Prime Minister's Department, Harbour Master Don O'Donnell, closed Flying Fish Cove under Section 7 of the *Western Australian Shipping and Pilotage Act* 1967. And on orders from Canberra, Australian Special Air Services (SAS) troops boarded the *Tampa* to prevent it docking anywhere in Australia, despite Islander protests at the Government's refusal to let the rescued ashore. Indeed, unanswered questions remain as to whether the closure of Christmas Island "port" was legal under international law. After 6 days of negotiation, 300 people were eventually taken off in a mid-sea transfer operation, and despatched by a Royal Australian Navy ship to the island-nation of Nauru, in the Pacific Ocean; the remainder were accepted by New Zealand. Meanwhile, a Federal Court ruled that the Government should allow the arrivals in, since they had entered Australian waters, but a 2-1 decision in the High Court later overruled this.

Such incidents as these and other geopolitical issues raise a number of questions about Australia's effective management of its many populated "external territories." This chapter therefore examines such issues, highlights the problems, and considers whether Christmas Island is being administered in a manner befitting its

status, particularly since this juncture in history. With so many concerns about national and international security, its strategic location lends it special significance in the “arc of instability.”

The first part of the chapter deals with the geography and historical background of Christmas Island since its first acknowledged discovery, through to annexation by Britain, wartime occupation by Japan, colonial status under Singapore’s administration, and its placement, finally, within the Commonwealth of Australia. It is followed by an account of the Island’s natural resources and various development projects – successful and otherwise. The chapter finishes by examining the Island’s position as a foothold for entry into Australia both by “illegal migrants” and genuine asylum-seekers, and asks both whether the Islanders themselves are, or ought to be, consulted in such important decision-making processes as these, and whether the delimited maritime boundary north of the island is rather too close for current Australian comfort.

4.2 GEOGRAPHICAL SETTING

Rising steeply from the seafloor of the northeastern sector of the Indian Ocean Basin is the submarine mountain known as Christmas Island (Latitude 10° 25' S. Longitude 105° 42' E). The Island’s 80-km coastline is an almost continuous sea cliff, ranging up to 50 m in height. Its east-west alignment at sea surface level, 18 km, is about the same as its north-south axis. Its 360-m central plateau consists mainly of limestone with layers of volcanic rock and is covered in stands of rainforest. Andrews (1900) has discussed the physical features, geology, and flora and fauna of the island. The island has an area of 135 km² nearly 63% of which is designated a national park. In a few places breaks in the cliff give way to shallow bays and small sand and coral beaches, the largest of these bays being Flying Fish Cove, which forms the Island’s port (Figure 4.1). The nearest point of the Australian mainland to Christmas Island is Northwest Cape, approximately 1565 km to the southeast. The Cocos-Keeling Islands are about 900 km to the southwest. Perth, in Western Australia, lies approximately 2300 km away, and Darwin in the Northern Territory some 2800 km off. Singapore is closer than either at nearly 1350 km, and Indonesia’s Java Head, at the southern entrance to the Sunda Strait, is only 380 km away.

Christmas Island, for the greater part, is surrounded by a submarine terrace or shelf, which varies greatly in width and depth beneath. There is virtually no continental shelf as the sea plummets to a depth of about 3000 m within 2 km of the shore. To the north of the Island is Maclear Deep, with a depth of over 6000 m, and to the south the more extensive Wharton Deep, with depths in excess of 6000 m.

Literature about the island is relatively extensive: a comprehensive study of the phosphate mining on Christmas Island was completed by Williams and Macdonald (1985); a description of the physical features and geology of the island was recorded by Andrews (1900); numerous studies have been undertaken of the flora and fauna and marine biotic resources of the adjacent sea, indeed a CINP document contains a comprehensive bibliography and outlines the Island’s overall management plan; and the strategic importance of the island is examined by Babbage (1987). There are also the published findings and recommendations of numerous Joint Senate Enquiries concerning various socio-economic issues.

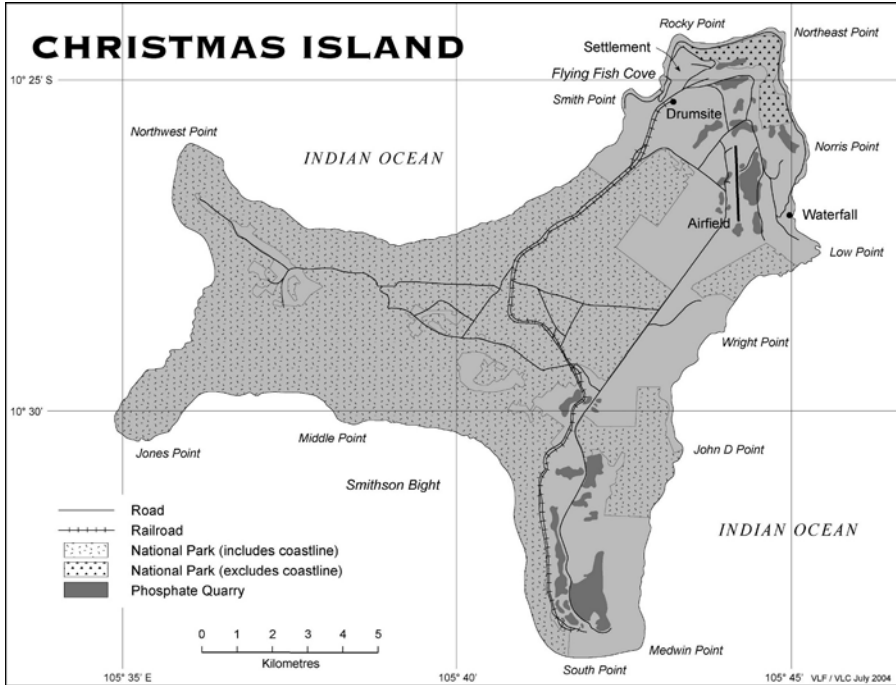


Figure 4.1 Christmas Island

4.2.1 Ethnic Diversity

The 1996 Census indicates there were 1906 people ordinarily living on Christmas Island. Of these approximately 70% were Chinese, 20% were European, and 10% were Malay. By 2001 this figure had increased by a mere 1% to 1928.

The original settlement of Christmas Island by the Clunies-Ross family also included Javanese people, as well as some Cocos-Malays. Chinese people arrived soon afterwards to work in the mine, followed by other workers who came from Java and Ambon. Indians were brought to the Island to supervise the laborers. Despite the difficult conditions, Chinese and Malay people established strong religious and cultural practices on the Island that remain to this day. About 36% of Islanders practice the Buddhist faith; 25% Islam; 18% profess to being Christians, and the remainder are classified "other." The Chinese and Malay communities live in harmony, the Chinese New Year and Muslim holidays of *Hari Raya* and *Raya Harji* being official public holidays.

4.3 ANNEXED TERRITORY

Captain William Mynors, the Master of a sailing ship that passed Christmas Island on Christmas Day 1643, bestowed that name on the island. However, the first delineation of Christmas Island, referred to as *Moni*, appeared on a map published in Holland in

1666, and attributed to Dutch cartographer Pieter Goss. The earliest descriptive account of the island was made by William Dampier on a voyage in March 1688, and in which he noted that:

After leaving New Holland, the ship tried to make Cocos, but was driven to an easterly course, and met nothing of remark till the twenty-eight day. Then we fell in with a small woody island in lat. $10^{\circ} 20'$ S. It was deep-water about the island, and there was no anchoring; but we sent two canoes ashore, . . . At noon both the canoes returned on board . . . as many bobbies and man-of-war birds as sufficed all the ship's company when they were boiled (Dampier, 1829, p. 472).

The next description, with much exaggeration of the island's dimensions, was done in 1718 by Captain Daniel Beekman. The East Indiaman *Pigot* in 1771 attempted but failed to find anchorage, and in 1857 crew from the frigate *Amethyst* tried exploring the island but failed on account of the rugged coast. However, in 1886, the hydrographic survey ship, *Flying Fish*, under the command of Captain Maclear, was ordered to explore the island, and a number of men were put ashore on a white shingle beach on the north coast, the only suitable anchorage. After collecting some flora and fauna, however, they judged the place to be of little commercial value and made no further attempt at exploration. In 1887, HMS *Egeria*, commanded by a Captain Aldrich, spent about 10 days on the island collecting rock specimens and flora and fauna, but failed to visit the interior.

Christmas Island was formally annexed on behalf of Britain in June 1888, by the Captain of HMS *Imperieuse* and placed under the Straits Settlements Government. Further visits to the island were made in 1890, and when G. Clunies-Ross, the self-styled ruler of Cocos-Keeling Islands, established a small settlement at Flying Fish Cove in 1891, the British government granted him and Sir John Murray a lease, which opened the way in 1897 to a more thorough examination of the island in the light of the samples of coral and foraminiferal limestone taken to England earlier by HMS *Egeria*. When Clunies-Ross and Murray soon after sold their lease to a small company, it led to the discovery of phosphate deposits.

4.4 OCCUPIED TERRITORY

By late February 1942, shortly before it was overrun by the Japanese imperial forces, a Hong Kong and Singapore Royal Artillery detachment on Christmas Island consisted of one British officer, Captain L.W.T. Williams, four British non-commissioned officers and a contingent of 27 Indian soldiers. Williams was also charged administrative control of the island, with T.P. Cromwell, the District Officer, as his adviser. In addition, there were several Sikh policemen and nine European members of the island's phosphate company. On 1 March 1942, nine Japanese warplanes bombed the island, and 2 days later most of the Indians and some of the Sikh police mutinied, killed their unit commander and his four NCOs and disposed of their bodies in a blow-hole (Williams and Macdonald, 1985, p. 317–318). Four days later, seven Japanese warships bombarded the settlement and demolished the wireless station. Three years of occupation had begun.

On 31 March 1942, a Japanese fleet of five ships bombarded Flying Fish Cove and, unopposed by the garrison who greeted them with a white flag, landed about 1000

troops. After another Japanese air raid, most of the island's women and children were evacuated, and the remaining Europeans imprisoned, eventually to be taken to a civilian internment camp in Sulawesi. Meanwhile, the Japanese spent several weeks searching for the 1000 or so Malay and Chinese who had fled into the jungle. Most were returned and forced to work for the Japanese whose attempts to profit from the phosphate mine were regularly thwarted by acts of sabotage and Allied Forces submarine attacks.

After the war a Military Court in Singapore prosecuted seven Indians for mutiny; five were sentenced to death. The sentences were later commuted to life imprisonment following representations from India and Pakistan.

4.5 ACCEPTANCE OF TERRITORY

In 1946, as part of the Straits Settlements, Christmas Island became a British Crown Colony under the jurisdiction of the new colony of Singapore. In 1948, the phosphate mine was taken over by the Australian and New Zealand Governments and handed to the British Phosphate Commissioners to manage. Between 1949 and 1958 a massive expansion program in the mine led to the recruitment of men from Cocos, Malaya, and Singapore who brought with them their wives and families. For the first time in its history Christmas Island was evolving a permanent population.

In 1957 the United Kingdom Government handed Christmas Island to the Australian government and compensated Singapore with a payment of 2.9 million pounds sterling. It was officially transferred on 1 October 1958, the day still celebrated as Territory Day.

4.6 AUSTRALIAN BY LEGISLATION

Christmas Island is one of seven external territories. Six of these are classified as non self-governing, Norfolk Island, the seventh is self-governing. The legal framework applying in these external territories is a mixture of Commonwealth Federal law, applied Western Australian law, Local Government (city/shire) laws, Ordinances of the Territory of Christmas Island itself in force from time to time in the Territory, and a principle or rule of common law or equity (See Part III, Division I of the *Christmas Island Act 1958*).

Each of Australia's external territories owes its existence to an Act of Federal Parliament. Under Section 122 of the *Australian Constitution* the Federal Parliament retains authority to make laws for all territories, including its external territories. As a plenary power all that needs to be demonstrated to support an exercise of this power in the form of a statute is that there is sufficient connection between the law and the relevant territory. Thus Federal Parliament retains overall plenary power to make laws as it sees fit in respect of all its Territories, subject to any other inherent limitations contained in the *Australian Constitution* (Australian Parliament, 1991).

Several important provisions regarding external territories exist outside the specific Federal Act that governs the existence of the Territory. Section 15B(2) of the *Acts Interpretation Act 1901* deems any reference in a Commonwealth Act to a "Territory" to include the "coastal sea of the Territory," as if that coastal sea were a part of the relevant Territory (see Chapter 1). "Coastal sea" is defined in Section 15B(4) as the territorial

sea adjacent to the Territory, the territorial sea being the 12 nautical miles (M) wide zone, seaward of the territorial sea baseline system used by that territory. Thus, the laws of the Commonwealth and jurisdiction of the Courts competent to hear matters relating to those laws extend throughout the relevant external territory and up to this limit.

The *Interpretation Act* 1901 stipulates that except for the Australian IOT, the legislation of Federal Parliament only applies to external territories if it is expressly stated to do so, or if it is obvious from the legislation in question that it was intended to do so. These IOT are defined in the Act as part of the definition of “Australia,” and therefore since 1 July 1992 all laws of Australia are applicable to Christmas Island unless specifically excluded.

The *Christmas Island Act* 1958, administered by the Minister for Transport and Regional Services, Territories and Local Government, and an Administrator appointed by the Governor General, provides the basis for the Territory’s administrative, legislative, and judicial system. In accordance with the *Administrative Ordinance* 1968, of the Territory of Christmas Island, an official Secretary, appointed by the Minister, assists the Administrator. The Administration is currently being downsized as a cost-cutting measure.

The *Migration Act* 1958, however, was extended to Christmas Island on 23 January 1981, and officially conferred Australian “resident” status on all those residing on Christmas Island at that time. All residents who were not Australian “citizens” at that time were eligible to apply for Australian citizenship under the *Citizenship Act*.

The *Territories Law Reform Act* 1992 amended the *Christmas Island Act* 1958 whose laws were largely based on those of Singapore. The *Territories Law Reform Act* 1992 applied certain Commonwealth Acts and laws of the State of Western Australia as are capable of being applied subject to amendments and modifications in Territory Ordinances made by the Governor General. It represented a major advance for the Territory. The Western Australian State Government thus administers Western Australian laws to this IOT on behalf of the Commonwealth.

Part V of the *Christmas Island Act* 1958 extended to Christmas Island jurisdiction of the Supreme Court of the State of Western Australia and other Western Australian Courts and Tribunals as may be prescribed by Commonwealth Regulations. Subject to other laws relating to IOT made before 1 July 1992, the practices and procedures of the Western Australian courts apply to Christmas Island. For federal election purposes, however, Christmas Island is an electoral district of the Commonwealth Division of Ligairi in the Northern Territory. And an Ordinance by the Governor-General relating to any of the external territories may amend or repeal a law of Western Australia, and the Federal Parliament can terminate any applied Western Australian statute in the IOT (see Sections 8A(2)–(6) and 8C, *Christmas Island Act* 1958).

4.7 LOCAL GOVERNMENT

The *Local Government Act* 1995 (WA) (CI), based on that of Western Australia, was introduced to the island on 1 July 1992. The first Shire Council was elected in 1993. The Shire Council comprises nine members, a President, and Deputy President, and has similar responsibilities to any mainland Local Government Authority. The financing and administration division of the Council provides for overall management, prepares a 5-year principal activities plan, and sees that the Christmas Island Services

Corporation delivers a range of services and facilities to a public with opportunities to participate in public life.

4.7.1 Service Delivery Arrangements (SDA)

The Commonwealth is today responsible for delivering to Christmas Island those same Commonwealth, State and other Local Government type services that it owes to comparable remote communities on the mainland. State Government type services are provided by 29 SDAs through Commonwealth and the Western Australian State Government agencies, through informal arrangements with WA agencies, for example, HOMESWEST, organized directly by the Christmas Island Administration and other agency arrangements. The Australian Federal Police are responsible for policing and regulatory services, such as immigration and customs. The Western Australian Police Force has no role or jurisdiction on Christmas Island.

4.8 NATURAL RESOURCES: PHOSPHATES AND CONSERVATION

At the instigation of Englishman, Sir John Murray, phosphate extraction became the catalyst for the island's development. Murray had originally vied with John Clunies-Ross for the right to extract phosphate when, in 1891, the British Government offered them a joint 99 year lease in return for a modest royalty. Small amounts of phosphate began to be exported in 1895 and by 1897 the two men had formed the Christmas Island Phosphate Company. When Clunies-Ross returned to Cocos-Keeling, Murray became company Chairman and as there was no indigenous population available as labor, a work force was imported. Under the control of a Straits Settlement District Officer, an initial contingent of 200 Chinese laborers, 8 European management personnel and 5 Sikh policemen was therefore brought to the island in 1898, and despite their difficulties in adjusting to the climate, and suffering from *beri beri*, the first major shipment of phosphate left the island in 1900. The mining operation continued successfully until World War II, and the arrival of Japanese forces.

Dramatic social and political changes occurred in the 1970s with the unionization of mine workers (Waters, 1983). The Union of Christmas Island Workers remains a force in island politics to this day and, in conjunction with the Sweetland Enquiries of 1980 and 1982, to examine the viability of the phosphate resource industry has been responsible for dramatic improvements in employees' living and working conditions. Conflicts between conservation and mining interests further led the company in 1974 to appoint a conservation officer. This was followed in 1977 by the appointment of a Government Conservator from the Australian National Parks and Wildlife Service. In 1980, a National Park was declared in the Egeria Point area. The Park now covers more than 65% of the island. Around this time the Australian and New Zealand Governments re-negotiated their agreement for the provision of phosphate to their countries. And as part of this process, the British Phosphate Commissioners in 1981 relinquished management of the mine to the newly formed Phosphate Mining Company of Christmas Island (PMCI).

As deposits of preferred quality phosphate neared exhaustion, PMCI increasingly faced economic constraint and the prospect of closure. And in 1984 and 1986 there

were redundancies. The Federal Government consequently created the Christmas Island Services Corporation to relieve the mine of its community provision such as housing, roads, street lighting, swimming pools, and cinemas. The year 1984 also saw the benefits of citizenship extend social service payments and voting in Commonwealth elections to the islanders. Taxation was also introduced. Prompted by low phosphate prices – and drought – the Government, however, decided to close the mine in December 1987. But in 1991 the mine was bought by the Union and reopened for business as Christmas Island Phosphates. In February 1998 a new 21-year lease of the mine was signed between the Commonwealth and Union, and Phosphate Resources Ltd. was born. Today it supplies the Southeast Asian market with phosphate taken from old stockpiles. Royalties are paid to the Commonwealth, and a conservation levy is paid to a rainforest rehabilitation programme overseen by Parks Australia.

The Christmas Island National Park (CINP) was established by Proclamation under the *National Parks and Wildlife Conservation Act 1975*, and covers about 63% (or 85 km²) of Christmas Island, including a marine area that extends 50 m seaward of the low-water. The latter incorporates about 63% (or 46 km) of the island's 80 km coastline. In 1983 a Senate inquiry recommended possible extension of the National Park to include other areas considered ecologically. On 16 July 2000 the *National Parks and Wildlife Conservation Act 1975* was effectively replaced by the *Environment Protection and Biodiversity Conservation Act 1999*, and the CINP, which has a fragile ecosystem, became a Commonwealth Reserve under the Act.

4.9 PROMOTING ECONOMIC DEVELOPMENT

Approximately three-quarters of all residential properties on Christmas Island are privately owned. An integral part of the Commonwealth's programme to promote economic development on the island involves the release of property to the private and commercial sectors. The Commonwealth Grants Commission, in its *Report*, 1999, details its developmental plans and level of services for the island.

In April 1998, after about four and half years in operation the Christmas Island Resort, which also operated a Casino, closed, and some 350 employees were made redundant. This had a major economic and social impact on Christmas Island. In July the Commonwealth Minister cancelled the Resort's casino licence and appointed a Receiver-cum-Manager who, in December, began the process of realizing the Resort's assets. The Resort and casino was once a significant employer. The Islanders were angry. Senator Ian Campbell said it would not take much to reopen the resort, but expressed doubts about the casino.

A major Commonwealth programme since 1992 has been the Christmas Island Rebuilding Programme which to date has expended around \$110 million upgrading the Island's infrastructure. Major areas of expenditure include a new hospital, upgrading port facilities, building school extensions, and upgrading housing, construction, power, sewerage, water-supply works, and roads.

In 2002–2003, with the assistance of the Western Australian Department of Housing and Works, it reviewed welfare-housing needs in the IOT with the aim to apply mainland public housing policies and practices to these external territories. During the same period, 2002–2003, the Commonwealth also spent around \$39.9 million on capital

works, including major infrastructure investment on Christmas Island to support the government's construction of an Immigration Reception and Processing Centre.

4.10 CHRISTMAS ISLAND SPACEPORT

In 1958 it was reported in the *Melbourne Herald* (10 June) that Christmas Island lay on the line of flight of missiles launched from Woomera testing range in South Australia. And though there were no immediate plans for developing a missile research station on the Island, the potential for a base was considered real should the range of rockets ever be extended. The island's proximity to the equator made it an ideal launch-site for satellites, as heavier payloads could be launched into orbit using relatively less fuel, and as a terminal for Woomera would make that range easily the longest, and in many respects, the best in the world. Forty years later, in January 1998, Asia Pacific Space Centre Pty Ltd (APSC), a South Korean consortium, proposed the development of a communications satellite launching facility on Christmas Island, and submitted an Environmental Impact Statement to the Minister for the Environment.

In June 2001, the Australian Government eventually announced that it would put about A\$104 million towards the construction of a satellite spaceport whose total cost about eight times this sum would be headed up by APSC who would target the growing Asian satellite market. The first launch was expected in mid-2004. In announcing the funding Federal Science Minister, Nick Minchin, observed that Australia would be a significant contributor in the satellite launch industry where demand for satellite launches in the next decade was estimated to be worth up to A\$42 billion, of which Australia could expect between 10% and 20% of the market. The spaceport would target the geostationary launch market, offer capabilities for low Earth orbits, and test flights of satellites and space communications using, (according to Minister Minchin), a Russian launch vehicle based on the reliable Soyuz rocket. It would be Australia's first attempt at such a venture since failed attempts to establish a similar facility at Cape York Peninsular, in the Northern Territory, in the 1990s.

4.10.1 Pact with Russian Agency

Under an agreement negotiated with the Russian Government, Russian launch technology would be protected in Australia. The agreement set strict conditions for control and use of launch technologies under the Missile Technology Control Regime, set up to prevent proliferation of ballistic missiles. In May 2001, Australia signed a deal with the Russian aviation and space agency Rosaviakosmos to establish a formal framework for space co-operation. Under this agreement Russia would supply Soviet rockets and launch expertise while Australia would provide infrastructure and opportunities to launch commercial satellites. The Minister noted that as part of the deal, APSC had committed a minimum US\$7.8 million over the first 5 years of launches to the establishment of a Space Research Centre with Australian universities (*Reuters*, 25 June 2001). It was estimated the new spaceport would generate up to 400 jobs in the construction phase, and up to 550 jobs when fully operational.

By March 2004, despite a series of setbacks that have beset the project since it was first announced 3 years ago, the Commonwealth Government continued to maintain

support for this \$800 million commercial spaceport. Federal Minister for the Territories, Ian Campbell, told *WA Business News* he had recently met with APSC, who indicated it was proceeding with the project (Hawtin, 18 March 2004), that the project was close to being backed by South Korean investors, and for that reason it was looking to start earlier than previously indicated. While not denying the project would be difficult to complete, Campbell observed that it was important to support it; that Australian tax payers' money would not be wasted. Besides, \$68.5 million of the Government's \$100 million assistance was targeted at Christmas Island's infrastructure needs, including renovation of the run-down Christmas Island Resort and Casino.

On 16 July 2004, Senator Campbell announced, in a Media Release, that the Australian Government strongly supported the proposed refurbishment and operation of the Christmas Island Resort, but not the idea of a casino which it had decided to prohibit by law. The announcement triggered protest from the Shire Council, business community and from local Member of Parliament, W. Snowden, who said it would deter potential investors.

On 20 July, the Shire President demanded the Government cease its undemocratic and paternalistic handling of the Islanders lives, and said the recent decision to legislate against the right of the Christmas Island Resort operator, or anyone else, to run a casino, was a blow that smacked of betrayal.

The Islanders had waited more than 6 years for an investor to put some \$30 million needed to refurbish and re-open the Resort and it seemed to them that a casino license was essential if the project was to go ahead. Moreover, development of the Resort and Casino was apparently linked to the construction of the spaceport by the same interested investor. The Government's decision, it seemed, was somehow linked to a change of ownership of another casino operating in Perth, Western Australia. But was the casino and spaceport development also seen by Government as likely to draw undesirable elements into Australia via this offshore territory? Was it, perhaps, regarded too great a security risk?

4.11 CHRISTMAS ISLAND: A STEPPING STONE INTO AUSTRALIA

Federal Immigration Minister, Philip Ruddock, noted about this time, that 7992 refugee applications from abroad were granted in the year ending 30 June 2001, and that another 5577 temporary or permanent protection visas were granted onshore. In the same period, 54 boats carrying 4141 "illegal migrants" were said to have arrived, and it was Ruddock's observation that the cost of unauthorized arrivals (by implication – mostly by sea) was rising steadily, and would reach A\$127 million a year by 2002–2003. (*Agence France Presse*, 7 September 2001; 12 September 2001; and 13 September 2001). (*Courier Mail*, September 11, 2001).

In the period 1989–2003, the number of persons landing or intending to land on Christmas Island was 3377; at Cocos-Keeling Island it was 65; while on Ashmore Islands it was a staggering 6690 (*DIMA Fact Sheet 74*, Revised 2003). Clearly, Christmas and Ashmore were being targeted as major destinations since they lay on a line drawn directly between Australia and the Indonesian archipelago, Java Island in particular.

The Australian Government also claimed that most passengers paid between \$5000 and \$7000 each to get on boats in places like Thailand, Malaysia, and Cambodia before boarding Indonesian boats to complete their journey, either to Christmas Island or the

Ashmore Islands. It also estimated that it cost around A\$50,000 per annum to house, feed, process, and remove each unauthorized arrival. Thus in the case of the m.v. *Tampa*, the cost to Government of handling 433 migrants was about A\$22 million; A\$20 million paid in aid to Nauru (the new arrivals' eventual destination), and another A\$50 million for a 3-week naval patrol of Australian coastal waters.

4.12 REFUGEE-PROCESSING CENTRE

In October 2001, two boats (one carrying approximately 238 passengers, and another one carrying about 215) were intercepted at sea and immediately returned to Indonesia. Two other vessels carrying 146 people were returned there in December. In anticipation of a flow of "refugees" or "illegal arrivals" at Christmas Island temporary accommodation was established at Phosphate Hill, comprising demountable air-conditioned accommodation. A community sports hall could also be put to use, as and when required. On 12 March 2002 the Australian Government announced it would construct a permanent facility with a capacity for up to 1200 people. On 26 March 2002, 88 unauthorized arrivals were accommodated.

A general consensus inferred that illegal entry into Australia by arrival on the remote islands was not welcomed by Australians. Thereafter the Prime Minister, John Howard, noted that he would try to change Australia's immigration laws to prevent people who arrived without permission at Ashmore Islands and Christmas Island from applying for asylum in Australia under the *Migration Act*, by excising these islands from its Migration Zone. (*Agence France Presse*, September 4, 2001).

The Australian Labor Party noted that its policy on asylum seekers would be to ask the Indonesian government to take back any vessels and migrants that had departed from their country carrying asylum seekers. For its part, the Government offered to provide assistance to Indonesia. In early September 2001, the Indonesian government rejected a Australian proposal to fund the building of a processing centre for asylum seekers in Indonesia. Nevertheless, given Christmas Island's geographic location and pressing new concerns with regional and international security, can harmony now be taken for granted? (*Agence France Presse*, September 7, 2001).

4.13 POTENTIAL SECURITY RISK

In 2003 *Jemaah Islamiyah* (JI) attempted to re-organize following the arrest of some 75 of its operatives in Malaysia, 30 in Singapore, and 30 in Indonesia, after the Bali bomb attack in October 2002, and the bombing of the Marriott Hotel in central Jakarta on 5 August 2003. Australia and neighboring Southeast Asian Governments were consequently compelled both to prepare for, and as far possible prevent, future attacks of this kind.

On 24 March 2003, the Australian Senate referred the issue of terrorist threats to the Department of Foreign Affairs' (DFATs), Defence and Trade References Committee, and asked it to inquire and report back by 26 June. On 14 May the Senate extended the deadline to 4 November 2003, and did so again till 13 May 2004. As a result, the performance of the DFAT and other Commonwealth Government agencies involved in assessing and disseminating information on matters concerning the security of Australians in

Southeast Asia in the period 11 September 2001 to 12 October 2002, were analyzed and evaluated. A number of questions come to the fore: Should Australia therefore be concerned that its northwestern door may be partly opened to groups like JI who may feel that they can foster their ideology on Christmas Islanders, and use the Island as a base for furthering their activities; and, are we confident that the inhabitants of the Island are sufficiently wise not to allow any extremism – political or religious – to develop there? Furthermore, does the Island's maritime boundary ensure the island's security and integrity will not be breached? (*Reuters*, September 13, 2001).

4.14 MARITIME JURISDICTION

On a previous occasion this writer anticipated the future delineation of a potential seabed boundary north of Christmas Island (Forbes, 1996, pp. 12–14). He presented a case whereby Australia would forfeit a vast area of EEZ and seabed north of the Island if the equidistant line principle were not adopted.

In the early 1990s, Indonesia rejected a proposal that the median line between Christmas and Java Islands should be the boundary. It initially argued that Point C2 should be located a mere 12 M north of Christmas Island. During the eight rounds of negotiations that occurred between 1993 and December 1996, the location of this Point, C2, became a “floating point,” varying in distance at different times between 12 and 50 nautical miles north of the Island. Its final location was settled at 38.75 nautical miles north, about 59 nautical miles south of the equidistant point, and conforms to Indonesia's view that Christmas Island is remote from the Australian mainland. There is another matter.

If Christmas Island – however unlikely it might now appear – were one day to become a sovereign state, then under the provisions of Article 121 of the 1982 Law of the Sea Convention, it would generate a full territorial sea and contiguous zone. It could also generate a full EEZ and continental shelf if it were able to sustain human habitation or an economic life of its own, as arguably it already has over the years (Forbes, 1997, 2001).

The Java Trench that separates Java from Christmas Island in some places reaches depths in excess of 6000 m. Java itself covers about 80,000 km². and sustains a population of over 70 million. Is it possible, then, Christmas Island could one day claim equal weighting with Java Island if it came to maritime boundary delimitation processes? Some commentators answer in the affirmative; others say no. Nevertheless, it could be argued that Australia has conceded about 50,000 km² of seabed and water column to Indonesia as a result of the difference between the hypothetical median line and alignment of the agreed boundary. Therefore, the 1997 Treaty that defines Point C has still not (August 2004) been ratified, and because concerns have been raised by Islanders at numerous public meetings about Point C, there is a case to say that the Treaty should be re-negotiated to reflect a more equitable delimitation, thereby to ensure greater future security for the Christmas Islanders.

4.15 CONCLUSION

This more than remote island in the northeast sector of Australia's Indian Ocean plays an important role in Australia's western arc of instability as a “listening post” for

potential threats – and not only military ones – emanating from areas north and west of Australia. For this reason, if no other, the various Australian Government authorities and agencies tasked with administering the affairs of Christmas Island must ensure that its inhabitants enjoy the same opportunities to access essential facilities and services as other Australians otherwise a potential exists for an element within the citizenry to create a destabilizing effect on the Island.

There is a further potential that boat-people/asylum seekers/immigrants could include would-be terrorists. Security concerns must become a priority and facilities established to ensure that any breaches of security or attempts to enter the Island illegally are put in place. These and other infrastructure should be built in consultation with the local people and the rules, regulations and laws of the Island.

Till now the fragile economy of Christmas Island has hung on to the dying phosphate industry and almost non-existent tourism. The residents and commercial community have long held out hopes of a better economy and more employment opportunities through the spaceport project and the revival of the Christmas Island Resort and Casino. Unfortunately for them, this latter hope has recently been dashed by the Government announcing that it will not permit the Casino to go ahead. If the citizens feel that these projects will have a lasting beneficial effect on the community then the Australian Government should not hinder development. Linked to this there is no sign the spaceport will be ever completed.

Christmas Islanders seem to have been forever chasing rainbows only to have successive Australian Governments coldly disappoint them. A campaign in August 2004 to persuade the Australian Government to change its policy directions thus also aims to increase local decision-making in order to protect and increase local employment. It is after all impractical and destructive to expect Islanders to migrate, and it is probably better for individuals to be in paid employment than be paid by the public purse. Job retention and economic development are therefore essential not only to the Island's future, and Australian mainland's security, but to regional stability generally at the western end of the arc.

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5. INDONESIA AND THE ARC OF INSTABILITY

5.1 INTRODUCTION

Strategic thinkers in different parts of the world have put forward the notion of “arcs of instability” as a catchall phrase to denote a geographical region that is defined by wide-ranging security challenges. For the Americans, Russians, and Chinese, for instance, this symbolizes security challenges in regions of vital interests and calls for special policy responses, especially the use of force to prevent an untoward situation from arising. In the same vein, in the late 1990s, Australian strategic thinkers and policymakers have increasingly articulated the emergence of an “arc of instability” around the Australian continent, in turn, calling for specific political, diplomatic, economic, and military strategies to manage what are perceived to be potential threats to various vital Australian interests. In this regard, Indonesia has figured high in the Australian strategic calculus, especially following the fall of President Suharto in May 1998. Australia’s military involvement in East Timor in 1999 and the Solomon Islands intervention were two critical responses in this regard.

Against this backdrop, this chapter will examine the manner in which Indonesia fits into the Australian puzzle of what is viewed as the “arc of instability” around its continent; in particular, what strategic planners have described as the vulnerability of the “northern approaches”, a codeword used to describe Indonesia. Before this is dealt with in detail, there will be a brief examination of how Australia strategically views the emerging “arc of instability” around her. This will be followed by a discussion of what constitutes the “vulnerabilities” of Indonesia. Here, the various instabilities that confront the Indonesian state will be analyzed. This will be followed by a discussion of how accurate Australia actually is in viewing Indonesia as one of its Achilles Heels and what can be done to improve the strategic environment.

5.2 AUSTRALIA AND THE ARC OF INSTABILITY

The end of the Cold War has fundamentally altered the geo-strategic map of the Asia-Pacific region, eliminating the traditional distinction between the “east” and the “west” in the region. While the potential locus of conflict in the Asia-Pacific during the Cold War was between the United States and the Soviet Union and its allies, the region’s new strategic challenges are centered along various “arcs of crisis” spreading from the Middle East, Southwest Asia, Central Asia, South Asia, Northeast Asia right through Southeast Asia and the South Pacific. Many dangerous conflicts lie within these “arcs” including the Arab-Israel, Armenia-Azerbaijan, Iraq-Kuwait, Iraq-Iran, Turkey-Iraq, Afghanistan-Pakistan, India-Pakistan, India-China, China-Taiwan,

North Korea–South Korea, Japan–Russia, post-Saddam Iraq, post-Taliban Afghanistan, the South China Sea conflicts, the instability in various South Pacific states such as the Solomon Islands, Papua New Guinea, the possible emergence of East Timor as a failed state as well as the instability within Indonesia. Following the September 11, 2001 attacks, the Bush Administration has become one of the strongest advocates of this concept believing that “arc countries,” largely cut off from economic globalization due either to their rejection of the phenomenon or their lack of resources to compete, are likely to become future hotspots (Jaffee, 2003). Hence, the initiation of a new defense strategy of being able to fight lots of small, dirty wars in remote and dangerous places.

In this context, when Australians talk of an “arc of instability,” they have in mind, in reality, two specific “arcs on stability.” Two geographical regions, namely, the South Pacific and Southeast Asia, have increasingly gained the attention of Australian strategic planners under the Liberal government headed by conservative John Howard. In both regions, there are states that are in trouble, suggesting the emergence of dysfunctional and failed states around Australia. In turn, states of this nature are viewed as direct or indirect threats, calling among others for Australia’s involvement to prevent the situation from deteriorating to a point where it can be detrimental to Canberra’s security interests. Since the late 1990s, the South Pacific, Australia’s backyard and where Australia is regarded as the Superpower, has been beset by various instabilities. Various internal problems in Papua New Guinea, the Solomon Islands, New Caledonia, Vanuatu and Fiji have led to calls for Australian intervention in the “arc of instability” in the South Pacific. Australia’s intervention in the Bougainville dispute in Papua New Guinea, in Fiji and the Solomon Islands stemmed from these concerns. Similarly, even though Australia has historically been obsessed with the “Indonesian danger,” following the fall of Suharto in May 1998, the internal conflicts and instabilities obtained in Indonesia, especially following the Asian Financial Crisis that created havoc in the country, have increasingly troubled security planners concerned with the dangers posed by the increasing instability and vulnerability from the “northern approaches.” Australia’s intervention in East Timor, though when viewed from a humanitarian perspective might be laudable, yet, at the same time, portends of more trouble, as there is every reason to believe that a failed state in East Timor is in the offing. This is likely to exacerbate Australia’s worries about the “arc of instability” in the region, particularly if the security situation in Indonesia worsens, best epitomized by the Bali Bombings in October 2002 that consumed nearly 100 Australian lives.

5.3 THE INSTABILITIES OF INDONESIA

The continuous instability in Indonesia can be largely explained as part of the unfinished business of nation-building since the country gained its independence in 1945. The Indonesian nation came about largely as a consensus among the founding fathers. China and India are states, respectively, due to Chinese and Indian history and where the stakes are clear as far as what China and India are all about. In the Indonesian case, it is totally different as the Indonesian political entity came about due to a political consensus reached among the founding fathers, essentially between Sukarno and Hatta. The Sukarno camp wanted Indonesia to be a geographical entity made up of the

former territory of the Dutch colonial empire. In short, it wanted to become a successor state of the Dutch. The Hatta camp, however, wanted Indonesia to be constituted as part of the Western part of the Dutch East Indies that also included Malaysia and Singapore and where the “nation” would be united by the “*Rumpun Melayu*” or the “Malay Family.” Rather, the geographical state of Indonesia would be defined more by a Malay racial affinity and identity.

The differences between them led to a compromise whereby a consensus was reached among the founding fathers on the future state of Indonesia. This consensus consisted of three main elements – that there would be an Indonesian Republic encompassing the former Dutch colonial empire, that it would be a unitary state and that the basis of its ideology would be *Pancasila*. Despite this consensus, since the Indonesian Republic was admitted to the family of nations as an independent and sovereign state in late 1949, two inter-related issues have continued to trouble it. First, the form of the Republic, namely, the tension between a unitary and federal state. This also colors the relations between the center and the various regions. Second, the role of *Pancasila vis-à-vis* the role of *Sharia* in the light of the dominant Muslims’ presence in the country. Many Muslim political groups and forces have continued to argue that the concession garnered through the Jakarta Charter had been reneged and they have been championing the establishment of an Indonesian state based more dominantly on Islamic principles or *Sharia*. These twin issues have dominated and characterized the majority of the conflicts in the country since 1949 with various political parties and forces putting forward competing and often conflicting ideologies and political platforms, for instance, to champion unitary versus federal political processes as well as the central place of Islamic law versus one that is essentially secular in character. These unsettled issues remain relevant up to this day, with continued disagreements over them forming the backdrop to almost every major conflict in Indonesia. Almost all political, economic, and religious conflicts can be traced back to these twin unsettled business of state and nation-building that had their origins in Indonesia’s quest for independence in 1945.

In many ways, the conflicts in Indonesia stem from the highly complex, pluralistic and divided nature of the country. Indonesia is the largest Islamic country and the fourth populous state in the world. Indonesia strategically lies astride Southeast Asia between Asia and Australia and controls four of the five important choke points between the Indian and Pacific Oceans. Consisting of nearly 17,500 islands, it is the largest archipelagic state in the world (Figure 5.1). With a population of almost 230 million, it has nearly 350 ethnic groups, each of which has its own tradition, values and even language. About 87% of the population subscribes to Islam even though there is also a sizeable presence of Christians, Hindus, and Buddhists in the country. It is also very richly endowed with natural resources. Its rich endowment and strategic location have historically attracted great powers’ interest, something that has continued to this day. Even though the country has been noted for its tolerance, emphasized through its concept of “unity in diversity,” at the same time, the sharp differences in religion, ethnicity, language, and culture, exacerbated further over resources and political power disputes have led to the outbreak of conflicts since its inception as an independent state, something worsened by the breakdown of authoritarian rule of the New Order and the onset of democratization since May 1998 (Gersham, 2002).

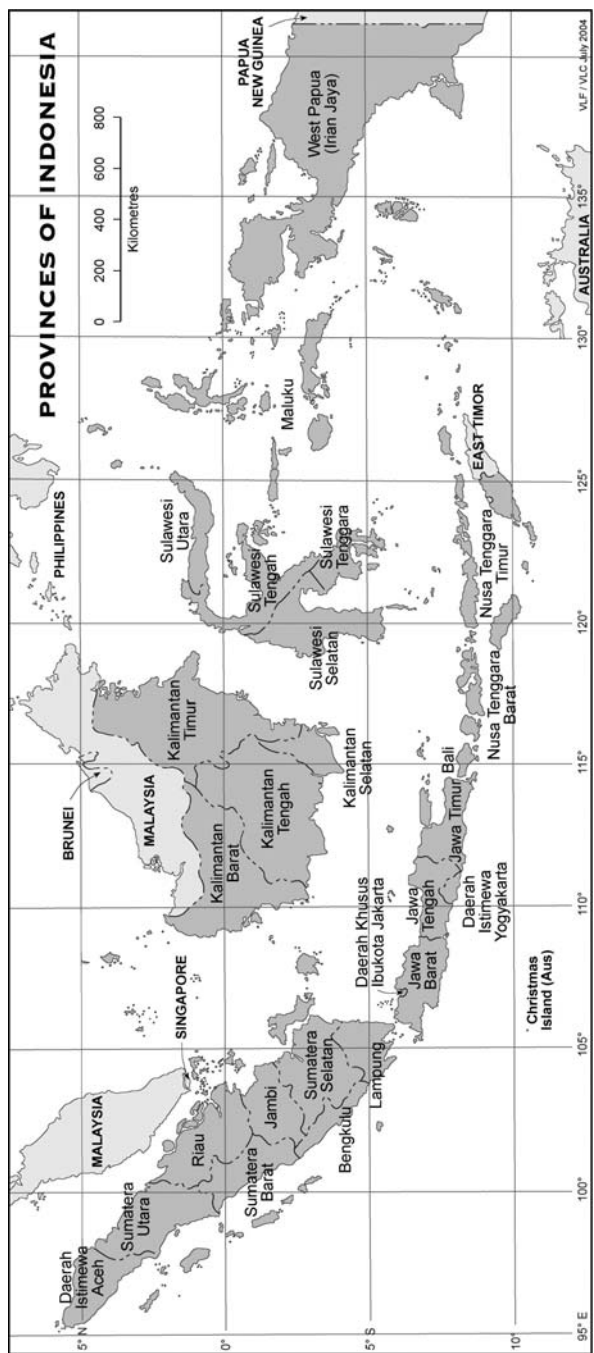


Figure 5.1 Provinces of Indonesia

5.4 CHARACTERIZING CONFLICTS IN INDONESIA

The sharp racial, religious, ethnic, and linguistic cleavages have provided the backdrop to various conflicts in the country, often portraying Indonesia as an artificial state that is on the brink of Balkanization. The conflicts in Indonesia, as in anywhere else, can be classified in a number of ways (Table 5.1).

Table 5.1 Typology of conflicts in Indonesia

<i>Main Type</i>	<i>Sub-Types</i>	<i>Nature of Conflicts</i>	<i>Examples of Conflicts</i>	<i>Remarks</i>
Horizontal	Sectarian	1. Muslims vs non-Muslims	Pribumis vs Chinese Christian–Muslims in Ambon and Poso Dayaks vs Madurese in Kalimantan	
		2. Inter-religious		
		3. Inter-ethnic		
	Ideological	1. Pro- and anti-Pancasila 2. Nationalists vs Communists 3. Nationalists vs Islamic Extremists		
Vertical	Intra-Muslims	1. Muhammadiyah vs NU 2. True believers vs Aliran Sesat		
	Economic-based	1. Center–region conflict over resource sharing and taxes		
	Political-based	1. Separatism and self-determination	Aceh Papua Riau	

First, there are horizontal conflicts that are based on sectarian, ideological, or intra-Muslim differences. There are three main types of conflicts under this rubric. There are sectarian conflicts that would encompass clashes between Muslims versus non-Muslims, say between indigenous Indonesians versus ethnic Chinese, inter-religious conflicts as evident in the clashes between Christians and Muslims in Ambon, and inter-ethnic conflicts, say between locals and migrants as has happened in Kalimantan between the Dayaks and Madurese. In addition to sectarian conflicts, there are also conflicts which are ideological in nature. This includes groups that support and oppose the national ideology of Pancasila, the nationalists versus communists, nationalists

versus Islamic extremists and fundamentalists (say, Masjumi). The final type of horizontal conflict involves intra-Muslim clashes, say the conflict the Muhammadiyah and Nahdatul Ulama as well as the purported true believers of Islam versus misguided sects (*aliran sesat*).

Conflicts that are vertical in nature represent another major category of conflicts in Indonesia and can be politically or economically driven. The economically based conflicts can be caused by inequitable sharing of economic gains derived from exploitation of natural resources between the center and the regional government. In the post-Suharto era, this has been complicated further by the issue of regional autonomy. In addition, there are also grievances over inequitable sharing of land and capital gained taxes. In contrast, political-based vertical conflicts stem from power sharing adjustment in the framework of autonomy over who has the right to issue concessions, permits, etc. and over the issue of separatism as evident from the PRRI–PERMESTA revolt, the rebellion by *Darul Islam* and the ongoing conflicts in Aceh and Papua (formerly Irian Jaya) as well as that in East Timor prior to its formal secession in 1999.

In contrast to this horizontal-vertical typology, John Gershman has argued that, in addition to conflicts over democratization and class conflict, two major types of violent conflicts are obtained in Indonesia. These are self-determination and communal conflicts. Self-determination conflicts are those “where major political organizations raise demands for independence or significant autonomy.” There can be both armed and unarmed conflicts with examples in Aceh, West Papua, and previously, East Timor representing the former and the latter being represented by the struggle in Riau. Communal conflicts, on the other hand, are those that “involve violent conflict among groups typically organized along ascriptive (ethnic, religious, or cultural) lines. The issues at stake in such conflicts are not typically cultural but may involve struggle over economic, environmental, and political resources.” In the second category of conflicts, “demands for autonomy or secession are typically not central to such conflicts.” While this is a useful typology, in many ways it overlaps with the horizontal–vertical classification except that the latter is more detailed and thus is more useful, and therefore will be used in this chapter.

5.5 HORIZONTAL CONFLICTS

5.5.1 Sectarian Conflicts

5.5.1.1 Muslims Versus Non-Muslims

The most common Muslim versus non-Muslim conflict has been the violence against the Sino-Indonesian community. The last major conflict of this nature was in May 1998 when hundreds of ethnic Chinese were killed with isolated cases of rapes by marauding gangs in Jakarta and some other cities such as Solo being reported. During this pogrom, most of the Chinese attacked were those directly or indirectly linked to the political elites, especially associated with Suharto and his key cronies. Historically, the ethnic Chinese, who constitutes about 4–5% of the country’s population, have been set apart economically, politically, and culturally from the majority of Indonesians. The Dutch used the ethnic Chinese as compradors, the middleman, to exploit the indigenous people. In the post-independence period, the ethnic Chinese have come to

dominate trade and commerce with the bulk of the private wealth in the country also in the hands of this ethnic minority. Not surprisingly, out of envy or political machinations, the ethnic Chinese have often suffered whenever racial and ethnic riots have broken out, especially in urban centers where the ethnic Chinese tend to reside and undertake their business activities.

5.5.1.2 *Inter-religious Conflicts*

Due to the religious diversity in the country, with nearly 90% of its people being Muslims, 8% Christians and the remaining 2% Hindus and Buddhists, religious-based conflicts have also broken out sporadically. The sharpest inter-religious conflict has been between the Muslims and Christians. One of the most destructive inter-religious conflicts to embroil Indonesia in the last few years has been the Muslim–Christian conflict in the Maluku, particularly in Ambon. For long, the Maluku has been a Christian-dominated area, especially Ambon, the Province’s capital. Historically, the region was also involved in pro-independence activity through its support for the pro-Dutch South Maluku Republic movement in 1950. The religious balance and, in particular, the Christian elite power balance, were systematically displaced by the government’s transmigration policies especially during the New Order period.

The Maluku two million population is almost equally divided between Christians and Muslims. Tensions between the two communities were of old standing with the Christians, who were provided greater educational opportunities by the Dutch, dominating the bureaucracy and professions in the Maluku. The Maluku Christians’ domination of the Province’s administration lasted right through to the 1990s until it was strongly challenged by the emerging Muslim elites in the Province. The splitting of the Province into two – Maluku for the southern half and North Maluku for the northern half of the population – did not put an end to the inter-religious conflict there.

In earnest, the Christian–Muslim conflict broke out in January 1999. The precursor to this was the clash between Ambonese Christians and Muslims in Jakarta in November 1998. Thousands of lives have been lost and the declaration of a state of civil emergency on June 27, 2000 did not stop the bloodletting. Even the military and the police that have been deployed in sizeable numbers have been accused of siding with the Muslims and Christians, respectively. The conflict has also spread beyond Ambon to the islands around Maluku, affecting among others, Halmahera, Haruku, Saparna, Seram, Manipua, Tidore, and Ternate. The inter-religious conflict in Maluku has been worsened by the involvement of outside forces, especially by the Java-based radical group *Laskar Jihad* under the leadership of Jaafar Umar Thalib.

Another ongoing prominent inter-religious conflict is the Muslim–Christian conflict in Central Sulawesi, especially in the city of Poso. While Christian–Muslim tensions were of long standing, it had become customary for the post of *Bupati* to be alternated between the Christians and Muslims in Poso. However, following the resignation of President Suharto in May 1998, the Muslim incumbent *Bupati* refused to abide by the convention, proposing a family member to succeed him. This triggered the initial Christian–Muslim conflict that was followed by Muslim attacks on Christian churches and buildings. This pattern of conflict continued right through to April 2000. From

May 2000 onwards, the Christians retaliated, attacking Muslim homes and mosques. The involvement of the *Laskar Jihad* in the conflict, as in the Maluku, from November 2001, worsened and widened the conflict, leading to many deaths and thousands of internal refugees. What has sharpened the inter-religious conflict in Poso and to some extent in Palu has been the tendency to pit the radical Muslim groups such as *Laskar Jihad* and *Komando Jihad* versus the radical Protestant groups of various militias. The splitting of Sulawesi into four Provinces in December 2001 and the Malino Declaration to end the conflict has to some extent cooled the situation, even though intermittent fighting has continued.

In addition to the conflicts in the Maluku and Sulawesi, various parts of Indonesia have also experienced similar conflicts at different times. There have been clashes between radical Muslims with mainstream Christian groups in Lombok, conflicts between radical Protestants and mainstream Muslims in Papua, as well as intra-religious conflict in Papua between radical Protestants and mainstream Christians. Thus, while Islamic-Christian clashes are the main source of inter-religious conflicts, there are also various other shades of conflicts that need to be taken into consideration in order to better understand conflicts of this nature in Indonesia.

5.5.1.3 Inter-ethnic Conflicts

In the period 1996–1997, 1999, and 2001, the relatively backward but resource-rich Province of Kalimantan witnessed a number of extremely gruesome inter-ethnic clashes between the native Dayaks and the Madurese who have come as transmigrants. This had all the features of “ethnic cleansing” with the situation only returning to normal once the bulk of the Madurese had been driven out of Western and Central Kalimantan. What was interesting about the Kalimantan inter-ethnic conflict was the fact that the native Dayaks targeted the Madurese and not other transmigrants, such as the Javanese and Banjarese. This had something to do with the Dayak–Madurese chemistry and relationship.

In the main, the Dayaks, who are natives and form the bulk of the population of Kalimantan, had a plethora of grievances against the Indonesian government, in general, and the various transmigrants, in particular. Over the years, the Dayaks have seen their demography and lifestyle threatened by various government policies. The injection of transmigrants into Kalimantan, usually Muslims, had altered the social, cultural, religious, and ethnic make-up of the Province. With large tracts of lands given to various logging concerns, many Dayaks have also been dislodged from their traditional habitats. The Dayaks’ traditional system of authority has also been undermined by the uniform Provincial administration introduced throughout Indonesia. Most of the transmigrants also looked down upon the Dayaks, viewing them as both backward and uncivilized. All of this angered the Dayaks.

However, the Dayaks’ anger was particularly reserved for the Madurese, as they tended to directly threaten and undermine the various interests of the Dayaks. Also, of all of the transmigrants, the Madurese community was not as large as the Javanese and Banjarese and therefore appeared to be vulnerable to Dayak retaliations. As there are many Dayak Muslims, the religious factor did not loom large in the outburst against

the Madurese. In fact, the Dayaks and other Muslims, such as the Malays, often combined forces to rid the region of Madurese. Hence, it was other factors that triggered the bloodletting against the Madurese. One study concluded that the “Dayaks described Madurese in general as having a deep sense of ethnic solidarity (exemplified by their tendency to pray at exclusively Madurese mosques), being prone to violence, ever-ready to cheat non-Madurese, and contemptuous of Dayak values.” Whatever the causes, the inter-ethnic conflicts in Kalimantan had serious consequences for stability in the region as well as confirming the perception that Indonesia appeared to be imploding from within.

5.5.2 Ideological Conflicts

Ideological conflicts are not alien to Indonesia. From the very beginning of the Republic’s birth, various political ideologies have competed with each other for dominance. The conflict and competition between the pro- and anti-*Pancasila* camp, between the nationalists and communists, and between the nationalist and Islamic extremists/fundamentalists captured this type of conflict in Indonesia. In many ways, the *Pancasila* doctrine was an attempt to avert the emergence of a “single approach” to a situation where a plurality of political, economic, and social forces existed. If Indonesia personified “unity in diversity,” then the ideology of *Pancasila* was an attempt at unifying the country’s ideology in the context of emerging pluralistic and competing ideologies as were put forward by those who wanted an Islamic, Socialist, or Communist Indonesia. In many ways, the conflict continues, even though the divide today is more between the nationalists and those wanting an Islamic Indonesia.

5.5.3 Intra-Muslim Conflicts

As far as intra-Muslim conflicts are concerned, these have been largely dominated by the rivalries between the Muhammadiyah and Nahdatul Ulama, the two biggest Muslim mass organizations in the country for more than 80 years. Even though both of them tend to be mainly moderate, they differ in approaches as far as Islam is concerned and continue to do so to this day. Complicating intra-Muslim rivalries is the emergence of conflicts between less mainstream Islamic groups who purport to be true believers against those who are believed to be pursuing misguided teachings of Islam.

5.6 VERTICAL CONFLICTS

Indonesia has also been afflicted by various vertical conflicts with economic and political-based conflicts dominating the arena. As far as the former are concerned, the center–region conflict over the sharing of natural resources and wealth has been a longstanding one. However, the most significant vertical conflicts are political in nature with the issue of separatism and self-determination being the principal ones. Here, the conflicts in Papua (see also Chapter 7) and Aceh have dominated the political scene for many decades with a lower key conflict in Riau, which is slowly gaining ascendancy.

5.6.1 The Papuan Conflict

For most of modern history, the islands of Papua and New Guinea remained as strategic backwaters, neglected by most powers, due both to inaccessibility as well as the general backwardness of the region. When some interest was garnered, it was mainly to spread the faith, exploit the riches, and use the territory as a market, the last being an insignificant factor due to the small population. For most of the 18th and 19th centuries, the islands of Papua and New Guinea were contested and were eventually occupied by the Germans and Dutch. Even though the Australians were keen on colonizing the islands, they failed due to the lack of British interest caused by priorities elsewhere. Following Germany's defeat in the First World War, its colony in New Guinea became a "C" class mandated territory in 1919 under the League of Nations with Australia charged with its administration. This eventually became the state of Papua New Guinea.

West Papua represented that part of island under the control of the Dutch. Despite being under Dutch colonialism, as was the rest of the "East Indies," neglect largely characterized Dutch policy towards West Guinea. Despite the Dutch presenting themselves as champions of the backward Papuans, the first government posts in the territory were only established in 1898 and 1901. The first real "use" of West Guinea was following the Dutch suppression of the communist revolt in 1926–1927 when the uprising's leaders and followers were rounded up and exiled to Boven-Digul, the dreaded detention area in Western New Guinea. According to Kees Lagerberg (1979), "for the first time the Netherlands had a use for its colonial power over half of that huge island". Later, the territory, literally a "step-child" of Dutch colonialism, was involved in the Second World War when the joint American–Australian force was able to stop the Japanese advance at the Kokoda Trail. It was only following the Dutch return to Indonesia after the Second World War that greater attention began to be paid by The Hague to the territory, mainly in response to growing Indonesian nationalism. In addition, primarily due to "persuasive pressure" from Australia, attempts were made to ensure that the largely "Christian" territory did not join the rest of "Muslim" Indonesia in the anti-Dutch crusade.

When the Dutch lost its war to maintain Indonesia as a colonial territory, at the Round Table Conference at The Hague, it succeeded in denying Indonesia control of Western New Guinea. Even though Sukarno claimed that the Republic of Indonesia was the legal and logical successor state of the Dutch colonial empire in the "East Indies," including Western New Guinea, the Dutch, with the support of their Australian counterparts, maintained that historically, ethnically, and culturally, the territory of New Guinea was different from the rest of Indonesia and deserved a separate "sovereign destiny." The Dutch and increasingly anti-communist Australians argued that the Papuans were largely Melanesians and that a "unity in variety" concept in closer collaboration with the rest of Australian-mandated Papua and New Guinea was more appropriate. Sukarno and the other nationalists' loss of Western New Guinea provided the focus of Indonesia's foreign and domestic politics for the period 1950–1962.

For Indonesian nationalists, the continued presence of the Dutch in Western New Guinea was a national insult and served to remind them that the "independence struggle" was incomplete, and that the transfer of sovereignty over Western New Guinea remained the single most important national goal. As all political parties were in unison on this Sukarno was provided with the legitimacy to pursue this goal, using all

means, including war. When the Eisenhower administration was implicated in the attempt to break-up Indonesia through its support for the PRRI–PERMESTA rebellions, Jakarta moved closer to Moscow, becoming the second largest recipient of arms from the Soviet Union in the Third World. Following the successful crushing of the PRRI–PERMESTA rebellion by the Indonesian military by 1960, Washington abandoned Eisenhower's policy and began courting the Indonesian military as the best counterweight to Sukarno and the growing power of the Communists in Indonesia.

The Indonesian military was the single most important winner following the crushing of the PRRI–PERMESTA rebellion, the Dutch recalcitrance over Western New Guinea and the new thinking in Washington following President J.F. Kennedy assumption of power in the United States. As the Indonesian military became more aggressive in its forays into the Dutch-held territory and Sukarno's brinkmanship intensified following his threat that the Dutch flag would be torn down "before the cock would crow" on January 1, 1963, Washington quickly intervened and forced the Dutch out of Western New Guinea. In the American calculus, the breaking out of a military conflict would have been politically disastrous, all the more, in view of the issue that was at stake.

President Kennedy sent his personal emissary, Ellsworth Bunker, to broker the peace between the Indonesians and the Dutch. This resulted in the New York Agreement of October 1962 that enabled the transfer of sovereignty of the territory from Holland to Indonesia following the convention of "The Act of Free Choice." On January 1, 1963, the Indonesian flag was hoisted in Western New Guinea, now called Western Irian or Irian Barat, and the Dutch were diplomatically evicted from their last stronghold in the "East Indies," some 12 years after they had surrendered Indonesia to the nationalists under the leadership of Sukarno and Hatta. The last Dutch official left the territory in May 1963. As the Dutch were championing the independence of Papua, they had allowed the Papuan flag to be hoisted. When the Dutch left in May 1963, the Papuan flag was no longer permitted to be hoisted by Jakarta, and this technically began, in the eyes of the "Papuan nationalists," the Indonesian–Papuan struggle. In the interregnum, however, a United Nations Temporary Executive Authority administered the Province until the Act of Free Choice had been fulfilled under the auspices of the United Nations. With that, Papua became legally in the eyes of the international community, Indonesia's 26th province.

The OPM's (*Organisasi Papua Merdeka* or Organization of Independent Papua) presence is the single most important testimony that there is opposition to Jakarta's policies, even legitimacy in Papua. For many Papuans, the hand over of the Dutch to Indonesia merely represented the passing of control from one "colonial power" to another. In short, the OPM and their supporters view Jakarta's relationship with the territory as nothing more than an exploitative one, and hence, the "struggle." In some ways, there is agreement among many analysts that large-scale exploitation has been taking place with very little benefits being accrued to the locals of the Province.

A number of problems and factors have fuelled the separatist challenge in Papua. The principal ones include:

1. *Feelings of racial discrimination.* The Papuans feel that they have very little freedom to manage their own communities and to actualize themselves, as the key and lucrative positions in government bodies and private companies are dominated by

non-Papuans. In short, there is a feeling of being “colonized” by other Indonesians, who unfortunately also happened to be non-Christians.

2. The aggressive exploitation of natural resources (copper, gold, timber) irrespective of local interests and traditions. This is best symbolized by Freeport Indonesia, an American company that literally dominates the Papuan economy and which has been operating in collusion with the Indonesian Government, especially during the Suharto era. Not only are the interests, traditions, and land ownership rights of the Papuans ignored, what is worst is that very few benefits have accrued to them, with Papua described as a “treasure house” in which the locals are trapped in a “poverty cycle.”
3. Growing demographic imbalance between “transmigrants” and the locals, with the former being given all the privileges and access, very often at the expense of the locals. There is fear among the Papuans that there is a danger of them becoming a minority in their own land, especially to more aggressive and capable ethnic groups from other parts of Indonesia.
4. Growing unhappiness in the manner Papua became part of Indonesia with the Act of Free Choice being described as nothing more than “The Act of No Choice,” thereby challenging the legal basis of Papua’s integration into Indonesia.
5. Gross violations of human rights by the security apparatus, especially the military when conducting operations against the OPM and other groups opposing Indonesia’s political and economic presence in the Province.

The emergence of Papua as a flashpoint in Indonesia has a longstanding history and is caused by a number of factors. The main ones include the perceived political hegemony of Jakarta that undermined the locals; the perception of the mainly “Christian” Papuans that “Islamic” Indonesia is threatening their lifestyle and culture; the insensitive manner in which various government-sponsored transmigration programs have been implemented at the expense of the locals; the growing marginalization of the locals, especially their access to traditional lands that are being occupied by foreign multinationals and non-Papuans; the indiscriminate use of force by the security apparatus, with the Indonesian military being increasingly viewed as an “occupation force,” and, most important of all, the rise in the level of distrust of Jakarta at all levels of society. It is against this background that many Indonesians have argued, even fear, that there is the danger that Papua may go the same way East Timor was lost.

Despite dragging its feet for so long, the post-Suharto leadership in Jakarta has been attempting to make various accommodations to accede to various demands of the locals. President Habibie decided to enhance administration of the Province by splitting it up into a number of new units while at the same time putting in place various regional autonomy proposals. President Abdurrahman Wahid even allowed the Papuan flag to be flown while sanctioning the establishment of the Papuan Presidium. President Megawati has thus far gone further by promising a Special Autonomy for the Province and the proposed Special Autonomy arrangements could well remedy three main grievances of the Papuans, namely:

- a. *Identity* – it is hoped that the Papuans will feel safeguarded as they will be permitted to form and establish their own system of governance in accordance with their customs and traditions.

- b. *Power sharing* – the new system will also involve political power sharing with the Province given more power to decide on substantive matters that affect the Papuans.
- c. *Economic* – the new system will also allow the locals to have a greater share of the Papuan wealth, especially from its natural resources as well as benefit from the presence of various local and foreign industries.

At the same time, President Megawati has also pushed for the splitting up of the Province into three in order to better administer the territory even though this is opposed by many Papuans. What is clear is that the *status quo* is unacceptable as this is perceived to be essentially exploitative and once that perpetuates political, economic, and social-cultural injustices. At the same time, this has fuelled the separatist struggle, in turn, leading to the adoption of the “security approach,” and with it, the various violations of human rights that have been perpetrated by the security apparatus. It is clear that this approach is no longer tenable. As long as the status is not altered, then the Papuans will have only two main alternatives, subservience to Jakarta’s exploitation or struggle for independence. Both are bad alternatives. This leaves some kind of an autonomy arrangement as the only viable alternative, which is something that has been agreed upon by Jakarta, largely as a result of a cumulative process that began under the Habibie presidency and culminated in Megawati’s Special Autonomy for Papua and later the decision to split the Province into three new units.

What is most important is not the Special Autonomy *per se* but the manner in which it is implemented. The Papuans feel themselves as the aggrieved party and that Jakarta’s “internal colonialism” is the cause of their misery. Until this perception is addressed and while the Papuans do not directly benefit from their riches, there will always be grievances that can be exploited by others, both from within Papua, Indonesia and external parties that are bent on undermining Indonesia and its image. To that extent, there is a great stake in ensuring that the Special Autonomy arrangement works for both Jakarta and Papua. Otherwise, there will always be the danger of Papua pursuing the “East Timor” path and this could signpost the beginning of the break-up of Indonesia, something that will have dire consequences for the Southeast Asian region, Australia in general and the world as a whole.

5.6.2 The Aceh Conflict

Aceh, located on the westernmost tip of Indonesia, is renowned for its prominent role during the Indonesian struggle for independence against Dutch colonial rule. A Province of more than 4 million people, located at the head of the Malacca Strait, it lies astride one of the most strategic waterways in the world, linking the Pacific and Indian Oceans. Having violently resisted Dutch colonial rule for decades, the Acehnese were finally forced in the early 1900s to submit to an uneasy peace with their colonial masters. The Dutch stationed their troops in Aceh until the Japanese invasion of 1942. In 1949, with the help of the Netherlands, the Province was annexed by the newly created Indonesian state.

Since becoming a part of the Republic of Indonesia, Aceh has revolted on two occasions against the state, namely in 1953 and 1976. In 1953, Aceh declared itself a

part of *Darul Islam*'s revolt. The rebellion was Islam-inspired and led by Teungku Chik di Tiro of Pidie. It was led by the Acehnese *ulamas* (religious leaders) demanding greater autonomy for Aceh regarding religion, *adat* (customary law) and education. Indonesian troops quelled the unrest. When the *Darul Islam* rebellion erupted in parts of Java and in Aceh, a movement that wanted Indonesia to become an Islamic state, it never advocated independence for Aceh and this accounted, in part, for its weakness in Aceh. The *Darul Islam* movement disintegrated in Aceh when its leaders were co-opted into the government and Aceh was given special Provincial status. A shaky truce was negotiated with Jakarta in 1959 and Aceh was granted the status of "Special Region" or *Daerah Istimewa* with autonomy in matters of religion, education, and social customs.

In reality, however, the Acehnese felt that they were cheated of the right to exercise their autonomy and where the majority of the Acehnese felt that they did not benefit by being integrated into the Republic of Indonesia. Despite its great wealth, Aceh has remained one of the poorest and underdeveloped Provinces in Indonesia. What Aceh contributes to the Central government in terms of oil, natural gas and other resources and what the Acehnese people receive in return is perceived to be profoundly unequal, representing a clear case of "internal colonialism." For instance, in 1997/1998, the central government collected more than 32 trillion Rupiah and gave to Aceh only 290 billion Rupiah.

The economic exploitation, among other matters, made some Acehnese decide to fight for the independence of the Province by joining the guerrilla movement, the Aceh Sumatra National Liberation Front, Free Aceh Movement, *Gerakan Aceh Merdeka*. In 1976, Aceh revolted and declared independence, marking the beginning of an era of oppression by the Indonesian regime (Sjamsuddin, 1984, pp. 111–128). Instead of working to ameliorate socio-political and economic conflict through dialog, Jakarta mobilized the military to institutionalize state violence and counter-insurgency against suspected members of the independence movement, leading to military brutality, abuse of power, and massive casualties on both sides. Jakarta's oppression of Acehnese separatism is understandable, as it wants to preserve the territorial integrity of the state, profit from the vast resources found in the Province, use the territory for resettlement of Javanese from the over-populated Java, as well as prevent and pre-empt similar rebellions in other parts of the country.

Throughout the 1960s, Aceh enjoyed relative peace until the Suharto government was perceived to be anti-Islamic, anti-Acehnese, highly exploitative, and violent. In October 1976, Hasan di Tiro and his supporters proclaimed Aceh's independence, and a brutal conflict has been ongoing since then until the attempts since 1999 to negotiate a peace deal between Jakarta and the *Gerakan Aceh Merdeka* (GAM). Di Tiro, a former Indonesian diplomat who has spent most of his life in exile in Sweden, is a descendant of a famous family of Muslim clerics and is the grandson of Teungku Chik di Tiro. Hasan di Tiro's family has asserted its claim to Aceh's sultanate and Hasan di Tiro founded the Aceh/Sumatra National Liberation Front (ASNLF), which was later dubbed *Gerakan Aceh Merdeka* or the Free Aceh Movement. Under pressure from the Indonesian military, many GAM leaders fled abroad to Malaysia and many found their way to Libya in the 1980s. In 1989, many of the GAM commanders returned to Aceh, forcing the Indonesian Government in 1990 to declare Aceh as a *Daerah Operasi Militer* (DOM) or a Military Operations Region. This lasted until August 1998.

While Hasan di Tiro's GAM has been the key separatist group in Aceh, now renamed *Nanggroë Aceh Darusalam* or NAD, due to internal differences, a splinter faction, led by Dr. Hussani, a former cabinet minister in GAM, has emerged calling itself the MP-GAM (*Majelis Pemerintahan-Gerakan Aceh Merdeka*). The conflict between GAM and the Indonesian Government has continued despite a number of efforts at peacemaking. On May 12, 2000, representatives of the Stockholm-based GAM and the Indonesian government signed a formal accord in Geneva, Switzerland. Referred to as a "truce" or "humanitarian pause" by then-Indonesian President Abdurrahman Wahid, this agreement was the culmination of secret negotiations that began in February 1999. On June 13, 2000, a six-point agreement, "The Permanent Procedure of the Joint Committee on Security Modalities," was signed in Banda Aceh, the capital of the Province. Despite the designation of certain areas in Aceh as "peace zones," the deal broke down and armed conflict has continued.

5.7 AUSTRALIA, INDONESIA AND THE ARC OF INSTABILITY – WHAT IS TO BE DONE?

There is no doubt that Indonesia has been going through a difficult transition and in many ways is ready-made for conflict. Ironically, there have been more conflicts in Indonesia in the last eight years (1997–2004) compared to the earlier three decades (1966–1996). This "period of conflict" has coincided with a number of inter-related phenomena: the breakdown of the New Order authoritarian state, the rise of democratization and all-round problems, especially economic in nature following the onset of the Asian Financial Crisis in August 1997. Not only has the post-Suharto weak central government and weakened position of the Indonesian military facilitated the escalation of conflict, the rise of ethnic, religious, and regional consciousness has also assisted in the escalation of conflicts once the strong presence of the state and its security apparatus went through a process of decompression. In many ways, most of the conflicts discussed above can be traced to the unfinished business of state and nation-building following the consensus reached among the founding fathers of Indonesia in 1945. To that extent, Indonesia remains an artificial state, and hence, the continued emphasis by political leaders on a strong government and leader, a strong nationalistic-oriented military and continued support for Pancasila and a unitary state.

In view of the continued instability on the periphery of the Australian continent, including Indonesia and its eastern Provinces (particularly Papua), East Timor, and South Pacific countries such as Papua New Guinea, Fiji, the Solomons, and Vanuatu, it is not surprising that Australian strategic planners have been greatly concerned with these developments. This is all the more so since many years Australia had structured its defense planning on the basis of ensuring security on its periphery, something made evident in the December 2000 *Defence White Paper*. *Inter alia*, it stated:

Our second strategic objective is to help foster the stability, integrity and cohesion of our immediate neighbourhood, which we share with Indonesia, New Zealand, Papua New Guinea, East Timor and the island countries of the Southwest Pacific. We would be concerned about major internal challenges that threatened the stability and cohesion of these countries (Commonwealth of Australia, 2000, pp 30–31).

In many ways, the *2000 Defence White Paper* articulated views and strategic perspectives that were rather traditional, which successive governments since the 1970s had put forward, that viewed Southeast Asia and the South Pacific as “Australia’s areas of primary strategic concern.” (Dibb, 2003) In essence, this represented the evolution of Australian defense policy following the Vietnam War, shifting its strategy from “Forward Defense” to “Defense of Australia.” Explicated through the Dibb Report of 1986, the “Defense of Australia” strategy posited the development of a high-tech, platform-based strategy aimed at plugging the “sea-air gap” and threats encroaching from the “arc of instability.”

Notwithstanding this, of late, Australia has been embroiled in a major debate about the relevance and the importance of the “arc of instability” for its security and more importantly, for its strategic doctrine, force planning, and deployment. This is best epitomized by the debate between Australia’s two leading strategic thinkers, namely, Paul Dibb and Alan Dupont. In this connection, Dibb has come to be labeled as representing the “traditionalist” school with Dupont articulating the perspectives of the progressives.

According to Paul Dibb, the author of the 1986 Dibb Report:

The February 2003 Defence Update document acknowledged that adverse trends in our immediate neighbourhood have continued. There can be no doubt that the threat from terrorism in Southeast Asia and the spectre of failed states in the South Pacific are now a severe security challenge for Australia. They reveal a much more worrying picture than was contemplated even in the 2000 Defence White Paper. We now have more serious security concerns to our immediate north than at any time in the last 40 years. Indonesia, the world’s fourth-largest country and nominally the largest Muslim country, is undergoing a difficult transition from authoritarianism to democracy. It is crucial to Australia’s security interests that Jakarta succeeds because if it fails we could face the spectre of a nationalistic military state, perhaps attracted to fundamental Islam. While that does not appear to be at all likely at present, there can be little doubt that we have underestimated the terrorist threat in Indonesia, which threatens to undermine Indonesia’s social cohesion and its fragile political and economic stability. At the same time, Indonesia confronts religious, ethnic and separatist challenges to its cohesion and stability, as well as poor economic performance and severe issues of poverty and unemployment. There is no more important security challenge for Australia than the future of Indonesia. Its size and proximity means that Indonesia is of enduring strategic importance to Australia.

In view of these developments, Paul Dibb concluded that “the outlook for the arc of instability is not good. The worry is that if there continues to be a general decline in governance across the South Pacific, and in particular in Papua New Guinea, and if Indonesia experiences increasing terrorist, religious, ethnic, and separatist challenges to its cohesion and stability, then the arc of instability may well become Australia’s arc of crisis” (Dibb, 2003).

This position and analysis is not shared by Alan Dupont who has questioned the validity of geographical determinism as is implied by the believers of the “arc of instability” concept. According to Alan Dupont:

Who is going to attack Australia? Traditionalists tend to dance around this question without actually answering it. The alleged ‘arc of crisis’ to Australia’s north has been a convenient peg to hang arguments for increased military spending or to endorse a strategic posture that bears little or no relationship to the region’s underlying problems which are overwhelmingly economic, social and environmental rather than military. Often such

notional threats are devoid of any plausible political context. A prime example is the assertion that a major power could lodge in the archipelago to our north and threaten Australia militarily from bases established there. I have yet to hear a convincing explanation as to how this might occur without precipitating a major regional conflagration and drawing a countervailing US response.

Are we to believe that Indonesia and China might threaten Australia with conventional military force in the next decade or so? Our own intelligence analysts think not. So why is the ADF structured for such improbable contingencies?

Weak states, like Indonesia, do not have the resources to mount invasions or cut trade routes. They pose security problems of an altogether different kind in the form of internal instability and the proliferation of low intensity conflicts that could spill over and draw in Australians as peace makers and peace keepers. They also provide fertile soil for terrorist and criminal activities that may necessitate an ADF response, but of a far different kind to that envisaged by the architects of our defence strategy. (Dupont, 2003)

5.8 CONCLUSION

Due to the highly fractious nature of Indonesia, political leaders from Sukarno to Megawati have always insisted on the existence of a strong central government that will be able to hold the archipelago together. It was also due to this that, historically, Indonesian strategic doctrine has always been concerned with internal rather than external threats. This also explains the historical underpinnings behind the emergence of a strong military in Indonesia that tended, until recently, to be politically active through its various doctrines of total people's war and dual function. As long as nation-building remains incomplete in Indonesia, all kinds of threats are likely to emerge from within, something which the process of democratization has merely exacerbated. To that extent, Australia's concern with the emergence of Indonesia as an important element of the "arc of instability" should be carefully understood. In a way, it was partly a blowback from Australia's insistence and support for democratization in Indonesia that culminated in the collapse of the Suharto regime in May 1998.

Then, there is also the question of whether the arc of instability is nothing more than a mirroring of Australian geopolitical concerns. The fact of the matter being that Indonesia has always been unstable, be it due to the separatist struggles in Sumatra and Sulawesi in the late 1950s, the *Darul Islam* rebellions throughout the 1950s and early 1960s, the conflict between the communists and non-communists as well as various secessionist movements in Aceh, Papua, and in East Timor from the 1970s through to 1999. Until 1962, Australia also backed the Dutch against Indonesia on the West Irian dispute.

As Indonesia is the largest Australian neighbor with a population that is more than 10 times the size of Australia, the key question is: how is Canberra going to relate with Indonesia? If it views Indonesia as a threat, then there will be a specific course of relations and vice versa. By viewing Indonesia as a key element of the "arc of instability," as has been put forward by the traditionalists, and in particular Paul Dibb, then it is clear that Australia views Indonesia as a strategic adversary. If, however, Indonesia is viewed as a strategic partner, as it is put forward by strategists such as Alan Dupont, the approach called forth would be entirely different. The key question is thus: Is Australia more keen on engaging or containing Indonesia? For long, conservatives from Menzies to John Howard have tended to view Indonesia as a country that has to be

contained directly through Australia's military power as well as indirectly through strategic alliances with great powers such as the United Kingdom and the United States. Labor leaders such as Chifley, Gough Whitlam, Bob Hawke, and Paul Keating, however, adopted more conciliatory policies with the object of engaging Indonesia and where Indonesia's weaknesses were to be strengthened through engagement, as a strong and stable Indonesia was viewed as a strategic asset. As such, how Indonesia is perceived in Canberra will largely determine Indonesia's place in the "arc of instability," a foe to be contained or a partner to be engaged? The ball is essentially in Australia's court as Indonesia does not subscribe to the concept of "arc of instability" since Jakarta remains largely bogged down by internal challenges that have been growing from strength to strength and where one of the key concerns is to prevent the Balkanization of the archipelago.

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6. EAST TIMOR IN THE ARC OF INSTABILITY

6.1 INTRODUCTION

Partly because of its small size and the fact that it is a “fragmented state” (Glassner and De Blij, 1989, p. 73), East Timor has some vulnerability to the kind of instability that could impact on Australia’s security concerns (Figure 6.1). However, the term “arc of instability” is a recent addition to the vocabulary of strategic studies. It is essentially a new way of expressing a kind of fear of the unknown held by Australians since Federation. It is the expression of a people who see themselves as being different, privileged, when compared with the peoples to our north, whose instincts, many of us still fear, are to gain access to our riches and space. We see ourselves as being very different, yet in terms of our history, we have something common to our emergence as states, an understanding of which should alleviate those fears that serve to deepen our isolation and, worse, our racist instincts.

Virtually all states in the Southeast Asia–South Pacific region were formed as outcomes of European colonial intrusion, domination, and rivalry. In Australia, the process actually went further. It became the conquest and dispossession of the original inhabitants, and the ultimate decimation of their population, with the Australian state being formed to the exclusion of the indigenous inhabitants, power being assumed by descendants of the colonial intruders.

That kind of subjugation of the indigenous inhabitants proved impossible elsewhere in Southeast and South Asia, but in the end it was colonial rule or its legacies that shaped these states. Ironically, just as the total conquest of Australia established conditions for national stability, colonialism’s legacy in the region to the north was to create conditions for political instability, by forcing together peoples whose natural desire was for separate statehood. Thus, Indonesia and Papua New Guinea were brought into being as new states, whose future stability and progress toward democracy were from the outset seriously undermined by structural disharmony.

The term “arc of instability” may present a new security perspective, but the term instability as a factor in security assessments is far from new. Specifically, it portrays a kind of festering sore undermining the political and economic development of the states to our north, a new way of expressing fears that have been around since before Federation. The Yellow Peril we now acknowledge to be a racist tag but it is an early expression of the same fears. In common with the arc of instability it suggests a lack of confidence in our ability to engage the region more closely in peaceful, constructive ways. The reality, surely, is that there is a degree of instability in all countries suffering from serious economic underdevelopment and from political oppression. Authoritarian

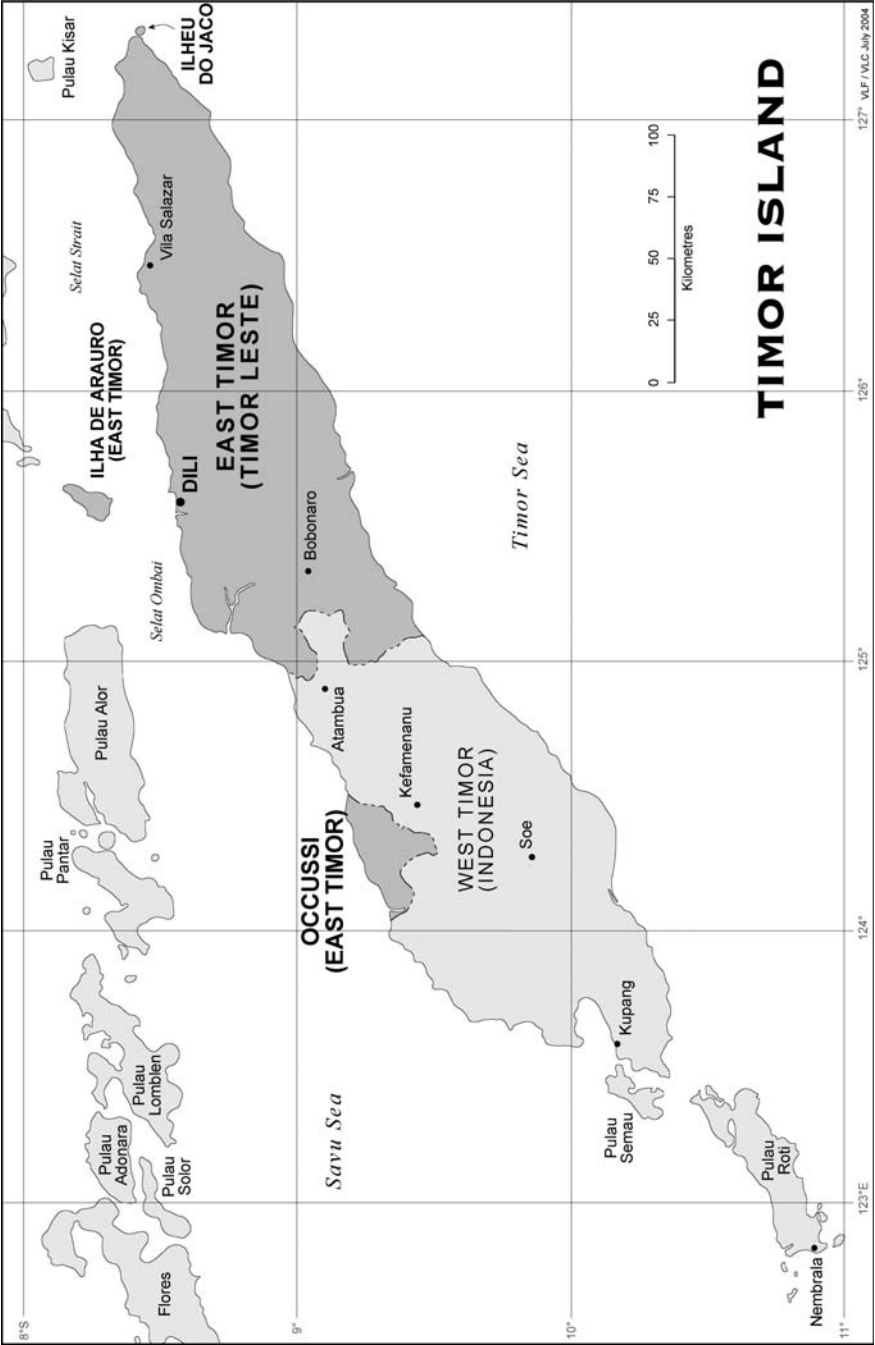


Figure 6.1 Timor island

regimes, like that of Suharto, have attracted praise from Australians because they offered stability, but that stability, as we have learnt, is largely superficial and ephemeral. As the collapse of Suharto's *Orde Baru* demonstrated, when the regime finally gives way to popular demands for political reform, a period of instability invariably follows.

6.2 AUSTRALIA, THE NORTH AND PORTUGUESE TIMOR

Until after World War II, Australian political interest in the regions to our north was selfishly confined to concerns about our security from foreign invasion. While Australian visitors to the neighboring colonies were on occasion affronted at the treatment of the people by their colonial rulers, generally speaking our politicians regarded colonial rule in our neighborhood as a comforting phenomenon. Australia, unlike London, Amsterdam or Paris, never became a center for intellectual debate on the evils of colonialism. To most of us, the presence of colonial regimes offered a comforting barrier to the threatening world of Asia, with, as Australians saw it, its teeming millions and thirst for land and a better life. The Lucky Country, with its boundless space, relative calm and prosperity, was a tempting target for overcrowded Asia. Colonial rulers were seen as exercising a welcome restraining influence on their Asian subjects.

A classic example was Portuguese Timor, a centerpiece of the region to our north. Australians displayed no real interest in the plight of its oppressed and impoverished population. Australia's concern was focused on the capacity of the Portuguese to maintain order, and to resist the intrusion of unfriendly imperial powers. The Timor colony began to assume strategic importance early in the 20th century. Thus, in 1903, Dr. J. M. Creed, a NSW MLA, was prompted to write to the state Governor, Sir Harry Lawson, drawing the latter's attention to Timor's *especial importance* to the Empire because of its proximity to Australia. If the island were to fall into the hands of states like France, Germany, or Russia, Creed went on, it would endanger both British and Australian interests (Hastings, 1975). Creed apparently felt that Australia or Britain should acquire the colony. The Governor took his words seriously enough to pass the suggestion on to London, where the idea was dismissed out of hand. However, this security concern surfaced again following the collapse of the Portuguese monarchy in 1910, and later, after the outbreak of World War I. The latter event gave rise to fears in Australia that marauding German raiders might use the Portuguese colony. This fear also proved groundless, not least because of East Timor's poor harbor facilities.

Australia's interest in Portuguese Timor in the years between World War I and World War II continued to be unrelated to the status of the inhabitants of the island. Within two years of the ending of World War I, the intentions of the rising Pacific power, Japan, in relations to Portuguese Timor got some attention. The Japanese, it was speculated, might try to acquire the Timor colony in the event of a break-up of Portugal's rambling empire. Such fears were really unfounded, but in the 1930s the Japanese began to take a closer interest in Portuguese Timor, investing in local business enterprises, establishing regular shipping and air links and an intelligence operation. By the late 1930s Japan's new interest in the colony had deepened suspicions in both Britain and Australia, reviving fears that the Japanese were out to acquire Portugal's most remote colonial outpost.

In the meantime, Australia's other interests in Timor were low level. Business ventures in the colony were unattractive, not least because its primitive economy offered little scope for investment. Australia's main interest remained strategic, heightened by Japan's growing military and economic power, and her quest for empire, following her invasion of China. Suddenly East Timor, with its weak Portuguese administration, was perceived as vulnerable to a takeover by this Asian foreign power, which was not particularly friendly to Australia. This consideration alone led to the establishment of an Australian consulate in Dili in 1941, a move, it should be noted, that was only grudgingly agreed to by Britain, which, as long as four decades after Federation, saw itself as being responsible for the handling of the bulk of Australia's diplomatic relations. As it turned out, this reluctance was not overcome until late in 1941, so that our representative in Dili only became entitled to consular status a few days before Japanese troops swept into the Netherlands East Indies.

Based on an expectation that the Japanese would move to incorporate the colony, and then use it as a forward base for attacks against Australia, only 10 days after Pearl Harbor, a task force, made up of Dutch and Australian troops, invaded East Timor, ignoring the protests of the Portuguese Governor, and thereby violating the colony's neutrality. This precipitated the Japanese invasion of the colony and its subsequent harsh occupation. For many Australians, this invasion was a manifestation of their Yellow Peril fears. East Timor thus became a key sector of the front line in our war with Japan. For the Japanese, however, Portuguese Timor was not so important. Its poor port facilities, lack of modern airfields, and general under-development reduced its strategic importance. It was also within easy striking range of Allied aircraft, based in the Northern Territory, which soon gained air superiority. The small commando action by some 500 troops under Colonel Callinan, with great help from the Timorese, also succeeded for several months in preventing a Japanese invasion force of some 5000 troops from penetrating the rugged interior of the island and gaining access Timor's south coast (Callinan, 1953; Way, 1987).

For Australia, this was East Timor's most important role in strategic terms. In the darkest hours of our history the unstoppable Japanese advance had come to a halt in Timor. The Japanese were forced to send in substantial reinforcements – one of their crack divisions – increasing their military presence to more than 20,000 troops. In the circumstances of the time, East Timor was, however, no great asset for Tokyo. It was too exposed to form a base for naval strikes against Australia, and in any case, Australia's main targets were well out of reach of the Japanese forces of the time. Moreover, as the tide of the war turned against it, Japan encountered increasing difficulty in maintaining supplies to what was becoming an outpost, a symbol of a hasty drive to the south.

In the post-war years, Australia's interest in Portuguese Timor was contradictory. At first, the government probed the possibility of acquiring the Timor colony, an idea that was peremptorily dismissed in Lisbon. It also quickly established a consulate despite little going on there significant to Australian interests. However, once it was evident that newly independent Indonesia was unstable and unpredictable, East Timor continued to be regarded as of strategic importance to Australia's defense. Ironically, the Australian position only began to firm as the Sukarno's government demand for West New Guinea began to be translated into military action against the Dutch. In short, Australia, under conservative leadership, felt more comfortable with the neighborly

presence of European colonial rulers like the Netherlands and Portugal, than with the new forces of Asian nationalism. To many Australian politicians, Indonesia's shift to communism was almost inevitable. In the early 1960s, however, the Government, Sir Garfield Barwick in particular, was impressed with a new assessment that Portuguese Timor had lost strategic importance. Moreover, the continued presence of the increasingly isolated Portuguese colonial system was becoming a liability to an Australian government that was beginning to upgrade its links with Asia. In Canberra it was widely believed that an Indonesian move against Portuguese Timor would follow the handing over of West New Guinea by the Dutch. As it turned out, President Sukarno turned his attention to the destruction of Malaysia, the *Konfrontasi* operation was launched, and the absence of an Indonesian claim against East Timor was used once more to counter claims that the Republic was bent on a campaign of territorial expansion. In these new circumstances, the Portuguese colony drifted back to its traditional quiet backwater status (Dunn, 2003, Chapter 7).

Australian officials would, at that time, have preferred an Indonesian takeover of East Timor, and the Portuguese were advised that, in the event of such a move by Jakarta, they could not expect any support from Canberra. On the other hand, Australia moved to join the British military response to *Konfrontasi*. East Timor had lost its strategic importance to its large neighbor, despite growing fears of a likely Communist takeover in Jakarta. Hence, once General Suharto had assumed the presidency and moved Indonesia to the right, Australian strategic interest in East Timor declined further. In 1971, as an expression of this disinterest in the Portuguese colonial presence, the consulate in Dili was closed. That was the situation when Prime Minister Whitlam won office at the end of 1972. In Whitlam's view, Australia's national interest lay in developing closer relations with Asia, and Indonesia was a key bridge to that outcome. East Timor was a colonial anomaly, no longer relevant to Australia's security interests. As a matter of logic, the Timorese should be encouraged to integrate with Indonesia. The Whitlam Government did not share the view held by some Indonesians that East Timor would lead Asian communists to create an Asian Cuba, but it apparently did little to discourage Suharto's generals from promoting such a view internationally: a view that would persist until 1999.

6.3 AUSTRALIA AND EAST TIMOR'S SELF-DETERMINATION STRUGGLE

Curiously, during the 24 years of Indonesian occupation, Australian governments displayed little concern at the instability the occupation created. During this period, it was clear to Australian monitors that the annexation was being bitterly contested by Timorese resistance forces (Falintil), as well as by passive resistance on the part of the population at large. To an extent, this reflects the impact of the Cold War. The ongoing conflict in Timor was not linked to Communist subversion or insurgency, despite attempts by the Indonesian Government – in particular, ABRI intelligence officers – to persuade Jakarta's friends that such a linkage existed. Indeed neither of the major Communist states displayed other than a passing interest in the situation in the former colony. In fact, had Moscow or Beijing taken up East Timor's cause, East Timor's occupation would have excited much more interest as an issue in the United Nations.

If the invasion of East Timor had little to do with Communist subversion in South-east Asia, then the territory's ultimate liberation had little to do with the decolonization movement that had been a major force in hastening the end of imperialism. According to Australia's official strategic perception, East Timor's occupation by Indonesia offered some advantages, in particular eliminating a potentially troublesome issue in relations between Jakarta and Canberra. Exiled Timorese leaders, such as Jose Ramos Horta, tried to minimize the Communist threat factor by always keeping a discreet distance from the Soviet Union, in particular. This was based on the assumption that if deliverance from the occupation were to eventuate, it would most likely come from the West. Left-wing contacts were more or less confined to left-wing regimes in African states that had formerly been Portuguese colonies, in particular Mozambique. Yet, Fretilin's most left-wing leader, Abilio Araujo, abandoned his post, went to Indonesia where he became a confidant of the Suharto family, and in due course was able to promote his business interest to considerable advantage.

Under the leadership of Xanana Gusmao, the nature of the resistance shifted away from the left-wing orientation it had manifested under Nicolau Lobato. Xanana sought to create a nationalist umbrella movement that would bring the various parties and factions together, and in this he achieved a significant measure of success, at least within East Timor. Support for Xanana widened considerably, facilitating the development of extensive passive resistance cells. Rivalries in the Diasporas, on the other hand, were not so easy to heal, with unresolved differences remaining between UDT and Fretilin leaders persisting.

As a result of changes in Falintil and CNRT tactics and of a new and courageous leadership role played by Bishop Carlos Belo, the Timorese resistance gained considerable international support in the late 1980s and the early 1990s. The Santa Cruz massacre, and the farcical trial of Xanana Gusmao attracted international sympathy at a time of significant change elsewhere in the world. These events included the collapse of the Soviet Bloc, and with it the freeing of the captive Baltic States, the Gulf War to liberate Kuwait, and a new international commitment to the implementation of human rights. Each of these events had some relevance to East Timor's captive state, highlighting the fact that the people of the territory had yet freely to express their right to self-determination, a right that had assumed a sacred quality in the Third World.

By the mid-1960s foreign diplomats in Jakarta, especially those from the European Union, the US, and even on occasion Australia, were urging the Indonesian authorities to review their Timor policy, which was essentially one of tight military control, and continued political repression. Some urged the Indonesian government to consider granting East Timor a form of autonomy, a proposal that Suharto always rejected out of hand. Few, however, urged Indonesia to concede to the East Timorese the right to some form of referendum on their status. The change in Jakarta, when it came, was brought about from within rather than from external pressures. Suharto's fall was the result of a severe economic crisis, and had nothing to do with international pressures to review Indonesia's Timor policy. Much has been made of Prime Minister Howard's letter to President Habibie urging the Indonesian government to consider holding a referendum in East Timor, but it also sought to assure the President that Mr. Howard's personal preference was not for East Timor to become independent, but to remain with Indonesia. The Australian government also seemed to have in mind a preparatory

period of several years, which, it could be assumed, would have given Indonesian authorities time to win over hearts and minds.

In the event, after 24 years of Indonesian occupation, in the UN supervised plebiscite of 30 August 1999, the people of East Timor were at last able to exercise a say in their future. The outcome was decisive; 78.5% rejected their status as a Province of Indonesia, despite massive intimidation by the TNI and their militia. It was an expression of their optimism about the future, as well as their determination to end rule from Jakarta. However, in the immediate aftermath of the plebiscite, TNI commanders launched a massive punitive operation, destroying more than 73% of houses and buildings throughout the Province, and forcibly deporting almost a third of the population. Also, there was a total exodus of Indonesians controlling the public sector and education infrastructures. This destructive military assault left East Timor virtually in ashes, enormously complicating the task of reconstruction, which became the responsibility of UN management under Sergio Vieira de Mello. But despite the fact UNTAET was hastily assembled it proved an effective UN operation; arguably the most effective in the world body's experience. However, its mandate was short, and the leaders of the new independent state of Timor Leste that emerged in May 2002 were left confronting a marathon task.

6.4 INDEPENDENT TIMOR LESTE: AN UNSTABLE THREAT TO AUSTRALIA

The questions then are these: in the arc of instability is East Timor a weak link in the chain of islands that form Australia's northern sea frontier? Has Indonesian withdrawal from the territory created a potential threat, arising from the many problems facing this impoverished country? Could Indonesian military elements, or militia remnants, still draw Australia into confrontation?

Some of the assumptions behind these questions are of dubious merit, but they are still around in our defense and foreign affairs departments. Firstly, let me deal with the view that East Timor's national unity is plagued by internecine hostility and rivalry. This suggests that East Timor is a divided land, the divisions having been forged in the past by rivalries between the *liurais*, or kings, a rivalry that made unity almost impossible to attain and whose continued existence endangers the new state's future. This argument was used in the mid-1970s, both by Indonesians and by supporters of integration in the west to cast doubt on the legitimacy of East Timor's independence aspirations. The real conflict in 1975, it was said, was between kingdoms that were traditionally hostile to each other, and the existence of this strife was one reason why the TNI intervened. This claim was applied to the civil war between Fretilin and UDT. National disunity was a major concern among some Interfet, and UN officials in 1999 raised doubts in some quarters about East Timor's future.

It is true that rivalry and conflict between the various kingdoms in both East and West Timor existed during Portuguese rule, at least until the early 20th century. However, this form of conflict was by no means confined to Timor. It was present in the past throughout the Indonesian archipelago. The colonial powers helped keep these conflicts alive, by exploiting them to suit their own purposes, to divide and rule. On occasion, there were attempts to oust the Portuguese, whose military presence in the colony was always modest in size. Invariably, challenges to Portuguese rule became intertwined

with conflicts between kingdoms. This form of conflict, which reached its peak in a series of rebellions between 1898 and 1913, presented a serious challenge to Portuguese rule (Esteves Felgas, 1956). However, conflict between the *liurais* declined in the 20th century. External intervention, especially by the Japanese, and later by the Indonesian military, had the effect of forging unity among Timorese, a common stand against the *malai* or foreigners. Hence, when the opportunity came in 1999 to express their wishes to outsiders, the East Timorese people voted decisively. It is important to note, however, that independence in East Timor, as elsewhere in the developing world, has brought with it new elements of instability.

One problem common to newly independent countries is how to deal with former resistance fighters, in particular those for whom there is no place in the new defense force. This has presented a problem in East Timor. Former Falintil guerrillas expect some reward for their service, and have come to resent those leaders who spent the occupation in the relative comfort of exile in Australia, Portugal, or Mozambique. President Xanana Gusmao, very sensitive to this problem, and has attempted to pacify the malcontents. Many of the hundreds of former resistance fighters feel that they have been sidelined, and have recently resorted to clashes and demonstrations. Another source of discontent is unemployment, which continues at a rate of over 60%. It has a profound effect on the young men of the new state whose expectations were unrealistically raised by the rhetoric of promise at independence. These expectations, due to East Timor's weak economy, have been impossible to fulfill. The outlook appeared bright during the UNTAET interregnum, when the economy was boosted as a result of spending by the affluent international community. But the downsizing of the UN mission has had a negative impact on economic conditions, causing unrest, especially in the main urban areas. Timorese leaders had hoped this vacuum would be filled by a sizeable flow of royalties and other payments from oil and gas exploitation in the Timor Gap. However, Australia's uncompromising stand on this issue has reduced those expectations, causing widespread resentment, even bitterness among the new state's politicians. Up until recently, Foreign Minister Downer's unsympathetic approach to negotiations on the Gap demarcation has significantly cooled relations between Dili and Canberra. Many Australian government officials and politicians seem to feel that their country's role in the Interfet intervention was sufficient enough. Mr. Downer himself, on two occasions, urged the East Timorese to take careful note of "all Australia had done for them," a view that has done little to endear the Howard Government to Timorese leaders. They have not forgotten that it was a Coalition Government (of which the present Australian Prime Minister was a member) which declined to challenge Indonesia's invasion of East Timor in 1975. Moreover, Australia did not lodge a formal protest at the catastrophic consequences of Indonesia's harsh occupation policies, especially in the four years after the invasion when, according to Church sources, as many as 200,000 East Timorese lost their lives.

Although East Timor (Timor Leste) is now facing donor fatigue, the state still manages to attract substantial aid in various forms from the international community. Revenue from the Timor Gap will soon be an important supplement, even if much smaller than first anticipated. Getting the economy to move ahead in the direction of self-sustainability may be difficult, but it is attainable, provided there is no faltering in the level of international commitment. However, Timor Leste needs, and deserves, a more generous

response from Australia. Australians need to understand that failure will impact not only on the livelihood of East Timorese, it will also create the kind of unrest and instability that might conceivably tempt those in Indonesia – especially the military and Islamic radicals – to engage in activities designed to bring about East Timor's restoration as part of the Indonesian Republic.

It might be argued that by its violation of Portuguese Timor's neutrality in 1941, and by accommodating Indonesia's move to annex East Timor in 1975, as well as the criminal behaviour of the TNI, Australia itself has contributed to conditions likely to cause instability. In fact, the instability risk is not a serious problem provided that interested parties recognize risk, and take measures to reduce it. A stable, prospering East Timor faces no risk of disintegration, or of intervention from Indonesia. In 1975 East Timor was a remote and unknown land. Today, thanks to the stature of its leaders, and the respect the Timorese have earned because of their courageous struggle for independence, Timor Leste has become a respected member of the international system – indeed, enjoying a level of respect well in excess of the state's size and economic importance. True, in its present difficult circumstances a political crisis is always possible, but the Timorese are well aware of the consequences they risk in the event of a breakdown of national unity, or law and order. And in the event of such a crisis it is more likely than not to be resolved constitutionally.

To sum up, East Timor is partly vulnerable to the kind of instability that could impact on Australia's security. However, the problems we are likely to encounter are far from insurmountable, provided that the major players involved respond with foresight, understanding, restraint, and generosity, qualities the East Timorese themselves have repeatedly demonstrated in recent years. Instability in East Timorese society is not inherent: ethnic rivalry persists, though to a lesser degree than in most parts of East Indonesia, for there are few grounds for religious conflict. It should also not be forgotten that no people in the region is more conscious of the catastrophic consequences of disunity in times of crisis. East Timor's cruel experience in this regard goes back more than 60 years, when the colony became one of the worst Southeast Asian victims of the Pacific War. The harsh experiences of the Japanese and Indonesian occupations have done much to forge a unifying bond. The road to independence has also created a strong commitment to the development of a tolerant, democratic, East Timorese state. The impoverished character of the new state's economy is, surely, a matter of concern, but unlike in the past, East Timor has the backing of the international community, and the UN itself. The success of the UNTAET mission has been widely applauded as the most successful operation of its kind. In the event, of a crisis arising from outside interference, or a domestic political upheaval, this time we could expect a prompt international response.

To their credit, the Timorese leaders have gone out of their way to develop good relations with Jakarta, to the extent of abandoning their original demand that the TNI commanders responsible for crimes against humanity be brought before an international tribunal. For most East Timorese leaders, the abandonment of their quest for justice has been a cruel choice. The move is less a desire to bury the past than it is a lack of confidence in the commitment to their cause of key international players like Australia, and fear that a long tribunal process would place unacceptable strains on their relations with an Indonesian government in which a largely unreformed TNI

retains strong influence. From the point of view of securing stability, as well as a just resolution for the East Timorese who have suffered so much, this is not really an acceptable outcome. Rather, the East Timorese government's aim to fashion a close, secure and stable relationship with Indonesia will not be completely fulfilled until the Indonesian political establishment has been compelled to confront the reality of past atrocities in East Timor, and identify those responsible.

Such disclosures are also necessary to bring about a comprehensive reform of the TNI, without which there can be no guarantees that the tragic events of the past will not be repeated. At this time, the risk of some form of external intervention is low, but it cannot be ruled out in future until Indonesians have accepted not just the loss of East Timor, but the fact they should never have been there in the first place. Today Timor Leste does, of course, have its own defense deterrent, a modest, well-trained military force. However, the East Timor Defence Force (ETDF) is small in size for a country with a long land border, a rugged mountainous interior and a long coast-line, the guarding of which is really beyond the new state's capacity. While the force could cope with attempts by former militia elements to reenter East Timor for the purpose of exploiting dissent, if such an operation were mounted, or actively supported, by the TNI, countering it would be much more difficult, if not impossible. From this point of view, the outcome of a recent Indonesian appeals court, which acquitted the few commanders who had been lightly sentenced, serves to support the contention of most Indonesian generals that Indonesia's forced withdrawal from East Timor was illegal and unacceptable, and add fuel to the foreboding claim made by Jemaah Islamiyah leaders that the loss of East Timor was the result of a conspiracy against Islam.

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7. WEST PAPUA: INDONESIA'S 26TH PROVINCE OR AUSTRALIA'S NEW NEIGHBOR?

7.1 INTRODUCTION

West Papua is the easternmost part of Indonesia (Figure 7.1). It is Indonesia's largest Province (with a land area twice the size of the United Kingdom's). The island containing West Papua (also known as West Irian and Irian Jaya) and Papua New Guinea (PNG) is the world's second largest island (after Greenland) and it remains one of the least explored places on earth. However, the island is very rich in minerals and energy (Suter, 1997).

West Papua's status as a part of Indonesia is due to an accident of history. The Dutch established their claim to the western part of New Guinea first and this colonial connection provided the bridge over which the post-independence Indonesian Republic traveled to gain control of West Papua. If the United Kingdom had acted more quickly in its colonial expansion in the late 19th century and early 20th century, then West Papua would today either be an independent country or a part of PNG. Such are the vagaries of the legacy of European colonization.

This chapter is in three parts. The first part provides some historical background to West Papua. The second part deals with the current conflict in the territory. Ironically, despite all of the wealth in West Papua, it still remains the country's second poorest Province (after West Nusa Tenggara). The West Papuan resentment at their poverty adds to the causes of conflict. West Papua is one of the most heavily militarized areas of Indonesia. The final part examines in more detail at Australia's links with the territory and some of the policy implications. No two neighbors in the world are more unlike than Australia and Indonesia. They are so close geographically – and yet so distant culturally and politically. Tensions over West Papua have only added to that gulf. The tensions look likely to continue.

7.2 THE HISTORY OF WEST IRIAN

7.2.1 The Dutch Era

The Dutch reached Indonesia (the Netherlands Indies) in the late 16th century. They made substantial profits from it (for example, 31% of Dutch national income in the 1850s), especially from the "cultivation system" in Java in the 19th century. However, they were not liked. The extent of the weak support the Dutch enjoyed among their colonial subjects was shown by the relative ease with which the Japanese were able to establish control over the colonies from January 1942. Many inhabitants saw the Japanese as

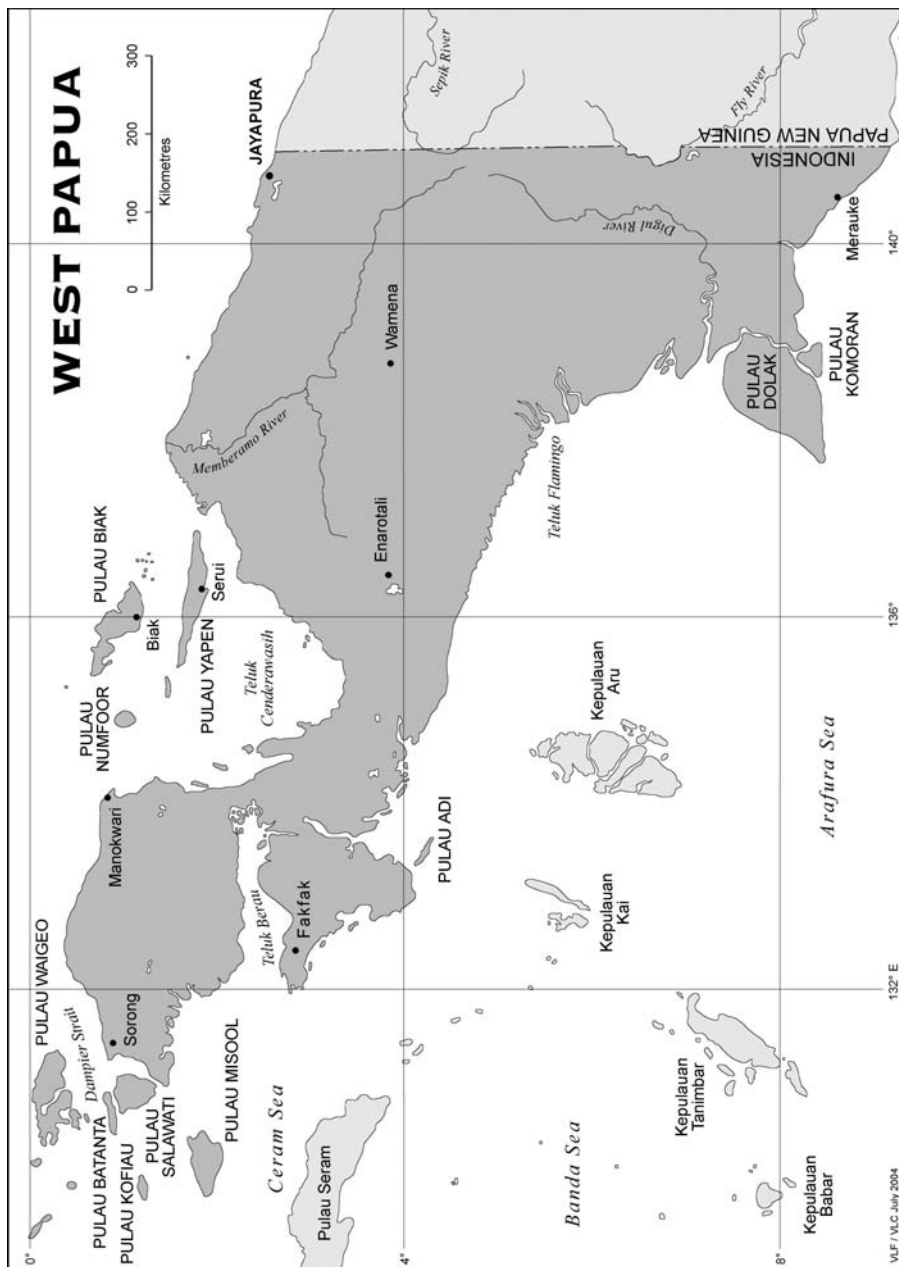


Figure 7.1 West Papua

liberators, which, eventually, they turned out to be because the war marked the effective end of Dutch control.

Independence was declared on August 17, 1945 by Indonesian nationalists. The Dutch did not recognize it and made a futile, if brutal, effort to regain control. On December 27, 1949, the Dutch surrendered sovereignty to the Republic of Indonesia – except for West Papua, which was left temporarily under Dutch control until its future could be decided through international negotiations.

In 1848, the Dutch proclaimed the area west of 141° east to be Dutch territory (the eastern half of the island consists of PNG). This was done without any consultation with the inhabitants of the island. It was done so that the imperial mapmakers could be sure about how far east Dutch claims extended. However, by that line on the map, hundreds of thousands of people “moved” from Melanesian New Guinea into the scope of The Netherlands and then eventually Indonesia.

West Papua was part of the Dutch East Indies but it is geologically and geographically much more closely related to Australasia than to Indonesia. Much the same could be said about its vegetation. The people, too, are not related to Javanese/Indonesians as regards their ethnic backgrounds, languages, and religion. It is not predominantly Muslim society, but is animistic, with the worship of the spirits which the people believe to inhabit their surrounding world. There is also a growing presence of Christian churches. West Papua's eventual inclusion in Indonesia was due more to political factors rather than cultural and linguistic ones – and without reference to the people themselves to explain their preference.

West Papua has been inhabited for at least 30,000 years. The indigenous peoples have retained many of their early forms of living. They are scattered throughout the whole territory in small clans and are kept apart by terrain, language, and customs. No indigenous language has more than 150,000 speakers, and some languages are spoken by only a few thousand people. The people live mainly by subsistence farming, consuming edible roots and pigs. Little surplus food is produced because of the considerable cost of transporting it to other markets.

West Papua was part of the territory of the Sultanate of Tidore (in the Moluccas). The Dutch did not, however, devote the same attention to it as they did to the other parts of the East Indies. It was never more than a handful of isolated missions and trading posts. There was limited Dutch penetration beyond the coastal towns and at no time did Dutch control extend to all of the colony's inhabitants. Its main purpose was as a boundary marker for the eastern end of the Dutch Empire.

7.2.2 The New Country of Indonesia

During 1945 there were discussions among the nationalists as to the future boundaries of the independent country. They were soon to declare independence and there had to be agreement over what would constitute the new state of Indonesia. There was some disagreement over West Papua's inclusion within the new country. There were two main points of view. One was that the new country should try to conform to some measure of cultural homogeneity and the new country should be based around Java. This would have made the new state smaller and easier to govern and would have

excluded West Papua. The other view (held by Sukarno, soon to be the country's first President) was that the new country should simply be created from the entire Dutch East Indies. This view, which prevailed, required the inclusion of West Papua into the new state.

The Netherlands opposed West Papua's inclusion into the young Republic of Indonesia. It thought that West Papua was potentially rich in minerals and so could make a contribution to the Dutch economy. It thought, wrongly as it turned out, that it would need an Asian territory for persons not wishing to live in Indonesia and not willing, or not able, to return to the Netherlands. There was also a need to placate domestic conservative Dutch opposition to granting independence to Indonesia by retaining, in effect, a separate Dutch colony.

In the Round Table negotiations at The Hague that led to Indonesian independence, it was agreed that a decision on West Papua's fate would be postponed. After 1949, the Dutch undertook, for the only time in their control of the territory, a program of economic development with the main impact being felt in the coastal areas. The Netherlands hoped to show that the land could prosper far more than the rest of its former colony, then in the grips of the problems of the post-independence era.

However, even when it realized that West Papua's economic potential would take far longer to come to fruition than it originally anticipated, the Netherlands was unwilling to bend to Indonesian wishes for West Papua's transfer to Jakarta. Rather, faced with conservative opposition at home, the Netherlands tried to brazen it out by attempting to follow a policy that was at once inadequate but politically less damaging than unconditional surrender to Indonesia. It was certainly not motivated by a desire to follow the wishes of the West Papuans. Indeed, West Papuans were never consulted, their opinions simply did not count, and in the highlands, which experienced very little economic benefit under the Dutch, people were probably oblivious to the entire issue.

7.2.3 The "Act of Free Choice"

Dutch policy gradually began to erode. Other imperial powers in Western Europe (with the exception of Portugal) were divesting themselves of their colonies, now seen as liabilities rather than assets. Given its isolation from the Netherlands, the Dutch knew it would be difficult to provide military assistance to West Papua in the event of an outright Indonesian invasion. At the same time, Holland could count on little military assistance from its NATO allies, which were in the process of divesting themselves of their remaining colonial possessions. Moreover, continued Dutch control gave the Sukarno Government an excuse both to acquire Dutch property in Indonesia and expel Dutch citizens.

The Dutch were also losing the larger political battle, especially at the UN. A growing Third World bloc opposed Dutch rule and sided with Indonesia, one of the bloc's leaders. The United States wishing to remain on good terms with Indonesia (not least because of its influence in the Third World bloc) also did not side with the Netherlands over West Papua. Australia was the only major Western country to support The Netherlands. This was due mainly to Australian fears of an Indonesian-dominated West Papua on the border of its New Guinea Trust Territory and its Papua colony, both of which Australia wanted to retain for strategic reasons.

To save Dutch prestige, West Papua was handed over temporarily to the UN. In August 1962, The Netherlands and Indonesia agreed that the Dutch would leave West Papua and transfer sovereignty to the UN Temporary Executive Authority (UNTEA) for a period of six years until a territory-wide referendum could be held to determine the political preference of West Papuans, whether it be for independence or integration into Indonesia. However, by May 1963, Indonesia had taken over UNTEA and so failed to operate as intended.

The 1969 "Act of Free Choice" was a farce. It was supervised by Fernando Ortiz Sanz, as representative of the UN Secretary-General, supported by 16 staff. There was no plebiscite as such, but rather a sample of pro-Indonesian drawn opinions from 1025 tribal leaders selected by the Indonesian Government, all of whom supported integration into Indonesia. They may well have been coerced into doing so. Theys Eluay, one of the 1025, said, years later, that "If we had not voted for integration (with Indonesia) our houses would have been burned and our families slaughtered" (Wareham, 2001).

By this time, Sukarno was no longer in power. Indonesia was now run by pro-Western generals led by Suharto who would stay in power until May 1998. Indonesia had stopped its tilt toward communism and was now set on a path of Western style capitalism, albeit under government control, welcoming to Western financial interests, such as mining companies.

Australia, though unhappy about the Act's implications for the eastern half of the island, decided to turn a blind eye to the farce rather than campaign at the UN against it. This would in any case, have been futile, given the prevailing majority Third World opinion supporting Indonesia, as well as US support. The UN General Assembly "took note" of the outcome in November 1969 in Resolution 2504 (XXIV), adopted with 30 abstentions but no negative votes.

West Papua was renamed Irian Jaya ("Victorious Irian") in 1973 by President Suharto in an attempt to add gloss on the manner of its incorporation into the Republic. The indigenous movement rejecting this name and identify themselves as West Papuans. Unlike East Timor (whose incorporation into Indonesia was not recognized by the UN and the majority of countries), West Papua is recognized internationally as a Province of Indonesia.

7.3 WEST PAPUA IN REBELLION

Indonesian control over West Papua was contested from the outset by some of those indigenous peoples who were aware of the deal being made between the UN, The Netherlands, and Indonesia. The main political and guerrilla force opposed to Indonesian rule is the Organisasi Papua Merdeka (OPM), the Free Papua Movement, formed in 1963. Its roots go back to the closing stages of Dutch colonial rule in Indonesia, when, in the period leading up to the Republic's formal independence, some sporadic acts of violence took place as a way of ensuring West Papua's inclusion in the young Republic. Initially, pro-Indonesian nationalist, Jakarta's racist attitudes eventually helped turn opinion the other way. Given the difficulty of assessing West Irianese opinion, it is impossible to gauge accurately the extent of indigenous support for either Indonesian rule or national independence. Thousands of people have been killed on both sides but the figures are contested because they are not subject to

international verification. Nancy Jouwe (a West Papuan refugee) puts the figure at at least 150,000 West Papuans (Jouwe, 1998, p. 59).

However, it would seem that West Papuan opposition to Indonesian control will continue because Jakarta's presence runs counter to indigenous values. First, the people do not feel they belong to Indonesia, having more affinity with the people in the east (PNG and the rest of Melanesia) than the people in Indonesia to the west. Second, Indonesian policies of coercing the indigenous peoples into being "Indonesian" have further fueled anti-Indonesian feelings in the territory. Third, respect for the land is very important to West Papuans and this value is being assaulted by the government's "transmigration" and economic development policies.

7.3.1 Guerrilla War

The OPM probably stand little chance of throwing the Indonesians out of West Papua, but they will be difficult to defeat. They are fighting one of the world's longest-running wars. The military wing, Tentara Pembebasan Nasional (National liberation army), is one of the world's most resilient resistance movements because – despite being unable to achieve any major operational victories – it has been able to maintain its campaign and its morale over decades. The history of guerrilla warfare in recent times is that a force may lose a battle but still win, if and when the invader is exhausted and goes home.

First, a well-organized guerrilla group with high morale, fighting on a terrain it knows well and enjoying the support of the local people, is almost impossible to defeat. The United States discovered this in Vietnam, the Soviet Union in Afghanistan, and the Portuguese in their African colonies (where wars triggered a military rebellion and the overthrow of fascist government).

Second, the conditions that stimulated local support for the OPM are far from improving and, in fact, getting steadily worse. The more people Indonesia moves into West Papua and the more economic development that takes place without benefit to the local people, the greater support grows for the OPM. However, the economic potential of West Papua is such that Indonesia cannot resist the temptation to tighten its political hold. Meanwhile, troop morale is low on account of poor and isolated living conditions, and they alienate the indigenous peoples by assaulting women and stealing animals.

Third, Indonesian defense forces have a poor military record. They play a crucial political role in Indonesia but their military skills are unexceptional – as evidenced also in East Timor, and West Papua being a rugged territory is not a popular posting.

Fourth, as noted already, guerrillas can lose many battles and yet still win the war. This was illustrated in both Vietnam and Afghanistan, where there was a steady erosion of morale among the conventional forces deployed against them. OPM guerrillas are fighting for their land, they have nowhere else to go, and nothing else to do; they have all the time in the world. The conventional forces are there simply because they were sent there and would probably prefer to be elsewhere.

Fifth, defense officers may not like the West Papuan posting but it is useful for career purposes. Being stationed in West Papua is regarded as a path to military

promotion (that is where Suharto began his climb to power) and more desirable deployments. Officers like to get a name for themselves for hunting down OPM guerrillas. Just how many people are killed and whether they are actually OPM members is difficult to assess as there is little external scrutiny of their interrogation and combat activities. Such activities disrupt the lives of indigenous peoples and further alienate them from the Jakarta government.

One of the best known army victims was Theys Eluay, who on November 10, 2001, was murdered by Indonesian officials. A military court on April 21 2003 found seven Kopassus special force soldiers guilty of involvement in his death but issued only light sentences of between two and three and a half years. The sentences sent a message to West Papuans that they can receive no justice under Indonesian rule and that the military have few restrictions on their use of force in West Papua.

Sixth, West Papua presents its own geographical problems. It ranks among the world's most rugged terrains, with some of the world's highest rainfall levels. These features reduce the advantages of much modern military equipment. Mine sites are spread over large areas, with long perimeter fences. Here there is plenty of scope for infiltration and sabotage. For example, in 1977, the OPM sabotaged slurry pipelines and cost the mining company, Freeport, millions of dollars – and so reminded the world that it was still active.

To conclude, the OPM will not be able to force the Indonesians out of West Papua in the near future, but it will be difficult for Jakarta to defeat the OPM. In the meantime, foreign investors may become anxious about the territory's stability both because of the OPMs sporadic raids and the way in which Jakarta tacitly acknowledges the instability because of the necessity for a large force deployment.

7.3.2 Transmigration

The total population of West Papua is about 2.5 million. Papuans now make up less than 1.5 million of the population. The rest are primarily migrants, brought into the territory under Jakarta's "transmigration" policy. About 10,000 families per year arrive in West Papua as "sponsored" migrants, with an unknown number arriving of their own accord in search of work. The present rate of transmigration makes West Papua's population growth rate one of the fastest in Indonesia. It will also eventually see the indigenous peoples become a minority within their own territory.

The transmigration policy is aimed at reducing the number of people on the islands of Java, Bali, and Sulawesi. It is one of the most controversial of the Government's social policies. Many people do not want to move. For example, they may practice ancestor-worship and so need to be on the land of their ancestors, and not on some distant island.

Similarly, some of the receiving islands are not keen on accepting migrants. The newcomers are often ethnically different from the indigenous population into whose midst they are settled. They may compete with the local population for work. Additionally, land may have to be taken from the local population to be cleared and then built upon as a residential area for the new settlers. Indonesia does not recognize "land rights" in the context of the need to respect a local indigenous population's traditional ownership of land. National interest, based on modernization and

economic development, takes precedence over local traditions. Finally, although the eastern Provinces such as West Papua are comparatively sparsely populated, the land is less fertile and the wet season shorter, which means the environment cannot support large numbers of people.

From an Indonesian social planning point of view, these disruptions have great benefits. To achieve “unity in diversity,” it is helpful to erode some of the distinctiveness of the “diversity” by upsetting the customary ways of people. There are at least 250 major languages spoken by the indigenous peoples of West Papua. Jakarta’s long-term policy is that everyone should speak Bahasa Indonesia, the national language of the country. The intermingling of peoples also encourages the use of Bahasa Indonesian and decline of local languages.

In 1990, the Indonesian Government launched its “Go East” development program to encourage migrants to live in West Papua and other transmigration provinces. It promised them plenty of work and wealth if they did. Consequently, the mining and logging projects now underway in West Papua make it the site of one of the greatest resource bonanzas in Asia.

There is currently an international non-governmental campaign to re-open the matter of the “Act of Free Choice,” and it is one of urgency because the longer a fresh referendum is delayed, the fewer will be the proportion of indigenous West Papuans to vote.

7.3.3 Mining

West Papua possesses both the world’s richest gold mine and second largest open cut copper mine: at Grasberg. This is one of the largest excavations on earth. It contains the world’s largest proven gold deposits (valued at US\$40 billion). The company operating the mine – Freeport McMoRan – is Indonesia’s largest taxpayer. However, little of that wealth returns to West Papua. Of the 18,000 employees, only 5500 are West Papuans and 80,000 of the 110,000 now living around the mine are not from West Papua.

The company has been operating in West Papua since 1969 and is the first foreign company to be granted a mining license under the New Order government of President Suharto. It used to enjoy exceptionally good links with the Indonesian Government. The links are not quite so good under recent Indonesian leaders but its sheer size means that Jakarta has to accord the mine high priority.

Unfortunately for Freeport McMoRan and the people of West Papua, mining is a dirty business at the best of times because of the process of extraction and milling. The processes in West Papua are even more difficult because of the island’s climatic features. The milling plant uses more than 1 billion liters of water a month and the mine dumps almost 120,000 tonnes of ore tailings into the Ajikwa River system each day. The river system has become toxic and silt laden, killing most flora, including the sago palm which is the staple food of local people.

The mine has also had extensive adverse social consequences. The mining operation has necessitated the creation of a whole new dormitory town at Tembagapura to house its workforce. This has disrupted the lives of the local people, the Amungme, who are prohibited from Tembagapura and have been relocated to the

Freeport-run port town of Timika. Since mining began in 1972, between 3000 and 5000 Amungme people have been displaced. These disruptions add to the local support for OPM.

7.3.4 Logging

Logging is also financially very important in West Papua. The forested area is second only to the Amazon Basin in size. West Papua's forested area is about 24% of Indonesia's total forested area. The entire island is one of the most biologically diverse in the world. For example, West Irian contains three of the world's eight surviving equatorial glaciers, all of which have been shrinking because of global warming. Therefore, it is a territory of immense interest to scientists.

Logging also comes at considerable social cost to the indigenous peoples who derive little benefit from logging operations. When a concession is granted, local people are generally not consulted, nor is financial compensation paid. The Indonesian Ministry of Forestry even refuses to recognize tribal rights to forest lands. Indeed, after a concession has been granted, tribal people found entering lands to hunt or gather firewood can be charged with trespassing.

Logging comes at significant environmental cost. Since the roots of trees hold the soil in place, as the trees are cut down, so the thin layer of topsoil is exposed and, when the rains fall, the soil is washed into streams. This, in turn, makes the rivers silts up and increases the risk of flooding. The loss of trees also means a loss of wildlife.

In West Papua, rainforests are teeming with life but the soil is often unsuitable for long-term farming. Rainforests are, therefore, highly complex environments; at once so full of life and yet also so vulnerable to ecological damage. Once land has been cleared, the remaining soil (namely, that which is not washed into streams) is exhausted after a few years, so fresh areas must be cleared to allow transmigrants to begin a new round of cultivation.

The worldwide experience is that indigenous peoples are well aware of the peculiar characteristics of their rainforests. That is why indigenous people worldwide oppose rainforest logging. Yet Jakarta has been unwilling to heed the warnings of indigenous peoples and environmental non-governmental organizations (NGOs) about the dangers of extensive logging.

7.4 THE IMPLICATIONS FOR AUSTRALIA

What does all this mean for Australia? Overall, the situation does not look good for Australia. This final part examines five implications: how Australia's strategy of standing by Indonesia, including its defense of Jakarta's behavior in West Papua, flies in the face of mounting criticism from NGOs and others; Australia's provisioning military training for Indonesian forces (some of which may be involved in West Papua); the suspicion (ironically) in some Indonesian quarters that Australia is supporting West Papuan secession; the implications for PNG (and therefore Australia) of West Papuan violence spilling over the border; and the question of whether Australia could ever be an intermediary of some sort in the distant future, between an increasingly

successful secessionist movement and Jakarta (as happened in East Timor). Such implications mean West Papua will be on the Australian foreign policy agenda for decades.

7.4.1 Australian Defense of Indonesia Over West Papua

Australia defends Indonesia over its actions in West Papua. For example, it does not support international NGO initiatives to re-open the validity of the “Act of Free Choice” or calls for a fresh referendum, and it does not approve of West Papuan independence movement representatives attending the Pacific Islands Forum. There are five motives for Australia’s strategy (which has remained consistent, irrespective of the political party in power in Canberra).

First, Indonesia consists of more than 17,000 islands. It is much more practical for Canberra to deal politically and economically with one government than with a multitude of governments of a multitude of island states. Australia does not support the “Balkanization” of Indonesia, with local movements becoming independent and running their own entities. Such a development (Canberra evidently fears) would increase the risk of localized island-to-island conflicts (in much the same way as European powers feared the competing nationalistic rivalries of the Balkan peoples). In November 2000, the Australian Foreign Minister, Alexander Downer, said: “. . . the Balkanization of Indonesia, if that were to happen, would create enormous regional instability.”

Mr. Downer also commented:

“The clear position we have is that Irian Jaya should remain part of Indonesia. The best way for Indonesia to handle that is across the negotiating table and in an inclusive way with the Papuan people and not through confrontation with the military.” (*Sydney Morning Herald*, June 11, 2000)

Politically and economically, small island states can be more vulnerable to external pressures and interventions. For example, in 1975, Australia supported the Indonesian takeover of East Timor for fear that an independent East Timor could become sympathetic to Soviet or Chinese communist interests (a “Cuba” immediately to Australia’s north). In short, it is much more administratively convenient for Canberra to support Jakarta’s rule over West Papua than to have an independent West Papua.

Second, Canberra can claim that it is bound by international law not to support West Papuan secessionist movements. Such support could be seen as interference in the internal affairs of another country. Since the creation of the 1945 United Nations Charter and the 1948 Universal Declaration of Human Rights, there has been an erosion of what constitutes the ban on interference in the internal affairs of another country. For example, in the 1930s, NGOs called on the United Kingdom and France to criticize Hitler’s treatment of the Jews in Germany but the governments claimed that they could not do so because such criticism would be an interference in Germany’s internal affairs. Few governments would make that argument today. There has been a “human rights revolution” (Suter, 2002, pp. 283–298). But, even so, there remains an international reluctance to criticize the internal affairs of one’s allies. Once a pattern of such interference is created, there is no knowing where it could lead or where it would stop.

Third, supporters of the West Papuan independence movement claim that West Papua has yet to exercise its right of self-determination because the 1969 “Act of Free Choice” was flawed. Leaving aside the allegations surrounding the 1969 events, there is a lack of international agreement over how “self-determination” should be determined. The phrase received international salience during World War I, when US President Woodrow Wilson said that the peoples of the old Austro-Hungarian empire should be given the right to self-determination (such as in the Balkans) and should be allowed to decide their own future. The concept of self-determination is now recognized in international law but there is a lack of agreement over it (Dahlitz, 2003). Indeed, former US Defense Secretary and World Bank President Robert McNamara has even referred to self-determination as “Wilson’s ghost” that continues to haunt international relations almost a century after the president started popularizing the phrase (McNamara and Blight, 2003). Therefore, Australia can claim that it is justified in not supporting the West Papuan independent movement because it is not clear that it has international law on its side.

Fourth, the Australian Government is aware that Indonesia cannot afford to have West Papua leave Indonesia. This is not just a matter of the Province’s immense wealth because there is also wealth elsewhere in the country. Indeed, in the confrontation between Indonesia and the Netherlands over West Papua it is likely that neither country knew just how wealthy West Papua might be. Instead, the issue is more political. If West Papua were to pull out of Indonesia then it would create a precedent for other parts of the country to break away. Javanese rule is not liked in many parts of the country and so there are other contenders (such as Aceh) for independence. Jakarta has to stand firm over West Papua for fear that a successful secession will have a knock-on effect. For example it would have been particularly difficult for former President Megawati Sukarnoputri, a staunch nationalist, to accept the exit of West Papua from Indonesia because her father wrested control of West Papua from the Dutch in 1963.

Finally, Australia does not see any parallel between West Papua and East Timor. East Timor was invaded by Indonesia, which was criticized by the UN and called upon to withdraw, most governments (except Australia) did not recognize the conquest, and there was a continuing (and ultimately successful) international campaign for an independent East Timor. By contrast, West Papua did have an “Act of Free Choice” that was recognized by the UN. The matter seems settled. West Papua was removed for the list of non-self-governing territories with the UN Decolonization Committee, and there are few governments pressing to have the matter re-opened. The international caucus that supported East Timor does not exist for West Papua.

Unfortunately, for Canberra, the West Papuan crisis cannot be so neatly shelved. As this chapter has examined, there are various issues that attract international NGO attention, such as the human rights and environmental plight of West Papuans. There are many “coat pegs” on which activists can hang their campaigns. If anything, the list of issues gets longer rather than shorter. For example, there have been allegations of Indonesian Islamic “warriors” arriving in West Papua to intimidate West Papuans (including Christian ones), so there is now increased attention from Christian NGOs in Western Papuan affairs. Eurico Guterres was sentenced to 10 years jail in November 2002 for instigating attacks on pro-independence leaders in the August 1999 East Timor referendum. He was released pending an appeal – which could take years – and

formed the Laskar Merah Putih (“Red and White” warriors). He is now based in the West Papuan mining town of Timika.

Additionally, in late 2003, the United States criticized the appointment of a controversial police general to head the police force in West Papua. Timbul Silean has been indicted by UN prosecutors for his alleged role in the violence that marred East Timor’s 1999 vote for independence. (Of course, it could be Jakarta’s explicit intention to put such a notorious figure in power to intimidate West Papuans – his record of violence in East Timor should deter them.)

To sum up, as much as Canberra might like the West Papuan crisis to disappear, it is likely to continue to haunt it. There are no easy answers.

7.4.2 Australian Training of Indonesian Officials

Australian support for Jakarta in West Papua presents it with the dilemma of what it should do about the level of official assistance to Jakarta (if any) and what form such assistance should take. If Australia disapproved of the Indonesian presence in West Papua then it could simply decide not to provide any civilian or military aid. However, since it does approve of the presence, and because it sees Indonesia as an important local ally, then Canberra is expected by Jakarta to provide assistance.

One of the most controversial areas of such assistance is in the area of military training. On the one hand, Canberra could argue that it benefits the ordinary Indonesian if its officials (military or civilian) are trained to respect human rights (which is also the Australian argument for its “human rights training” in Burma/Myanmar). On the other hand, Indonesians trained by Australia could be involved in the violation of human rights and so all that Australia would have done was to create more efficient killers (Brown, 2003). Additionally, it would seem that the Indonesian military’s policy of repression in West Papua (and in East Timor and Aceh) only serves to stimulate greater civilian resistance to Jakarta’s rule. Therefore, the military is not so much part of the solution as part of the problem.

This issue has become even more acute since 2001 and the “war on terrorism.” The Clinton Administration and the US Congress imposed a ban on US military assistance to Indonesia in the wake of Indonesian violence in East Timor (Hallinan, 2002). The United States had supplied Indonesia with 90% of its military hardware over the previous 30 years. The Bush Administration has been anxious to reopen all the old ties to arm Indonesia for the “war on terrorism.” The problem here, is that judging by the Indonesian military’s past record, there will be acts of violence against civilians in West Papua (and elsewhere in the country) and these will draw adverse international media attention to Jakarta’s rule and foster separatist sentiments. It will also increase NGO and international media criticism of Australia’s policy of assisting Jakarta.

7.4.3 Indonesian Suspicions of Australia

Ironically, some Indonesians are suspicious of Australia’s motives over West Papua. Australian strategist Hugh White in 2002 undertook a survey of potential risks to Australia and in the context of Australian–Indonesian relations speculated:

“... a deterioration of the situation in a place like Irian Jaya. Indonesian suspicions of Australia’s motives and intentions concerning Irian Jaya are completely ill-founded, but

they are already strong; and there is potential for Australian public opinion to mobilize in opposition to repressive policies from Jakarta. We could find ourselves, reluctantly, back in an East Timor situation all over again, with a significantly heightened risk of conflict." (White, 2002, p. 260)

Australian journalist Lindsay Murdoch in 2000 also commented:

"Despite repeated assurances by the Australian Foreign Minister, Mr Downer, and the Prime Minister, Mr Howard, that Australia supports Indonesia's rule of West Papua, many of Indonesia's political and military elite, still smarting from the loss of East Timor last year, believe Australia is secretly plotting to see the province break away. The Indonesian Government was particularly upset by recent comments by the president of the ACTU Greg Sword – also national president of the ALP – who said West Papuans should be able to hold a referendum on whether they wished to remain part of Indonesia. Indonesia's Foreign Minister Alwi Shihab, earlier this year accused unnamed Australian non-governmental organizations of inciting violence in Papua." (*Sydney Morning Herald*, April 12, 2000)

It seems hard to imagine, given the criticism that Canberra has sustained from NGOs sympathetic to West Papuan independence, that these Indonesian suspicions are justified. However, in international relations appearance is reality. First, the Australian Government has long had close relations with the Melanesian peoples through PNG. It is also an active player in South Pacific affairs. Second (according to this view), Australia has already contributed to the breakaway of East Timor from Indonesia and so West Papua is next. Australia's 1999 involvement in ending Indonesia's illegal occupation was (in my view) long overdue, and in fact Australia actually has little credit in its history of dealings with East Timor (Suter, 1978/1999, pp. 181–200). However, there are some Indonesians who evidently see the Australian Government over the years in a different light.

Third, it is true that there are various NGOs on Australian soil that support West Papuan independence. These NGOs are not, by definition, part of the Australian Government, although some may receive some funding from it (such as foreign aid from AusAID and welfare funding for church welfare programs in Australia, such as the Uniting Church in Australia). West Papua is not a major issue in Australian politics, but it is on the agenda of a variety of Australian NGOs, such as those specifically concerned with West Papuan independence, environmental and human rights NGOs, and some Christian churches. It is also on the agenda of the Pacific Council of Churches and the World Council of Churches.

Fourth, some West Papuan figures are allowed to enter Australia to speak at meetings and do media interviews. Australia has also accepted some refugees from West Papua, such as the late Samuel Ayamiseba, who was a founding member of the Protestant Church of West Papua and chair of the Papuan People's Assembly in the lead up to the 1969 "Act of Free Choice." He was a critic of the Indonesian takeover and was eventually smuggled out of West Papua in 1979. In 1988, he was accepted as a refugee to Australia, where he continued to criticize the Indonesian occupation of West Papua. He was buried in Canberra in September 2003. His family has pledged to return his body to West Papua when it becomes independent.

To sum up, Indonesian suspicions over Canberra's motives are unfounded. On the other hand, for suspicious Indonesians, my claim carries no weight or reassurance either, given that I am a critic of Jakarta's rule over West Papua (and was banned from

Indonesia in the Suharto era because of my views on Indonesia's illegal occupation of East Timor). Rather, my claim could be seen by disbelieving Indonesians as part of a smoke screen to disguise the true intentions of the Australian Government.

This is an example of the problem Canberra faces in West Papua. Little that Canberra does will ease the suspicions of those Indonesians who are always ready to believe the worst about Canberra. Meanwhile, Canberra will be criticized by supporters of West Papuan independence for not doing enough to bring on independence.

7.4.4 The Implications for PNG

The West Papua-PNG political boundary was simply a political convenience. The Netherlands had to draw a line somewhere along the eastern end of its colonies. There are no physical characteristics identifying the boundary. Indeed, it runs down through a mountain range and it is impossible for anyone to know when they have crossed the boundary from appearances. "People in the area have moved back and forth across the line for generations".

There are three implications for PNG all of which create problems for its former colonial master and major aid donor, Australia. First, some West Papuans have lived just over the border in PNG since 1984, when the Indonesian military launched a campaign against an OPM uprising and some West Papuans fled into PNG. About 10,000 people were housed in refugee camps in PNG, in the country's poorest province. The UN High Commissioner for Refugees was given access to the camps. In December 1984, the Australian Section of the International Commission of Jurists (ICJ) published its first report on the camps, which, among other things, recommended to the PNG Government that it not send the refugees back against their will. The Government ignored that recommendation and some were sent back, whereupon they were punished by the Indonesians. Following an international outcry, the PNG Government halted the repatriation. The refugees have stayed in the camps. The total involved may now be around 15,000 (about 1% of the province's indigenous population). In January 2003, the ICJ sent another team to the camps. The situation remains poor (International Commission of Jurists, 2003). People are basically stateless: they cannot return to West Papua, they have not been given PNG citizenship, and they have no right of travel.

Second, there is a risk of "hot pursuit" raids into PNG. These would arise from the Indonesian military chasing OPM guerrillas over the border. Most of these military actions seem to be occurring in the western part of West Papua, where unfortunately, getting in and out of West Papua is very difficult for foreign observers, thus making it impossible to provide an accurate picture of the conflict. There is a risk that the violence could increase on the eastern end of the Province and that the guerrillas will flee into PNG. There have been some instances of this over the years. The PNG defense force is not efficient. It is unable to stop either OPM guerrillas from entering the country or stop Indonesian forces from chasing them.

Third, the most worrying prospect would be a dramatic escalation in the level of violence in West Papua and a resultant large exodus of people into PNG. PNG, which has immense economic and social problems of its own, could not cope with such a crisis. The escalation could also bring on a direct confrontation between Indonesia and

PNG, since the Indonesian military suspect that some OPM receive assistance from PNG citizens on the border and that some OPM bases lies in PNG (especially near the town of Vanimo). There is also the risk of Islamic warriors conducting "hot pursuit" raids.

PNG's plight is a good example of how decisions made in Europe well over a century ago continue to haunt the country – well after most people in The Netherlands have long since forgotten their country's imperial past. As with the other observations in this chapter, there are no easy answers. The ICJ (of which I am the NSW Chair) has recommended that the West Papuans be allowed to stay and settle down in PNG. However, even that recommendation has its own problems, not least the resentment that would be felt by the poorer PNG citizens in that region over West Papuans getting better treatment than themselves. In the longer-term, there is also the far worse risk of PNG being drawn into an enlarged war in West Papua if violence spills over the border.

7.4.5 Australia as an Intermediary?

Australia's West Papuan strategy is one of keeping West Papua inside Indonesia in the hope of reducing West Papua's risk of disruption. According to this reasoning, a West Papua inside Indonesia is safer for Australia than an independent one. Besides, given the current state of international law and the importance of non-interference in the internal affairs of other countries, there is little else that Australia can do. Inertia becomes a virtue.

However, this chapter has argued that this complacency may not be a sensible policy. There is no guarantee that Jakarta will handle West Papua smoothly and so find a way of channeling independent sentiments into a local acceptance of greater autonomy within Indonesia. Jakarta's hope is that the Province's increasing wealth will gradually trickle down to the average West Papuan so that there will be a grudging acceptance that he or she is better off under Jakarta's direct rule rather than independence under an inexperienced and poorly coordinated OPM. However, there is little in Indonesian policy so far to justify this degree of optimism. For example, some of the heat in the conflicts plaguing Indonesia could be removed by Indonesia becoming a federation and allowing a high degree of Provincial self-rule. However, while there has been some talk of local autonomy, this does not go nearly far enough. Also (it has to be admitted) getting federations to work is very difficult (almost all of those created by the United Kingdom when it pulled out of its colonies after 1945 fell apart within a few years). In which case, what is the Australian contingency plan for a worsening situation in West Papua? It is hard to see Australia sending forces into the PNG-West Papuan border region to stop the fighting. But, then again, Australian intervention in the Solomon Islands also seemed unlikely a few years ago (Suter, 2003, pp. 72–76).

Aslo, what would happen if – amid extensive media coverage the refugees started fleeing into northern Australia? Indonesia does not have good standing in Australia and so it would take little to whip up anti-Indonesian feeling in Australia and a demand for strong Australian action. Additionally, Indonesia no longer enjoys the high international standing that it did in the early 1960s as a leader of the Non-Aligned Movement

(which is itself now almost defunct). The Cold War is over and the United States no longer has to worry about wooing Indonesia into the Western camp. Russia and China now have other priorities and they have little interest in wooing Indonesia, either.

West Papua's affairs are not necessarily merely "internal" Indonesian ones. There is a risk that West Papua's problems could spill over into PNG and Australia (or even north into the Philippines). It is therefore in Australia's long-term interests that it takes a more pro-active stand on West Papua's affairs, so as to nip problems in the bud.

Among some of the issues it might raise on a continuous basis with Jakarta are: first, the need for Indonesia to create a federal structure (and the willingness of Australia to provide some advice on how to do it, after all Australia is one of the world's longest lasting federations). Second, enabling West Papua to have a high degree of local autonomy. Third, stopping the policy of transmigration into West Papua. Fourth, ensuring that the rule of law is respected in West Papua, including the punishment of military and law enforcement officials found guilty of breaking the law. Fifth, ensuring that more of the Province's wealth is spent in the Province on the indigenous people. Sixth, ensuring a greater role for indigenous people in running the Province. Seventh, learning from NGOs in other countries how the process of reconciliation can be carried out and then implementing a reconciliation program in West Papua. Eighth, encouraging foreign NGOs to work with local NGOs to create a civil society in West Papua. Ninth, allowing international observers into the Province to see how West Papua is developing.

These nine recommendations circumvent the issue of re-opening the "Act of Free Choice." If Jakarta does not satisfy the aspirations of West Papuans, then having another "Act of Free Choice" is irrelevant. Events will create their own momentum. Violence and disruption in the Province would drive Jakarta out of the Province (or into an even greater state of internal chaos across the nation). After all, the occupation of East Timor was illegal and commentators, including myself, called on Jakarta to withdraw. Yet, in the final analysis, the legal arguments did not apply. Jakarta was driven out. The OPM can lose battle after battle and still win. Australia must encourage Jakarta to learn from history.

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8. DISCONTENTS OF DAILY LIFE IN THE SOUTH PACIFIC

We all suffer from discontents, from a sense of disquiet about some of the things that happen or might happen in our surroundings and how they do or might threaten our welfare or that of our families and friends or perhaps our homeland or environment. We all would like some things to be otherwise than they are. In this chapter I focus on conditions or processes that currently arouse discontent, disquiet, and worry among people living in South Pacific countries – things that might be seen to contribute to a milieu of instability. Mostly, these things are not unique to the South Pacific region but they are prevalent there today. I make no attempt to provide a comprehensive country-by-country survey or to present comparative percentages of the intensity of discontent in various places. Instead, incompletely and impressionistically, I examine issues that seem particularly significant or acute. Regionally, I focus on Papua New Guinea, Solomon Islands, Vanuatu, and Fiji, which are the four Melanesian countries that fall particularly within Australia's sphere of influence and concern (Figure 8.1). Papua (the Indonesian province that occupies the western half of the great island of New Guinea) and New Caledonia, which are also generally classed as part of Melanesia, are considered in other chapters as also, through case studies, are those looked at here.

8.1 NEVER AN ISLAND PARADISE

There is a tendency to view the Pacific's past of 40 or 50 years ago as a golden age, to assume that problems are recent, that things were happier before globalization and "modernity" took hold. A good antidote to such a belief is anthropologist Cyril Belshaw's book *Under the Ivi Tree: Society and Economic Growth in Rural Fiji* (1964), based as it is on fieldwork carried out more than 40 years ago. Belshaw entitles his first chapter "The Fijian Way of Life: A Romance." In it he paints the then commonly held picture of Fijian village life as one of simple adjustment and lack of tension based upon the sharing of easily satisfied goals. That picture showed Fijian villagers living in an equable climate, enjoying a rich variety of food resources, and possessing a culture rich in ceremonial and traditional precedents that solved any problems that might be created by human evil, so providing a calmness and lack of tension – a society and environment in gentle harmony.

There is truth in parts of the description but as Belshaw also writes (1964, p. 15):

... a society which can be described and understood with so few strokes of the pen does not exist. The features of Fijian society which I have set out must be redrawn if they are to be seen in their reality, as they impinge upon the emotions and destiny of village people. They must be supplemented by others, which, even within the principles of traditional

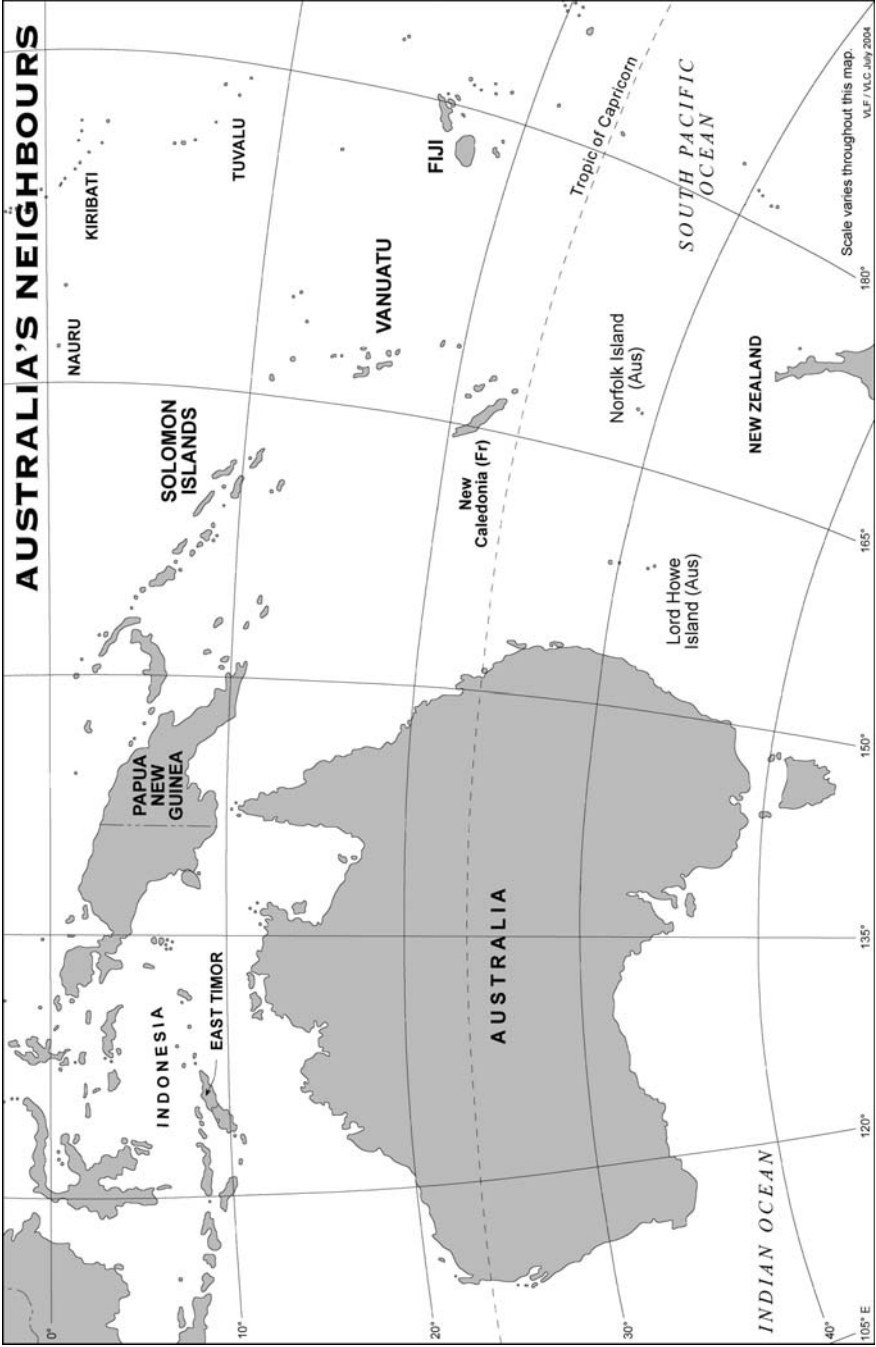


Figure 8.1 Australia's Neighbours

society, suggest harsher tones. And the frame of the picture, the presence of an immigrant majority in the population, the growing shortage of land, and the uncertainties of agriculture as a basis for an economy, clashes with the harmonies of village colour.

In fact, Belshaw writes, if the idealized image of harmony and non-acquisitiveness forms the basis of political and economic policy, such an image constitutes a dangerous and destructive myth. Fiji was no utopia 40 years ago, nor is it now. Then as now, there were discontents and human tragedies, along with compensating rewards and joys (Belshaw, 1964, pp. 4, 270).

I turn now to the contemporary Pacific and examine issues that often beget discontent and worry among the islands' peoples, as well as among onlookers. It quickly became apparent to me that the issues that seemed significant to me could not be treated separately one from another; that they blend inextricably, so that, for instance, land and access to land connect with livelihood and poverty, population and health are intimately linked with services and environmental degradation, and livelihood with urbanization. Consequently, in my discussion of any of these issues, I frequently cross the conceptual boundaries between them because such boundaries mean little in the jumble of daily life.

8.2 LAND

No place in the Pacific is free from tensions having to do with land. Who "owns" it? Who has rights to use it? To whom should land's benefits flow? How can land be used so as to increase its yield of wealth without increasing individual inequalities? These questions point to economic, social, and potent political issues, but in the Pacific there is, widely, a spiritual and emotional side to land as well. As Josefata Kamikamica (the long-standing General Manager of Fiji's NLTB) put it:

The Fijian indigenous community regard their land as a symbol of identification of their place and traditional role in society. To them, the land is basically a heritage to be protected and safeguarded. It maintains their links with the past and offers security to them, now and in the future. To them land represents life and sustenance, race and culture. (Kamikamica, 1997, p. 259)

There is a deep truth in what Kamikamica said about Fijians, whose rights to land were fully protected by the 1997 Constitution and earlier constitutions but who nevertheless felt dark anxiety in their hearts and minds in response to unsubstantiated rumors about losing land to Indo-Fijians. The presence in Fiji of the large population of Indo-Fijians has long resulted in land being one of the most contentious policy issues in the country, and one that successive governments have been unable to solve even as land issues become ever more serious.

In 2003 the National Farmers Union of Fiji issued a document entitled "Dark Clouds on the Sugar Horizon" (2003, p. 381). Its opening sentences read: "The crisis in the sugar industry looms as a major challenge in the coming months. On the continued viability of this crucial industry hangs the health of the entire national economy and the livelihood of close to one-fifth of the population either directly or indirectly." This assessment is true enough but misleading in that the crisis is nothing new. For instance, 15 years ago, in 1988, Charles Eaton, who had long experience with land issues in western Viti Levu, Fiji, wrote a paper having to do with gaining access to

native land for commercial farming in Fiji, land which is officially administered by the Native Land Trust Board (NLTB). Eaton wrote (1988, p. 25):

Given that there is an increasing lack of arable land available, the expiry of NLTB leases over the next twenty years could cause major agricultural and social upheaval. A cohesive plan must be instigated soon to accommodate the redistribution and allocation of both land and farmers to avoid a national crisis.

Eaton's "cohesive plan" still does not exist – in fact, all the governments since Eaton made his assessment 15 years ago seem to have been paralyzed with respect to doing much of anything to deal with the prospect of agricultural and social upheaval. How to manage Fiji's sugar lands has gone into the too-hard basket, and it seems inevitable that some level of pain and uncertainty will continue to plague Fiji's rural landscape. Here I can only try to highlight the essence of the complex impasse. Details can be gained from Kurer (2001), Lal with Reddy (2003), M. Reddy (2003), N. Reddy (2003) and Ward (1995, 1997).

- Most sugarcane (long the source of Fiji's most important export product) is now grown on land held inalienably by Fijian kin groups known as *mataqali*. This land is made available to tenant farmers (the majority of whom are Indo-Fijian) on lease through the agency of the NLTB, which acts as custodian of the native lands. (There are also informal lease arrangements directly between landowners and lessees.) Over 21,000 independent farmers grow nearly all the sugarcane on holdings averaging four hectares. Between 1997 and 2001, in accord with lease arrangements specified under the Agricultural Landlord and Tenant Act (ALTA), 3323 leases expired; by the end of 2006, another 2131 are expected to expire. So far, over 70% of the expired leases have not been reissued to existing tenants.
- One reason for the non-renewals is the desire of Fijians to take up commercial farming. Another is the belief, not wholly valid, on the part of the landowners that they receive no benefit from the subsidy on sugar prices provided by the European Union. In contrast, the tenants are seen to be benefiting greatly. The landowners also believe, rightly in most cases, that they receive too little rent from the leases. The NLTB has normally retained 25% (now 20%) of the total rent. Of the rent remaining after the NLTB deduction, three chiefs related to the *mataqali* receive 30% and the ordinary adult members of the *mataqali* receive their individual share of the remaining amount. Depending on the size of the *mataqali* and the amount of the rent, this can be a very small amount. Further, the NLTB rents are far below "market value" as shown by comparing NLTB rents with the rents received for informal or extra-legal arrangements for land use, and the NLTB often does not collect the full amount of rent legally specified and also allows rents to remain in arrears.
- Woven into the seeming inability of successive Fijian governments to take decisive action with regard to the country's land perplexities are sturdy threads of Fijian ultra-nationalism (what has been called Fijian supremacism). George Speight's civilian takeover of Fiji's Parliament in May 2000 has been explained as a move to counteract perceived threats to Fijian land by the Chaudhry (Indo-Fijian) government (Kurer, 2001). Beyond that, not only are there misapprehensions by both Fijians

and Indo-Fijians that the other group is exploiting them, there are also diametrically divergent real interests of landowners and tenants over length of tenancy, amount of rent, and compensation for tenants whose leases are not renewed. The present state may be seen to be unsatisfactory but any moves toward breaking the political impasse will arouse antagonism in one quarter or another.

In consequence of these local political tensions, Fiji's sugar industry, the backbone of the country's rural economy, faces internal social, and economic disruption. Further, Fiji's cane lands suffer from low productivity and soil erosion (Clarke and Morrison, 1987), and the country's milling facilities are antiquated. Productivity will fall still further if large numbers of inexperienced Fijian landowners move to replace experienced Indo-Fijian cane farmers inasmuch as agricultural extension services are wholly inadequate and conservation regulations are not enforced. External economic threats include the possibility of diminishing European Union support for the price of sugar exports from Pacific and Caribbean countries. If the industry fails, many people will be displaced from the land, rural unemployment will increase massively, racial tensions will rise, squatter settlements will spread, and there will be greater numbers of poor.

The potential for ethnic conflict and the broad economic significance of the Fiji sugar industry within the country make the land situation there seem especially bleak, but land is also a source of contention elsewhere in Melanesia. In Papua New Guinea, Solomon Islands, and Vanuatu most of the land or virtually all of it in the case of Vanuatu falls under "customary" ownership – that is, the rights to land are inalienably held by recognized descent groups rather than as the freehold possession of individuals. Unlike the situation in Fiji, where the groups are formally registered and the land holdings are clearly surveyed, in the other countries both the groups and the holdings are less clearly demarcated. Although ambiguity of tenure lends the system flexibility, disputes are common everywhere.

As shown in the large literature on disputes in Melanesia, they have many causes. For instance, governments may need to acquire customary land compulsorily for purposes such as urban development (for example, parts of Port Vila in Vanuatu), for roads or port construction (leading to violent confrontations in Bougainville, Papua New Guinea, early in the development of the Panguna mine), for agricultural development (such as the oil palm project on the Guadalcanal Plains, Solomon Islands), or for many mining or logging projects. In such instances, disputes arise over the amount of compensation, over who holds the customary rights, and often whether the development should proceed at all. In the long-standing violence related to the Panguna mine in Bougainville, part of the matter at issue was that the generation who came along after the initial negotiations had been carried out years earlier felt that they had been deprived of their say – this because, unlike a legal-minded westerner thinking in terms of individualized freehold land, they felt they still held rights over the land. As suggested earlier, the link to their land remains very deep among Melanesians. Land is a serious matter to the extent that in July 2003, the Solomon Islands' Minister for Lands, Siriako Usa, said that he wanted the Australian intervention force (sent to restore law and order in Solomon Islands) to help deal with the core cause of the ethnic tension, the land issue (<www.pacnews.org>, 18 July 2003). By "ethnic tension," the Minister

refers to the antagonism between the people of Guadalcanal and those of Malaita, as discussed below.

In Solomon Islands the migration of Malaitans from their ancestral and heavily populated island to the island of Guadalcanal where more opportunities for wage labor existed meant the Malaitans of necessity were occupying Guadalcanal land. While this was not the only reason that Guadalcanal people launched their Isatabu Freedom Movement in 1998, it was part of the perceived threat that led the Isatabu Freedom Movement to threaten Malaitans with force if they did return to their own island, which some of the Malaitans had left because of growing land shortages there. The violence and killing that followed on Guadalcanal led to the formation of a counter militia force known as the Malaita Eagle Force and to violent exchanges between the two groups, with the Malaitans demanding compensation for lost lives and properties. Currently, a similar situation may be developing in Vanuatu, where migrants from the densely populated island of Tanna are moving to Efate, where the capital city and much of the country's development is located. The Tannese have moved into several of the squatter settlements around Port Vila and in rural areas as well. Many of these migrants are young men, poorly educated, and jobless – characteristics they share not only with the militia groups and gangs of thugs that have caused unrest in Solomon Islands but also with the young men who joined George Speight in the takeover of Fiji's Parliament in May 2000.

8.3 POPULATION AND HEALTH

Geographer Richard Bedford (2003, p. 36) has noted that Melanesia is the Pacific's demographic "time bomb," with all countries aside from Fiji having estimated annual rates of growth over 2% in 2003 (Table 8.1). For the region, the average is 2.7% annually, which reflects the high rates of growth in the two countries with the largest populations, Papua New Guinea and Solomon Islands – growing annually at 2.7% and 2.8% respectively, with some sources estimating slightly higher rates of growth.

The census figures suggest that Papua New Guinea's rate of growth has slowed compared with the last two decades of the 20th century when the growth rate was

Table 8.1 Melanesian population change

<i>Country</i>	<i>Estimated Population Mid-2003</i>	<i>Estimated Annual Growth Rate (%)</i>	<i>Population Doubling Time (years)</i>	<i>Average Yearly Increase 2000–2005 (persons)</i>	<i>Population Density Mid- Year 2003 (persons km²)</i>
Fiji	831,600	1.6	44	13,170	45
PNG	5,617,000	2.7	26	137,680	12
Solomons	450,000	2.8	25	11,450	16
Vanuatu	204,100	2.6	27	4,930	17

Source: Secretariat of the Pacific Community/Demography Programme
<http://www.spc.int/demog/>.

Table 8.2 Melanesian urbanization

<i>Country</i>	<i>Urban Population as % of Total Population</i>	<i>Urban Growth Rate During Latest Inter- censal Period (%)</i>	<i>Rural Growth Rate During Latest Inter- censal Period (%)</i>
Fiji	46	2.6	-0.5
Papua New Guinea	12	4.1	2.1
Solomon Islands	12	3.8	2.6
Vanuatu	21	4.2	2.2

Source: Secretariat of the Pacific Community, Demography Population Programme
www.spc.int/demog/.

estimated to be 3.1% but it must be remembered that the figures are open to question because Papua New Guinea's census-taking procedures are flawed and poorly controlled. Nonetheless, there is the suggestion that by 2010, Melanesia's population growth will not be "careering beyond control" as was predicted in the "doomsday scenario" published in 1993 by the National Centre for Development Studies (NCDS) at the Australian National University (Callick, 1993). But even growth rates in the range of 2.6–2.8% raise serious problems in countries such as Papua New Guinea, Vanuatu, and Solomon Islands, with their weak or backward sliding economies and their inadequate systems of delivery for health services and education. Across all the villages and towns of these countries an ever recurring worry is finding money for children's school fees but not having to pay the fees because schools have closed is little compensation—and in rural isolated areas schools are closing because they can no longer cope with increasing numbers of students and there is no funding to pay additional teachers or even existing teachers. Similarly, rural health clinics close because of lack of supplies and of funding to pay health workers, so threatening public health as treatments cease and information on disease prevention is no longer distributed. And how can the frail economies of Papua New Guinea or Solomon Islands come near to growing fast enough each year to provide jobs for the mushrooming number of young people in their countries? While western countries worry about their aging populations, Solomon Islands has 52% of its population under 18. As a Solomon Islander poet put it (Tekatoha, 1996, p. 11):

Solomon Islanders
 Nevermind if someone dies
 Children are born in hundreds a week
 Over-populated.

Health conditions vary across Melanesia. People living in northern Vanuatu, Solomon Islands, and lower-elevation Papua New Guinea are afflicted by malaria, which is absent from Fiji, where epidemics of dengue fever occur frequently, as they do in the other three countries as well. Changes in lifestyle and diet have brought changes over time, with non-communicable diseases such as diabetes and cardiovascular ailments ("diseases of modernization") increasing compared with infectious diseases (Pollock and Finau, 1999). Rural health services have never been adequate

in western Melanesia and in recent years have declined further, affecting basic programs such as child immunization – with the World Health Organisation World Health Index recently dropping Papua New Guinea's rank to 148 out of 191 countries. Under-nutrition of children in rural areas is widely reported, and infant mortality rates have increased in some Papua New Guinean provinces since the 1980s (Schoeffel, 1996).

In Papua New Guinea, the major causes of death in adults are pneumonia and tuberculosis, but as recently reported in a news note in *Islands Business* (10 January 2004) the spread of HIV/AIDS grows grimmer and grimmer, with nearly 6500 confirmed cases and an estimated total now of 70,000 cases. The note continues that a Port Moresby resident related that of two doctors he is acquainted with, one encounters an average of four new cases each week, and the other encounters eight. Other authorities give different figures for the disease's incidence, but all agree that Papua New Guinea has the highest occurrence of HIV/AIDS in the Pacific. The anticipated continued spread of HIV/AIDS threatens economic development and food security in the country (Baxter, 2001; Malau, 2001). If Papua New Guinea's experience follows that of several African countries, where, as in Papua New Guinea, the disease is transmitted largely within the heterosexual population, impacts will include a strain on the health care system, a reduced demand for schooling, higher labor costs, a fall in tax revenue, and an exacerbation of poverty as medical expenses and funeral costs increase. The care of orphans whose parents have died from HIV/AIDS imposes a further social and economic cost. In the informal agricultural sector, AIDS mortality and morbidity may result in a decline in general productivity as well as a labor shortage, which would force households to shift from cash to subsistence crops.

8.4 LIVELIHOOD AND POVERTY

Forty years ago I lived in a community in a remote part of Papua New Guinea where the local people's economy was still entirely subsistence, with all the food crops grown traditionally in ample supply but no cash crops at all (Clarke, 1971). It has been suggested that people in such a situation enjoyed a state of "subsistence affluence." Things have changed now, with export cash crops, most notably coffee, widely grown in parts of the country. Women gardeners also produce large amounts of vegetable food for local markets wherever markets are accessible. Even at remote government stations, women (men only rarely) who 20 years ago had no part in the cash economy bring in fresh foods and specialty products such as peanuts and pineapples for sale at small informal markets (e.g., Knauff, 2002, pp. 207–211). Despite these modest ventures into a cash economy, subsistence production remains the major basis of livelihood for most Papua New Guineans. About 85% of Papua New Guineans today are rural villagers and they produce most of their own food – about 84% of calories are estimated to come from locally produced food (Bourke, 2001; Gibson, 2001). This situation immediately raises questions about the relationship between a growing population and a fixed amount of land and how the agricultural system has coped with the need for much greater production – since in mid-1966 Papua New Guinea's population was estimated to be about 2.2 million persons and in mid-2003 it was estimated to be 5.6 million persons. At first glance, it might seem remarkable that there has been little increase in the amount of land under cultivation over this period; nor have food

imports increased at a rate higher than the growth of population and, in any case, most imported food is consumed in urban, not rural, areas. Further, there is no evidence of a decline in nutritional standards in the country, although child nutrition remains very poor in some areas. The answer to this puzzle is that the increased food necessary to feed the growing population has been produced by intensifying production on land already in use that is commonly the best land available for agriculture.

Expectable but not inevitable results of continued intensification include the need for greater labor input per unit of production (which lowers productivity) and may require, if affordable, chemical inputs of pesticides and commercial fertilizers. The variety of foods diminishes as the highest-yielding cultivars are favored, soil fertility may decrease with the shortened fallows, and erosion may increase. Land disputes become commoner as population density increases, a situation exacerbated when dominant or better educated individuals “freeze” lands into their own private holding, thus removing land from the pool of land to which the whole land-holding group had traditional rights. Grossman (1984) described this process for government-sponsored cattle projects in the Papua New Guinean highlands where “cattle bosses” gained essentially private rights over some of the best agricultural land to build cattle pens in what was ostensibly a community project. Rodman (1995) describes a similar process for Vanuatu where the rhetoric of *kastom* (custom) is strong with regard to land but where nonetheless ni-Vanuatu men she calls “masters of tradition” have gained relatively large areas of land by establishing coconut plantations and whose control over this land, while seemingly customary, may initiate greater social and economic differentiation, or inequality, within the group – with the land becoming more heritable by individuals than in the past.

A recent study of Bougainville Province in Papua New Guinea found stress in agricultural systems there, especially in the Province’s small islands where population growth is rapid and population density is already high (Bourke and Betitis, 2003). Indicators of stress included food shortages, yield of food declining over time, changes in fallow vegetation from woody to grass, shortages of firewood, a shift to a single staple such as cassava, which grows well on poor soils, soil erosion, land disputes, out-migration because of inadequate land. Frazer (1987, p. ii) vividly outlines changes that occurred in a community in Malaita, Solomon Islands, in the 1970s and 1980s:

A notable change over the period has been the growth in cash cropping. The area of tree crops doubled between 1971 and 1985, production of cocoa increased threefold and copra production four times. While this expansion has increased cash incomes, the increased areas of tree crops, combined with population growth, have caused a growing shortage of land. Land for food cropping is scarce and much of that available is far away, imposing additional work burdens on women who do most of the food crop planting. One response to the land shortage has been to reduce bush fallow periods, causing declines in crop yields and some land degradation. Land scarcity is also a cause of the growing number of land disputes.

Migration from rural areas to towns – whether because of growing land scarcity or in search of jobs or to escape oppressive village traditions and obligations – characterizes the Pacific as it does almost all less developed countries. Rural dwellers, who were monetarily poor in the country but often had at least some access to subsistence production, move into slums and shanty towns around Pacific towns where they join the

urban poor. Bryant (1993) showed urban poverty to have grown in Fiji from 6% of Fijians in 1977 to 21% in 1991, and from 5% of Indo-Fijians in 1977 to 10.3% in 1991. Anecdotally, I observed a significant increase in the number of beggars on Suva's streets between 1999, when I moved from Suva to Australia, and 2002, when I returned to Suva for a short visit. A concomitant change was the increase, also on Suva's streets, of large, expensive, air-conditioned 4-wheel-drive vehicles driven by Fijians, presumably the group Scott MacWilliam (2002) refers to as "Fiji's wealthy" or as "buccaneers." As he notes (2002, p. 139):

Although little studied as yet, the rise to dominance of local business men and women is especially obvious. This rise is neatly symbolized by the present government, the most substantial fusion of economic and political power in Fiji's post-colonial history. Indeed, during the 2001 election campaign, then interim Prime Minister Laisenia Qarese claimed that the party he led, the Fijian Unity party (SDL), had as candidates only successful business and professional men and women.

Such fusion of commercial and political interests characterizes all the countries under discussion and has resulted in a similar creation of a small wealthy group in the towns in contrast to a much larger group of urban and rural poor. The displacement resulting from the impasse in settling the issue of Fiji's sugar lands will have increased both rural poverty and the movement of displaced persons into slums fringing the country's towns. Poverty suggests not just a lack of money but also insufficient access to clean water and sanitation, health care, adequate housing, and basic services. Following their definition, the UNDP (1997) *Fiji Poverty Report* estimated that 25% of Fiji's households were living in poverty in 1991 and another 15% were close to the line. Certainly, since then the absolute number in poverty will have increased, as will have the trend towards growing inequality.

In Solomon Islands, especially over the past 10 or 15 years, poverty has increased, and people have become pessimistic about their future. In 1992 the Solomon Islands Development Trust carried out a social and economic survey in both rural and urban areas asking people to classify their level of well-being in terms of food availability (garden and purchased), access to water, sanitation, social services, housing, jobs, and land. Village life scored better than urban, but both sectors were quite sure that the 21st century would see their lives poorer than they had been during the 1980s. Their expectations were confirmed, with health services, educational opportunities, and access to cash all declining (Roughan and Hite, 2002).

8.5 CRIME, CORRUPTION, VIOLENCE, AND ELECTIONS

Although reports may sometimes be exaggerated, crime and violence are common in Papua New Guinea – vandalism, burglaries, robberies, bank hold-ups, muggings, vehicle hijacking and thefts, intergroup fighting, *raskol* gangs, assault, pack rape, the increasing use of high-powered guns, and more – but life goes on even in the "crime-ridden" towns while things are quite peaceful and safe in some, certainly not all, rural parts of the country. Much of the writing on crime and violence laments the effects on business and the potential of the tourist industry. There does not seem to be, however, much written on the effects that crime and the prevalence of violence have on people's daily lives. There have, however, been large public demonstrations in Port Moresby demanding government action, women demonstrating against rape, and expressions of

public outrage. In response the government has recurrently established states of emergency, curfews, and organized police raids on squatter settlements and gang locations – although the police themselves often cause extensive physical damage to property and assault and harass people (Dinnen, 2001).

The word “corruption” implies a departure from correct or proper behavior, an abuse of public trust by a politician or public servant. Certainly, many South Pacific politicians and public servants gain wealth and privilege to which they are not legally entitled. An abstract moral model of behavior has been violated. Probity, or adherence to the highest principles and ideals, has been shattered. The fault in this analysis lies in the belief that the “highest principles and ideals” are universal, essential, that these concepts have an independent existence. What if there is another moral model of reality, what if moral models depend more on the cultural context of social relationships than on the isolated, abstract content of a word? Much has been written along these lines on crime, corruption, and violence in Papua New Guinea; see, for instance Pitts (2002) or Jowitt and Newton-Cain (2003). Or in his book *Law and Order in a Weak State: Crime and Politics in Papua New Guinea*, Sinclair Dinnen (2001, p. 200) describes of the resilience of older styles of leadership and the continuing significance of the gift economy in the face of pervasive social and economic change:

Rather than disappearing as the old order is swept away by the new, old and new have become progressively entangled. . . . The familiar complex of leadership and exchange manifests itself in crime, reform, and politics. In each context, success in the form of personal power and prestige is achieved by those most adept at manipulating social relations and resources.

No matter that crime, corruption, and violence can be shown to grow from social and cultural roots, it is the case that the consequent instability and threatening potential of damage or violence worry people, inhibit investment, cause businesses to close and move away from unsafe locales, hold back movement of people and goods, and slow the possibility of development. In Papua New Guinea violence has been the activity of individuals, small groups, clans or tribes, and *raskol* gangs. The result is a breakdown of “law and order,” but violence has never been directed at the machinery of the nation state as such although there have been tensions between the government and the Papua New Guinea Defence Force when the government attempted to hire foreign mercenaries (the “Sandline Affair”) and when it planned to downsize the Force. In Solomon Islands the Malaita Eagle Force (often referred to as a gang of thugs) did in effect seize what power was still held by the government of Solomon Islands. In Vanuatu in 2002 about a hundred armed paramilitary officers confronted some members of the police force but the threat of violence received no public support and the situation was defused (Jowitt, 2003, p. 469). It is in Fiji that by far the most organized takeovers of state power have taken place, with the two military coups carried out by the Fijian army in 1987 and the civilian armed putsch (with some help from military personnel) in May 2000, when George Speight and his gang hijacked the Fijian Parliament (Lal & Pretes, 2001). In both 1987 and 2000, a primary motivation of the insurgents was to reassert Fijian political supremacy over Indo-Fijian gains, which had been achieved by means of elections. In this goal, the insurgents were successful but at the expense of economic loss, a strengthening of mutual mistrust between the two major communities, and it would seem a growth in nepotism and corruption among Fijians in positions of authority.

Research into the impact of the events of May 2000 on Fijian children and families has revealed a wide range of worries and discontents among ordinary families in Fiji. A report based on this research stressed that many of the current problems faced by children and families were not *caused* by the political crisis of 2000 but they were exacerbated. A variety of worries and problems were listed by the many people interviewed (Save the Children Fiji, 2001):

- Unemployment, political instability, and poverty increased (more people are now poor and the poor have become poorer).
- Over the 10 years before May 2000, people believed that progress had been made in ensuring that education was available to children throughout Fiji. After May 2000 both schools and families had less income, pre-schools were closed, parents were hard-pressed to pay for school fees, books, uniforms, bus fares, and lunches. Increasingly, children dropped out of school to help family finances or to care for younger siblings. Some children took to living on the street when family stress became too great for them to bear at home.
- Many people interviewed reported feelings of confusion, fear, anger, hopelessness or helplessness over the political events. There were reports of Fijian communities protecting their Indo-Fijian neighbors during the crisis, but more common were reports of racial intimidation in schools, towns, shops, and homes.
- Ongoing issues having to do with land tenure and land use resulted in an increasing number of families (mostly Indo-Fijian) being displaced, often after generations on the same land. Some families had to vacate the land on short notice and received no funding for resettlement.
- Welfare service providers scrambled to meet new demands, often with diminished financial and human resources. Many government and NGO programs were postponed during the May 2000 crisis, and were difficult to reestablish because professional staff in key areas had emigrated overseas.

Elections in Papua New Guinea have received much attention, analysis, and lamentation, with the focus most recently on the June 2002 national election. "Chaos" is not quite the word; perhaps "pandemonium" is more appropriate to describe the electoral process in the highlands provinces of Enga and the Southern Highlands. Or more academically the process has been called "Disorderly Democracy" and "Gun-Point Democracy." More gently, one long-time observer of Enga Province (Gibbs, 2003a, b) noted that the election there illustrated "the gap between the international standards of liberal democratic principles and the patronage-based system that appears to be developing from traditional leadership patterns." Features of the highlands election included ballot boxes burned or blown up; intimidation of voters; a candidate's son carefully filling out ballot after ballot for his father; more votes counted than there were people who voted; some winning candidates gaining 100% of the vote, this when there were many candidates; and guns being much in evidence and in use, perhaps especially in the Southern Highlands, where gun culture has firmly taken hold.

Chin (2003) observed that the 2002 election was inadequately planned for and the Common Roll was "unclean," containing more than a million "ghost names" out of a voting population of about two million people. All of the 2800 candidates (in 42 political

parties) vying for one of the 109 seats in the Parliament pledged to fight corruption if elected although several candidates were ex-convicts and some candidates campaigned from jail where they were serving time for misappropriation of public funds. Anti-corruption rallies received very little support. As Chin (2003, p. 458) noted: "... issues seem to matter little to voters. Vote buying and 'houseline' (clan) voting decided the outcome of most constituencies." Rather than any thought of elections and government being a widespread participatory endeavour, the political climate is one whereby politicians are elected to channel goods and services into a small constituency.

Similarly, in the Vanuatu 2002 elections voter behavior was determined more by loyalty to personalities than support of particular policies. Generally less belligerent than the Papua New Guinea elections, there were still some violent incidents during the campaign period in Vanuatu, as when a restaurant owner in Port Vila was assaulted when he removed a candidate's election poster that had been stuck on his restaurant's menu board without his permission. The gang of the candidate's supporters who assaulted the owner also forced him to eat the poster and demanded 20,000 *vatu* in "compensation" (Jowitt, 2003).

8.6 GOVERNMENT SERVICES

Given the prevalence of crime, corruption, and violence, it will come as no surprise that Papua New Guinean government services are flimsy or non-existent. Report after report tell of roads fallen into ruin or into a near impassable state of disrepair because maintenance services are so poor. Other services under stress are schools, health clinics, and agricultural extension services, all of which are underfunded, understaffed, and the existing staff are poorly motivated, given the security situation and the lack of government support and supplies. In this environment, aid donors, church organizations, and NGOs find it difficult to carry out their projects successfully. It should be pointed out as well that outsiders intent on helping rural peoples in any of the countries under discussion often have too rosy an idea of the unity inherent in a rural "community" in Melanesia (Hunnam and Baines, 2002). Cooperative efforts are often hindered by schisms, jealousies, and threats of sorcery in which village life abounds. Beyond that, rural people have often grown contemptuous of city people and have an image of urban "fat cats" seeking only to satisfy their own greed or that of a small band of supporters. Regarding the distribution of services and their lack, an excellent source of geographical information is the *Papua New Guinea Rural Development Handbook* (Hanson et al., 2001), which maps for each province the distribution of levels of "Access to services" and the location of "Disadvantaged people" in terms of services, income, access to transportation, and quality of environment.

8.7 ENVIRONMENTAL DEGRADATION

Island environments suffer from the familiar catalogue of soil erosion, loss of biodiversity from forest, reef, and sea, pollution of fresh water and inshore marine waters, loss of mangroves, overfishing, destructive logging and mining, and the universal problems of disposal of sewage and garbage. Public servants and politicians express concern about environmental degradation and that shibboleth "sustainable development," often

placing emphasis on climate change and sea-level rise, processes over which poor small-island states have almost no control. Where authorities could act to limit local degradation, there may be official lassitude, and national environmental agencies are understaffed, underfunded, and unempowered to act against the wishes of politicians (Burt and Clerk, 1997; Thaman, 2002; Thistlethwaite and Davis, 1996).

One particularly bleak expression of the environmental future was made by a Solomon Islands parliamentarian, who, in speaking about his country, wondered if what will be passed on to the next generation will be “like a tin with the meat taken out” (Keesing, 1993). He was thinking of the potential for overfishing by commercial tuna fishers, of the damage done to lagoon life by baitfishing, and of the rapacious logging carried out by Malaysian companies.

Corruption, environmental damage, and social disruptions in relation to logging also plague Papua New Guinea. Fiji and Vanuatu also face dilemmas having to do in various ways with logging but on a smaller scale than in Papua New Guinea and Solomon Islands. Given the corruption at higher government levels, logging companies are often free to deal directly with landowners, with forestry agencies not exercising any environmental regulation or financial control over the operations of the companies. Too familiar is the tale that the companies made unscrupulous and unfulfilled promises of roads, schools, and other benefits as well as timber royalties – all enticing promises to poor rural people. The companies are also adept at dealing with self-appointed, manipulative village spokespersons, who claim to represent the community and who may pocket the payments, which in any case never come close to the true value of the timber. The villagers are left with a gutted forest and a landscape degraded by poor logging practices, and only paltry monetary returns – this in place of the often substantial subsistence and spiritual values of the unlogged forest (Frazer, 1997; Greenpeace, 2004; Saulei, 1997; Scheyvens and Cassells, 1999). Solomon Island poet Willie Tekatoha (1996) describes this process in his poem “Loggers” below, but it needs to be noted as well that villagers do not necessarily have a “green” consciousness, as often assumed by western outsiders (Filer, 1997).

For only
a carton of beer,
we gave away
our lives
our trees
our soil
our water
our ecology . . .
Will we be rich?
Two per cent
is ours.
Ninety-eight per cent
is theirs.

So much has been written about the two-edged sword of mining in Melanesia especially about the two most celebrated mines – if not mines to be celebrated – Ok Tedi and Panguna, both in Papua New Guinea, that the papers, books, and reports could fill the giant pits created by the mining excavations. Ok Tedi is still operating after the previous owner avoided paying compensation for massive, said to be irreparable, envi-

ronmental damage in the Western Province while Panguna mine on Bougainville closed before schedule because of extreme political violence (aroused in part over the issue of intergenerational equity among landowners) and a secessionist war on Bougainville Province. The social and environmental costs of mines are undeniable; the benefits are employment and the contribution of much wealth to Papua New Guinea's impoverished treasury, with Ok Tedi providing two-thirds of the revenue of the Western Province in 1999. Mining presents the Pacific with an extreme development dilemma, and often all stakeholders end up with their objectives unsatisfied (Banks and McShane, 1999; Filer, 2002; Hunnam and Baines, 2002).

8.8 URBANIZATION

Towns and cities are places of opportunity and hardship, of wealth and poverty, of jobs and prostitution, of medical facilities and drug addiction, of entertainment and the continuous accretion of smoking garbage dumps, of transport hubs and air pollution, of permanent-material housing and shanty towns built of scavenged bits and pieces, of electric power and polluted water, of education and nepotism, and of escape from traditional village authority into anomie. Towns and cities are also places where Melanesians want to live. In all four of the Melanesian countries considered here – and in most other parts of the less developed world – the growth of the urban population is higher than the national rate of population growth.

Moving to town has the potential either to raise discontent and worry or to diminish them. If a man lives away from his village for too long his rights to village land “grow cold,” but this possibility does not stop him from moving to town, which offers the potential for work but also for unemployment. Because urban authorities cannot keep pace with the growing need for housing, migrants turn to shanty towns and squatter settlements as well as to moving in with already settled kin. Urban authorities may attempt to provide water and electricity, but poor urban migrants find it hard to pay and so fall back on contaminated water sources leading to threats to public health.

Migrants continue to make do by a variety of means. As Connell and Lea (1999, p. 331) put it: “Shanty towns maximize self-reliance in the use of indigenous human and natural resources and house high proportions of the urban population.” For unemployed young men, crime is one road open to gaining a living as well as membership in a social group (Bryant, 1993; Doumenge, 1999; Overton and Storey, 1999).

8.9 MORAL CONFUSIONS

As the philosopher said, we are double within ourselves and believe what we disbelieve, and have within us that which we condemn. Such “moral confusions” appear as persistent threads in considerations of Melanesia. By “moral confusions” I do not in any way mean behaving immorally but, rather, being confused as to what is the right way to live, as to which path is the straight path.

Melanesian states are now often seen to be “weak states” or “failed states.” The instruments of government have somehow become ineffective and fail to function as they should to achieve good governance. This is an understandable interpretation but have the states in Melanesia ever been coterminous with the nations? Instead, Melanesian nations

are like a box containing ever-smaller boxes, each a kind of nation or country on its own, and of these the smallest box draws the strongest allegiance. As a Solomon Islander from Malaita explained it, everyone belongs to a nuclear family and lives there within a strong web of mutual obligations. Next in importance comes the extended family, then the land-owning group to which a person belongs, then the language group, then the island – the full-sized nation comes at the bottom of the list with regard to a sense of obligation. Kin, the Solomon Islander told me, make nation building difficult. Of course, politicians orate about strengthening the nation and saving it from corruption, and school children are instructed to respect their nation, but the concept of nationhood remains weak because the string of attachment and obligation is vertical (down to the smallest “nation”), not horizontal across the whole national territory and its people. The government structures and the laws that are in place are adequate to support good governance by the state, but few politicians or public servants find it possible to operate in what the ideal bureaucrat would call a disinterested fashion.

The moral confusion as to where loyalty lies – whether to the nation and all its citizens or to your kin however defined – is a major element in the “weak state” syndrome. Many other moral confusions also afflict the minds of Melanesians. Only a few of these can be sketched here.

- Inter-generational conflict is strong in recent generations in Melanesia because many pre-Christian traditional ways have not vanished, but Christian church influence has become very strong, and young people also find secular modernity appealing. Philip Gibbs (2003a, b), a Catholic priest who has worked in an Enga Province in highland Papua New Guinea for a long time, reports on this “moral muddle” and quotes a female Enga university student: “One very shameful thing from this generation is we don’t know our own customs and traditions. Even some do not speak their mother language. We let this modern culture influence so much that we get out of hand.” Parents often resent the children’s loss of traditional beliefs while children want to be “modern” against their parents’ wishes. Related quandaries of identity, custom, and culture remain much in the minds of many Melanesians.
- Traditionally, women in Melanesia were to some extent treated as property to be transferred between kin groups, to grow crops, rear children, and raise pigs. Now, women with modern education seek a louder voice in community affairs and do not accept “custom” as a pretext whereby men deny them rights. Such feeling are pungently expressed by ni-Vanuatu poet and political leader Grace Mera Molisa (1995):

“Custom”
misapplied
bastardized
murdered
a Frankenstein
corpse
conveniently
recalled
to intimidate
women
the timid
the ignorant
the weak

- As in the United States, so in Fiji, the separation of religion and the state often becomes a contentious issue, with some Fijian political and church leaders calling for the country to be a Christian state. Others support the ideal of secular democratic politics. Each group from its own perspective has in mind that about 40% of Fiji's population are Indo-Fijians, most of whom are Hindu.
- People in Solomon Islands and Papua New Guinea have lost faith in the functions of the government because, since colonial times, they have followed the rules, planting cash crops, helping with road building, digging latrines, supporting schools, going to church, aligning their houses in a row but prosperity has not come -rather, things have disintegrated and services that existed have fallen away. Village people see no bridge between themselves and the affluent. The wealth of Europeans must be the result of magic; the wealth of their own people in towns the result of greed, corruption, and theft.
- Losing faith in the functions of government is a superficial confusion compared with conceptual worries about living the Good Way as analyzed by Michael French Smith (2002) in his book *Village on the Edge: Changing Times in Papua New Guinea*. How, for instance, does money and the desire to accumulate it fit into people's traditional rhetoric of generosity as essential for the maintenance of good social relations, for a harmonious way of life? Villagers ask whether having more money makes them better people. Village people on Malaita, Solomon Islands, are also puzzled on seeing the changes brought by the intrusion of the outer world. As described by David Gegeo (1998), the people say that they are no longer "living in rootedness" or "living in dignity"; instead, they are "living in imitation of life brought by ships," that is, pseudo-westernization. Both old and young speak of their concern that what remains of the indigenous mode of production is in serious danger of being displaced by "life determined by money." I should add that none of this means Melanesians spurn money. They need it and want it as we all do and will respond productively to financial incentives if they think the price warrants it. They also worry about what they see to be money's noxious effects.

8.10 CONCLUSION

No one disputes that the countries of the South Pacific have endured a rough and at times unruly passage over the past few decades. In 1995 Sir Michael Somare, who led the push for Papua New Guinea's self-rule and became that country's first Prime Minister at the time of independence in 1975 (and is currently Prime Minister again), stated flatly that by 1995 Papua New Guineans were "worse off than they were at the time of independence" (cited in Smith, 2002, p. 61). In all four countries discussed here, the bright expectations abundant at the times of their independence have not been achieved. The momentum of hope has faded along with the provision of services. But as I traced some of the processes of degradation now in train I was struck by how widespread they are beyond Melanesia, how Melanesia is now part of the wider world, how the TV news tells us each night of tensions over land, of the growth of slums and shantytowns, of poverty and population growth, of TB and HIV/AIDS epidemics, of flawed elections,

violence, and corruption at the highest levels, of environmental degradation, and sometimes even of children dying of malaria across much of the tropics.

It was worries over crime, corruption, and disorder in its unruly small neighbors that led Australia to deploy an Assistance Mission of police, accountants, and administrators to Solomon Islands in July 2003. So far the Mission has been a success. It has collected about 4000 guns, the country is peaceful now, the warlords, the gang leaders (the "Rambos") have been arrested and local thugs controlled. Senior police and politicians are being investigated for wrongdoing, and surveys show Solomon Islanders to be happy with the intervention despite a few (very few) knee-jerk comments about neocolonialism. But no one expects the intervention to create a modern successfully functioning state from the ashes. That, should it happen, will take many years and can only be the work of Solomon Islanders themselves.

A brighter side of the Melanesian picture is that the majority of Melanesians (leaving out the large group of Indo-Fijians) are, so to speak, landlords who have access to land for subsistence and cash production. Although good land is not everywhere abundant, population densities are still not high enough to create severe pressure on land, aside from on a few small islands. Village people in Melanesia are innovative and resilient and their lives can go on without much help from the state. A geographer who carried out research on village agriculture in the mid-1990s in the Asaro Valley in highland Papua New Guinea recently revisited his field site and reported seeing a realization among the village people that they themselves would have to organize their communities in order to achieve any "development," rather than relying on the state, or simply going it alone as individuals. Certainly now, he said, there is less money in the rural economy than in the mid-1990s but there are experiments in agriculture, with people experimenting on their own with rice farming, growing experimental plots of rice or interplanting it with other crops (Benediktsson, 2002 and pers.comm.)

Some sections of civil society offer resistance to the situation brought by the failures of government authority and services, for instance, the formation of NGOs such as Conservation Melanesia, a Papua New Guinean conservationist organization, which recently successfully helped a rural community protect their ancestral lands. Churches and missions, which have long played an important role nationally and at the local level in providing education and health services in Melanesia, have taken up some of the slack left by government withdrawal. Churches, too, in Melanesia have often served as a focus for community organizations and action although now in many places the older established churches face an invasion of Pentecostal movements, which tend to emphasize material acquisition on earth and the individual's heavenly salvation through the power of belief and prayer. And, as everywhere, there are those among the Melanesians who seek immoderate and unfair gain for themselves to the detriment of the larger society.

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9. PAPUA NEW GUINEA: DISORDERLY DEMOCRACY OR DYSFUNCTIONAL STATE?

Australian attitudes toward its northern neighbor, Papua New Guinea, have always been influenced by considerations of Australia's security, and Australian perceptions of Papua New Guinea society and politics have been conditioned by an unrealistic, but widespread, belief that Australia's former colony should have made the transition from a collection of "stone age tribes" to a country with social, economic, and political institutions, and behavior, much like Australia's. That is not to say that expectations at the time of Papua New Guinea's independence in 1975 were high. Even some well-informed commentators canvassed the likelihood of a slide into a dominant one-party state, a military coup, or general economic and political chaos (see, for example, Hastings, 1971; Nelson, 1972; Parker, 1967).

In fact, by most conventional indicators, Papua New Guinea has enjoyed a fairly high degree of stability. It has held regular elections, on schedule, and although all governments to date (2004) have been coalitions and no government has lasted a full term, changes of government have been orderly and have followed constitutional procedures. Papua New Guinea has had 12 governments between 1972 and 2004, and six prime ministers (only one more than Australia in the same period). Although civil-military relations have not always been smooth, there has been no attempt at a military takeover of government. The judiciary has remained independent. There is a vibrant free press. The internationally recognized Freedom House index rates Papua New Guinea as "free." Apart from some short-lived tensions on its western and eastern borders, Papua New Guinea has maintained generally cordial relations with its neighbors.

Yet despite this, Papua New Guinea receives a bad press – not just internationally, but within the local media and from its own leaders. In 1999, former Deputy Prime Minister Chris Haiveta told the Constitutional Development Commission, "The political system in this country sucks and it doesn't matter whatever background you have, it turns you into a criminal" (reported in *The National* 9 September 1999). On the eve of the 2002 election, then Prime Minister Sir Mekere Morauta described the country as "on the verge of collapse" (*The National* 22 May 2002). From outside the country, Australian academic Ben Reilly, referring particularly to Papua New Guinea, has written about the "Africanization" of the South Pacific (Reilly, 2000), and the government-funded Australian Strategic Policy Institute recently described Papua New Guinea as "becoming increasingly dysfunctional as hitherto robust institutions decay" (ASPI, 2002, p. 19). In Australian discussions of the "arc of instability," Papua New Guinea is generally seen as occupying the crest.

This chapter examines the apparent contradiction between the indications of stability and the perceptions of disorder in Papua New Guinea's political landscape –

leading to a situation I have described elsewhere (May, 2003a, b) as “disorderly democracy” – in terms of the major areas of potential disturbance to social harmony and good governance in Papua New Guinea. It argues that while the Papua New Guinea state is undoubtedly “weak,” in the terms identified by Migdal (1988), what are sometimes seen as indicators of instability in Papua New Guinea – specifically, its ethnically fragmented society and the high rate of turnover of its politicians – may in fact help explain the country’s political stability, in terms of formal indicators, but that increasingly weak state capacity has a negative impact on Papua New Guinean perceptions of the legitimacy of the state, thus undermining its democratic institutions. A final section looks more specifically at the implications for Australia.

9.1 SOCIETY IN TRANSITION

Papua New Guinea is a highly fragmented country – with some 850 separate language groups (Grimes et al., 1996) it accounts for around 15–20% of the world’s languages – and before the establishment of colonial administration “tribal” warfare was endemic in most parts of the country. Inter-clan warfare even within the same language group was common, particularly in the relatively populous highlands region. As late as the 1950s, the colonial administrative presence was minimal in many parts of the interior of Papua New Guinea, though there was a substantial movement of people from the less-developed areas, as indentured laborers, to plantations in the coastal and islands Provinces (Figure 9.1). From the mid-1960s to 1975, the progress to independence was rapid – so much so that some, especially in the highlands, resisted early independence, seeking time to catch up with their better-educated and more Westernized compatriots. Legacies of the rapid movement to independence were a paucity of well-trained and experienced public servants and private sector employees, and a poorly developed sense of Papua New Guinea nationhood. In most parts of the country, traditional forms of social organization and leadership remain important and the visibility of the state is often low.

At the 2000 census, Papua New Guinea had a population of 5.2 million and a rate of natural increase of around 2.5%. In parts of the country, this rapid population growth is putting pressure on cultivable land. Around 85% of the population live in rural villages and hamlets and are still at least partially dependent on subsistence agriculture. Many young people, however, migrate into towns, swelling the numbers of unemployed, who congregate in squatter settlements on the edges of the urban centers. Despite the spread of the cash economy through cash cropping, resource rents, and wage labor, income levels are relatively low, income inequalities pronounced, unemployment levels high, and access to state services frequently poor.

Many of the problems that Papua New Guinea faces in the early 2000s can be traced back to these socio-economic circumstances. At the same time, they also explain some of the strengths and resilience of Papua New Guinea society. For one, while clan and local “ethnic” loyalties may create fault lines for local-level conflict – with sometimes serious national consequences – and ethnic identities created during the colonial period are sometimes a source of tension (for example, between “highlanders” and “coastals,”

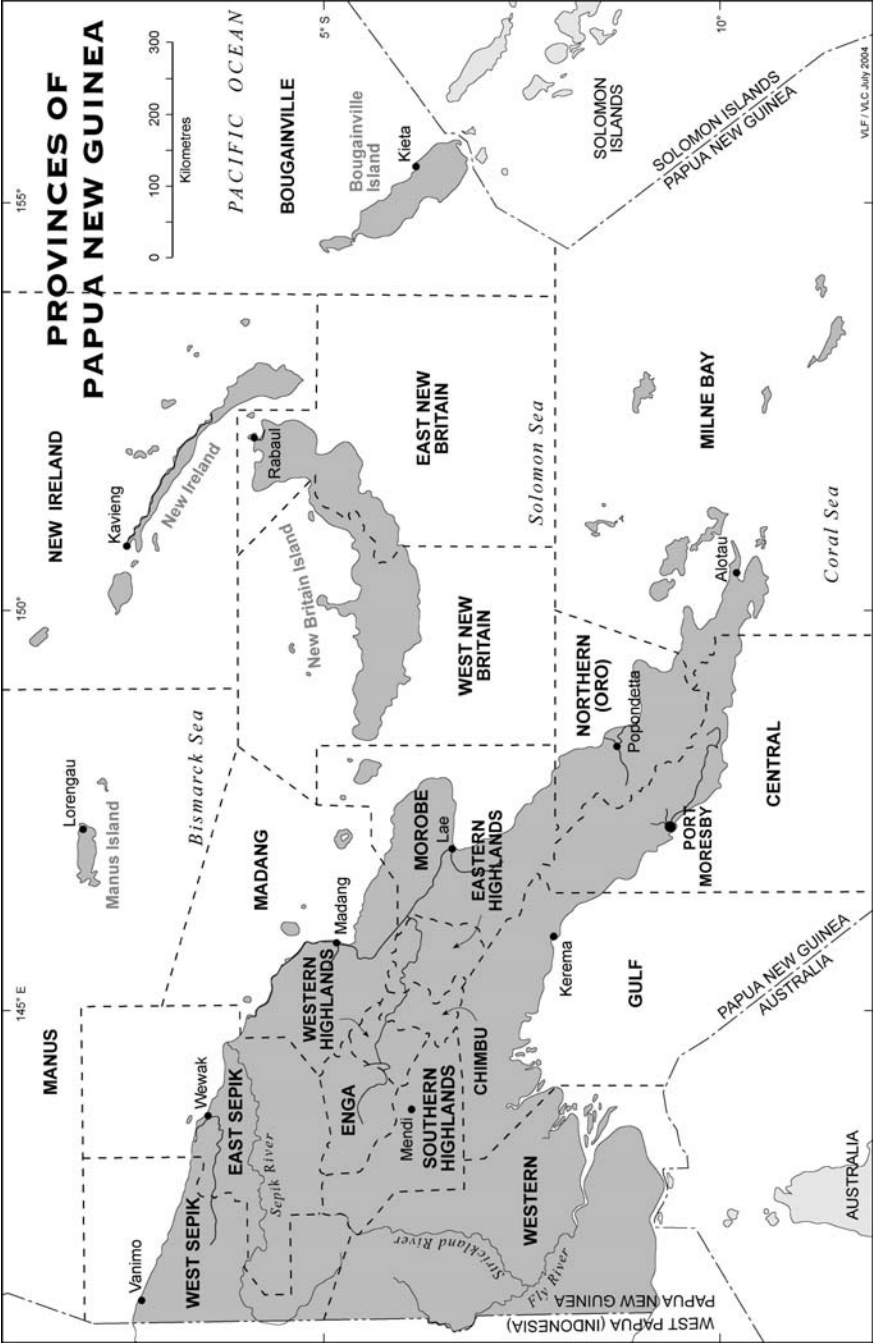


Figure 9.1 Provinces of Papua New Guinea

or “Bougainvilleans” and “redskins”), there is, unlike many African and Asian states, no single “ethnic” group large enough to make a bid for state dominance. Nor is there a problem (as, for example, in Fiji, Malaysia, or Sri Lanka) of competition between an indigenous population and a large immigrant population originally recruited to support the colonial economy. For another, about 95% of land remains with customary landowners and the great majority of people are still involved in subsistence agriculture; this has provided a safety valve against mass urban poverty, although there is some evidence urban and rural poverty are increasing (see DNPM and ADB, n.d.).

9.2 EXTERNAL SECURITY

In 1999, a Papua New Guinea Defence Force White Paper recorded the view, commonly held among security planners, that Papua New Guinea’s geographic location placed it in a relatively benign security environment. Developments in Indonesia following the fall of President Suharto in 1998 (particularly the impetus those developments gave to the separatist movement in the neighboring Indonesian province of Papua) prompted the Papua New Guinea government to comment on “the essential frailty” on which much of its security calculations rested, and this reservation was reinforced in 2000 when civilian-led coups removed elected governments in Fiji and Solomon Islands. Nevertheless, following the 11 September 2001 attacks on New York and Washington, Papua New Guinea’s foreign minister assured the National Parliament that “For the moment, there is no real risk that our nation should be concerned with” (see *Asia Pacific Security Outlook 2002*).

Since before independence, Papua New Guinea’s foreign policy has been one of “universalism” – friends to all and enemies to none but racist regimes – though in later years the policy was modified – first to one of selective “engagement” and later to one described by the phrase “Look north and work the Pacific” – to reflect the country’s priorities in its external relations. Within this policy framework, Papua New Guinea has entered into a Treaty of Mutual Respect, Friendship and Cooperation with Indonesia (1986), signed a Joint Declaration of Principles Guiding Relations Between Papua New Guinea and Australia (JDP) (1987), and become a founding member of the Melanesian Spearhead Group (1988).

At the time of independence, there was discussion of a possible defence treaty between Australia and Papua New Guinea, but Australia was reluctant to enter into a formal treaty and instead, in an exchange of letters and a joint statement in 1977, the two countries affirmed their attachment to the high importance of continuing close cooperation in defence matters and their intent “to consult, at the request of either, about matters affecting their common security interests”. Ten years later, the JDP reaffirmed the commitment to consultation, adding:

In the event of external armed attack threatening the national sovereignty of either country, such consultation would be conducted for the purpose of each Government deciding what measures should be taken, jointly or separately, in relation to that attack.

The changed wording of the JDP was welcomed by Prime Minister Wingti in 1987 as “an improvement,” and the defence secretary at the time stated, “Papua New Guinea considers Australia as a security guarantor in the event of uncertainty or threats” (see

May 1993, p. 36) – a view not entirely shared by Australian defence officials. The JDP was complemented by an “*Agreed Statement on Security Cooperation Between Australia and Papua New Guinea*” in 1991, which recognized that “Internal security needs are to be given the highest priority by Papua New Guinea,” and a brief “*Joint Statement by the Ministers for Defence of Papua New Guinea and Australia: The New Defence Partnership*” in 1997, which acknowledged that “each country is very important to the other” and that “greater effort is needed to strengthen the defence relationship,” but essentially maintained existing relations.

Notwithstanding the generally congenial external security environment, problems have arisen in the past in three main areas: the border with Indonesia, the border with the Solomon Islands, and border violations by non-state actors (illegal fishing, people smuggling, and international crime).

9.2.1 Indonesia

To the west, Papua New Guinea shares a border with the Indonesian province of (West) Papua (formerly Irian Jaya). Since the 1960s, there has been a strong nationalist sentiment in Papua, for which the principal advocate has been the *Organisasi Papua Merdeka* (OPM, Free Papua Movement). From time to time, OPM units have crossed the border and established jungle camps within Papua New Guinea, and on several occasions the Indonesian army has pursued suspected OPM elements into Papua New Guinea territory. In 1984, following a confrontation between West Papuan nationalists and Indonesian authorities, some 12,000 Papuan border-crossers sought refuge in Papua New Guinea, and several incidents occurred along the border. Failing to get satisfaction from its protests to Indonesia, Papua New Guinea took the issue to the UN. This probably marked a low point in Papua New Guinea–Indonesia relations. Shortly after, the two countries signed the Treaty of Mutual Respect, Friendship, and Cooperation, and with Papua New Guinea’s attention shifting to the conflict on Bougainville, the border with Indonesia tended to slip off the agenda. Following the fall of Indonesian President Suharto, and the resurgence of West Papuan nationalism in the wake of East Timor’s independence, the possibility of cross-border relations re-emerging as a security issue has increased, but improved relations with Indonesia and an apparent decline in popular interest within Papua New Guinea in the plight of the West Papuan people, reduce the likelihood of a return to the tensions of the mid-1980s. Nevertheless, the fact that the PNGDF lacks the capacity to patrol the border or to respond quickly to a crisis (see below) might give ground for concern.

9.2.2 The Solomon Islands

Mirroring the situation on its western boundary, the Bougainville conflict (see below) gave rise to tensions on Papua New Guinea’s eastern border with Solomon Islands, as elements of the Bougainville Republican Army (BRA) sought refuge and support in the adjoining islands of the Solomons. The Solomon Islands prime minister of the time, Solomon Mamaloni, openly supported Bougainville independence. In 1992, elements of the PNGDF carried out raids against suspected supporters of the BRA in the western Solomons, and even attempted to annex a small island. The Papua New Guinea

government responded to Solomon Islands' protest at border incursions by the PNGDF in much the same way as Indonesia had responded to Papua New Guinea's protests in the mid-1980s. With changes of leadership in the two countries, and the progress of the peace process on Bougainville, cordial relations were substantially restored by the end of the 1990s. The outbreak of armed conflict within the Solomon Islands in 1998, however, has raised the prospect that linkages between Bougainvilleans and Solomon Islanders, established during the Bougainville conflict, might draw Bougainvilleans into the Solomon Islands conflict and cause new problems on Papua New Guinea's eastern border.

In the past, when problems along these two borders have escalated Australia has offered to play a mediatory role, but its offers have not been received with enthusiasm and are unlikely to be received enthusiastically in the future.

9.3 RESOURCE PROTECTION AND INTERNATIONAL CRIME

In recent years, there has been growing recognition of the threats to Papua New Guinea's sovereignty from non-traditional sources. Probably, the most substantial of these comes from illegal fishing within Papua New Guinea's EEZ. Although unlicensed foreign fishing vessels are regularly apprehended within its territorial waters, Papua New Guinea lacks the capacity to effectively protect its maritime resources. Similarly, while Papua New Guinea has not been – and is unlikely to become – a significant destination for “people smuggling,” it has received its first “boat people” and a recent investigation has revealed a trade in forged passports. Some illegal arrivals may be using Papua New Guinea as a staging point with Australia – their ultimate destination. (In August 2002, eighteen Foreign Affairs officials were charged over involvement in what was described as a “passport scam.” *The National* 30 August 2002.) As against this, Australia for a while used Papua New Guinea, as a convenient part of its “Pacific solution” to Australia's problem of “boat people,” by establishing a processing center for asylum seekers in Manus Province. Papua New Guinea's participation in this arrangement was the subject of some local contention. Finally, there is evidence that Papua New Guinea's strategic location between Asia and the Pacific, and weak administrative capabilities, are being exploited by international criminal organizations, principally for the movement of narcotics, and that there is a small trade of marijuana for guns across the Torres Strait. For instance, in February 2002 twenty men, including a PNGDF soldier, were arrested and “a large quantity” of arms and drugs confiscated in a special pre-election police operation in Daru, in Papua New Guinea's Western Province (*The National* 4 February 2002). Australia collaborates with Papua New Guinea in joint border surveillance and the two countries meet regularly to discuss joint cross-border crime concerns. (See Beoha and McFarlane, 2000. On reports of gun smuggling, also see *The National* 21 February, 1 March 2002.)

In sum, external factors, while not negligible, have a limited potential to threaten Papua New Guinea's security or, apart from the shared border, to involve Australia in other than a possible mediatory role. In fact, the most serious threats to Papua New Guinea's security come from within in the form of: the lawlessness and disorder; the breakdown of state capacity; and the possibility of military intervention in politics.

9.4 LAW AND ORDER

Since before independence Papua New Guinea has had a growing problem of rural and urban lawlessness. In part, this reflects a continuing pattern of inter-group (or “tribal”) fighting that was endemic in most parts of the country before colonial rule. Especially in the highlands, where inter-group fighting has been most intense, the period of “Pax Australiana” was quite brief, and historic enmities between tribes and clans resurfaced even before the colonial regime had ended.

As early as 1979, the independent state declared the first in a series of states of emergency, in an attempt to deal with a deteriorating law and order situation in the five highlands provinces. In recent years so-called tribal warfare seems to have escalated, fueled by new economic and political rivalries and the availability of modern weaponry and transport. In 2001, it was reported that some 1000 people had died in tribal fighting in the Enga province in the previous four years. In the Southern Highlands, where in 2002 intense inter-clan fighting has been going on in parts of the province for over three years, with automatic weapons and grenades replacing bows and arrows, the estimated death toll from recent conflicts is in the hundreds. Police, outnumbered and outgunned, have been unable to contain the conflicts. A Police Mobile Squad member told *The National* newspaper (18 February 2002): “What [police weaponry] we have here is useless compared to what they have. We have to be very careful.”

Apart from the loss of lives, destruction of houses and gardens, and consequent displacement of people, the Southern Highlands conflicts have resulted in the closure, and in some cases destruction, of schools and hospitals, the closure of a nursing college and a teachers’ college, the destruction of government offices, the looting and consequent permanent closure of supermarkets and tradestores, the blocking of roads and blowing up of bridges, blockage of access to the Hides Gas Field and cutting of power to the Porgera gold and copper mine, and the effective closure of the Tari airstrip. On the eve of the 2002 election, there were calls by Southern Highlands leaders to deploy the army to the province (*The Independent* 20 June 2002). They were supported by former PNGDF commander and Deputy Prime Minister, Ted Diro, who described the Southern Highlands as “totally out of control” (*The National* 13 June 2002). In the event, the PNGDF was sent to the province after polling had begun, but despite their presence voting in six of the nine electorates in the province was so seriously disrupted that they were declared “failed elections” (see below). Following this, a group of Southern Highlands “community leaders” threatened to secede if their election results were not declared, and promised “unimaginable bloodshed” if new elections were held (*Post-Courier* 9 August 2002). While the Southern Highlands provides an extreme contemporary example, similar unrest occurs intermittently throughout the highlands provinces. An editorial in *The National* (22 August 2002) offered the opinion that it was “Time to get tough on lawless regions”: “The remainder of the country outside of this handful of provinces wants no part in the murder, rape and assaults that are now endemic in much of the Highlands region”; it recommended that consideration be given to introducing the death penalty for organizing tribal fighting.

Another element of the general law and order problem has been the growth of raskolism. *Raskol* gangs, engaged mostly in petty crime and crimes of violence, had

emerged in the towns and some rural areas by the early 1970s. By the 1980s, raskolism was more extensive, well networked, covered a wider range of criminal activities, and in some cases was linked to national and provincial politicians. *Raskol* gangs sometimes included former police and Defence personnel and were frequently armed with imported or homemade guns and occasionally weapons stolen, purchased or borrowed from police or soldiers. By the 1990s, it was not uncommon for national MPs, especially in the highlands, to employ *raskols* as “security” and “enforcers” at election time, and the term “warlord” was gaining currency in the highlands. Soon after his election as prime minister in 1997, Bill Skate described himself (in a drunken conversation videotaped by one of his own staff who later sold the tape to the Australian media) as the king of the [Port Moresby] raskols. In 2000, Port Moresby was described – albeit on the basis of somewhat dubious data – as one of the world’s most dangerous cities (Levantis, 2000, citing 1995 data from the UN Interregional Crime and Justice Research Institute).

In 1990, a National Summit on Crime discussed a range of proposals for dealing with inter-group fighting, raskolism, and other threats to security. Among the more draconian measures subsequently introduced were the creation of an elite Police Tactical Force to respond to “armed criminals, hostage situations, gang activities, tribal fights, and civil unrest,” and the passage of an *Internal Security Act* apparently modeled on the Malaysian and Singaporean acts (parts of which were later declared unconstitutional). There was also a move around this time to hire Gurkha soldiers to assist in law and order operations (though this did not eventuate). Following requests from the Papua New Guinea government the Australian government agreed to fund an institutional strengthening program for the Royal Papua New Guinea Constabulary (RPNGC); the RPNGC Development Project began in 1989 and in 2004 was approaching the end of its third phase.

The growth of raskolism has been fueled by limited wage employment opportunities and widening income inequalities, but it has also been facilitated by the declining capability and morale of the police, who have frequently found themselves outnumbered and sometimes outgunned. Even when arrests are made, offenders often avoid conviction through technicalities or, if convicted, escape from overcrowded gaols. The development of police mobile squads temporarily tilted the balance back in favor of the police, but their methods were often heavy-handed – police were variously accused of assault and rape, and of theft and destruction of property, including the burning of houses and killing of pigs. In recent years, the state has had to pay substantial amounts in compensation for police actions. There has been a suggestion that police are increasingly likely to shoot serious offenders rather than incur the difficulties of the judicial system. After repeated requests for the PNGDF to assist the police in law and order operations, the army was called out for the first time in 1984 during a declared state of emergency in Port Moresby. It was involved in several other internal security operations before its deployment to Bougainville in 1989 effectively ruled out other commitments.

As the capacity of police to maintain law and order has declined, private security has become a thriving business. Most businesses – from big resource projects to small trade stores in the towns – employ their own security, and there is an increasing tendency for the more affluent residents of Port Moresby to live in high-rise buildings

with private security. But “security” is not always reliable, often being recruited from among former raskols.

Inter-group fighting and raskolism impact on the lives of village people and townsfolk directly, and indirectly through the destruction of infrastructure and restricted mobility of people, goods, and services. They also inhibit local and foreign recruitment and discourage foreign investment and tourism. The recognized high level of risk in capital-intensive resource projects has been reflected in a sharp decline in expenditure on minerals exploration and foreign investment generally, and in an influx of foreign businesses seeking a quick profit with little regard to investment or environmental guidelines. Given that all but one of the big mining ventures currently operating in Papua New Guinea reach the end of their economic life within the next decade, this has serious implications for future growth and revenue.

9.5 THE BOUGAINVILLE CRISIS AND THE SANDLINE AFFAIR

On the eve of independence, Papua New Guinea was faced with two separatist movements – one in Papua, and one in the North Solomons (Bougainville). In the event, neither movement delayed the inevitable transition to independence, and the leaders of both movements became members of the National Parliament in the independent state. The demands of Bougainvilleans – whose province was reluctant host to a massive gold and copper mine – were, however, a factor in the establishment in 1977–1978 of a system of provincial government within the unitary state.

In 1988, there was a revival of separatist sentiment on Bougainville as militant landowners in the area around the Bougainville mine began a campaign of sabotage against mine installations and harassment of mine workers, in protest against the environmental impact of the mining operation and the failure of the operating company and the government to recognize their claims for a larger share of the resource income. They were confronted by police and later by PNGDF personnel. Confrontation quickly escalated into an armed rebellion, forcing the mine to close, and spread to other parts of Bougainville. A BRA was established, under the leadership of a former PNGDF officer, and there were demands for Bougainville’s independence.

In 1990, Papua New Guinea’s security forces and national government personnel withdrew from Bougainville and imposed an effective blockade of the province. There followed a period of social breakdown and inter-group conflict on Bougainville, which culminated in the return of the security forces, which were backed by local anti-BRA Resistance groups. Over the next few years, the conflict continued, with substantial loss of life and displacement of people, alongside attempts to negotiate a political settlement of Bougainvillean demands (see May and Spriggs, 1990; Spriggs and Denoon, 1992; Liria, 1993; Regan, 1998).

In 1997, frustrated by the security forces’ inability to achieve a military solution and the failure of peace talks, and facing an election, the government of Sir Julius Chan signed a secret agreement with military consultants Sandline International, intended to remove the leadership of the BRA and secure the area around the mine. The contract was made public, however, and the commander of the PNGDF, Brigadier General Singirok, subsequently denounced it, detained and deported the Sandline personnel, and called on the prime minister, deputy prime minister and defence minister

to resign (see Dinnen, May, and Regan, 1997; Dorney, 1998; O'Callaghan, 1999). Although Singirok was sacked and later charged with sedition (though these charges were dismissed in March 2004), he won considerable public support for his actions and Chan and his two deputies were forced to step aside pending an official enquiry. In the subsequent election, Chan and the Defence minister lost their seats.

An unexpected outcome of the so-called "Sandline affair" was the resumption of peace talks on Bougainville. Australia and New Zealand played an important role in facilitating and supporting the peace process and, along with Solomon Islands, Fiji and Vanuatu, provided unarmed military and civilian personnel to truce monitoring and peace monitoring teams from 1997 (see Wehner and Denoon, 2001; Adams, 2001). Although the peace process at times seemed fragile, in 2001 the major parties signed an agreement that provided for a high degree of autonomy, and a future referendum on the status of Bougainville, including the option of independence. Internationally, the Bougainville Peace Agreement has been hailed as a major achievement in peace-making. (The provisions of the Bougainville Peace Agreement are explained in Ministry of Bougainville Affairs, 2001, and discussed in Regan, 2002.)

While the 2001 Peace Agreement appears to have brought an end to the long-running conflict on Bougainville, the mine seems unlikely to reopen. Not only does this deprive Bougainville, and the nation, of a major source of revenue, it has demonstrated the vulnerability of big resource projects to landowner dissatisfaction and the inability of the state to maintain order in such situations. In other resource projects, the major partner in the Ok Tedi gold and copper mine has announced its imminent withdrawal in the face of landowner demands for further compensation for environmental damage along the Fly River; the operations of the Porgera mine and the Hides gas field have been affected by lawlessness around the project areas and the occasional closure of the highlands highway; and there have been threats against other big mining and petroleum operations by disgruntled and often fractious landowner groups.

9.6 STATE CAPACITY

In the first decade of independence, Papua New Guinea achieved a fairly smooth economic transition, with major mining projects coming on stream and in prospect, generally sound economic and financial management, and reduced dependence on development assistance; despite some predictions, the kina actually appreciated against the Australian dollar. Since the mid-1980s, however, economic performance has been generally poor (May, 1997/2001). The forced closure in 1989 of the Bougainville gold and copper mine, in which Australian mining company CRA is the major shareholder, deprived Papua New Guinea of about 40% of its exports at the time, and around 17% of government revenue, though the impact of this was partly obscured by the commencement of other major mining operations.

By 1990, Papua New Guinea was seeking assistance from the World Bank. The conditions attached to World Bank lending became a point of contention, however, and for a brief period the World Bank withdrew from the country. Relations with Australia, Papua New Guinea's dominant source of development assistance, also became strained. In addition, the unpredictability of government policies and ongoing problems of rural and urban lawlessness were a disincentive to overseas private investment.

Declining government revenue, financial mismanagement, and lack of maintenance of public assets, coupled with a high rate of population growth, and inter-group fighting and raskolism, have been reflected in declining levels of service provision in most parts of the country. Through much of the country, schools have been closed, at least temporarily, by inter-group fighting, land disputes or vandalism; aid-posts and sometimes hospitals have no medicines; roads have become unusable through lack of maintenance or the destruction of bridges during inter-group fighting; and public servants are often reluctant to reside or to travel far beyond the provincial capital. Such trends are being reflected in key social indicators: relative to other Third World countries literacy and general education levels are low, infant and maternal mortality rates are high, life expectancy is low, and the incidence of some common diseases is increasing (for an overview see UNDP, 1999). According to a report in *The National* (18 April 2002), shortages of medical supplies in Western Highlands Province resulted in the deaths of around 100 children between January and mid-April 2002.

Since around the mid-1980s, there has also been an increasing politicization of the public service, at both national and provincial levels. On the one hand, this has significantly increased the value, for a group, of having *their* member in parliament, or strategically placed in the bureaucracy, in order to gain access to the goods and services dispensed by government; on the other hand, increasing numbers of people have effectively disengaged from the state, having little interaction with it and little sense of the state's legitimacy. Both these tendencies have been in evidence in recent national elections (see below). Politicization of the public service and statutory bodies has also been a common cause of weak policy commitment, poor performance, and corruption.

In 1995, changes were made to the provincial and local-level government system. By then all but five of the 19 provincial governments had been suspended, at least once, mostly on grounds of financial mismanagement. At the time the "reforms" were officially described as a further decentralization of power to local-level government, intended to increase political participation at the grassroots; but in fact the abolition of elected provincial assemblies might more accurately be seen as a move to recentralize powers and enhance the role of national MPs at the district level, particularly through discretionary grants to members for expenditure at local-level (May, 1999). Shortly after becoming prime minister in 1999, Sir Mekere Morauta expressed the view that the provincial and local-level government system was not working and proposed another review of the system. In 2004, that review has not been completed.

9.7 PNGDF

The Pacific Islands Regiment (forerunner of the PNGDF) was established by the Australian colonial government in 1951, in the context of Australian concerns about Indonesian expansionism. Until the 1960s, it formed part of the Australian Army's Brisbane-based Northern Command. In the lead-up to independence, there were some concerns that perhaps Papua New Guinea did not need an army, that an army could in fact constitute a threat to democracy in the independent state. The PNGDF was retained, however, and although its primary role was seen in terms of external security, it was given a circumscribed role in internal security (see May, 1993).

In 1980, the PNGDF undertook a successful operation, at the invitation of the newly independent government of Vanuatu, in putting an end to the rebellion on Santo. A few years later, the PNGDF was first called out in support of the civilian authorities in law and order operations in Port Moresby. During the course of joint police-PNGDF operations, there were complaints that some security forces personnel had acted with excessive force, but at the time it was generally felt that the police were primarily to blame, and indeed when the PNGDF first arrived to assist police on Bougainville in 1989 they were welcomed because they were seen as more disciplined than the police.

Even before its deployment to Bougainville, there had been evidence of deteriorating standards of discipline and capability within the PNGDF. In 1988, the PNGDF had defied a government decision to relocate its Air Element from the Lae airport to Nadzab (whence civil aviation operations had already been shifted), mounting a military operation to secure the airport. The following year troops marched on the National Parliament in a protest against lower-than-expected pay increases; they were joined by civilians in an unruly demonstration in which windows were smashed and vehicles overturned. During the Bougainville conflict, there was a marked deterioration in civil-military relations, which culminated in the Sandline affair.

Prior to Sandline, a defence white paper had identified problems within the force and recommended a comprehensive restructuring, including a reduction in force size. In September 2000, while the country was celebrating 25 years of independence, the PNGDF's second battalion (2RPIP), angered by lack of food in the soldiers' mess, burned down part of its Wewak barracks, forcing a number of visiting Papua New Guinean and foreign dignitaries to flee. This triggered a parliamentary task force, headed by the minister for defence, Muki Taranupi, to look into the state of the PNGDF. Tabling the report of the Task Force in October, Prime Minister Morauta told parliament: "the PNGDF and the Defence Department cannot provide the protection that the people of Papua New Guinea need"; if hostilities or a national emergency occurred, he said, "a credible force could not be mobilised in less than 30 days". He spoke of a "culture of instability" in the PNGDF and of an institutional breakdown, the result of years of neglect and mismanagement (see McNally and Morrison, 2001; 2002).

The September 2000 incident also resulted in an enquiry into the PNGDF by a Commonwealth Eminent Persons Group (CEPG). The CEPG report was presented to the prime minister in January 2001. It reinforced a picture of structural imbalance, maintenance and supply deficiencies, poor financial and personnel management, and lack of discipline, and supported the view that the PNGDF should be substantially downsized. By this time, the government was already committed to restructuring, and a number of soldiers had been made redundant. The Australian government agreed to underwrite the cost of downsizing. However, morale in the Force was low, and many of those now redundant were still living in army housing awaiting outstanding payments. Hence, even though the proposals in the CEPG report were not particularly novel, when they were leaked in the local press there was considerable angst in the barracks, and disgruntled troops called for the rejection of the CEPG recommendations and the resignation of the government; they also demanded the withdrawal of all Australian military advisers from Papua New Guinea. When the defence minister visited the barracks to talk with the soldiers, he was shouted down and manhandled, and furniture

was thrown. Some national politicians sought to exploit the situation to their advantage, and soldiers were urged to join students in a protest march against structural adjustment policies negotiated with the World Bank that were seen as largely responsible for the cuts in the Defence Force and the public service generally. The soldiers did not leave the barracks on this occasion, but the tense situation was diffused only when the prime minister agreed to reverse a cabinet decision to implement the measures proposed by the CEPG (though in fact the downsizing program continued). The appointment of a new commander in October 2001 promised to bring improvements in the force, but early in 2002 there was a further incident in Wewak, in which mutinous troops, again protesting against downsizing of the Force, temporarily took control of the barracks, burning down two more buildings, and called on the prime minister to resign. Following a military operation by loyalist troops to regain control, about 30 soldiers were arrested. They faced court martial and other civil charges, but as the trial was about to commence in Wewak, in August 2002, the courthouse was burned down by arsonists.

In addition to the generally poor state of civil-military relations, within the PNGDF the factionalism that had heightened in the wake of the Sandline affair continued to undermine the cohesion and morale of the force and impede attempts at restructuring. A particular aspect of this was the increasing visibility of a highlander faction (or factions), with links to highlands' politicians who felt it was time for a highlands commander. In 1997, the PNGDF was deployed to assist police in providing security for the conduct of the national election. Subsequently, however, there were complaints that some soldiers had acted in a partisan manner, and that in the Eastern Highlands supporters of the outgoing defence minister, who had been a major player in the Sandline drama, had been targeted by soldiers assigned to assist polling officials. In 2002, it was decided not to use the PNGDF to provide general security during the election. Shortly before the election, in April, there was a change of defence minister and an announced reshuffle of senior PNGDF positions (which, as a result of a legal challenge, was put on hold). According to a report in *The National* (23 April 2002), Defence Intelligence informed the PNGDF commander, Commodore Ilau, that these changes were "election-related" and indicated a plot by "a major political party" to halt the retrenchment exercise and change the current command structure of the Force [see also *The National* 29 April 2002, "Sir Michael (Somare) fears election rigging"]. During the campaign and voting, soldiers were confined to barracks and frequent parades were held to check for absentees. Notwithstanding all this, there were reports that a small group of soldiers, including senior officers (and the civilian Defence secretary), did actively support candidates, and several soldiers were charged with election-related offences. In the event, the PNGDF was called in as extensive inter-group fighting in the Southern Highlands prevented voting in several parts of the province.

There are still hopes that with firm command, and financial support from Australia, the PNGDF may be able to push through with long-awaited reorganization and reverse the decline in capability and morale. But in the meantime the state of the PNGDF remains a subject of concern. Not only is its capacity to deal with even low-level external threats limited, but also it is seen by some to be as much of a threat to internal security as it is a means of dealing with it, and while a full-scale coup seems unlikely, the possibility of disgruntled soldiers aligning themselves with a group of opportunistic

politicians to challenge an elected government can no longer be ruled out. If this did occur, and the government requested Australian assistance, Australia would have to decide whether the risks of intervention were outweighed by the responsibility for supporting a democratically elected government.

9.8 PARLIAMENT AND ELECTIONS

Political office is fiercely contested in Papua New Guinea, being seen not only as conferring political power and status, but also as giving access to control of the distribution of goods and services by the state. Between 1977 and 2002, the number of candidates contesting the 109 seats in the National Parliament has risen at each election notwithstanding an increase in the candidate's deposit fee in 1992, from K100 to K1000 – at the time, roughly equal to per capita GDP. By 2002, the number had risen to 2875 – an average of 28 candidates per seat (with 62 in one seat). In the absence of a well developed party system, a large number of candidates (in 1997 over 70%) stand as independents, and with voting tending to follow clan or local loyalties, the outcome of elections is very difficult to predict: in all elections up to 1997, the turnover of MPs has been about 50–55%; in 2002 the figure rose to 75%. The importance of securing the vote of a “support base” has also meant that candidates and their supporters often prevent rivals from entering their support base area, and back candidates who might split the vote in rival candidates' base areas. This, as well as electoral fraud and thuggery on an increasing scale, has changed the nature of political campaigning in much of the country and produced rising levels of election-related violence.

With large numbers of candidates and voting largely along clan and local lines, winning margins, in the first-past-the-post voting, are often small: in 1997, 58% of candidates won with less than 20% of the vote in their electorate. This has led to complaints that many members lack a popular mandate. Further, in the absence of a developed party system, and with every government since 1972 a coalition, MPs have shown a propensity to shift between parties in response to offers of a portfolio or other benefits, and parties have shown a propensity to shift from one coalition to another, with the result that to date no government since independence has lasted a full term in office, most succumbing to a mid-term parliamentary vote of no confidence. This pattern of parliamentary behavior has generally been seen as destabilizing, though, paradoxically, the fluidity of parliamentary loyalties may have acted to mitigate the development of a more confrontational style of national politics, and the constant reshuffling of coalition partners and changes of government may have had a positive impact in diffusing personal and regional tensions and thus helped sustain the country's democratic institutions. Whatever positive aspects there might be in such behavior, however, it has contributed to the difficulties which successive governments have experienced in maintaining sound national policies, and to a tendency to place short-term expediency and the demands of individual MPs above longer-term national objectives.

In recent years, there has been much critical discussion in Papua New Guinea about the electoral process and the behavior of MPs, focusing on the large number of candidates, the weakness of the party system and “party hopping” among MPs, and the size of winning vote margins. This culminated in 2001 in the passage of an *Organic*

Law on the Integrity of Political Parties and Candidates, designed to strengthen parties, prevent “party hopping,” and cut down on votes of no confidence, and a decision to shift from first-past-the-post to optional preferential voting after the 2002 election. (For an early discussion of these measures, see May, 2001.)

9.9 THE 2002 ELECTION

It was against this background that in June 2002 Papua New Guinea held its sixth post-independence election. Despite assurances by the police commissioner prior to voting, that “Police will ensure trouble-free polls” (*The National* 19 April 2002), the election was marred by major administrative and logistic problems, vote manipulation and intimidation by candidates and their supporters, and extensive localized violence (see, for example, Standish, 2002). In August, Sir Michael Somare described the election as the worst he had ever seen in his political life (*The National* 29 August 2002). The problems that emerged during the 2002 election provide something of a snapshot of the broader problems confronting Papua New Guinea.

In 1997, both the electoral commissioner and a visiting Commonwealth Observer Group (COG) drew attention to some of the difficulties experienced in the conduct of the election that year. It was not the first time that observers had reported electoral irregularities and election-related violence [see, for example, papers by Standish and Dinnen in Saffu (1996) and Standish (1994)], but the electoral commissioner, Reuben Kaiulo, conceded that even leaving aside the situation on Bougainville, “long-term observers of PNG elections would probably say that the 1997 election was the most violent ever” (Electoral Commissioner, 1997, p. 5).

A major problem identified by both the electoral commissioner and the COG was the accuracy of the common roll. Prior to enumeration, the electoral Commission estimated eligible voters at around 2.2 million, but when enrolment had been completed, and the roll checked, there were 3.4 million names listed. There were allegations that rolls included the names of under-age, deceased or fictional people (“ghosts”). As against this, in some places in 1996, people refused to register and chased enumerators away. When it came to voting, many people who claimed to have registered could not find their names on the roll. These problems were acknowledged by Kaiulo in his report on the 1997 election; indeed he described the task of compiling an accurate register of voters as a “seemingly impossible task,” and commented: “Attitudes have to change in the country before satisfactorily accurate electoral rolls can be compiled” (Electoral Commissioner, 1997, p. 3).

Informed by this experience, the Electoral Commission began reviewing the common roll in 2000, with assistance from the Australian Electoral Commission through an AusAID project to strengthen the capacity of the Electoral Commission. Notwithstanding this, in 2002 it became apparent, even before voting commenced, that, in the words of then Prime Minister Morauta, the roll was “in a mess.” Indeed Morauta sought, unsuccessfully, to have the election deferred while the rolls were checked. The extent of the mess became more apparent as voting proceeded around the country. In Port Moresby, the prime minister’s name was on the roll twice (but at the wrong address), whereas the commander of the PNGDF could not find his name on the roll at Murray Barracks.

Despite the use of indelible ink on voters' fingernails, there were numerous reports of multiple voting, by people using other people's names or simply pressuring or threatening harassed electoral officials. In extreme instances, not that uncommon in parts of the highlands, groups of supporters' candidates, sometimes heavily armed, demanded quantities of ballot papers, initialed by polling officials, so that they could deliver a bloc of votes for their candidate. Even where voters were able to cast their own vote, bloc-voting was often enforced by candidate supporters who, illegally, looked over the shoulder of voters to ensure they voted as instructed. A former Southern Highlands administrator and candidate in 2002 reported that candidates and their supporters had mounted "sub-machine guns" on the back of vehicles and were "going around firing guns in and around [Mendi] township and scaring people" (*The National* 11 July 2002).

Once voting had been completed, there were problems of getting ballot boxes safely to the counting centers. In parts of the highlands, voters would not let ballot boxes go by road because they feared rival candidates would ambush the vehicles carrying them and tamper with or destroy their contents; indeed two people were killed when they tried to ambush a truck carrying ballot papers in one highlands electorate. Voters sometimes insisted that ballot boxes be airlifted, though the Electoral Commission had already encountered difficulties getting electoral teams into and out of remote areas because helicopter charter operators had refused to provide services, even in relatively safe areas, until outstanding bills had been paid. Even when they reached counting centers, the security of ballots could not be assured. In Enga, armed men broke into the Wabag police station, forced open metal containers and fire bombed ballot boxes with aviation fuel. While much of this sort of activity was confined to the highlands, it occurred elsewhere. In Madang, the remains of quantities of completed ballots were found at dump-sites around the town.

As results were declared, losing candidates began to vent their disappointment and anger in episodes of arson and assault. Before counting ended, it was estimated that some 30 people had died in election-related violence; subsequently, fueled by election outcomes, fighting escalated in the Southern Highlands (where a "failed election" was declared in six electorates and new elections were conducted successfully in these electorates in April 2003), Western Highlands and Chimbu Provinces.

For the most part, it seems that electoral officials, and police, did a good job under difficult circumstances. But some may have been partisan, some stopped work at crucial stages in protest at non-payment of due allowances, and some were clearly intimidated or overwhelmed by aggressive supporters of candidates.

Notwithstanding this, in August 2002 parliament met and the 103 members whose seats had been declared, voted in as prime minister the leader of the successful National Alliance party, and Papua New Guinea's prime minister at independence, Sir Michael Somare. Somare heads another coalition government.

As noted at the beginning of this section, the troubles besetting the 2002 election are not new, though they do seem to exceed the scale of problems witnessed in 1997, which in turn exceeded those of 1992. In the Southern Highlands, particularly there seems to have been an upward spiral of violence as each group seeks to outbid the actions of its rivals at successive elections. At one level, the problems that emerged during the 2002 election reflect more general problems within the bureaucracy, of

inadequate capacity of personnel and inadequate funding relative to the demands made upon them. But they also reflect a widespread lack of acceptance of the authority of the state, and the inability of the state to impose its authority. In large parts of the country – especially in the highlands – the state not only lacks a monopoly over the means of coercion, but also is clearly outgunned. Bigmen have successfully challenged the authority of the state.

9.10 AUSTRALIA'S ROLE?

Given its geographical proximity, and the nature of its historical association with Papua New Guinea, it is inevitable that Australia has a close interest in developments in Papua New Guinea. Papua New Guinea is the largest single recipient of Australian development assistance and the major beneficiary of Australia's Defence Co-operation Programme. There is still a significant volume of trade between the two countries and of Australian investment flowing into Papua New Guinea, and extensive people-to-people relations. In times of need – natural disaster, security crisis, or fiscal stringency – Papua New Guinea's first recourse is likely to be to Australia. Internationally, also, Australia is generally seen as having a responsibility for promoting political stability and socio-economic well-being in the region.

At the same time, there is often resentment concerning Australia's influence and what is perceived by many Papua New Guineans as a patronizing "big brother" attitude toward its former colony. Such feelings have probably increased as a new generation of Papua New Guinean leaders has emerged, with fewer personal ties to Australia and a tendency to look west and north to Asia. Australia thus faces a dilemma: if it adopts a proactive stance in relation to developments in Papua New Guinea, it is likely to be seen in Papua New Guinea as infringing upon Papua New Guinea's sovereignty (as many Papua New Guineans felt it was, for example, in supporting the structural adjustment package of the World Bank); if, on the other hand, it holds back, as it did for example in relation to requests for assistance to the PNGDF during the Bougainville conflict, it may be accused of neglect, and of failing to accept its regional responsibilities. In 1997, Australia was highly critical of the Chan government's hiring of Sandline International – prompting some Papua New Guineans to defend the government's actions; but it also condemned General Singirok's challenge to the government, which again alienated some Papua New Guineans. Papua New Guinea may have a "special relationship" with Australia, deriving from its colonial past, but it has always been quick to remind Australia that it is an independent sovereign state.

Over recent years, there has been increasing reference, both in Australia and in Papua New Guinea, to Papua New Guinea as a state "on the verge of collapse," and in some circles a questioning of whether Australia's development assistance is wasted, through inefficiency and corruption (see, for example, Windybank and Manning, 2003; Hughes, 2004). For Australia, however, disengagement is not an option; apart from questions of moral responsibility, it is in Australia's broad security interests to have as its northern neighbor a country whose people can satisfy their basic needs and whose governments can maintain a basic level of services, including law and order. Continued Australian aid is probably essential to achieve this, as successive Australian governments have recognized. In December 2003, the Australian government announced

an “Enhanced Cooperation Package” of assistance to Papua New Guinea, involving a substantial increase in the amount of aid and the placing of Australian personnel (including some 230 police) in line positions in Papua New Guinea.

However, Australia cannot solve Papua New Guinea’s problems of inter-group fighting and raskolism, or of inefficiency and corruption in government (though it has supported the Ombudsman Commission and anti-corruption efforts). Any solution to Papua New Guinea’s problems has to come from within, from politicians and public servants with a sense of national purpose and integrity, and a civil society that keeps its politicians and bureaucrats accountable but is capable of looking beyond narrow parochial interests. There are some hopeful signs. In the early years of independence, Papua New Guinea confounded numerous prophets of doom, and in the intervening years has shown a remarkable capacity to emerge from “crises,” including, in 2001–2002, the long-running Bougainville conflict. In 2002, Papua New Guinea survived a disorderly and sometimes violent election with its national democratic institutions essentially intact, and while the incoming government faced immediate budgetary problems and poor longer-term economic prospects, the new cabinet contained a mix of experienced politicians and younger members with ability and experience at senior levels of the bureaucracy, who recognized the need for change in Papua New Guinea’s political culture.

In the unlikely event of external aggression, or of an extra-constitutional challenge to a democratically elected government, Australia would almost certainly feel compelled to respond in support of the government – as was indicated during the Sandline crisis. But it is likely that Australia’s first response would be to seek a solution through negotiations, rather than direct intervention, and that it would seek a regional response rather than unilateral action. In this context, Australia welcomed the role played by New Zealand in the Bougainville peace process and has encouraged moves toward a regional response capability among the Pacific island countries (see Regan and May, 2002).

Whatever responses Australia does make to developments to its immediate north, it is essential that those responses be based on a thorough understanding of what is happening, and sensitivity to the longer-term implications of Australian involvement both within Papua New Guinea and in the wider Pacific Islands’ region.

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10. SOLOMON ISLANDS: UNITY IN DIVERSITY – THE END OF A DREAM?

10.1 INTRODUCTION

Ethnic conflict erupted in Guadalcanal, Solomon Islands, in 1998. Over the next five years it resulted in the loss of about 200 lives, the displacement of 230,000 Malaitans from Guadalcanal and 7000 Guadalcanalese from Honiara, the capital, the expulsion of a democratically elected government, and an implosion of the economy and polity. While fighting was restricted to Honiara and Guadalcanal, the conflict had such an impact on the country as a whole that it was driven into virtual bankruptcy. It was dysfunctional in every sector, unable to maintain essential services, facing a severe breakdown of law and order, with the Provinces demanding either separate statehood or independence. Solomon Islands teetered on the edge of failing as a state.

How and why had Solomon Islands been forced into such a sorry state? It had come to independence in 1978 with the slogan of “Unity in Diversity” covering its 87 linguistic units/tribes and 1000 islands (Figure 10.1). It had promoted its touristic image as “The Happy Isles,” and had one of the brightest prognoses for development of all of the microstates of the South Pacific because of its rich natural resources (fisheries, forests, plantation-based agriculture and mineral potential). Just 20 years later the dream had crumbled. What had gone wrong? How had Malaitans arrived in such numbers to settle in Guadalcanal and what had provoked the Guadalcanalese people to resort to force in order to expel them from their Province? By what complex route had this conflict cast aspersions on the capacity of Solomon Islands to operate as an independent country, labeling it as “a failing state” unable to take its place in the international community of nations?

There are many factors that need to be examined in order to understand the unraveling of the Solomon Islands state. They include an examination of the demographics and socio-cultural characteristics of Solomon Islands, of the internal political situation in colonial times and after independence in 1978, of the clash of traditional Melanesian values with modernization, and of a failure of foreign policy by Australia which initially refused to engage with Solomon Islands to pre-empt the violence despite a request by the (legitimately elected) Government of the day. This chapter begins with a brief overview of events as they unfolded over the past six years in order to provide the background against which the various themes mentioned above can be perceived in context.

10.2 EVENTS FROM 1998–2004

In November 1998 ethnic violence erupted in Solomon Islands between the people of the two largest island provinces, Guadalcanal and Malaita. It may have been sparked

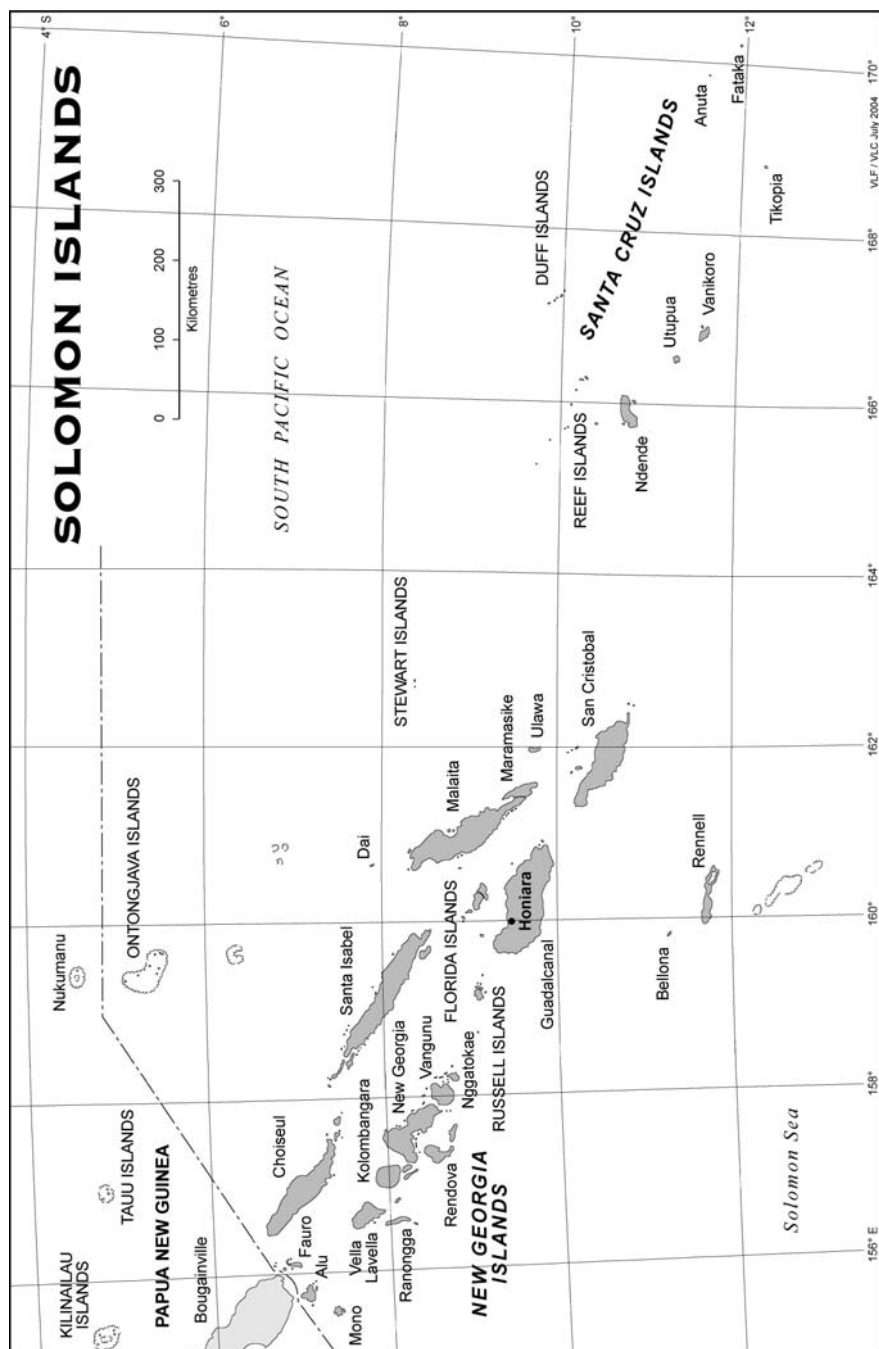


Figure 10.1 Solomon Islands

by a speech on November 12 by the Province's Premier and former Solomon Islands Prime Minister, Ezekiel Alebua, who, reflecting the frustrations of his people, demanded (amongst other things): that alienated land be returned to its original ("*kas-tom*") owners, that settlers from other islands must respect their Guadalcanal hosts, that rent be paid to the province for the utilization of Honiara as the national capital, and that compensation be paid for Guadalcanal people murdered in Honiara (Naitoro, 2000).

Possibly in response to this speech (Kabutaulaka 2001) a group of youths from Guadalcanal attacked Malaitan settlements outside Honiara, destroying property and forcing people to flee. The youths alleged Malaitans "had taken their land without proper compensation, were denying them job opportunities, and had been disrespectful of their culture" (Hegarty 2000, p. 1). As fighting intensified elders joined the youths and a loose confederation of Guadalcanal tribes called the "Guadalcanal Revolutionary Army," later renamed the "Isatabu Freedom Movement" (IFM), took control of most of Guadalcanal Province with the exception of the capital, Honiara. A major intensification of hostilities in June 1999 caused a large-scale displacement of people and an estimated 23,000 Malaitans were forced out of Guadalcanal and back to their homelands in Malaita, while some 6000 Guadalcanalese fled Honiara, where Malaitans and a Malaitan-dominated police force held control (Schoorl and Friesen, 2002). This was in effect a form of ethnic cleansing: only a pocket of Malaitans remained in Marau Sound at the eastern extremities of Guadalcanal where they had settled several hundred years previously, while virtually all Guadalcanalese were forced out of the capital which became a Malaitan-dominated enclave. Several thousand non-Malaitan Guadalcanalese also left the capital for the security of their home provinces.

Malaitans retaliated against the atrocities of the IFM by setting up the Malaita Eagle Force (MEF), which numbered members of the Royal Solomon Islands Police Force (RSIP) in its ranks. The latter opened the RSIP armories to the MEF, providing them with high-powered assault rifles and combat weapons. Honiara became an MEF stronghold surrounded by the IFM-dominated countryside and joined battle. There was a breakdown of law and order within Honiara and throughout the Province of Guadalcanal as armed groups forced their will at gunpoint.

The Prime Minister, Bart Ulufa'alu, requested Australia for assistance (20 policemen as a neutral, independent circuit-breaking force). But the Australian Government refused the request preferring instead to try to negotiate a peace agreement without ground force involvement. On three occasions between 1999 and 2000 Australia and New Zealand sent naval ships to Honiara to host truce negotiations but each attempt failed to halt the fighting. Six peace agreements arranged through the Commonwealth Secretariat and the Solomon Island Government between June 1999 and May 2000 also collapsed.

On June 5, 2000 the MEF took over Honiara, forced the resignation of Ulufa'alu, and demanded that Parliament vote for a pro-Malaitan Government although they did not install themselves as a military government. Under duress the assembled MPs voted for Manasseh Sogavare from Choiseul and a new government known as the Coalition for National Unity, Reconciliation, and Peace, was set up. Many of its members had close links with militants, depending on them for their political and economic

survival, and “the culture of corruption deepened” after the coup (ASPI, 2003). With a sympathetic Government in place, the demands of the MEF for compensation emptied the Treasury coffers. The entire national economy began to grind to a halt, public services failed as funds for salaries and activities dried up for all ministries, and the education, health, transport, agriculture and fisheries extension services, and all other government operations to the Provinces reached the point of collapse. The Australian Government evacuated its citizens from the Solomons, and many other foreign citizens also joined the exodus. Business activity run by expatriates (most of the formal sector) ceased. Aid agencies and donor governments withdrew their personnel and funding assistance. The precarious situation was compounded when an attempt to demobilize the militants by enlisting them in a “Special Constables’ Unit” according to the terms of a so-called “peace agreement” had the unfortunate consequence of incorporating only Malaitans in huge numbers rather than an equal number (100) from both sides. By the second half of 2001, over 2000 apparently “ex” militant Malaitans were incorporated as “Special Constables” in Honiara and issued firearms. “A flawed attempt at demobilization had backfired badly, leaving the police force in worse shape than ever” (Report by the Solomon Islands UN Resident Coordinator, February 2002, cited in Alpers and Twyford, 2003). Although reduced to 1400 by early 2002, the special constables created a huge drain on the fragile finances and were often a security threat throughout 2002 and early 2003. Their constant intimidation of government officers over salary demands and “compensation” (a euphemism for extortion), backed up by firearms, caused the Finance Ministry to close the doors of its Treasury Division for the sixth time that year. With the legality of the Government in question, the implosion of Government services, the economy in a shambles, the Police Force unable and/or unwilling to assert law and order, and with the rule of the gun the order of the day in the capital, The Solomon Islands began to be described as “a failed state.”

A further attempt at a truce, initiated by Australia, New Zealand, and the Commonwealth Secretariat in October 2000, resulted in 130 militants from both sides and representatives of Solomon Islands’ central government and provincial governments signing the Townsville Peace Agreement (Australian Government, 2000a) on October 16, 2000. (Townsville is a northern city in Queensland, Australia, and all participants were flown to this site by the Australian Government). The rival ethnic militia leaders agreed to disarm in return for promises of separate economic development for their Provinces. Australia for its part agreed to take a leading role in an International Peace Monitoring Team (IPMT) by providing 50–100 unarmed personnel, supported by a smaller contingent from New Zealand – a step it had refused to take 18 months previously when a much smaller police contingent held the promise of pre-empting the major violence which had occurred in the interregnum.

The Townsville Peace Agreement was a flawed document however because Melanesian society is not a hierarchical structure with chiefs able to represent its people in a definitive way and it did not include all of the leaders or “bigmen” (see below) as participants in the process. Nor did it include civil society. It also included as part of the reconciliation and rehabilitation process quite unrealistic proposals for the development and job-creation projects in Malaita and Guadalcanal. The Australian Government was

quick to claim that the Agreement ended hostilities between the combatants and that it provided a sound basis for the peace process by establishing two peace monitoring bodies: (i) the Peace Monitoring Council (PMC) comprising eminent and professional Solomon Islanders (including ex-combatants from both sides) to monitor and “enforce” the Agreement; and (ii) an International Peace Monitoring Team to work in support of the PMC and to lead on disarmament and confidence-building activities (Hegarty, 2000). However, many militia were reluctant to give up their weapons, fearful that they would be vulnerable in the absence of an effective police force. Within Honiara, armed gangs of Malaitans continued to roam, intermittently shooting, looting, and raping and demanding “compensation” from the Government; and perhaps as much as SI\$100 million was disbursed to meet their demands. Many politicians and senior civil servants – all those with any power – joined in the free-for-all looting of government funds and resources. Vehicles, houses, equipment – anything that could be taken was taken. Effective governance continued to wither.

In Guadalcanal Province, the breakdown of law and order led to internecine warfare between the different tribes of Guadalcanal. Although originally united against the Malaitans, the power vacuum created by the absence of a central authority opened the way for disaffected elements to revert to redressing ancient tribal rivalries and wrongs. Every vestige of “progress” and “development,” from the largest mining venture in the country, the Australian-owned and operated Gold Ridge, to mission stations, schools, government administrative outposts, and the three resorts in the Province (at West Guadalcanal, Vulelua Island, and Tavanipupu), were destroyed over an 18 month period. They laid waste to their own lands. On the Weathercoast in particular, one warlord, Harold Keke, who had refused to go to Townsville and therefore considered himself outside the peace agreement, terrorized the region. He reportedly assassinated the Guadalcanal MP for the electorate, Father David Augustine Quve, the Minister for Youth, Sport and Women’s Affairs, alleging that he had appropriated compensation payments for himself instead of disbursing them. Ten Kwaio warriors who attempted to capture him for a bounty met a similar fate. And seven Melanesian Anglican brothers were killed, allegedly because they were “Government spies.” Up to 30 deaths were attributed to him.

Australian Foreign Minister, Alexander Downer, in a visit to Honiara in December 2000 declared that the Townsville Agreement had been successful in bringing ethnic fighting to a halt. The violence that surrounded him at the time (including a raid on the SI Prime Minister’s house by members of the MEF which was successful in extorting “compensation,” and the killing of five women and children on the Guadalcanal Plains while traveling in a stolen vehicle) suggested a singular capacity for self-delusion.

Despite the continuing unrest and bloodshed, Solomon Islands moved back to legitimate government with fresh elections in December 2001, with Commonwealth Secretariat monitors declaring the process valid. Two-thirds of the sitting members lost their seats. Ulufa’alu was returned with one of the highest majorities but failed to be elected as Prime Minister, which went to Sir Alan Kemakeza, a tribal elder from the outer island Province of Choiseul. But the new Government had no more success in halting the violence and restoring law and order as its predecessors (indeed Kemakeza

was accused of being involved in extortion and support for the MEF and in mid-2004 was under police investigation for corruption).

The inter-tribal warfare had unleashed the Melanesian “payback” system which had been effectively suppressed since the 1920s when “pacification” was held to be complete with the disarming of the last of the “*ramo*” (warrior bands) from Malaita (Keesing and Corris, 1980). Payback in Melanesian terms requires that there be retribution for any wrongdoing in the form of reciprocal action/measures. Thus if blood is spilt by one tribe against another then there must either be a reciprocal killing (often any member of the offending tribe will satisfy this requirement so it could be a child or an octogenarian grandmother), or an agreed compensation price (usually a number of pigs). For the Solomon Islanders, letting loose the tribal dogs of war for the first time since the British imposed peace over the warring tribes in the early 20th century, meant that they had embarked on a never-ending cycle of violence. Their system is imperfect for dealing with this situation and an external force is required to break the cycle. A growing internal debate, led by Solomon Islands’ civil society representatives such as the churches, women’s groups, and local NGOs, began to demand that the Government invite an external force into Solomon Islands to restore peace.

Externally, observers began to describe Solomon Islands as a failed state, most notably the Australian Strategic Policy Institute (ASPI) which released a report on June 10, 2003 entitled: “*Our Failing Neighbour: Australia and the Future of the Solomon Islands.*” Noting that: “Over the past five years, a slow-burning political and security crisis has paralyzed the country’s capital, stifled its economy, disrupted government, discouraged aid donors, and inflicted suffering and hardship on its people” and that Solomon Islands had “virtually ceased to function as an effective national entity” the report argued that “the current measures being taken by Australia and the wider international community . . . will do no more than palliate the crisis. Nor is there any evidence to suggest that Solomon Islands can pull itself out of a fatal dive towards state failure” (p. 1). On this basis the authors argued that only intervention by an outside force could solve the situation and that Australia should reject its past caution and move decisively to turn the situation around.

The SI Cabinet finally accepted that it could not halt the continuing decline in its ability to govern and authorized Kemakeza to enter into discussions with Australia for an Intervention Force.

In discussions with Australian Prime Minister Howard in Canberra in June 2003, Australia agreed to intervene provided it could do so under the umbrella of approval from the Pacific Islands Forum (of which more is said in the section The Failure of Australian Foreign Policy). That support was forthcoming at a meeting of Forum Foreign Ministers on June 30, 2003. On July 11, the Solomon Islands Parliament unanimously supported a motion endorsing the proposed intervention package, and on July 17, unanimously passed the required legislation (the Facilitation of International Assistance Act 2003). Given the impossibility of providing development assistance in the absence of security, the intervention package was for a Phase One police-led operation designed to stabilize the law and order situation, disarm militants, and remove guns from communities. Concurrently technical assistance would be provided to rebuild the

police, judiciary, finance ministry, and other essential arms of government, to stabilize government finances and ensure delivery of basic government services, and to put in place the framework for economic recovery (DFAT, 2003). A military component of 2000 personnel drawn from Australia, New Zealand, PNG, Fiji, and Tonga, would establish a secure environment by disarming all militants, and provide logistical support and force protection for the 320 members of the police contingent and 200 technical advisers. While the military component was expected to be drawn-down as soon as a secure environment was established (within 6–12 months), Phase Two would commence with continuing policing and development assistance aspects of the package. The Intervention Force would remain engaged for several years.

By August 1, 2003 the Regional Assistance Mission to Solomon Islands (RAMSI), code-named “Operation Helpem Fren” and under the command of an Australian senior diplomat, was in place (Australian Government, 2003a; Solomon Islands Government, 2003). The militants, faced with a disciplined and powerful neutral force, quietly faded away. Effective disarmament began and by November 2003 it was estimated that more than 95% of all weapons (more than 3700 in total had been handed over, including 660 high-powered military weapons). By December 24, 2003, 733 people had been arrested, including a minister and high profile militants from both sides, on 1168 charges (SIBC 2003, cited in Kabutaulaka, 2004). Fifteen new police outposts were established in the most affected areas. Keke’s reign of terror on the Weathercoast of Guadalcanal ended with his detention three weeks after the RAMSI force arrived. Senior police involved in the fighting were dismissed and/or detained. An externally imposed peace descended upon the Solomons, the self-imposed task of RAMSI to pull Solomon Islands back from its status as a failed state.

According to Thürer (1999) three elements characterize the phenomenon of the “failed State” from the political and legal point of view.

- “Firstly, there is the geographical and territorial aspect, namely the fact that “failed States” are essentially associated with internal and endogenous problems, even though these may incidentally have cross-border impacts.” This is true of Solomon Islands where the situation is “one of an implosion rather than an explosion of the structures of power and authority, the disintegration and destructuring of the State rather than (its) dismemberment” (Thürer, p. 2).
- “Secondly, there is the political aspect, namely the internal collapse of law and order. The emphasis here is on the total or near total breakdown of structures guaranteeing law and order rather than the kind of fragmentation of State authority seen in civil wars, where clearly identified military or paramilitary rebels fight either to strengthen their own position within the State or to break away from it” (Thürer, p. 3).
- “Thirdly, there is the functional aspect, namely the absence of bodies capable, on the one hand, of representing the State at the international level and, on the other, of being influenced by the outside world.” Even at the height of the crisis, Solomon Islands retained some capacity in this regard, although in general its Government lacked the authority to negotiate and represent the militant factions and other groupings within, certainly lacking the authority to enforce its will. Some of its key actors, in the words of Thürer (1999, p. 2) were “wholly unreliable, typically acting

as statesman by day and bandit by night". From the legal perspective, Solomon Islands qualified as a failed state because although it retained constitutional legal capacity once the Sogavare Government had been replaced by the democratically elected government of Kemakeza, it had for all practical purposes lost the ability to exercise it.

This is the situation into which the Australian Government has entered through "Operation Helpem Fren," with an open-ended commitment which of necessity will last for some years. While this response has already succeeded in restoring law and order, and its in-line officials will over time reduce corruption and improve the efficiency of government ministries, there is an assumption that these actions will reinvigorate Solomon Islands as a united sovereign state. But the fissiparous tendencies of geographical mobility that have led to contested ethnic settlement, especially by Malaitans in Guadalcanal, appear to have no visibility on the Australian radar screen; there appears to be no policy or strategy designed to tackle the underlying problem of nation building to overcome the ethnic divides.

To reach an understanding of the reasons for the situation that enveloped Solomon Islands at the start of the 21st century we shall delve 140 years into the past, to the 1860s when Queensland and Fiji began to develop their sugar industries.

10.3 THE MYTH OF THE MALAITAN PLANTATION WORKER

To meet the Queensland sugar industry's demand for labor, unscrupulous "recruiters" began to raid village communities in nearby South Pacific colonies – Solomon Islands, New Caledonia, New Hebrides (renamed Vanuatu on independence in 1980) – seizing men, and sometimes women and children, and transporting them against their will to work in the cane fields. This infamous trade in "kanakas" as the Pacific Islanders were generically labeled became known as "blackbirding" (Crocombe, 1987).

In 1862, two Kwaio men from northeast Malaita, Afio and Toobebe, were seized by a trading schooner. They did not return and after one year, presumed dead, were mourned and mortuary feasts held (Keesing and Corris, 1980). But after several years "the two lost men returned, alive and laden with steel tools and trade goods, and told of a fantastic journey, a distant place" . . . the cane fields of Queensland (Keesing and Corris, 1980, p. 9). Those goods represented "a radical improvement on the old ways. Men who had broken a dozen adze blades felling a single forest giant were not slow to appreciate the steel axe" (Keesing and Corris, 1980, p. 9). Cane cutting knives (machetes) quickly became extensions of the arm, used by men for everything from felling trees, hacking paths through the jungle, cutting saplings and shaping poles for building houses, and as weapons; by women for gardening, digging, collecting firewood and cutting thatch and sago palm fronds for roofs; even today, men, women, and children as young as three or four carry "bush knives" (as machetes are known) as normal components of apparel. The Kwaio and other Malaitan tribes began to appreciate the advantages of acquiring highly prized goods through working in the distant cane fields of Queensland.

It was not a trade without turmoil however. For every four Malaitans who went to Australia, three returned home. Those who did not return were mourned as if dead, and often vengeance was exacted against other trading ships. The *Borealis*, for example,

was raided by the Kwaio in 1880, most of the crew killed and the ship looted. In 1882, the *Janet Stewart* was attacked and the crew killed by the Kwaio. In 1886, the *Young Dick* was attacked and four of its crew killed (Keesing and Corris, 1980, p. 11).

The capacity to access European trade goods represented both a promise and a problem, bound up in control and distribution, to the Malaitans. Power resided in the older men: they exercised leadership in tribal affairs through political and ritual power, and the younger men were dependent upon them for arranging marriage, finance (shell money and pigs), protection, and ritual services (Strathern and Godelier, 1991). But the services of the elders were not required for the sugar industry. That demanded the muscle power of the younger men. The elders moved to retain control over distribution so that by the 1890s the labor trade had evolved to the point where they entered into “understandings” with the traders, and “rules” replaced “blackbirding” in Malaita. The elders would select only their fittest, strongest young men and the traders had to pay substantial bounties in advance for each recruit – rifles, steel axes and knives, pots and pans, cloth, tobacco, and rice. The young men had to be returned with additional trade goods, which were collected by the elder men. According to Keesing and Corris, “The Malaitans, by this time sophisticated about wages, work conditions and even particular ships and plantation foremen, drove shrewd bargains” (1980, p. 11). While this trade could not be described as one between equal parties, nevertheless the Kwaio and other Malaitans achieved significant gains.

Because of the control exercised by the elders over recruitment, Malaitans quickly developed a reputation as the best, strongest, and most hardworking *kanakas* of all, the preferred labor force. The “Labour Trade” became an integral component in the social and cultural structure of the Malaitan tribes as “going to the plantations” assumed the role of a rite of passage, thus leading to mutual reinforcement by both parties (Keesing and Corris, 1980). Out of 64,000 indentured Pacific Islanders who went to Queensland some 9000 were Malaitans. It is not known how many were from Guadalcanal, but estimated at perhaps only 1000 (Naitoro, 2000).

After 1893, when the Solomons became a British Protectorate, there was a major move to establish a European presence in the islands through parallel ingresses by four broad categories of aliens: the governmental colonial bureaucracy of the Protectorate; missionaries (about 100 by 1920); planters (about 200 by 1920); and Chinese (a number of them forced to emigrate by the White Australia Policy of 1904). The BSIP administration a policy of commercial development was pursued “with large-scale alienation of customary land for imperial investment” (Naitoro, 2000, p. 5). Alienation was legalized under the Queen’s Regulation no. 4 of 1896, and allowed expanded confiscation under the Queen’s Regulation no. 3 of 1900, amended by no. 1 of 1901 and (after Queen Victoria’s death in 1901) by the King’s Regulation no. 2 of 1904, in which “waste land” was defined as “land that is not owned, cultivated or occupied by any native or non-native person” and gave the administration the right to acquire land for plantations, towns, and other administrative centers, for churches and other properties (Allan, 1957, p. 3). The first major company was the Pacific Islands Company (Scarr, 1967). Second, was Levers’ Pacific Plantations which by 1906 controlled “most of the fertile land throughout the country (more than 200,000 acres)” (Lasaqa, 1972, p. 33). By 1956 it had appropriated 90% of the coastal fertile land under foreign control. This amounted to about 6% of the total land in the country (Allan, 1957, p. 60).

The European planter/commercial community was increasingly composed of Australians, predominantly Queenslanders, and as they established their plantations in the Solomons, they recruited the “best” *kanakas* for their labor force according to prevailing myth, namely Malaitans (Keesing and Corris, 1980). The large companies – Burns Philp, Levers, W.R. Carpenter – did the same. There was growing pressure for more plantation labor all over the Solomons as expatriate holdings expanded and so Malaitans flowed out into the Solomons wherever plantations were established, from one end of the Protectorate to the other, to Shortlands, Choiseul, Vella Lavella, Ranonga, Kolombangara, Rendova, and New Georgia in the west; to Russell Islands, Isobel, Florida (Nggela Islands), and Guadalacanal in the center; and to Makira, Santa Anna, Santa Cruz, and the Reef Islands in the east.

The Protectorate regime introduced a head tax of one pound per annum in 1920 (BSIP Labour Regulation, 1920) but because of a lack of plantation development in Malaita, in order to pay the head tax Malaitans were compelled to seek employment in plantations all over the Solomons, thus adding to the out-migration throughout the country. By the 1920s some 79% of all plantation labor in the Solomons were “Malaita-men” (British Colonial Records, 1922). The “White Australia” policy of 1904 may have brought the opportunity of working on the cane fields in Australia to an abrupt halt, but “going to the plantations” became a continuing rite of passage for Malaita men as coconut plantations expanded in the Solomons (Keesing and Corris, 1980). There was of course plentiful labor available on the different islands from resident tribes whose young men were equally as fit as Malaitans; but the myth of Malaitans being the best plantation workers was given additional credence because after one or more generations of exposure to the discipline of daily work, of some rudimentary education (reading, writing, and simple arithmetic skills), of conversion of some to Christianity, and general familiarity with the values of the monetized economy, many Malaitans did possess attributes not shared by other Solomon Islanders. Bennett (1987, p. 189) noted that at any one time between 1914 and 1939, 10% of Malaitans were absent on plantations and that “except for catechists and pastors, all the men old enough to have had pre-war employment had worked on plantation-related activities. Almost a third had been away for eight or more years, a quarter for four to seven years, and another quarter for two to three years.”

In addition to recruitment by the plantation sector, Malaitans were often favored as recruits for the colonial service, by mission stations and as itinerant crews for trade boats because of the attributes outlined above, coupled with their willingness to relocate. This entree into the monetized economy and the values of western institutions and organizations also gave Malaitans a heightened appreciation of the role of formal education in their changing world. And so as one generation succeeded another Malaitans were often at the forefront of schooling opportunities and thus positioned to obtain senior positions and numerical advantage in all modern sectors as the Solomon’s progressed towards independence.

10.4 MIGRATION TO GUADALCANAL

Guadalcanal became one of the largest recipients of Malaitans plantation settlers as expatriate holdings on the fertile Guadalcanal plains expanded rapidly. Between 1886

and 1920 a total of “22,720 acres of land on the plains of Guadalcanal, the most fertile land in the whole of Solomon Islands, had been taken out of native ownership” (Lasaqa, 1972, p. 29). An Australian company, Kelly TG, subsequently acquired all the land between the Matanuska and Tenure rivers (20,444 acres) for plantations, with trade goods (Lasaqa, 1972). The plantation area east of Tenaru on the Guadalcanal Plains expanded further after the establishment of large oil palm plantations at Ngalmibiu and Tetere by the (Commonwealth Development Corporation which established a joint venture company, Solomon Islands’ Plantations Ltd. (SIPL), in 1971, with the then Solomon Islands government. Through negotiations with local Guadalcanal “*kastom*” landowners Solomon Islands Plantations Ltd continued to expand right through the 1990s until it covered some 15,400 acres. The local landowners were granted 2% shareholding as part compensation: CDC held 68% of the shares, and the Solomons Island Government the remaining 30% (Kabutaulaka, 2001). By 1998 Malaitans constituted almost 25% of the population of Guadalcanal (which totaled about 85,000), and some 60% of the population of the capital, Honiara (which totaled about 55,000).

At the start of the 1998 outbreak of violence, the total SIPL labor force was just under 9000. Family members and “*wantoks*” residing with the workers resulted in an estimated total population of the SIPL “lines” of about 30,000. Of these, some 80% were Malaitans. Many of the migrants squatted on Guadalcanal customary land adjacent to the five villages established by SIPL, others squatted in and around the plantations which were spread over a 20 km area, yet others negotiated for land rights, paid compensation and became “owners” themselves. As Naitoro (2000, p. 8) noted: “This new plantation community brought together people of diverse cultural and social expectations . . . the commercial project created an ‘invasive’ environment in which Guadalcanal people were simply marginalized and dispossessed of their own territory.”

In an attempt to manage the various social issues (such as violence, gambling, the large number of single males, sexual misconduct, and overcrowded habitation) of such disparate communities, SIPL established “Village Committees” on each of the five estates making up the total holdings. Malaitans dominated these committees since representation was based on the comparative numbers of each main ethnic group. Thus, for example, in 1987 the village committee of Okea estate had six members representing Guadalcanal, Makira, and Malaita, of whom four were Malaitans with one each from Guadalcanal and Makira. Other village committees were similarly dominated by Malaitans. The different cultural value systems inevitably led to problems as different tribal groups held different positions on whether there was an issue, and if so how it should be resolved. For example, at Tetere estate in 1985, the Guadalacanaliese representative identified a problem of overcrowding and demanded that the numbers of Malaitans be reduced. But the Malaitian representatives refused to acknowledge that there was a problem. In another case from Tetere, involving an alleged case of adultery in 1986, the parties could not agree on what constituted adequate “compensation” as the Guadalacanaliese had very different standards from the Malaitans. Their discussions revealed that the standard for Makira was SI\$300; in the Eastern Province, \$100; on Guadalcanal \$200; and in Malaita \$500 or even more because of the cost of associated feasts involved in restitution and reconciliation. The Malaitian majority was able to insist on its much greater amount of compensation being paid by the Guadalacanaliese

offender (Takabio, 1986). Such a “settlement” was unsatisfactory and in this case, not paid, led to a long simmering dispute. Many similar such cases led to increasing frustration among the Guadalcanalese who felt that they were being forced to accept Malaitan customs, when in their view Malaitans as “guests” within Guadalcanal territory should accede to Guadalcanalese customs.

It is difficult to underestimate the degree of resentment this caused among Guadalcanalese as thousands of cases built up over a 30-year period. The particular case of a murdered Guadalcanal family on Mount Austen in 1990 by Malaitans that was never successfully prosecuted still rankles with Guadalcanalese today. In this context it is revealing that Alebua, in his statement of demands to redress the grievances of the Guadalcanalese demanded respect for Guadalcanal customs by settlers. The Women for Peace Group reported that for many Guadalcanal people land was not the main issue: “their real grievance was the imposition on them of another island’s traditions, customs and laws by settlers . . . not respecting the customs and property of the host province. Many Guadalcanal people say that when they opposed such cultural impositions they were ignored, harassed, threatened and at times murdered. They say that this is the real cause of their disagreement with Malaitan settlers” (Liloqula and Aruhe’eta-Pollard, 2000, p. 6).

10.5 MIGRATION TO HONIARA

There were several other factors in addition to the plantation sector being the largest in the country that resulted in even higher proportions of Malaitans settling in Guadalcanal Province rather than elsewhere.

First was the establishment of the capital on the north Guadalcanal coast. Following the Japanese invasion of Solomon Islands in 1943 and the American counter invasion, the US Armed Forces selected a small cove, Point Cruz, as the site of their new headquarters, Honiara, and made Henderson Field, some 12 miles east, their air force base. Thus they transformed an unpopulated cove into a huge army base and port and, accepting the prevailing myth, recruited about 2000 Malaitans as their labor force to do so. When the war ended and sovereignty of the Solomon Islands was returned to Britain in 1945, the Colonial Administration decided to take advantage of the far superior infrastructure left behind by the Americans and in 1953 moved the capital from the small settlement of Tulagi on Florida to the thriving town of Honiara. Town boundaries were surveyed and the land formally alienated. Many of the Malaitans remained as permanent residents and as the colonial administration increased in size, inevitably more and more Malaitans settled in Honiara.

With the growth of Honiara both economically and administratively, the rural–urban drift which has accompanied modernization globally, attracted even more Malaitans to jobs not available elsewhere. Thus at independence in 1978, while Honiara had an official population of about 15,000, there was an estimated 8000 additional Malaitan squatters in its environs, notably around the so-called “Fishing Village” at Ranadi on the eastern outskirts and in villages around the foothills of Mount Austen which forms the southern boundary. Consequently, by 1998 some 60% per of Honiara inhabitants were Malaitans. For Guadalcanalese the relocation of the administrative capital from Tulagi to Honiara in 1953 was “seen as a further violation of Isatabu

territorial rights.” Honiara became the central “pull” factor for other Islanders, especially Malaitans. . . . As development and progress took hold in Honiara, now seen as a national property, Isatabu territorial rights over the area were assumed to be “extinguished” (Naitoro, 2000, p. 7). And as noted, “rent” for the occupation of tribal lands alienated for Honiara was a key point in Alebua’s demands on behalf of the Guadalcanalese.

10.6 GEOGRAPHICAL PROXIMITY AND POPULATION GROWTH

Second, the southern most part of Malaita (Are’are) is only 20 km by sea from the eastern-most extremity of Guadalcanal, far closer than the 80–100 km separating them from north Malaita. Over several hundred years this close proximity resulted in Are’are expansion into Marau Sound where they became permanent residents and customary landowners in their own right.

In part this movement could also be seen as a response to demographic pressures because Malaita, the most populous island, also had less arable land than other provinces. As the colonial powers suppressed inter-tribal warfare, and as health and medical services improved, so the population dramatically increased. By the 1980s, with an annual birthrate in excess of 3.5%, overpopulation had become a serious issue. In parts of northern Malaita the 40–50 year cycle for slash-and-burn agriculture was reduced to 3–5 years with concomitant leaching of the soil and decreased fertility, resulting in far less productive gardens for subsistence. Malnutrition appeared for the first time since colonial settlement. But migration had become not only a rite of passage for many young Malaitans, it was a matter of necessity for others. The 1999 census, for example, revealed that Malaita accounted for 30% of the total population of the Solomon Islands, 122,000 out of a total 407,000. In short, lacking the fertile soils of other islands, demographic pressures alone account for much Malaitan migration.

10.7 INDIGENOUS POLITICAL MOVEMENTS

Third, a nascent independence movement had attracted several thousand Malaitans to the eastern-most part of Guadalcanal (Marau Sound), and the southern “Weathercoast” of Guadalcanal, where, in the aftermath of the Second World War over a 20-year period from the mid-1950s to mid-1970s, a quasi-independence movement arose on Malaita, its leadership coming from both the Are’are tribe of south Malaita and the northeastern Kwaio. Known as Ma’asina Ruru, meaning literally “brotherhood,” with connotations of everyone being “level” or equal (but misinterpreted by the British Colonial authority as “Marching Rule”), the movement grew out of an increasing perception among Malaitans that the British were not invincible and superior, after all (Laracy, 1983). Rather, seeing them “run away” from “the little yellow Japanese,” was a shocking revelation for people inured to the inbuilt racism and power exercised under British colonialism (Fifi’i, 1989). And having worked alongside white Americans in the War, sometimes under Negro officers, and having experienced a more egalitarian relationship with whites, the experience had a profound effect on Malaitans whose only reference point till then had been a colonial system that classified the black man as inferior,

subservient, and destined to occupy the servant role for ever. So in repudiation of these colonial values, and seeking a greater degree of equality – though not independence – the Malaitans established Ma'asina Ruru. Nervous of independent movements witnessed in their other colonies, such as Kenya, the British administration for its part reacted swiftly and with force, outlawing the movement and jailing several hundred of its leaders and adherents. Confined to Malaita the movement was quickly suppressed.

Then came Moro (Davenport and Coker, 1967). A minor “bigman,” it is said that in 1953 Moro fell into a coma for several days and on regaining consciousness talked of a vision of his ancestors and hereditary gods; a combination of coma and ancestor visitation is evidence of powerful magic in the eyes of Melanesians, and one that always bestows status on the individual concerned who is said to be “hot” with power (Tonkinson, 1982). In Moro's vision, a local ancestor-god was elevated into the creator of the Solomon Islands and as his descendants grew in number and the generations unfolded, spreading across the country, they began speaking in different tongues thereby losing their original *kastom*. As a direct descendant of the ancestor-god, Moro's saw his responsibility as being to restore “true *kastom*” (culture and tradition) in order to reunite the Solomon Islands. In effect this was the country's first creation myth, but translated into pre-independence politics it was seen by the British as a threat to governance. Moreover it appealed to former Ma'asina Ruru adherents who flocked to Moro and were at one stage estimated by the British colonial authorities at around 30,000 (Davenport and Coker, 1967). Most were fellow Guadalcanalese, but many were from other tribes from other islands, including some 3000 Malaitans who migrated to Marau Sound and the Weathercoast of Guadalcanal in support. Again fearing the rise of an independence movement, Moro was arrested by the British and jailed for several years. On release his movement proved a source of “cultural revival” but without its earlier political edge, and though it was never really suppressed the British administration did succeed in short circuiting Moro's attempts to become a national leader. Ever since the 1970s Moro's movement has been little more than a local one, even though Moro still continues to enjoy the status of “bigman” in the eyes of many people both inside and outside Guadalcanal. His movement was never a cargo cult in the same way as those in Papua New Guinea (PNG) and Vanuatu, but for financial and other material motives Moro did espouse close relationships with Australia and the United States. And one of his lasting legacies is the fact that on account of intermarriage many hundreds of Malaitans became permanent settlers along the Weathercoast, and in the area of Marau became numerically predominant (along with the Are'are) over the local Birao (Solomon Islands Population Census, 1999).

Resentment against the Malaitans is not confined to Guadalcanal however. All over the Solomons, Malaitans have become viewed as interlopers, aggressive, and as accessing resources and benefits that should have accrued to traditional landowners. Reports by successive Australian High Commissioners to Canberra from the very first appointee at independence (H.E. John Melhuish, 1978–1980) have consistently recorded tensions and rivalry engendered by the Malaitan presence in most provinces. This negative sentiment has frequently manifested itself politically as members of parliament rejection of the prime ministerial aspirations of Malaitans. Since independence 26 years ago, only Sir Peter Kenilorea (1978–1980, 1984–1986) and Bart Ulufa'alu

(1997 till his removal by the coup of 1999) have overcome this prejudice. Other key positions going regularly to non-Malaitans include successive Governors-General, unelected (independent) Speakers of the House, and Chief of Police – this last position being held from Independence till his retirement in 1996 by Sir Fred Soaki (who came from a minority Polynesian group living on the tiny distant outlier of Tikopia, in the extreme east of the country) who was later appointed to the Peace Mission Task Force but assassinated by an aggrieved Malaitan former police officer in 2002.

In summary, over a 100 year period significant numbers of Malaitans have settled all over the Solomons, the majority of them in Guadalcanal, thanks to *Pax Britannica* which encouraged them as plantation labor to move freely outside their tribal boundaries and there establish settlements, something previously possible only through victory in tribal warfare and even then remained relatively rare. Under the aegis of *Pax Britannica* the plantation sector developed a preference for Malaitan labor that resulted in the first major relocation of tribal peoples to all parts of the Protectorate, and a head tax introduced in 1920 only reinforced Malaitan migration further. The colonial administration, Christian missions, and trading sector also actively recruited Malaitans in preference to other tribes, although their total number was less than that in plantations. Finally, the establishment of the capital, Honiara, in Guadalcanal, led to a further influx of Malaitans. So by the time hostilities broke out in Guadalcanal in 1998, an estimated 65,000 Malaitans resided in Guadalcanal (35,000 in and around Honiara, and 30,000 in rural Guadalcanal) compared with 80,000 Guadalcanalese.

10.8 LAND TENURE

Compounding the issue of Malaitan migration and out-settlement is the issue of land tenure. This matter highlights the clash between traditional values which give custodial rights over land in perpetuity to clans and tribes based on ancestral occupancy, and those of the innovating, contemporary, monetized society where land is a commodity which can be bought and sold for profit by any individual (Sofield, 2003). For as long as Malaitans were only squatters, there was some possibility that under the Lands & Titles Act (1978) and Amendments (1984) relevant provisions could be invoked and squatters forced to relocate. This possibility is of course dependent upon a strong and independent judiciary willing to uphold the letter of the law.

The British colonial powers had very different concepts of land rights from their subject peoples and created various categories of land that did not exist in the traditional Melanesian (and Polynesian) societies they governed in the British Protectorate of Solomon Islands. Such categories as Crown land, freehold title, park land, reserve land, waste land, and catchments areas, foreign concepts not easily accommodated in the traditional land tenure systems, established new ownership and utilization of land, and resources with legal backing in the imported legislative and court systems (Larmour, Crocombe, and Taungenga, 1981).

With political independence, however, came the state's capacity to restrict the outside manipulation that characterized Solomon Islands' colonial status. Accordingly, on independence all alienated freehold land except that owned by the Government reverted to customary ownership, with title changing to a maximum 75-year lease for

current “owners.” The new Lands & Titles Act, 1978 recognized only three categories of land: government alienated, leased alienated, and *kastom* land. Alienated land comprises about one-twelfth of all Solomon Islands holdings. It is land for which compensation was paid, boundaries surveyed, and title registered (usually as freehold) with the Commissioner of Lands prior to independence. After independence, customary ownership of all alienated non-government owned land was to be determined at some time before the leases expired. Land owned by Government included the capital, provincial administrative centers, airfields, and other sites providing for national requirements. With reference to urban centers where the government has ultimate control, lease titles can be bought by and sold freely to Solomon Islanders and expatriate residents.

Tribal land is peopled by both living tribal members and by ancestors in an unbroken line, with the present population being custodians of the land and its resources for future generations. The boundaries of tribal land were determined by pioneer settlement and contemporary custodianship is based on genealogies linking ancestors to living individuals grouped either patrilineally or matrilineally. Customary land cannot be bought or sold, and through family lines and clans, individuals can exercise usufructuary rights. The tribe is decentralized and village communities are often the highest form of administrative body within whose boundaries individuals strive for status, wealth, influence, and power.

Under the 1984 Amendment, alienated land held under 75-year leases may be bought and sold. Aliens can only purchase whatever remains in years of the original 75-year lease. In other words, in 1988, a lease purchased by a non-Solomon Islands citizen only had 65 years left to run, and in 1998 only 55 years. Solomon Islanders, however, could purchase such leases “in perpetuity,” in effect a form of freehold, and as alienated land formerly owned by expatriates came on the market, Malaitans were among the first Solomon Islanders to purchase them. Their knowledge of plantations, of the monetized economy, and their access to capital gave them an advantage over many fellow Solomon Islanders. In addition, they negotiated with Guadalcanal *kastom* owners in approved *kastom* ways and with appropriate compensation gained further Guadalcanalese lands. By 1999 most alienated land in the Solomons was held by nationals as leases in perpetuity, and in Guadalcanal it was estimated that more than 12,000 Malaitans had acquired the right by law, both constitutional and *kastom*, to own leases/land in the former tribal territories of the peoples of Guadalcanal. And under that law, the Guadalcanal people were forever alienated from their traditional tribal lands.

Initially there appeared little understanding by Guadalcanalese of the meaning of “in perpetuity,” and some individuals and clans even sold leases of customary land holdings to Malaitans in the belief that they still retained ownership. With reference to the large plantation holdings, the customary owners believed that all they had to do was wait the mandatory 75 years and ownership would automatically revert to them. Gradually however they began to realize that there were leases and leases, and that a lease held “in perpetuity” by another Solomon Islander meant they would never acquire control of their traditional tribal lands. It was this realization, along with a growing awareness that the law had failed to protect their rights, that led Guadalcanalese increasingly to stridently demand return of their tribal lands and finally, to form the Guadalcanal Liberation Army, subsequently the IFM. These activities led to

the outbreak of violence, the rapid descent into near-anarchy in Honiara and Guadalcanal Province and the impotence of the state to restore law and order and govern.

One of the potential flaws of the current RAMSI package is that as law and order is restored, Malaitans have the right to return to Guadalcanal and under law reclaim the land that is legally theirs. As long as RAMSI remains, a return to violence is unlikely, but once it leaves, the entire cycle of problems can begin again. In the present situation with its focus almost entirely on restoring law and order, and "good governance," the land issue appears to have been greatly overlooked. But it will return to haunt the Solomon Islands unless it is addressed in ways acceptable to both Malaitans and Guadalcanalese.

For many Solomon Islanders (excepting Malaitans), the independence constitution itself is a flawed document that allows non-customary owners to settle and displace local people; and because of this, should be changed. Several analyses of the recent crisis by Solomon Islanders have emphasized this very point, focusing in particular on the constitution preamble and Article 14. The preamble justifies the establishment of a single united sovereign state in these words: "*We the people of Solomon Islands, proud of the wisdom and the worthy customs of our ancestors, mindful of our common and diverse heritage and conscious of our common destiny, do now, under the guiding hand of God, establish the sovereign democratic State of Solomon Islands.*" Article 14 then grants all Solomon Islands citizens "*the right to move freely within the national boundaries . . . and reside in any part.*" (Solomon Islands Government, 1978).

The Women for Peace Group said that in its work during the crisis Guadalcanal people, men, women, and militants deeply resented the way Malaitans forced their customs on them by "using the national constitution to justify imposing their own ways on others" (Liloqula and Aruhe'eta-Pollard, 2000, p. 6). These authors argued that the preamble subjugated individual customs to the sovereign state and that Article 14 of the constitution by giving all citizens of Solomon Islands "the right to move freely within the national boundaries . . . and reside in any part" encouraged internal migration. "People moved outside land, blood and tribal ties, within islands, between islands and between provinces" where they settled. As Liloqula and Aruhe'eta-Pollard (2000, p. 7) have said, "After independence the movement of people to the capital and other provincial centers increased dramatically as a direct result of this new constitutional right," and this freedom guaranteed under the constitution led to the introduction of non-local customs as of right by the new settlers. The constitution was flawed because it was open to misunderstanding since it led people to believe they could settle anywhere and disregard local custom. "The major contribution of the national constitution to the ethnic tension stems from the preamble and its interpretation, which requires general rethinking by all Solomon Islanders. In many ways the ethnic tension results from the many different interpretations placed upon the [preamble] and on Section 14, which grants freedom of movement" (Liloqula and Aruhe'eta-Pollard, 2000, p. 8).

Naitoro (2000) too argues that the constitution is deficient because it marginalizes traditional leadership, and that as a result "the apparent constitutional exclusion of kinship collectivities has been an issue ever since." He notes that some provinces want to move to individual statehood or even independence, and quotes both Alebua's demand for "a structural change of the political system from a unitary system to a federal state system of government" (2000, p. 6), and the Guadalcanalese view that

Article 14 should be amended or abolished because it is a major cause of Malaitan mass migration.

Kabutaulaka's (2001) is another emic voice who considers Article 14 a major factor in Malaitan migration and he approvingly quotes a reference from the 1987 Constitution Review Committee report chaired by former Prime Minister, Solomon Mamaloni. "A man from Oa Village on southeast Guadalcanal expressed similar sentiments (about Malaitan domination) when presenting to the Constitution Review Committee: "Freedom of movement should not include the freedom to settle in another language area without permission of customary land owners, or without respect for culture and customs of those who reside in that language area" " (Mamaloni 1988, p. 496).

It is of interest that the independence constitution is given such prominence by Solomon Islanders in their efforts to find causes and solutions to the ethnic violence that erupted in 1998. But while many of them acknowledge Malaitan settlement in other parts of the Solomons before 1978, they rarely mention that *Pax Britannica* encouraged free movement throughout its 80-year colonial rule. In these analyses historical causation extends back only 30 years when in fact migration beyond tribal boundaries has been a feature of the Solomons since the 1890s. Nor is it that massive migration occurred after independence: the 1999 census revealed that in a total population of 407,000, less than 71,000 resided in urban and administrative centers, with Honiara's population accounting for only 59,000 or 12 % (Schoorl and Friesen, 2002). In fact it would be fair to say the constitution played no part in the motivation of Malaitans to settle in Honiara, Guadalcanal, or elsewhere in the Solomons; instead, their migration was based on the economics of plantation economy, while their movement onto the Guadalcanal Plains between the 1970s and the 1990s as the single major labor force in the oil palm plantations is but a continuation of that pattern.

More importantly, perhaps, is the way in which, again without expressing the specifics, these writers and the many Solomon Islanders whose views they reflect, almost inadvertently accept that the Solomon Islands really is a failed state, and thus challenge the Westphalian idea of a modern sovereign state. In evidence is the heritage of a colonial regime that lasted long enough to introduce "general processes of modernization which encouraged social and geographical mobility but were not counter-balanced by nation-building processes capable of placing the State on a firm foundation" (Thürer 1999, p. 3). Any opposition to freedom of movement on ethnic grounds, however, is contrary to one of the basic principles of a modern democratic state. Castellino's (1999, p. 52) observation on the failure in nation building to take into account deep-rooted ethnic identities and differences is therefore pertinent: "Post-colonial people have to exist within the boundaries created for them adhering to principles of nation-building, bolstered by the idea that people are similar and differences between them could be overcome at the altar of the sovereign state."

10.9 INDIGENOUS LEADERSHIP ISSUES AND CORRUPTION

Throughout the recent crisis there has been a focus on corruption, often blamed on the lack of leadership. Roughan, for instance, himself a prominent Solomon Islands' citizen and NGO representative, believes the crisis "shows up our leaders special talents for

destroying the country by lining their own deep greedy pockets first" (personal communication, February 2002). Similarly, the Governor of the Central Bank, Rick Hou, in a Solomon Islands Broadcasting Corporation news item on November 23, 2003 said the country's economic decline could be attributed to the "rotten-ness" of indigenous leadership, and that until the issue was rectified the Solomon Islands would continue to face problems (Kabutaulaka, 2004). The Pacific Islands Forum Secretariat's legal adviser, Solomon Islander, Transform Aqorau, also argues that unless there is a fundamental change in the culture of leadership at the highest echelons, the country will continue to suffer (*Islands Business*, 2003), and Sanga (2003, p. 4) baldly declares that RAMSI's focus on law and order is "a minor issue. The real crisis, the one demanding attention, is leadership."

However, even corruption, is not always a straightforward matter. The clash of western versus Melanesian values needs to be taken into account, and in this case the particular business of *wantok*. *Wantok* is a Pijin term widely used throughout Melanesia to denote a close relationship. Literally translated it means "one talk" or "same language," and in the Solomons it is applied to a wide range of relationships depending on different circumstances. In the first instance, a person's closest *wantoks* will be his or her extended family. Beyond that it will be a members of the same clan, then same tribe, and after that same linguistic group. More broadly still it will be applied to members of the same province or geographical locality—for instance all the people of Malaita or Guadalcanal.

Within Melanesian society with its notion of *wantok* one rarely finds a hierarchy of hereditary chiefs (or ascribed leaders) as in Polynesia. It is usually a relatively "flat" system in which a series of "bigmen" achieve their leadership status by accumulating wealth based on their excellence in various traditional fields of endeavor. Their hold on authority, power, and influence is never guaranteed, it is always characterized by robust competition where a fierce sense of egalitarianism finds expression in socially sanctioned ways of leaders reducing the status and wealth of fellow "bigmen" (Sofield 1996; Strathern and Godelier 1991; Tonkinson 1983). An individual "bigman" may prevail over another not necessarily on the basis of his particular merit but on the basis of the *wantok* support he is able to muster. Incidentally, as far as this author is aware, use of the male pronoun here is not sexist but a reflection of the fact that none of the 90-odd linguistic groups of the Solomon Islands has a comparable word to describe an influential woman.

One of the key elements of the *wantok* system, particularly when allied to the "bigman" system, is the need for leaders to distribute whatever benefits they accrue to their *wantoks*. A "bigman" has a duty to share the benefits of his prowess, expertise, and position among *wantoks*; it is typically done by holding feasts, providing bride price monies and so forth. Failure to do so may result in social sanction. The politician who does not provide a flow of benefits to his village constituents, for example, will simply not vote for him at the next election. Thus the Melanesian social system avers that a member of parliament has a responsibility to provide jobs for *wantoks*, in a way that our own system would condemn as nepotism; and his distribution of largesse, normal to his circumstances, would be condemned as corrupt in ours. The Melanesian system demands it this way. As Scales (2003, p. 6) notes, practically, "There is a whole interminable logic to the situation. [And] Unless the bilaterals (aid donors) begin to

understand the contradiction of State and society in Solomon Islands not as corruption but as competition” for resources to be expended at the local level where control over the development agenda can be exerted by communities, over the development agenda, they (the aid donors) will usually fail to address local needs, and so not help towards overall national development.

10.10 FAILURE OF AUSTRALIAN FOREIGN POLICY

The Solomon Islands slide into “failing state” status could possibly have been halted if Australia had responded to several requests in 1999 by the then Prime Minister, Bart Ulufa’alu, for 20 Australian police to aid in restoring law and order. These requests were brushed aside, though, by Australian Foreign Minister, Alexander Downer, with words to the effect that he was unwilling to risk Australian lives there, notwithstanding the fact Australia had a 1700-strong peace keeping force in East Timor, up to 600 armed peace keepers in neighboring Bougainville, had been participating in UN Peace keeping missions in international trouble spots such as Lebanon and Syria for over two decades, and had had a continuous police presence in Cyprus since 1970.

This negative response indicated a major deficiency in Australia’s understanding of the fundamental dynamics of foreign policy in the South Pacific, and of its own national interests and responsibilities. Preferring to strut grandiosely on the stage of international peacekeeping rather than engage in helping stabilize neighboring microstates in its immediate region, it appeared to have forgotten the axiom that regional political stability is only as strong as the economic underpinning of each microstate, and that in any situation of political fracture there is only one country which must inevitably pick up the pieces – Australia itself. Moreover, the failure to do so could only result in the long run in increased economical, social, and political costs to itself and that Island state.

This is not stated with the value of hindsight: this is the glue that bound Australian foreign policy to the South Pacific over 40 years up until the end of the Cold War at the start of the 1990s. This author, with 12 consecutive years (1976–1988) as a senior Australian diplomat in the South Pacific, was active in formulating and directing this policy through successive Australian Liberal and Labor Governments, and was also Deputy Director of the South Pacific Forum Secretariat, Fiji (in 2000 called the Pacific Islands Forum). During this period, the policy of “strategic denial” governed much of Australia’s interests and activity. It recognized the key role a stable South Pacific held for Australian defense and security. Australia played a pro-active role in efforts to keep all Soviet/communist interests out of the region, whether it was resident diplomatic missions in Island states, Aeroflot landing rights, distant water fishing trawlers, oceanographic research vessels, development assistance programs, or any other manifestation of non-Western influence. While the Australian aid program was genuine in its humanitarian and social goals, especially in the fields of health, agriculture, and education, significant effort was expended in underpinning development in the broadest sense because of the recognition that without economic stability political stability would be difficult to maintain, and in such circumstances the microstates might be willing to flirt with the Russias, North Koreas, and East Germanys of that time.

During the 1980s, Australia which in 1975 had diplomatic posts in New Caledonia,

PNG and Fiji only, opened new South Pacific diplomatic posts in Kiribati, Nauru, Samoa, Solomon Islands, Tonga, Vanuatu, and the Federated States of Micronesia, established substantial bilateral aid programs in all 14 non-colonial island states, and posted energetic young diplomats to the region. It provided substantial multilateral funding to regional organizations such as the South Pacific Forum which ran regional development programs in such areas as telecommunications, trade, tourism, shipping, and civil aviation, to the South Pacific Commission (SPC), the South Pacific Regional Environment Program, South Pacific Forum Fisheries Agency, and many other. It initiated the South Pacific Regional Trade and Economic Agreement (SPARTECA) with New Zealand in 1984 that gave microstates preferential access to Australian and New Zealand markets. It initiated the South Pacific Nuclear Free Zone (Rarotonga Treaty, 1985) that responded to Island states' concerns about nuclear activities in the region. And it backed up these moves with a significant Defense Cooperation program involving police and paramilitary training, road and bridge building, the establishment of modern communications networks, and providing Island states with specially designed patrol boats to help them carry out surveillance of their 200 mile Extended Economic Zones. In short, Australia was often pro-active, energetic, and sympathetic towards Island states' needs across a broad spectrum.

The shift in global geopolitics that began with the break-up of the Soviet Union and collapse of communism generally heralded a declining interest by Australia in its small island neighbors. And it is a potent comment on the focus of its foreign policy till then that its policy of "strategic denial" - keeping the Soviet Union and its allies out of the South Pacific - had seen the importance of the need for economic development assistance, an assistance that fast receded once the threat of Soviet influence, and any chance, (however remote) of "a Cuba" on its doorstep vanished. For The South Pacific then seemed to become an Australian policy backwater. Increasingly Australia abandoned its pro-active stance and fell back on a conservative policy of doing nothing, saying nothing, and taking no action unless there was consensus among South Pacific states to activate it. John Howard, who became Australia's prime minister in 1966, was lax in attending Forum summit meetings and missed several. The idea that Australia's - and individual South Pacific states' - interests might be better served by it continuing with the same degree of involvement and support for Islands' aspirations as before, appeared not to register.

Australia's general foreign policy towards the South Pacific had its genesis in the contemporary concerns of the Allied Forces in the aftermath of the Second World War. At that time, the strategic importance of the island countries to the future defense and security of Australia and New Zealand was stark given how the Japanese military had used them as steppingstones to advance south in WWII. As the Cold War began to build after 1945 it was therefore considered the islands could be vulnerable to ideologies deemed dangerous to the western cause (Sofield, 1990). Accordingly Australia took the initiative along with the other colonial powers with Pacific (New Zealand, Britain, France, Netherlands, and United States) to institutionalize links between colonies under an umbrella organization that would provide a modicum of economic and social development to their indigenous populations. This organization, the South Pacific Commission - now called the South Pacific Community, was consolidated at the Canberra Agreement, 1947, by the metropolitan powers in order to demonstrate

their commitment to the region, and to deter powers hostile to the West. It comprised of six colonial powers, including the Netherlands on account of Dutch East New Guinea, and 22 non-independent island states. The Netherlands later withdrew when its colony was incorporated into Indonesia as the province of Irian Jaya. Ironically, the SPC charter restricted itself to economic and social issues as defined by the colonials, and excluded political ones. Its agenda was set firmly by the metropolitan powers that in the early years exercised total budgetary control, its rationale, and continued funding (Sofield 1987, 1990).

With the coming of independence to several of the SPC's island members in the 1960s and onwards, however, the metropolitan powers were compelled to soften their control. Consultation and negotiated programs became more usual though the big powers still wielded decisive influence and authority that, in due course, the newly independent island states became increasingly disenchanted with as they chafed under what they considered paternalism. One particularly frustrating matter for them was a proscription on discussion of French atmospheric nuclear testing on Moruroa Atoll. Another was decolonization. On these and other matters the Island states were without platform. In a climate of considerable frustration, five Island states, Fiji, Nauru, Tonga, Western Samoa, and Cook Islands, met in Wellington in 1971 to develop mechanisms of their own through which to consider regional issues and regional development unencumbered by the global concerns of the distant metropolitan powers controlling the SPC. However they did ask Australia and New Zealand, as fellow South Pacific states (albeit neither small nor undeveloped) regarded as sympathetic and supportive of Island aspirations, to join them at this first Forum. The activities of these two countries were held to be sympathetic and supportive of Island aspirations. This restricted group of "purely" South Pacific nations, it was anticipated, would focus in a qualitatively different way from the SPC on regional issues and concerns. In the words of the first communiqué by the South Pacific Forum:

"Those present discussed, as neighbours and partners, a number of problems which concern them and possible ways of solving them. They concentrated on matters directly affecting the daily lives of the people of the islands of the South Pacific, devoting particular attention to trade, shipping, tourism and education." (*South Pacific Forum* 1971, p. 1).

The text then addressed topics of interest, the first being a strong criticism of French atmospheric nuclear testing. SPC constraints forgotten, "for the first time the voice of the Island nations of the region could be heard loud and clear on the international stage" (Piddington 1986, p. 8).

The South Pacific Forum registered with the United Nations as an inter-governmental regional organization, expanded in size as more and more island countries became independent, and fairly promptly asserted its primacy over the SPC as the major regional organization, particularly since it met at Heads of Government level, in effect as a summit meeting, at least once a year. SPC meetings by contrast were normally attended by lesser government officials, occasionally ministers, and regardless of their decisions if regional Prime Ministers and Presidents decided the Forum should pursue a particular issue there was little the SPC could do about it. Tensions between the two organizations developed as the Forum challenged the SPC on a range of regional concerns. For example, the Forum's initiative in declaring the South

Pacific a nuclear free zone was achieved against very strong opposition from the three nuclear powers of the SPC, Britain, France, and the United States. Against hostile French pressure the Forum also succeeded in forcing the question of independence for French New Caledonia onto the agenda of the United Nations Committee of 24 (Decolonization).

The Forum by constituting itself as an inter-governmental regional organization through the United Nations was also able to legitimate its authority in global terms. By taking greater control of its own affairs on the world stage, of political concerns, may be seen as empowerment – the transfer of sovereignty and authority from their former colonial mentors to themselves. Australia worked closely with the Forum and it is of interest that when it responded, finally, to the Solomon Islands call for assistance, that it chose to legitimate Operation Helpem Fren through the Forum, not the United Nations, its very name “Regional Assistance Mission” emphasizing and reinforcing this connection. In July 2003 Australian Foreign Minister, Andrew Downer, stressed the initiative was based on the spirit of the Biketawa Declaration, signed in 2000 by Forum members of Kiribati, which address the need for regional cooperation on matters of security (Australian Government, 2000b; Australian Government, 2003a).

When Australia agreed to intervene in the Solomons through RAMSI it claimed it was “crossing a major threshold” that challenged the foundations of existing policy in the Southwest Pacific which involved providing aid while expecting countries to solve their own problems (Australian Government, 2003a). In this it was echoing the words of the Australian Strategic Policy Institute Report (APSI, June 2003). However, it was not quite as “new” as it claimed. For example, when French militants provided arms and logistical support to indigenous movements in what then was called the New Hebrides (and now is Vanuatu), in an attempt to prevent independence, Australia responded to a request from the Vanuaku Pati headed by Walter Lini, by working with PNG to provide an Intervention Force to suppress rebellion in the outer provinces of Tanna and Santo. While on that occasion Australia did not provide front line troops, it did provide the logistical support (air transport, communications, supply systems, and technical backup) for PNG troops to restore law and order. Elements of the Australian defense forces also remained in Vanuatu for about a year after independence to ensure the stability of the newly independent nation. It also kept an armed force in Bougainville for six years following the PNG’s government’s request to Australia to help restore law and order. Where Australia’s Solomons package differs is in its comprehensive range of assistance simultaneously across a number of different fields, and its insistence on its personnel being appointed to senior decision-making positions in line-ministries, the Treasury, police, judiciary, and Treasury, instead of just technical advisers standing to one side in the chain of command. But even this amounts to a difference in scale only and is not quite the substantive innovation Canberra claimed. It is “new” only in the context of Australia’s disinterest in and even, disengagement from, the South Pacific during the previous decade. Yet, despite that, the Solomon Islands crisis seems to have been instrumental in resuscitating Australia’s interest in the South Pacific, and in the past 12 months it has re-engaged the region including, most recently, its initiative to reform the Forum through the Auckland Declaration of April 6, 2004 (Australian Government, 2004).

The Australian Department of Foreign Affairs and Trade justified its action in

Solomon Islands in the following terms:

“Solomon Islands was on the verge of state failure. Without outside assistance, the Solomon Islands government would have slowly collapsed. A failed state in our immediate region would pose unacceptable security risks to Australia and the region. The Regional Assistance Mission to Solomon Islands (RAMSI), or “Operation Helpem Fren,” is a package of assistance to Solomon Islands intended to reverse this decline and restore the country to stability. It also reflects a recognition of Australia’s responsibilities towards a friend in the Pacific, and a need to address potential threats to regional security” (Australian Government, 2003a).

This statement, and others by the Australian Foreign Minister and Prime Minister John Howard (July 20, 2003) cast Australia’s justification for intervention squarely in the context of the so-called “new terrorism” following September 11, the Bali bombings, and invasion of Iraq. Echoing the United States, Australia has argued that international law and the United Nations cannot deal adequately with the new terrorism, which knows no geographical, ideological, or moral borders; that new strategies are called for; and that in the case of Solomon Islands it was necessary to act to pre-empt any terrorist organization from taking advantage of the situation (see Kabutaulaka, 2004).

Some see this threat as being far fetched given the smallness of Solomon Islands where any stranger is immediately apparent, and the possibility of acting covertly for any length of time, remote. Scales (2003, p. 1), for example, says that “anyone with a modicum of experience in the Solomons” would find the Australian Government’s justification “unconvincing” as “the likelihood of a cell of terrorists being able to escape detection while they implemented plans to attack Australia was virtually zero.” Far more probable in his view, intervention in the Solomons gave the Australian government the opportunity to pursue its political agenda of demonstrating its commitment to the War on Terror, to the new model of pre-emptive intervention by “coalitions of the willing,” to their new found role as “deputy sheriff” of the region as US President Bush labeled Australia’s role in East Timor (to “our patch” as Prime Minister Howard described it in a television interview on July 20, 2003), and to gain United States’ approval for this demonstration of support for US global policies. Scales also pointed to Australia’s neglect of the Solomon Islands needs over the previous decade, and in this context quoted Foreign Minister Downer’s statement in January 2003 that it would be “folly in the extreme” for Australia to intervene militarily, or place Australians in key line positions in Solomons’ government ministries (*The Australian*, January 8, 2003).

10.11 CONCLUSION

The RAMSI has successfully restored law and order in a very short time, its military component being drastically reduced as the police and judiciary have assumed control. The longer-term challenge, however, was never one of simply disbanding militants, rogue elements, and armed gangs in Honiara, Guadalcanal, and elsewhere. The real challenge lies in helping resolve the far more entrenched dissent regarding the sovereignty of the unified state and national development on the one hand, and provincial interests based on ethnic divisions on the other. It requires an accurate analysis of the schism between state and society. It necessitates an understanding of the underlying fundamental issue of land, and of the clash between traditional values and customary

ownership rights as against the imported notion of land as a commodity. One serious implication for the restoration of law and order is that since Malaitans may soon be able to re-assert their rights to land they have acquired – legally – outside their home province and tribal areas, this could enflame the whole situation all over again. Yet to go down the path of different ethnic rights as against general legal (and human) rights is contrary to the idea of a unified state in the Westphalian model where separatism is viewed as a recipe for state dismemberment. While one may argue about Australia's principal motives for intervening in Solomon Islands, it must be said that it has not only proved useful in helping rebuild its shattered economy and dysfunctional polity, but also it has been essential in breaking the pattern of hostility, and ever-ending, ever-widening, cycle of Melanesian payback violence. In helping the Solomon Islands haul itself back from the brink of failed state status, and to overcome real and actual corruption, it is essential that Australia develops a more sophisticated range of culturally embedded policies than it appears to have formulated and used in recent years, for though RAMSI may be able to help Solomon Islanders create a quasi-functioning state in the short term, it does not offer an answer to the profound internal issues which have surfaced and must be confronted if long term peace is to be achieved.

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11. NAURU IN THE ARC OF INSTABILITY: TOO MANY DEGREES OF FREEDOM?

It is difficult to believe that the world's smallest independent republic could figure seriously in any credible "arc of instability", even one whose span includes the remotest region on earth. Yet, for its own special reasons, Nauru deserves some mention in the arc of instability if only to demonstrate its idiosyncratic contribution to this image of a putative zone of unstable states to Australia's north threatening the Commonwealth's security. There are, perhaps, a variety of explanations for Nauru's inclusion in this arc of instability. A principal one is a propensity in the popular media to conflate such terms as "failed state" and "rogue state" thus including Nauru with a wide range of states that have abused their sovereign obligations. A less visible factor is the human tendency to try to find symmetry at the expense of consistency when explaining diverse events under a single rubric. Thus, to use a phrase like "arc of instability" encourages the search for examples to make such an arc complete or continuous. Another rationale may be an expectation of what Nauru is to become as the island's one significant natural resource – phosphate – runs out. At least until very recently, Nauru has probably been more "roguish" than "failed" but it would seem that Australia has not found Nauru's willingness to sell its sovereignty necessarily all that threatening; at least when it agrees to process would-be refugees targeting Australia.

This chapter presents an overview of Nauru's inclusion in the arc of instability against a perspective of responsible state behavior. The logic of this approach is grounded largely in the ambiguity surrounding the linkages that make the arc of instability a coherent and useful concept. If there is one constancy that unites countries as disparate as Indonesia, the Solomons and Nauru in a concept such as the arc of instability, it lies in their inability or unwillingness to manage fully the demands of sovereignty. Whether the grounds for this failure to meet expectations of responsible state behavior stems from a lack of will or a lack of means may not be material for those adversely affected although it will affect the response. In the case of Nauru, the question of state responsibility goes back more than just to the origins of the minuscule republic since the same can be said of all the other states in this arc. It also goes to the special, almost unique, circumstances that appeared to give Nauru every advantage to be an effective state despite its small size (Figure 11.1).

Linking Nauru's own special circumstances in managing state responsibility with Australia's perception of an arc of instability is the island's long ties to Australia. The primary association was Nauru's quasi-colonial subordination to Australia under the mandate/trusteeship systems. This United Nations' moderated relationship enabled Nauru to hasten the pace of national self-determination at a time that was especially congenial in terms of international expectations of smaller polities. The minimal

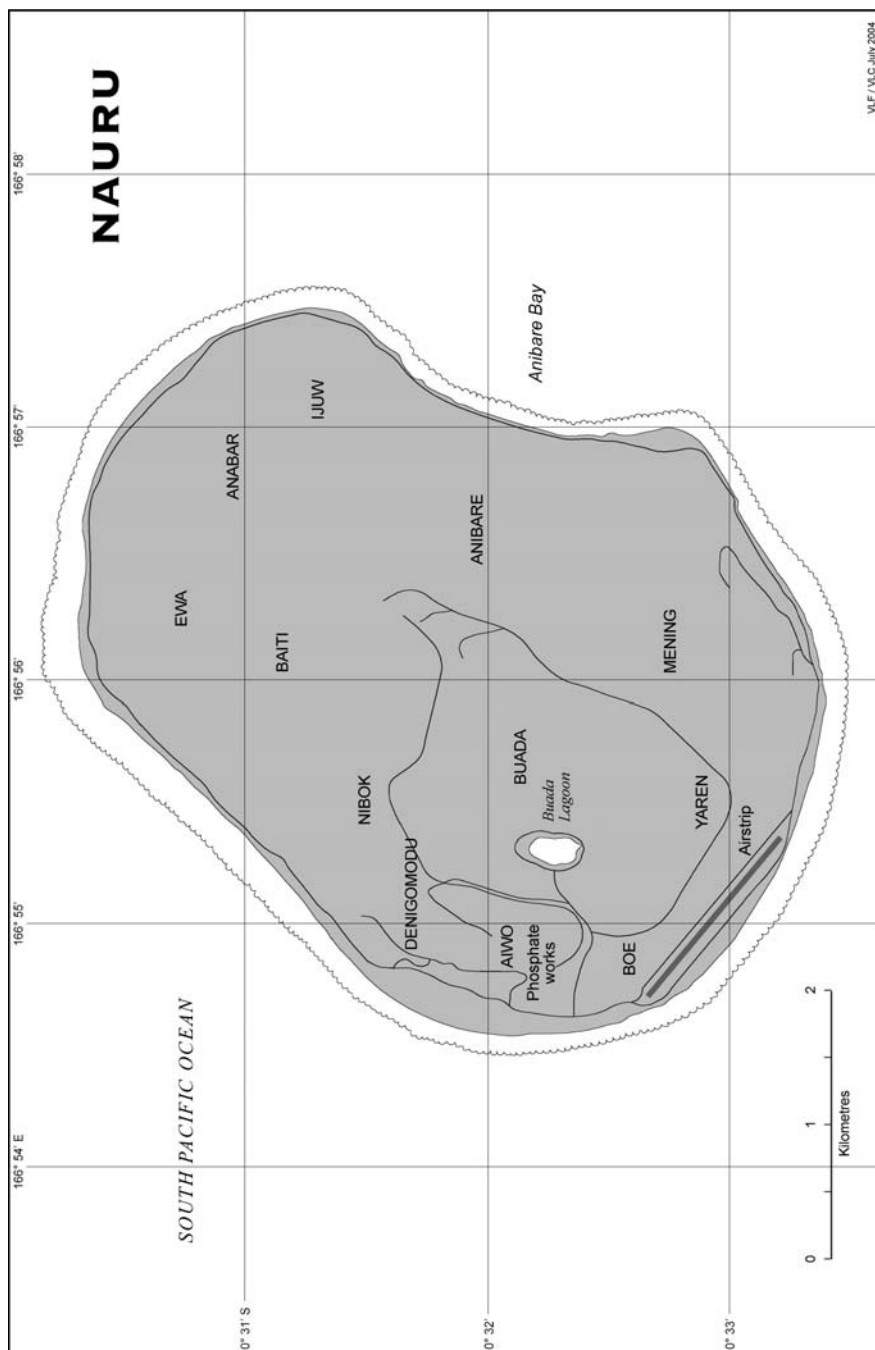


Figure 11.1 Nauru

expectations held for Nauru as a member of the comity nations seemed relatively harmless at a time when the Cold War tended to treat threats from newly independent entities as an ideological risk. Cold War rivalries appeared to pose few terrors with regard to its future relations with Nauru for a Canberra then occupied with a hot war in Southeast Asia. The shadows of the Cold War were merely clouds on the horizon of the South Pacific in the 1960s and 1970s. Who could suspect that these assumptions would change so dramatically a score plus years later? Yet, they have; thus compelling Australia and Nauru to adjust their relations significantly. Adding complexity to the dynamics of these post-Cold War adjustments has been the willingness of Australia itself to enter the market of those bidding for access to Nauru sovereignty. The “Pacific Solution” to Australian border protection clearly has weakened Canberra’s position in censoring Nauruan departures from what it deems responsible state behavior.

Thus, this chapter serves to mark out the distinctiveness of Nauru from other members of Australia’s perceived arc of instability. These distinctions, as noted above, are all too often minimized, even by professionals addressing other professionals. For example, Alexander Downer, the Australian Foreign Minister, speaking to the Australian Press Club on 26 June 2003 implied a regional commonality when he said, “the (South Pacific) region is troubled by business scams, illegal exploitation of natural resources, crimes such as gun running, and the selling of passports and bank licences to dubious foreign interests.” In contrast with the internal incapacities that characterize many of the other countries identified in this book as “failed or failing states,” Nauru has pursued external activities seen as posing risks for other states. It is for this reason that the United States Departments of Treasury, Justice and State have labelled Nauru a “rogue state” rather than a failed state even though the roguishness of its approach to external affairs may stem increasingly from a fear of looming internal incapacity (*Wall Street Journal*, 2003).¹

11.1 EMERGENCE OF THE MODERN STATE OF NAURU: AN OVERVIEW

Explorers, whalers and traders had brought Nauru within the Western orbit from 1798 but it was formally incorporated into the European imperial system when it was officially annexed by Germany in 1888. The discovery of commercially exploitable quantities of phosphate a decade later changed the future of Nauru immeasurably even from the beginning. The British Empire emerged as the dominant economic interest on the island when the Pacific Phosphate Company started to exploit the reserves in 1906, under licence from Germany. The importance of the superphosphate fertilizer manufactured from these reserves became vital to Australian agricultural growth. So, when World War I broke out in Europe, Canberra sent an expeditionary force to seize Nauru in 1914. Territorial aggrandizement was eschewed by the conquering allies with the result that former German colonies such as Nauru were not incorporated into the empires of the victors as would have been done in the previous century. Rather, the League of

¹Nauru does not actually meet the four criteria generally used by the US in identifying “rogue states” since it has not been overtly anti-American, it has not sought weapons of mass destruction or abused its own citizens. Even its support for terrorism must be regarded as indirect (O’Sullivan 2000).

Nations returned political control of the island to Britain, Australia and New Zealand as a "Mandate" with formal responsibility for its future still held by the League. The three mandate authorities took no time in setting up the British Phosphate Commission to manage the phosphate mining in their interests. Ironically, the same mandate system allowed Japan to build the fortresses in Micronesia from which it invaded and occupied Nauru in 1942. During the Japanese occupation, many hundreds of Nauruans were deported to work as laborers in the Caroline Islands, where more than a third died. After the war, the United Nations took over the League's mandate system. The UN re-badged Nauru as a Trust Territory and then returned political control to the same three pre-war powers. Australia, however, was recognized now as the leading administering power.

These historical factors profoundly shaped the political context within which Nauru had to pursue a case for resuming its sovereignty. However, they were scarcely the only considerations. Perhaps most pertinent of all was the determination of the Nauruans to want sovereignty against the odds. Nationalism has been a striking feature of Nauru's political system since even before the arrival of Europeans in 1798. That a single small island of only 21 square km should speak a single language and have a single social and political system scarcely surprises. What distinguishes the Nauruans is the intensity of their commitment to their nationality. The Nauruan Community Ordinance 1956, as an instance, provided a very restrictive definition of Nauruan nationality and discouraged interracial marriage (Viviani, 1970, p. 176). Another example can be found in the political festivals celebrated on Nauru. One is Angam Day (26 October). Angam means "homecoming," and it commemorates the day when the Nauruan population returned to 1500, which Nauruans regard to be the minimum number necessary for their survival as a people.² Perhaps most importantly, when the administering Governments offered to resettle the Nauruans on Curtis Island, off Gladstone on the north coast of Queensland, the Nauruans resisted lest they be swamped by the near-by Australians and so lose their identity (Macdonald, 1988, p. 42–44). A keen sense of an undisputed nationality drove the Nauruan desire for sovereignty and provided the international community with an acceptable motive. But, what of the means and opportunity to secure their ambitions?

The export of phosphate ore provided the means in that its reserves, though finite with a projected life span of only 30 to 40 years by the late 1960s, were significant especially given its small population. Unlike most aspirants for independence in the era of the 1960s, Nauru could actually afford to meet the financial costs of sovereignty provided it was prudent with its income to provide for its own future. There was an element of the "chicken and the egg" argument regarding Nauru's prospects for financial independence. The islanders would have this capacity if they secured control of their phosphate reserves but would need to achieve their political independence to fully assert their claims. Yet political independence would not be credible without control of the phosphate. In the event, the Nauruans achieved both together. Contributing substantially to the successful negotiating of these complex and intertwined issues was the fact that Nauru was a UN Trust Territory. There were

²There have been two actual "Angams." The first Angam was in 1932 and the second time in 1949. However, today it is an annual celebration of the national identity. See: Nauru Online; <http://www.nr/>.

options other than independence available such as that of internal self-government adopted by the Cooks Islands only three years before Nauruan independence. However, limited political control did not appeal to the Nauruans because it would not satisfy either their national or financial ambitions. Having the weight of the United Nations (and its deep philosophical commitment to decolonization) behind them clearly benefited the Nauruans in their pursuit of independence and this, as much as any other factor, sealed the issue. Nauru was granted independence on the 31st of January 1968.

Independent Nauru met many of the sceptical expectations held for it by flaunting its relative wealth but it also showed a compassionate side on regional affairs by contributing generously to disaster relief. This curious duality appeared in many aspects of Nauruan politics such as the unusual concurrent federalism that saw two systems of government covering the tiny island. The Local Government Council, which owned the shipping line, retained its pre-independence responsibilities while the newly established Nauru Government owned the airline and managed "national policy." Of course, underlying all levels of Nauruan policy at either level of government was the phosphate mining, its income, its finite life span and life after phosphate. Its phosphate ores provided Nauruans one of the highest per capita incomes in the Third World but there were few other natural resources available on land or in the sea. Nauru is heavily dependent on imports even, on occasions, fresh water. The Nauru Phosphate Royalties Trust was set up to prepare for the time when phosphate revenues declined. And, by the early 1990s, it had an estimated principal of \$800 million but a number of its investments proved disastrous. Recent trust estimates reveal that it had plunged to roughly \$180 million (Hitt, 2000). Thus, despite the awareness of its critical importance to the maintenance of Nauruan sovereignty, preparations for life after phosphate did not fully meet the promise held in 1968. Whether this was due to the arcane internal politics of Nauru, divided government, unwise Government policy, poor financial advice, corruption, or other factors could be argued. The most likely explanation is that all these contributed in some measure to the growing recognition on Nauru that the end of the phosphate reserves was spelling the end of its post-independence life style.

According to the CIA's assessment of Nauru's recent economic decline, the Government has borrowed heavily from the Trust accounts to finance its fiscal deficits thus further reducing these reserves. Moreover, to cut expenditure, the Government has called for a freeze on wages, a reduction of over-staffed public service departments, privatization of numerous government agencies, and closure of some overseas consulates (CIA, 2004). As a result of a growing sensitivity to the impending national penury, the Government of Nauru began to look to more creative ways of sustaining the country financially. The timing of a legal suit against the former administering powers, which was settled out of court in 1993, was probably dictated by this sense of urgency in finding alternative sources of income although ostensibly it was motivated primarily by a concern for reclaiming the environmentally devastated landscape of the interior (Weeramantry, 1992). During the late 1980s and throughout the 1990s, Nauru increasingly was attracted to controversial moneymaking schemes to bolster its economy. Significantly, the primary direction of these schemes rested less on more astute use of the Trust investments than on the sale of its sovereign authority. The Nauru Government sought to raise revenue by licensing offshore banks, selling passports

and serving as a zero tax haven. Perhaps the most important of these from a global perspective was its development of offshore banking. Nauru had over 400 hundred offshore shell banks, which existed only on paper (Weintraub 2001, p. 56). There were no teller-windows, no ATMs and much of the shell banks' activities took place in correspondent accounts in other countries. All these banks were registered to one government mailbox and housed within a government institution called the Nauru Agency Corporation, which was nothing more than a collection of computers in a shack (Hitt, 2000). The following review of Nauru's misuse of its authority to operate as an offshore financial center (OFC) illustrates the linkage between its diminishing economic circumstances and Nauru's willingness to view sovereignty as an economic asset.

11.2 SOVEREIGNTY AS A COMMODITY

Offshore financial centers have never lacked for critics. Some have enjoyed some notoriety as freebooting islands of romance and intrigue. Nevertheless, most have come under increasing criticism for their complicity in "money laundering." This term arose in the 1970s and became associated in the public consciousness with reports that tax havens around the world were helping to hide and to legitimize billions of dollars of illegal drug profits. Subsequently, many countries have broadened the definition of money laundering to include illegal capital flight, tax evasion, insider trading, bribery, fraud, corruption, misappropriation of public funds, racketeering, arms trafficking, terrorism, prostitution, and a growing number of crimes as "predicate offences" – that is, transgressions for which money can be illegally laundered (Van Fossen, 2003, p. 238). Notwithstanding the arguments in favor of bank secrecy, the reality is that tax havens serve mainly to help to defeat the more stringent regulations of established banking facilities.

The Pacific Islands' OFCs have attracted their share of this criticism for a number of years. In the early 1980s the US Senate Permanent Subcommittee on Investigations (1983) exposed the criminal use of offshore banks in the Northern Marianas and this early work, in part, prompted the passage of the Money Laundering Act of 1986. This legislation was the first in the world to criminalize money laundering and became the model that the United States encouraged or coerced all countries to adopt. In 1988 the United Nations adopted the Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. The 1989 G-7 summit meeting created a Financial Action Task Force on Money Laundering (FATF) and this new international organization began a campaign to highlight global money laundering.

Since its emergence in the 1980s as an OFC, Nauru had been mentioned occasionally as a suspected location for money laundering (Van Fossen, 2003 p. 239). However, it was not until *Time Magazine* highlighted the island's alleged role as a center for money laundering in a feature article published around the world that its role in this traffic became more widely known (Van Fossen, 2003, p. 239). Even then, the damage being done seemed limited and drew no overt reprisals. The end of the Cold War in 1989 changed the scale of mischief that could be inflicted on international finances. It is probable that not even the most intimately involved Nauruans were aware of how vast the tangled web of illicit operations could become. Still, the careless regard the

Government of Nauru had for its responsibilities in licensing offshore banks was to draw it into the web of the largest money laundering case in world history. This was the Bank of New York's so-called "Russiagate" scandal.

The *New York Times* broke the story of the Bank of New York scandal on 19 August 1999. Law enforcement agencies alleged that the case involved at least 87,000 electronic transfers of up to \$15 billion representing capital flight, tax evasion and criminal activities such as contract murder, narcotics trafficking and prostitution (Van Fossen, p. 243). The scheme was designed by the principals of two Russian banks but was run by a married couple in New York – a vice president of the Bank of New York, Lucy Edwards and her husband, Peter Berlin. Two established banks in Moscow, Sobinbank and MDM, opened two separate banks – Depozitarno Klirinovy Bank (DKB) and Flamingo Bank – to serve as the conduits for the money to be laundered. Funds from DKM and Flamingo were then transferred to a shell bank registered in Nauru called Sinex. To permit it to operate in the United States Sinex opened a correspondent's account with the Commercial Bank in San Francisco. As a rule payments from Sinex were generally made to a number of shell firms; companies that did no other business other than receive these funds. To avoid suspicion Berlin and Edwards continuously created new shell firms with accounts at the Bank of New York. Money was dispatched from these companies to various offshore locations, where it remained as clean corporate funds available as required (Hitt, 2000).

The scheme was uncovered when a \$300,000 ransom fee intended for the kidnapers of a Russian businessman used one of the shell companies and set off an FBI investigation. However, in the three years that Edwards and Berlin ran their operation, they used three computers to perform 160,000 transactions laundering \$7 billion out of Russia and receiving approximately \$1.8 million in fees for their services (Hitt, 2000). According to Victor Melnikov, the deputy chairman of the Russian Cental Bank, \$70 billion was transferred from Russian banks in 1998 to banks chartered in Nauru primarily for the purpose of evading taxes (Hilzenrath, 1999). Melnikov noted that Nauru was very attractive for Russians trying to hide money offshore. He believed that more than 90% of the money transferred to Nauru was eventually returned to Russia as credits thereby evading taxes and causing great harm to the Russian economy.

By the late 1990s these and other scandals provoked the social democratic governments in the United States, France, and Germany to use their membership in appropriate international organizations to pursue more aggressively an attack on OFCs. Nauru became a target on the 5 April 2000 when the Financial Stability Forum (FSF), which was established by the G-7 states on 20 February 1999 in the wake of the Asian and Russian financial crisis, identified it as a risky OFC. The FSF claimed that Nauru, along with the Cook Islands, Marshall Islands, Niue, Samoa, and Vanuatu, were among 25 offshore centers that had unacceptable government oversight with the lowest quality of financial supervision. Nauru, therefore, was singled out as one of the weakest links in the international financial system. The FSF suggested that, if Nauru did not comply with its standards, Nauru might face tighter restrictions for obtaining loans from international institutions (Van Fossen, 2003, p. 253). Then, on 22 June 2000, the FATF followed the FSF by also blacklisting Nauru because it considered Nauru to be uncooperative in the fight against money laundering. As a first step, the FATF requested that all its member countries ask their financial institutions to

scrutinize transactions with Nauru with special attention. Sanctions from all member countries were threatened against Nauru if it remained on the FATF's blacklist in June 2001. On the 22 June 2001, the FATF agreed to keep Nauru on the FATF blacklist as Nauru was considered to have made no significant progress. Nevertheless, although the FATF regarded Nauru as one of the worst three offenders in the world, there is no evidence that any of the FATF members acted individually against Nauru.

In addition to the above organizations, the Organization for Economic Cooperation and Development (OECD) created a "Forum on Harmful Tax Practices" in 1998, which identified 47 tax havens. On the 26 June 2000, this list was further refined and Nauru was duly included on a blacklist of 35 countries. The blacklist was not merely a public shaming exercise. The OECD threatened economic sanctions against blacklisted countries if they did not meet three conditions. They were required to increase their financial disclosure and exchange this information by July 2001. Secondly, each had to set out a two-year timetable for dismantling its most harmful tax practices by the end of 2001. Thirdly, they were obliged to commit themselves to an effective exchange of information on all tax matters by the end of 2005 (Van Fossen 2003, p. 256).

The disposition of the United States was crucial for all the OFCs, as Washington was the leading influence in the FSF, FATF, and OECD policy-making processes. However, there were divisions within the US on the issue of OFCs. The dominant view in the Republican Party at the end of the 1990s was that sanctions against OFCs had gone too far. The Republicans blocked President Bill Clinton's anti-laundering initiatives in the Senate. Thus, the advent of a George W Bush Administration with strong "neo-conservative" leanings defused a number of threats to the offshore centers. Pressure from the Bush Administration led to a delay in the original FATF deadline of 30 June 2001 for sanctions against blacklisted countries. Consequently, Nauru was granted an initial reprieve from the FATF sanctions until 30 September 2001 and then a second until 30 November 2001, after which it passed some modest anti-money laundering laws (Van Fossen, 2003, p. 264).

The events of 11 September 2001 may not have changed the world as American alarmists have claimed but they certainly had a major effect on the Administration's attitude toward the OFCs. The US Congress responded to the President's demand for new legislation to fight a "war on terrorism" including the controversial USA Patriot Act of 2001. This legislation greatly increased the powers of the Federal Government to intervene in both the public and private affairs of Americans, according to the Administration, in order to counter the challenge of terrorism more effectively. Controlling the financial basis of terrorism is an essential aspect of the Patriot Act. It contains provisions against money laundering while investing federal officials with the authority to investigate the source of foreign deposits and preventing US banks from dealing with foreign shell banks (Weintraub, 2001). The Patriot Act also put into place additional mechanisms to detect the money movements of potential terrorist groups.

The risks associated with OFCs generally, and with Nauru's recent financial history specifically, would have made the island a focus for some concern to an America retreating into a terror-induced paranoia in the wake of September 11. However, Nauru had also pursued other schemes to commercialize its sovereignty in the previous decade or so. One in particular, coupled with its status as an OFC, gave Nauru particular

salience for a Bush Administration increasingly engaged with its war on terrorism. This was the sale of passports under the Citizenship Investment Scheme. Under the scheme, all that was required by those wanting to obtain a passport was a medical and HIV test. After approval was granted, US\$30,000 was wired to a bank in Hong Kong (Chulov, 2003, p. 3). The direct sale of passports was suspect enough in itself even though practiced by other states as well. The Nauru Government appeared to compound the dangers by authorising a Chinese businessman, Paul Lee, to sell Nauru passports for a commission through a company called the Transpacific Development Corporation. It is as much a commentary on the interests of Western powers as on Nauru that the pressure on Nauru with regard to the merchandising of passports was less when it was thought that these passports were used by mainly drug dealers and people smugglers. But, in 2003, several suspected terrorists were arrested carrying purchased Nauruan passports (*Sydney Morning Herald*, 2003).

Despite the accusations that Australia under the conservative Government of Prime Minister John Howard acted as the American “deputy sheriff” in the Asia Pacific region, it was the US war on terror that induced Washington to take a direct role in addressing Nauru’s place in Australia’s arc of instability. And as elsewhere, when it came to the US prosecution of the war on terrorism, the Bush Administration was prepared to use coercion to achieve its aims. Following the October 2002 bombing at the Sari Club in Bali an extraordinary chain of events occurred that would eventually result in Nauru shutting down its offshore banking and passport operations.³ It began when President Rene Harris received a letter from a Washington-based lawyer named Philip Gagner who claimed to be acting on behalf of US government officials. In the letter, Gagner wrote that the US was exasperated with Nauru’s refusal to reform its offshore banking system and its refusal to shut down its passport business. It believed that both these schemes were being tapped by terrorists. The letter offered substantial economic assistance if Nauru was prepared to assist in the war on terror but also threatened that if it did not the US would invoke sanctions that would cripple the Nauruan economy. President Harris responded to this letter by sending a delegation to Washington to meet US officials and their conduits, including Michael Horowitz, a former adviser to President Reagan. The delegation was left in no doubt about the seriousness of the US demands.

Few Americans would have been aware of Nauru’s putative role in the war on terrorism and even fewer would have identified the tiny island as the war’s most urgent and immediate target. Nevertheless, the Bush Administration backed its tough words by singling out Nauru as the first nation for financial sanctions under the USA Patriot Act on 20 December 2002. Just what the Harris Government would have done in response can only be left to speculation. Before the sanctions could come into effect at the end of April 2003, President Harris lost a vote of confidence motion in parliament on 8 January 2003. Bernard Dowiyogo, himself a former president, succeeded Harris. One of Dowiyogo’s first acts was to write to Gagner seeking details of all negotiations between the US and Nauru since October 2002. On 29 January he received a reply that

³Details of these events were reported by Cameron Stewart and Martin Chulov, “The Nauru Solution,” *The Weekend Australian*, 5 April 2003. Although this article remains the only published source relating to these events, at the time of writing, its key claims do not appear to be disputed.

appeared to offer a way out for the embattled Nauruan economy as well as placating the international financial community. Gagner outlined a plan to assist Nauru, which he pledged would be championed by Horowitz within the Bush White House, in exchange for Nauruan compliance with international banking norms. Gagner stopped short of guaranteeing the proffered assistance, however. He admitted that the Administration was unlikely to provide a direct bilateral grant as a quid pro quo. Rather, he suggested that Nauru request an aid package and helpfully enclosed a briefing note on what might be sought.

On 13 February 2003, Gagner advised Dowiyogo that the impending sanctions against Nauru could be lifted in a number of days and that the Nauruan President should travel to Washington immediately to complete the process. Perhaps unwisely, Dowiyogo accepted this advice to negotiate Nauruan interests on foreign soil and immediately led a delegation to Washington. The American delegation was fully prepared and focused, at least in terms of the Bush Administration's objectives. On his arrival, the US officials presented Dowiyogo with a draft of a proposed executive order to end offshore banking in Nauru. The pressure cooker atmosphere took its toll on Dowiyogo who suffered a mild heart attack on 25 February. Even this did not dampen the American heat on Nauru. The draft executive order reportedly was brought to Dowiyogo in his Washington hospital room instead of to the Nauruan delegation as had been promised. Two days after his heart attack, the ailing Dowiyogo signed the document that gave the US all it wanted by abolishing Nauru's offshore banking and passports for sale schemes. Significantly, the document did not contain any references to compensation for Nauru's compliance although the oral commitments were alleged to have been maintained (Asia-Pacific Center for Security Studies, 2003, p. 3).

President Dowiyogo's condition worsened over the subsequent days and he underwent an 11 hour heart operation on 4 March but died five days later. The Nauruan delegation returned home without its president and any written confirmation of the promised aid. Despite any evidence that there would be compensation to Nauru for its actions, the National Parliament honored its dead President's agreement and passed legislation outlawing shell banks on 27 March 2003. In early June 2003, Nauru's Chief Secretary confirmed that all remaining banking licenses, except for its own Bank of Nauru, had been revoked (*The Australian*, 2003). "Nauru's offshore banking sector has been eliminated" he told a meeting in Tokyo of the FATF. "There are no more offshore banks licensed in Nauru." Additionally, a member of Nauru's parliament told the meeting "If any other corporation claims to have a bank licensed by Nauru, or conducts banking activities, then it is breaching Nauruan law" (*The Australian*, 2003). The US State Department welcomed the Nauruan legislation believing that a significant vulnerability to the exploitation of Nauru by terrorists. However, when questioned about the promised aid, responded, that "the US is not currently developing a financial assistance package for Nauru" (Stewart and Chulov, 2003, p. 29).

To all intents and purposes it appeared that the offshore financial phase of Nauru's attempts to sell its sovereignty had been pressurized to an end. The US by using the bilateral asymmetries of power achieved its, and the international financial institutions', goal of bringing to heel Nauru's delinquent offshore banking system. However, in July 2003 a group of Nauruan politicians arrived in Melbourne, Australia with a mission to

convince an Australian court that the US Government had made promises to Nauru that had not been honored (Stewart, 2003, p. 22). Ironically, it was not the absence of any compensation that provided the grounds for legal redress but instead it was an American demand for payment from Nauru. The US Government sought to repossess an Air Nauru Boeing 737 due to Nauru's repeated defaulting on loan repayments for the aircraft. In affidavits to the Victorian Supreme Court, the Nauru Government countered with its complaints against the US. It presented evidence on the events of the previous 12 months and the promises allegedly made by the former US presidential aides. The US attorneys asked the court to strike out this defense on the grounds that it had no prospect of success. In the court's summary judgement it held that Nauru did have an arguable defense that would be determined by the court on the basis of evidence (Stewart, 2003, p. 22).

A background paper by the Asia-Pacific Center for Security Studies (2003), a Honolulu-based think tank, has repeated the speculation that Nauru would receive some financial support from the US for its change of policy on offshore banking. At least some was to go to opening two embassies; one in Washington D.C. and one in Beijing (Asia-Pacific Center for Security Studies, 2003, p. 3). The missions, in fact, were opened and this gave rise to another bizarre feature of Nauru's relationship with the US. It was claimed in the Victorian court that the Washington group of former officials sought to drag the island into the US side of its war on terrorism. Under an action codenamed "Operation Weasel," Nauru's newly opened Beijing embassy would be used to smuggle defecting North Korean scientists and military officers to the West (Stewart, 2003, p. 23). Thus, it is not clear from the evidence available to date whether the alleged diplomatic assistance to Nauru was part of a compensation package or merely an attempt by yet another power (or perhaps, as the US claims officially, a group of con-men) to purchase the use of Nauruan sovereignty. The facts may become clearer as the court case proceeds but, whatever the truth of Operation Weasel, President Ludwig Scotty, who ultimately succeeded Dowiyogo, closed both the Beijing and Washington D.C. embassies some five months after they were opened on "economic" grounds. The case over the loan repayments is still unresolved at the time of writing.

11.3 NAURU IN AUSTRALIA'S ARC OF INSTABILITY

Perhaps one of the more surprising features of Nauru's dalliance with the shadier side of offshore financial services was the lead taken by the US over Australia in addressing the perceived problem. Canberra might have been expected to have been in the vanguard of Western interests on this issue for a range of reasons. Nauru was formerly an Australian administered territory. It uses the Australian dollar as its national currency. It is within an area generally recognized by other powers as an Australian sphere of influence in the South Pacific. As noted previously, Australian policy-makers such as PM John Howard and Foreign Minister Alexander Downer were sensitive to the risks posed by Nauru as an OFC and had spoken against these centers and their practices on a number of platforms both within and without the region. Yet, the Commonwealth never applied the sort of pressure on Nauru to come into compliance with international financial norms that the US came to do.

Clearly, the Bush Administration did not move with any more determination than Australia until after the events of 9/11. Both countries had tended to rely on global financial institutions rather than direct bilateral or regional multilateral approaches. In the case of the United States, the regional avenue was not an option. It was not a member of any Pacific Islands regional institution that could apply any effective sanctions. Australia was a founding member of the Pacific Islands Forum (née the South Pacific Forum) but it is doubtful that any genuine support would have been forthcoming from this source as several other Forum members were on the OECD blacklist as well. The Bush Administration's motives were clear enough for pursuing its bilateral options. It had an extraordinary preponderance of power in its relations with Nauru and it had the legal tools under the Patriot Act to pressurize Nauru through Nauruan investments and financial holdings in the US. The only unusual feature was why Nauru should attract Washington's attention with such a fixed gaze so early in its war on terrorism. The money-laundering damage appeared to be more an issue for the Russian criminal connection than for links with terrorism. And, while the sale of passports showed some dangers, the Chinese criminal involvement was far more evident. Perhaps it was an early opportunity to test the Patriot Act; perhaps it was an official's personal knowledge of Nauru's circumstances; perhaps it was simply the easiest place to start. More to the point is why did Australia not use its bilateral access first?

Australia's capacity for bilateral influence certainly has been the greater. Its historical ties were intimate and include even a formal exchange of diplomatic missions. Indeed, the ties at this level have been so close that from the beginning Nauru was excused from the normal courtesy of maintaining a reciprocal mission in the Australian capital. Its mission, at the consulate-general level, is situated in Melbourne where Nauru's primary commercial links are located. It is true that these diplomatic ties were weakened somewhat when Australia closed its High Commission in June 1997; only to be restored at the lesser level of a consulate general in October 2001 in the wake of the Tampa affair. Nauru's primary commercial and financial associations have long been with Australia. Cultural, educational and sporting ties are strong including even a predilection on Nauru for Australian Rules football. This intimacy may well explain a part of the Australia reluctance to act more firmly against Nauru but, if so, one struggles to distinguish Nauru from Papua New Guinea or the Solomon Islands where direct pressure has been applied. One rationale may well be the line between Canberra's perception that the Solomons and PNG are failed or failing states while Nauru was not regarded as such despite the clear signs from the 1990s that its public economy was in decline. Whatever private wealth might be held by individuals, the increasingly impecunious state of Nauru pursued adventurous economic policies to pay for the services the modern state is obliged to provide. Nevertheless, it is only very recently that Nauru's capacity to function effectively at the internal level as a state has been brought into question.

There is a more cynical reason for suspecting that Australia may not have acted more vigorously with regard to Nauru as a component in its arc of instability. A possible answer is seen in the "Pacific Solution" that the Howard Government embraced as a part of its electorally popular "border protection" strategy. The Pacific Solution is the name given to the scheme created to deal with a dramatic influx of would-be asylum seekers attempting to reach Australia by sea in 2001. The catalyst for the

plan was the public embarrassment created by the “Tampa affair.” The *MV Tampa* was the Norwegian cargo vessel, which in August 2001, picked up a boatload of mainly Afghan asylum seekers in international waters and attempted to disembark them on Christmas Island, an Australian territory. The Howard Government embattled at home over the mandatory detention of asylum seekers in remote and prison-like camps seized the opportunity to curry popular support for a tougher border protection stance in the lead-up to national elections. It announced that permission would not be given to land the refugees and, out of the ensuing impasse, the “Pacific Solution” emerged.

Under the arrangement, Canberra offered to compensate the South Pacific islands for taking the asylum seekers until their claims were processed by an international agency. Only Papua New Guinea and Nauru of all the Pacific Islands approached accepted this attempt to rent their sovereignty. Nauru agreed to take about 1000 asylum seekers in exchange for a total of \$31 million for two years (Kremmer, 2004). This represented a fivefold increase in Australia’s official development assistance of \$3.0 million to Nauru for the year 2001–02 (Commonwealth of Australia, 2002). For a government looking down the barrel of economic ruin, the offer appeared to make economic sense as did the opportunity to engender a debt of gratitude from its chief benefactor. This controversial arrangement, unlike PNG’s facility on Manus Island that was mothballed in July 2003, has continued into 2004 on Nauru despite constant protests in Australia and on Nauru by the public and internees and notwithstanding repeated legal challenges in Australia.

Critics such as Oxfam made much of the asymmetry of power between Australia and Nauru and the island’s deepening financial straits as the basis for Nauru’s involvement in the Pacific Solution. The humanitarian organization also claimed that the Pacific Solution seriously distorted Australia’s development aid program in the South Pacific (Oxfam Community Aid Abroad, 2002). This effect both impacted on the other recipients of Canberra’s assistance as well as reflected the high premium that the Howard Government was willing to pay to politically exploit domestic anger over people smugglers, “economic” refugees, and “queue jumping” asylum seekers. There were grounds for believing that the Howard Government was content to enjoy a profound imbalance of power with a compliant Nauru on this matter. Nauru was outside the Australian legal system and, although not a signatory to the 1951 Convention on the Status of Refugees, it was a sovereign state entitled to treat with the United Nations High Commission for Refugees. Just as with its concern for the South Pacific OFCs, Australia proved unwilling or unable to use regional mechanisms for implementing, and possibly modifying, its Pacific Solution (Oxfam Community Aid Abroad, 2002).

The convenient reciprocity of interests that Australia and Nauru found in the Pacific Solution may have weakened Canberra’s resolve on Nauru as an OFC but it was not infinitely elastic. And, while the Howard Government was willing to pay a high price to keep the Nauruan Government compliant, it did have limits. Early in 2004, the ABC announced that the Australian Government was unwilling to release money from a trust account established in 1994 and administered by AusAID for the rehabilitation of Nauru’s mined-out areas. The grounds given for the refusal was the resignation of an Australian engineer working for the Nauru Rehabilitation Corporation who complained that the Corporation’s money was being diverted to other areas by the Nauru

Government (Radio Australia, 2004). The fact that the Australian reaction has come belatedly on the trust fund's misuse and at the end of the apparent need for Nauru's participation could be interpreted as a possible explanation for the recovery of some steel. However, this could be stretching a long bow as Australian Governments of both political persuasions have demanded improved standards of governance for over a decade. Perhaps all that really needs to be noted is the somewhat curious coincidence of the facts that Australia did not press Nauru as vigorously on OFCs as did the US and that Nauru stood by Canberra on its Pacific Solution.

11.4 CONCLUSIONS

Does Nauru really belong in the arc of instability? The events canvassed in this chapter provide the rather ambiguous answer of "probably, but not necessarily for the same reasons as other states and maybe not yet!" Nauru's risky abuse of its sovereign capacity as an OFC and in selling passports has put significant international interests at risk. These interests were substantial from the early days of the post-Cold War order especially in the laundering of Russian organized crime money. However, it took the Bush "war on terrorism" to train the US diplomatic guns on tiny Nauru to put an end to these activities. The US motivation had little to do directly with Australia's perception of an arc of instability. (Nevertheless, these reasons were related to the general post-Cold War demand for greater state responsibility that underlay Australia's preoccupation with an arc of instability.) What cannot be easily explained is why the effective response to Nauru relied on the US rather than Australia.

The roguishness of Nauruan state behavior does make it plausible to include Nauru in the alleged arc of instability if one is determined to adopt a single rubric to cover a sense of vulnerability in Australia from the north. Naturally, defenders of Nauru, and indeed of other OFCs in the South Pacific, draw attention to the fact that other, much larger states have provided flags of convenience, sold passports to business investors and operated banks that do not comply with international financial norms. Indeed, Nauru itself defended its position early on these grounds since established centers such as those in Switzerland were not put under the same pressure by FATF (Asia-Pacific Center for Security Studies, 2003, p. 3). The problem with this defense is that it does not acknowledge the extraordinarily open and collegial association that the states of the South Pacific region, including Australia and New Zealand, enjoy in their *inter se* relations. Aberrant state behavior threaten these relations and, were these ties to become less close, the costs would fall disproportionately on the smallest members of the Pacific Islands community. And, this brings to center stage the reasons for Nauru's attempt to maximize the only other resource it has other than phosphate and the legacy of the phosphate: its sovereignty.

While Nauru achieved its independence under very favorable international conditions it was able to press its claims both because it was a coherent nation and had the resources to pay its own way in the world. The former condition remains but the exhaustion of the phosphate reserves has raised very serious questions as to the latter. Private wealth may still exist but the state of Nauru is unable to supply the services expected of it as fully as in the past. Its future viability as a state has become as questionable as the so-called "failing states" elsewhere in the Asia Pacific region. Ironically,

Nauru seems to have been caught between the Charybdis of the rogue state and the Scylla of the failed state with no safe passage back to effective statehood. Its rogue state behavior was largely motivated by an attempt to merchandise the one continuing resource it has. Being denied the freedom to use its political status as an economic resource appears to have closed off a principal avenue of self-sufficiency and thus put it in danger of becoming a failed state.⁴

Sovereign states must be able to deliver basic political goods – security, health and education, economic opportunity, good governance, law and order, and a judicial system to administer it as well as fundamental infrastructure requirements such as transport and communications. Nauru is no longer able to carry out all these functions without outside aid. This is hard for a proud and independent people to accept, especially as Nauru has been accustomed to paying its own way in the world. Nonetheless it is scarcely unique in the region. Indeed, if a state unable to pay for all state services unaided were the definition of a “failed state,” few states in the South Pacific could claim to be effective. Nauru stands on the edge of a political precipice. If Canberra wants to insure it does not fall off, both Nauru and Australia will have to make some very hard choices to give Nauru a future outside the arc of instability.

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⁴This judgement may be premature – at least in the short term. As this Chapter was in its final stages, Australia announced a new aid package to keep the detainee camp open on Nauru. Australia is to provide an official to head the Finance Department and help get a firm accounting of Nauru’s money problems. The Australian Government also will send a Police commissioner to strengthen law and order – a response to the tensions created by the asylum seeker processing camp Australia built on Nauru in 2001. Australia is giving Nauru a new aid package worth \$22.5 million dollars over two years (ABC 2004).

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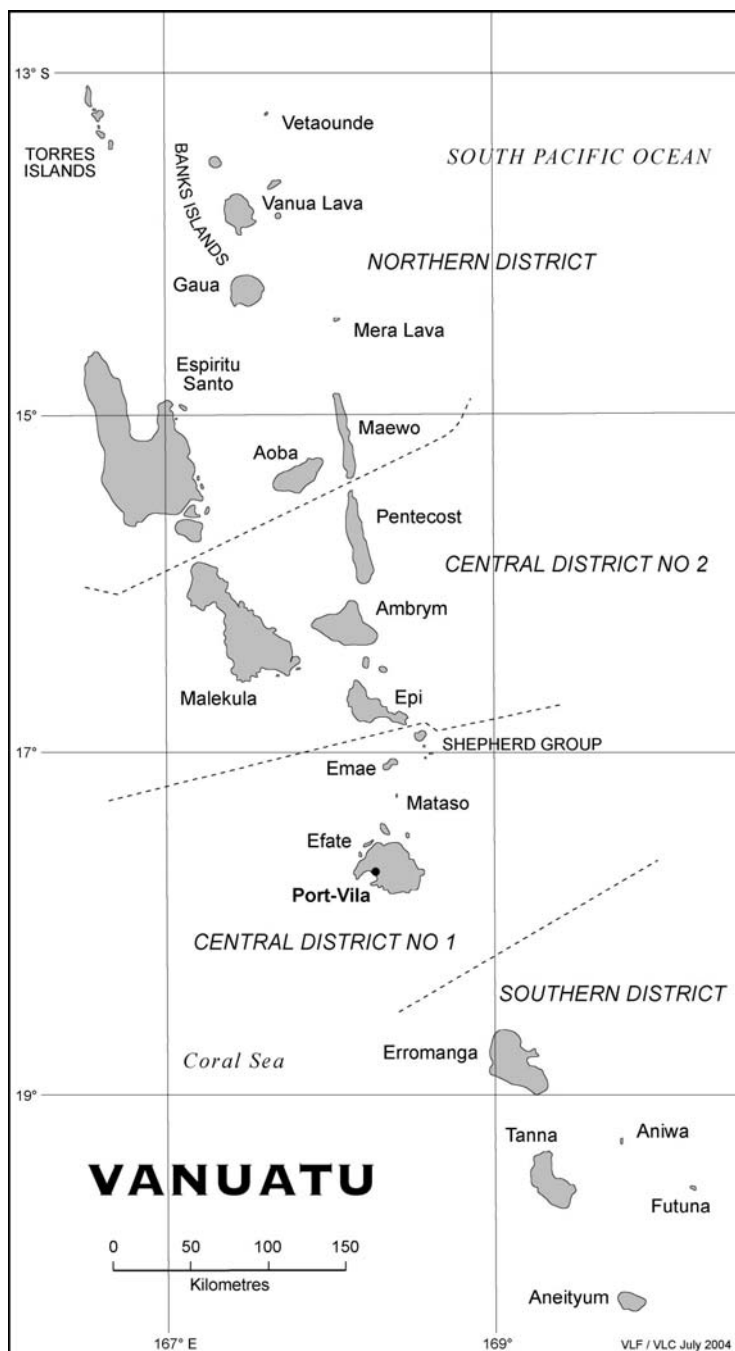
12. VANUATU 2001–2004: POLITICAL WILL AND THE CONTAINMENT OF UNREST

12.1 INTRODUCTION

Beginning with the constitutional crisis, March–April 2001, this chapter presents a case study of recent political instability in Vanuatu, a multi-island state organized administratively into four principal districts which stretch over several 100 km (Figure 12.1). It is primarily a discussion and analysis of “all-or-nothing” financial deals, and potential threats to the state presented by disgruntled police officers and paramilitaries. It argues that despite the volatile tone of recent politics, the government of Edward Natapei countered dissident internal forces actively and successfully. Thus, Vanuatu remained peaceful, despite the predictions of regional media and policy analysts who generally anticipated that it would follow its Melanesian neighbors Solomon Islands and Papua New Guinea into ethnic conflict or apparent unchecked lawlessness. Since 1988, Vanuatu’s political topography has appeared highly unstable, but the country has neither yielded to entrenched violent conflict nor suffered an effective coup d’état. Indeed, of all the Melanesian states it presents perhaps the most compelling challenge to the implications of the “Arc of Instability” concept.

12.2 THE ARC OF INSTABILITY

Before commencing this case study of Vanuatu politics it is important to understand the connotations of calling the island states to Australia’s near-north, the “Arc of Instability.” Central to this “Arc of Instability” idea are the Melanesian states, which are seen to be inherently weak or unstable, and consequently considered potential security risks to their own citizens and regional neighbors including, increasingly, Australia, should they become “petri-dishes for trans-national movements” (Wainwright, 2003) – that is, havens and springboards for terrorist groups and drug smugglers. Despite their great linguistic diversity, it is also often assumed that Melanesian states are united by a set of characteristics that undermine the operation of the state and render them vulnerable to societal conflict (Anere, et al., 2001; Maher, 2000; Reilly, 2000; Retiere and Schurmann-Zeggel, 2002; Siegmund, 2003). These shared problems include sub-standard economic performance, weakened “traditional” values, tensions between “traditional” and introduced structures of governance, outdated and conflict-ridden land policies, ethnic tensions, socio-economic disparities, poor governance, and a state disengaged from society.

*Figure 12.1 Vanuatu*

Despite experiencing political instability over this last decade and despite its history of low-level unrest, Vanuatu is the least compelling Melanesian candidate for inclusion in the “Arc.” None of Vanuatu’s conflicts have involved serious loss of life. While the “Santo Rebellion” attracted international attention in 1980 (Beasant, 1984), it resulted in only a handful of deaths. In subsequent unrest – the Ifira Land Riot (1988) and the VNPF riot (1998) – only three lives were lost (McLeod, 2004). Against a regional backdrop of ethnic violence, coups and widespread law and order concerns, these events have suggested to certain observers that Vanuatu is on a shared trajectory with Solomon Islands, Fiji and Papua New Guinea (Borgu, 2002; Maher, 2000; Reilly, 2000), even when its particular circumstances, as at present, appear benign.

12.3 TRIGGER EVENTS

The constitutional crisis that erupted in March 2001 originated from routine manoeuvrings in the national parliament. In the weeks before the first ordinary sitting of parliament was scheduled to begin, a split emerged in the Union of Moderate Parties (UMP), National United Party (NUP), and Melanesian Progressive Party (MPP) coalition government of Barak Sope. The government’s second largest faction, the UMP, defected to the opposition after party president Serge Vohor claimed his ministers had been marginalized by Sope’s administration and that Vohor’s core policies on education were being ignored. Sope had been unable to address the global drop in copra prices, which severely affected the UMPs mainly rural constituents – many of whom were copra farmers. UMP concerns about Sope’s leadership were further exacerbated by their feeling of being inadequately represented in the Council of Ministers. When Vohor demanded a cabinet reshuffle, Sope refused (*Trading Post* 28 March 2001). This only reinforced distrust among the UMP executive which earlier agreed not to run candidates against their coalition MUP and NUP partners in the Luganville by-election in February 2001, and thereby ceded any chance of winning an extra parliamentary seat in UMP heartland of Espiritu Santo. Instead, all member parties in the coalition had agreed to back the NUP candidate, following the death of the incumbent NUP Member of Parliament.

This apparently blasé marginalization of the UMP seems to have been driven by Sope’s desire earlier to monopolize on a lucrative deal with the Italian company, Volani, to develop a cattle project on Santo, worth a reported vt424 million or US\$2.9 million. Meanwhile, Serge Vohor had backed a rival bid from the Israeli, Mondragon Group, to develop the Big Bay area in northern Santo. Local reports suggested that Mondragon had donated US\$150,000 to UMP campaign funds. Without consulting the UMP Sope had signed an agreement with Volani, temporarily outmanoeuvring his partners in the UMP.

Having up till then maintained coalition unity to assure representation for the NUP, while turning down the chance of increasing his own party’s representation, Vohor had initiated negotiations with the opposition Vanua’aku Pati (VP). Parliament, scheduled to begin its first ordinary session on 26 March, now found itself delayed by a walkout by Vanua’aku Pati members ostensibly protesting at the rail-roading of legislation to expedite voter registration for the upcoming municipal Port

Vila elections. That same day, 26 March, the UMP formally defected and the government was forced to withdraw all its bills. The defection set in train events that incapacitated it. No government bills at all were addressed in the first sitting, though four private members' bills were put before the house, primary amongst these being a motion of no confidence in the Prime Minister, the Speaker of parliament, Paul Ren Tari, and his deputies.

A motion of no confidence is usually a straightforward parliamentary procedure; the motion is required to state simply that the majority of members has lost faith in the capacity of the Prime Minister to govern. However, in this case, the motion included alleged details of Sope's involvement in three major financial scandals over the course of his parliamentary career, two of which would only have extended Vanuatu's already sizeable external debt and emasculated the economy. It asserted an improper relationship between Sope's administration and Dinh Van Than, a naturalized Vietnamese businessman, and the president of the NUP. The Speaker, NUP parliamentarian for Maewo, Paul Ren Tari, however, refused to allow debate on the motion, which in turn allowed Sope to instigate defamation proceedings against the motion's signatories. The Supreme Court, however, subsequently upheld the motion, saying because the charges had not been aired in public, rather in Parliament, the motion was protected by parliamentary privilege.

Realizing that he had lost his Parliamentary majority Sope announced that the Council of Ministers would advise the President to dissolve parliament in preparation for fresh elections. But this the President refused to do. Immediately, the VP executive requested Chief Justice Vincent Lunapek to allow Parliament to be reconvened to consider the motion of "no confidence" and elect a new government. Lunapek then ruled that the Speaker had acted improperly and ordered him to recall parliament to consider the motion. Paul Ren Tari initially resisted but when it was made clear to him that if he went to gaol for contempt of court he would automatically lose his seat, he apologized to the court. At 7 p.m. on 13 April, heavily guarded by police, Tari reconvened parliament and despite a government walkout (which nonetheless left the parliament quorate), VP president, Edward Natapei, was voted in as the country's Prime Minister. But this was not the end of the matter.

When Parliament resumed in early May, Tari at once suspended Prime Minister Natapei, Deputy Prime Minister Serge Vohor, and four other government frontbenchers on the grounds that despite the High Court's ruling, by taking him (the Speaker) to court in April, government MPs had breached standing orders and the constitution. Immediately, the remaining twenty-one government MPs walked out in solidarity with Natapei. Tari meanwhile was again directed to reconvene parliament or face charges of contempt and a possible 6-month gaol sentence. Still undaunted, on Monday 14 May, the Speaker (who possessed the only key to the parliamentary chamber) failed to appear. Further, he made several public comments against the judiciary and new government and openly sided with Sope's regime. Moreover, despite being reminded of their obligations by the State Law Office, Tari's deputies refused to intervene. Access to the house was gained finally only when a ladder was lowered from the Public Gallery. That evening Natapei, on the advice of the Attorney General, directed the police to arrest the Speaker and his deputies, Iréene Bongnaim and Henry Yauko, on charges

of sedition. They were apprehended early next morning – the Speaker at the residence of Barak Sope. Despite protests from Sope and the Opposition, parliament elected a new Speaker, the former Prime Minister and MP for Efate, Donald Kalpokas Masikevanua. The new government came to power with a majority of one (26–25), excluding the Speaker's casting vote.

During the turmoil of 2001, Sope and his allies probed the VP and UMP backbenches for weaknesses. Rumor had it that Sope had won back power and that the VP, supposedly wracked by internal divisions, had disintegrated. Simultaneously, several backbenchers were targeted for bribes. Foster Rakom, a Francophone VP member from Mele, claimed he was approached by one of Dinh Van Than's lieutenants who offered him vt5 million, a ministerial portfolio, and the completion of a community church house if he joined Sope (*Trading Post* 30 March 2001). Rakom was not expected to be re-elected in 2002 and stood to gain considerably by defecting. In fact, his later bid for re-election in May 2002 was unsuccessful. To avoid confrontation in Port Vila, and to ensure no backbenchers were tempted, the VP relocated its headquarters to the relative safety of Donald Kalpokas' community, Lelepa. There were no defections.

The pressure exerted by Sope and his allies now forced the VP/UMP to reconsider the disparate demands of their members alongside national priorities. The first task required of the coalition government, therefore, was to ensure its coherence. In mid-April, it appeared that Kora Maki, UMP member for Epi, might defect to the NUP and support a motion of "no confidence." Maki had previously received significant funding for his 1998 election campaign from Willie Jimmy, a former factional leader of the UMP up until his defection to the NUP in February 2001. That same week, Sope claimed that Luganville VP member, George Wells, had requested vt8 million (US\$54,000) backing for his 2002 re-election campaign in return for defecting to the MPP. Wells denied the allegation but later that day the VP executive decided not to pre-select him its 2002 Luganville candidate. Later the party rescinded its decision. Consequently, when Kalpokas was installed as Speaker, and Kora Maki Deputy Speaker, George Wells was named Second Deputy.

Tari's actions as Speaker in April and May 2001 were clearly motivated by political partisanship rather than maintenance of order in the house. He consistently misrepresented or ignored the laws and regulations of parliament and turned a blind eye to the separation of powers principle under which Vanuatu's Westminster-style system operates. In his April 2001 judgement, Chief Justice Lunapek noted that the "interpretation of the constitution . . . is self-evidently . . . entrusted to the Court by the people of this country through the Constitution." Tari's lawyer, John Malcolm, conceded during the April court case that the Speaker had indeed erred when he dismissed the motion of "no confidence." Within a week of the trial ending, Malcolm permanently parted company with Tari, announcing "our client has refused to listen to our advice" (*Trading Post* 14 April 2001). Yet for the next 2 months Tari complained on account of his parliamentary privilege the courts had no right to bully him,. When in December that year the Supreme Court finally heard the sedition charges against the three speakers, Justice Coventry dismissed the case, ruling that at the time of their arrest they were covered by Article 27 of the Constitution because parliament was still in session; nevertheless he cautioned them against abusing their privileges (*Trading Post* 01 December 2001).

12.4 FINANCIAL CRISIS

The VP predicated Sope's downfall by concentrating on his involvement in various clandestine financial schemes, and in particular the agreement he had made with Amerendra Nath Ghosh, a resident Thai Indian businessman with alleged consular and ambassadorial duties in Laos and Thailand respectively (*Radio Vanuatu* 19 April 2001), to be issued with US\$300 million in bearer bonds from the Reserve Bank, a sum equal to 140% of Vanuatu's gross domestic product. Had the bonds been issued, Vanuatu's external debt would have quadrupled (Callick, 2001). Ghosh had first arrived in Port Vila in February 2000 with what was described as "possibly the world's largest ruby," which it was said he intended to "donate" to the people of Vanuatu. He also promised to initiate a project to seal the road around Efate, build a walled complex for the Council of Ministers, and negotiate with foreign consortia to build a new international airport (*Nasara* 14 April 2001). Ghosh also claimed to have been granted petroleum and mineral exploration and fishing rights in Vanuatu, royalty free.

Sope claimed that revenue generated by the government's joint ventures with Ghosh would be used to settle outstanding debts with the police and VMF and fully compensate people for losses incurred during the Santo Rebellion in 1980. In October 2000, he made the first payment to the police, apparently from these returns. At the time, Acting Police Commissioner, Arthur Caulton, stated this marked a turning point in relations between the police and government, though great uncertainty remained (*Trading Post* 8 September 2001). Natapei later claimed that this payment was made from savings in the recurrent police budget of 1999, accrued under the Kalpokas administration (March 1998 to November 1999). In 2002, in association with the Natapei regime, bilateral donors paid out the monies still owed to the VMF.

The Ghosh affair refocused public attention on Sope's involvement in a succession of potentially disastrous financial deals. In 1996 he had been involved in the issue of promissory notes worth tens of millions of dollars to an Australian businessman, Peter Swanson, who was said to have guaranteed a 250% profit on their issue. On advice from Scotland Yard, the then Prime Minister, Mr. Korman, annulled the deal and had Swanson arrested. Also in 1996, Sope had forced the Vanuatu National Provident Fund to transfer vt27 million (US\$180,000) to the Brisbane-based Cybank Internet banking company, none of which was recovered.

Sope's overspending and propensity for "all-or-nothing" deals left him vulnerable to international money scams – a target for fraudsters – and it allowed Natapei to highlight Sope's leadership style and failure as an economic manager as the primary cause of Vanuatu's economic woes. Natapei mounted an attack on Sope's personal record as an economic manager. As Minister of Finance, 1996–1997, Sope failed to provide either a development budget or an annual budget. And while he claimed to have reduced the national debt by vt2.5 billion (US\$170 million), much of this actually came about because of an agreement with the Chinese Government to write off several loans – including that which had paid for parliament house, and to grant a new vt380 million (US\$2.7 million) soft loan. Natapei claimed that when Sope's coalition took office in 1999 there was approximately vt200 million (US\$1.4 million) in reserve. Yet for the first several months of its own term in office, the Natapei government worked with a monthly overdraft of vt400 million (US\$2.8 million). And VP Finance Minister,

Joe Carlo, revealed that the government would be having to look for other alternatives to maintain the cash flow until the end of 2001. The previous Sope government had taken steps to reform Vanuatu's taxation system with the intention of improving the government's revenue base, particularly by the approval of a gambling bill calculated to yield over vt240 million (US\$1.6 million) per month; yet no revenue had eventuated (Radio Vanuatu 21 May 2001).

Even so, Sope was only partly to blame for Vanuatu's precarious economic situation. For the challenge to investor confidence that his leadership style entailed belied just how deeply rooted Vanuatu's economic woes were. Lack of government coordination with private enterprise, entrenched political instability, declining customs and taxation revenues, and poor global prices for cash crops, had all contributed to the weakening of the economy. Ever since 1997, Vanuatu had teetered on the edge of bankruptcy. Donors highlighted Vanuatu's narrow revenue base – which relies heavily on tourism, agriculture, and limited financial services – as an area for immediate reform. Indeed, the recommendation for economic growth contained in the ADB (2001) economic review was to, “quickly commercialize agriculture and fisheries . . . promote foreign investment in plantation forestry in order to boost economic growth,” and to consider exploring the options for mining. Statistics for the first half of 2002 confirmed a decline in agricultural production and exports as well as a decline in tourist arrivals, compounding negative economic growth for 2001 (DFAT, 2004). This provided the VMP/UMP coalition further ammunition to use against Sope. Marketing his new government by its economic credentials, Natapei set about reclaiming donor and investor confidence by advocating continued public sector reform, under the auspices of the Comprehensive Reform Programme (CRP), the structural adjustment package sponsored by the Asian Development Bank and bilateral donors.

Sope for his part infused his rhetoric with references to the damage done by the CRP. At its inception in 1997, Sope had said the CRP would bring suffering to the people of Vanuatu (*Trading Post* 17 September 1997), although in office he was forced to grant the project tacit support. After being toppled, he distilled his sentiments further. The CRP, he stated, “only serve the interests of Australia and New Zealand. Over 70 foreign advisers are here under the CRP and they are all paid by the Vanuatu government under the ADB loan . . . it is ridiculous” (*Trading Post* 19 May 2001). The tenor of debate heated. Sope's readiness to invoke a narrow vision of Vanuatu's national interest resulted in Australian and New Zealand diplomats being jostled at the parliament house by his supporters and it reinvigorated local debates about national independence. Apprehension that Vanuatu's sovereignty might be jeopardized by the CRP was fueled by sketchy reports of the negative impact of structural adjustment programmes in Papua New Guinea, and since 1997 this has been an enduring theme of political debate. Although on account of the nation's financial situation Natapei has vowed to adhere to the CRP, comments by some senior members of his administration about the dominant role of foreign advisers have become more pronounced. Minister for Foreign Affairs, Jean Alain Mahe (UMP), noted that Vanuatu's financial difficulties are compounded by the “policy of austerity translated by the implementation of the CRP mainly advised by Australian consultants” (*Trading Post* 25 August 2001). And despite his reaffirmation of support for the CRP, Natapei has proposed a much shorter list of achievable reform priorities, and has posited a much greater emphasis on the needs of

grass-roots people. Indeed, there is a growing discourse critical of the effects of Westminster democracy in Vanuatu, which may affect the CRP's implementation, despite obvious domestic support for reform. A call for the adoption of more home-grown strategies and systems is fueled by the perceived failure of the democratic state. For example, Director of the Pacific Resources Concerns Centre, in Suva, Hilda Lini (a former national parliamentarian) calls on Melanesian women to renounce the "western response to the Melanesian state of conflict," and demands a new philosophy to guide the people of Vanuatu. Democracy, she says, "will continue to corrupt Melanesia resulting in continuous uncontrolled crime, violence, and poverty" (*Port Vila Presse* 20 October 2001). Fuelling such sentiments, Sope attempted to position himself as the "authentic" voice of grassroots Vanuatu, but Natapei sought to guarantee that his administration's reformist policies (being consistent with the CRP) would never compromise Vanuatu's autonomy, and would ensure that bogus deals like the one Sope entered into with Ghosh would not further jeopardize Vanuatu's weak economy in the future.

12.5 THE SPECTRE OF A COUP

While events in Vanuatu's political history have often bemused other Pacific Island states in the region, the outbreak of ethnic violence that occasioned the collapse of the state in Solomon Islands in 1999–2000, the continuous social unrest in Papua New Guinea, and successive ethnically motivated coups in Fiji – in 1987 and again in 2000 – inspired observers to place the country on the same trajectory of social disintegration as these its Melanesian neighbors (Goff, 2002; Maher, 2000; Reilly, 2000). With these regional developments in mind, and Vanuatu's fractious political history – beginning with the Santo rebellion in 1980 – it seemed to many that instability was endemic to Melanesian countries: that Vanuatu was haunted either by the spectre of a coup d'état or ethnic disintegration, or possibly both. Hilda Lini charged that "the current political system is draining (Vanuatu's) communities, our leadership (and) our economy" when she called for a new system based on "tradition" to be adopted (*Port Vila Presse* 20 October 2001). Failure to do so, she suggested, would push Vanuatu towards the same execrable outcome that has occurred in Solomon Islands.

The *Security in Melanesia* report presented to the Forum Regional Security Committee (FRSC) in May 2001, highlight these issues and suggested that because of Vanuatu's cultural diversity "there is a great potential for ethnic tension, especially in urban areas with large squatter settlements and numerous under educated, unemployed men" (Anere, et al., 2001). In fact, the growing population in urban areas is of major concern to national leaders, not least because elsewhere in Melanesia such developments have been virtually impossible to stem (Connell, 2000). On the other hand, I suggest, it is the relative dispersal of different island communities in urban areas of Vanuatu that actually lessens the chance of protracted inter-ethnic flare-up by diluting potential any "them-us" dichotomies. The sheer regional and ethnic diversity of Port Vila's 8000 teenage and adult males, for example, represents one of the main safeguards against serious inter-group conflict, or collective conflict against the government. In other words, the presence of several "ethnic" communities in towns has served to ameliorate the ascendancy of one group over another and thus reduce the

chances of one group dominating resources at another's expense. Neither around Port Vila nor on the island of Efate, for example, is there a migrant population commensurate with the concentrated Malaitan communities in Guadalcanal which served as catalysts there for violence.

The biggest potential source of unrest in Vanuatu has been, and remains, political instability and maverick leadership. It was unrest in 2001 that prompted Sope to augment his hold on power by mobilizing police and paramilitary forces. *The Trading Post*, 13 April 2001, reported that on the night the motion of "no confidence" was finally debated, Sope and Internal Affairs Minister, Barnabus Tabi (NUP member for Pentecost), had approached Acting police Commissioner, and requested he enact emergency powers and declare martial law till further notice (*Trading Post* 18 April 2001). Caulton refused, and in so doing, the police and its paramilitary wing acted as forces for stability. For a moment Sope's attempt to use the police raised fears of an imminent coup, particularly since his deputy, Sato Kilman, enjoyed strong links with the Vanuatu Mobile Force (VMF). Yet both the VMF and police remained neutral. In part, this may be traced to the circumstances surrounding the abduction of President Jean Marie Leye Lenelcau by VMF officers in 1996 when, after striking for several weeks without success, VMF officers flew the President to Malakula to meet Sope, who was then Finance Minister, to claim US\$980,000 owing to them as outstanding allowances. Sope had promised both an amnesty for the leaders of the so-called "industrial coup" and payment of their outstanding allowances, but his subsequent failure to fulfil these promises undermined what residual allegiances the VMF may have still held. Indeed, a former VMF commanding officer, name of Kilman, thereafter broke away to form the People's Progressive Party.

Sope's attempts to invoke martial law were but one part of a broader strategy to discredit the Natapei regime. To this end, Sope claimed he had been ousted by a political conspiracy involving foreign diplomatic missions and senior VP/UMP coalition ministers. His deputy, Willy Jimmy, drew attention to the fact that the public prosecutor who had issued the warrant for the arrest of the Speaker and his deputies, was married to Natapei's Minister of Health, Clement Leo (*Trading Post* 19 May 2001). And when Sope's supporters suggested forcibly reinstating the Speaker and Speaker's deputies, although Sope had counseled them to remain calm, he also implored them to "take to the streets" to force out interfering foreigners should the need arise (*Trading Post* 21 April 2001). In late April 2001 Sope claimed the Australian High Commission was directly interfering in Vanuatu's domestic politics because Australian Federal Police (AFP) had tapped the phones of government MPs. In fact, with the cooperation of the Vanuatu police, the AFP had been investigating a consignment of heroin supposedly gone missing in Vanuatu, following a large seizure in Fiji. According to Police Commissioner Bong the AFPs presence had been kept secret to avoid any tip offs, and was in no way related to the political turmoil.

In September 2001, Natapei stated his intention to investigate allegations against Sope of contempt of court and misappropriation of public funds (*Vanuatu Weekly/Hebdomadaire* 1 September 2001), but when police tried to carry out a search warrant against Sope, Sope's Ifiran supporters confronted them with knives and axes. While Sope eventually accepted a court summons on charges arising from the issue of bank guarantees, it appeared likely that he would mobilize grass-roots support should his

political career be threatened by criminal prosecution. Sope has thrived in the arena of national politics, and broadened his support base from his home island of Ifira, in Port Vila harbour, to the entire Rural Efate electorate.

Barak Sope is acknowledged to be an astute leader; one whose skills saw him elected Prime Minister even when his party held only four of the 52 seats in parliament. Yet support for Sope in Ifira has waned since its apogee in the late 1990s, mainly because of his involvement in scandals like the Ghosh deal had been consistently and convincingly highlighted by the Natapei administration. In July 2002, the Supreme Court sentenced Sope to 3 years jail on two convictions of forging bogus bank guarantees worth US\$23 Million: US\$5 million in favor of the Vanuatu Investment Corporation Limited, and US\$18 million guarantee in favor of Dynamic Growth Projects Pty Ltd (*Port Vila Presse* 19 July 2002). Although his supporters attempted to mount demonstrations for his release, their efforts roused little public support, mainly because the chief of Ifira, Mantoi Kalsakau III, advocated against his release. In the interim, Kalsakau, was subjected to intense lobbying by Serge Vohor and other UMP's heavyweights. Consequently, the island of Ifira in Port Vila – Sope's core constituency – shifted its allegiance behind UMP member for Efate Rural, Stephen Kalsakau, and despite initial fears that his imprisonment would foment civil dissent and make him an autonomist martyr, it was generally met with ambivalence. It was the President's pardon in 2003 that revived his career.

While the government focused on defeating Sope, it was the appointment of Mael Apisai as Commissioner of Police that presented it with its most serious challenge to legitimacy. In the early hours of 4 August 2002, policemen and members of the VMF, acting under a troika of senior officers – Eric Pakoa, Superintendent of Police for the Southern Islands, Lieutenant Colonel Api Jack Marikembo head of the VMF, and Holi Simon, Acting Commissioner of Police – confronted the fifteen members of the Police Services Commission (PSC) on charges of “seditious conspiracy” arising from procedural irregularities in Apisai's appointment; an appointment that resulted in several senior staff, including Marikembo (an unsuccessful applicant for the position of Commissioner), refusing to carry out Apisai's orders issued. Thus it was the same anti-government elements whom Apisai had been appointed to purge the police and VMF of in the first place, who in a operation they called, “Operation Procedure 2002,” now placed him and the entire PSC, including the Attorney General, secretary to the President, and Ombudsman, under arrest. For despite getting the support of most of the VMF, many of the Police viewed Apisai's appointment with great scepticism believing the PSC had not sufficiently scrutinized his application, and despite these forces having been without a proper commander since Commissioner Peter Bong retired in 2001. Matters worsened when Jenny Ligo, a Commission member and President of the Vanuatu Council of Women, sparked fears of a struggle with the VP, when she alleged that the Chair of the Police Service Commission, Michael Taun, bowed to government influence (excepting, notably, Joe Natuman, Minister of Internal Affairs) when it appointed Apisai Police Commissioner. In the event, it was Deputy Prime Minister, Serge Vohor [UMP member for Santo], under the direction of Prime Minister Natapei, who later took over the Police/VMF portfolio from Joe Natuman.

In August 2002, Justice Roger Coventry overturned Apisai's appointment and directed the PSC to settle on an Acting Commissioner as soon as possible, until a new

round of job applications could be arranged. This ruling seemed designed to diffuse tension between the government and dissident troika in circumstances where, notwithstanding political interference, the PSC guidelines for selecting a Police Commissioner were vague; in any case Coventry's ruling *did* defuse tension; it also allayed government fears of further disturbances during the Melanesian Arts Festival and *Fes Napuan* scheduled for ten days in mid-August. But even then relief was short-lived. On 26 August the government arrested Holi Simon and Api Jack Marikembo, following charges of mutiny and incitement to mutiny, laid by the Public Prosecutor, against 19 senior police and VMF officers arising from the initial arrest of the PSC. This renewed fears of civil strife, and at also inspired reports that Natapei had gone into hiding when heated exchanges erupted among "rival groups of police" (*Sydney Morning Herald* 27 August 2002); a reminder of 1996 when factionalism between Police and VMF stirred anxiety among aid donor countries that party – rivalry might escalate into organized violence. The *Herald* story elicited an angry response from government spokesman, Daniel Bangtor, who decried the media's inaccurate reporting and moved that the government lodge a complaint with the Australian High Commission. At the time of the arrests, however, Natapei was busy chairing a meeting of his Special Advisory Group in the heart of Port Vila (*Port Vila Presse* 31 August 2002).

On 9 September 2002, the Police and VMF officers were released on bail. Others who were suspended by the PSC – without whose *imprimatur* a proposal of reconciliation would have been meaningless – attached two caveats: that their case against the PSC be reopened, and that their suspension be dropped (*Trading Post* 31 August 2002). Had the government conceded to this condition it would undoubtedly have created a dangerous precedent, especially in the light of statements by Prime Minister Natapei that law and order would be enforced fairly and uniformly (*Trading Post* 31 August 2002). As it turned out, the President disbanded the PSC, run by Michael Taun, and replaced it with one chaired by Jean Sese, Director General of the Office of the Prime Minister, and the officers involved in Operation Procedure *were* suspended; many of them eventually to be stood down permanently, or else resigned on their own terms. Eventually, the government appointed a mutually acceptable candidate as Police Commissioner, the Ambrymese officer, Robert Obed Diniro.

12.6 CONCLUSION

Outsider scepticism at the long-term prospects of peace in Vanuatu is founded on three interrelated issues: economic stagnation, the breakdown in order in neighboring countries and fractious national politics. For over a decade Vanuatu's parliament has been effectively neutered by factional infighting and constitutional crises. Corruption, maladministration and the politicisation of the bureaucracy have increased thus aggravating instability, and the provision of services to the islands has worsened as parties engage in intensive negotiation and "horse-trading" to form government coalitions. Throughout the 1990s the vigor of this manoeuvring and brokering for purposes of accessing state revenues has only obscured and undermined the formation of effective long-term policies. And it continues to weigh heavily on the minds of those policy makers who know the effect this has on overseas investor and aid donor confidence.

Although the survival of the Natapei government from 2001 until 2004 has brought respite to the entrenched political instability of the 1990s, some difficulties remain. Sope's arrest and conviction did *not* translate into civil unrest; Natapei signalled his intention to stamp out the sort of maverick leadership that Sope embodied; perhaps, in so doing, he has reduced that potential for economic mismanagement and corruption that Vanuatu has witnessed over the last decade. Nevertheless, late in 2003 Sope was resurrected as a political force by a presidential pardon, and Natapei's promise to clean up Vanuatu politics did not extend to removing culpable members within his own government. Considering his precarious majority, however, this was barely surprising. At the same time, although UMP spokespeople forcefully reiterated their allegiance to the Vanua'aku Pati and publicly supported its policy imperatives, they too were targeted for investigation (*Trading Post*, 19 May 2001).

In November 2003, Natapei eventually dismissed the UMP from his coalition for poor attendance and possible corruption. In 2004 Sope received contested by-elections in Efate, won comfortably and returned to parliament as leader of the MPP. On 6 July the Natapei administration was defeated at the general election which saw most of the major parties lose ground. The parliament constituted by this elections may yet prove to be the most unstable of all Vanuatu's parliaments.

Antecedent events in Solomon Islands, Fiji, and Papua New Guinea have only fueled the depiction of inevitable social breakdown happening in Vanuatu; in particular, political instability in the Solomon Islands culminating in the breakdown of social and political order (see chapter in this book) has been taken as an omen of what may yet happen in Vanuatu. Yet the arrest of PSC has shifted emphasis in Vanuatu away from ethnic unrest as a possible trigger to violence, to the possibility of the paramilitary being a likely source of instability. Moreover, whereas some outside observers having viewed the relative calm of Natapei's regime think that any future disturbances, no matter what, can only involve Vanuatu in worse conflict than has been the case till now, this writer sees it differently. Vanuatu does *not* appear to be following the same path as the Solomon Islands. Partly this is because Vanuatu's record of dealing with instability over the last decade strongly suggests otherwise; and partly it is because Vanuatu's sheer ethnic diversity in urban areas weighs against the sort of build up of two or so prominent and competing ethnic identities as is the case with Guadalcanal.

If one acknowledges that Vanuatu is prone to instability and conflict, one must also acknowledge that Natapei proved successful in managing it during the 3 years, 2001–2004, which have been the focus of this case-study. For all its political, economic and societal tensions that hold the seeds of potential violent conflict, Vanuatu has avoided such violence. Natapei's senior government officials distanced themselves consistently from the sort of social and political disintegration that has occurred in neighboring Melanesian countries. It has also been outspoken in its criticism of regional media for its exaggerated and inaccurate reporting. As Arthur Caulton said when he accepted the position of Acting Police Commissioner: "Alphabetically, Vanuatu comes last, at the bottom of the group, but this is not a disadvantage since we have taken our time over the last 22 years to learn from the mistakes of our neighbour countries" (*Trading Post* 31 August 2002). In that the Natapei administration for 3 years demonstrated a willingness to take on hard targets to achieve its core

aims, it proved that *political will* – as much as the underlying triggers of and catalysts to instability – is a significant determinant in the maintenance of peace.

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13. THE FRENCH GEOPOLITICAL PROJECT IN NEW CALEDONIA

13.1 INTRODUCTION

“Decolonization without independence” has been a characteristic of 25% of all functioning colonies since 1945 (Christopher, 2002). However, as has been pointed out, the Western colonizing powers have collectively authored the instruments of decolonization via the United Nations Decolonization Committee (Farer, 2003, p. 387). While this has resulted in many other nations and territories achieving self-determination since 1945, New Caledonia still remains one of many Non Self-Governing Territories. What this implies is that, some time during the 21st century, the currently minority indigenous Kanak population, which has resisted French colonialism for 150 years, faces the acute practical dilemma of a future based on autonomy, on independence or “in association” in the context of its present colonial economic dependency. The nature of this dilemma is one which faces many South Pacific island territories and thus one of the key issues in resolving regional conflict is the extent to which accommodations to economic dependency can be reached which are acceptable to the aspirations and needs of indigenous populations. Such accommodations may well involve the development of new associations and economic linkages with Australia and within the South Pacific region itself and beyond.

It is argued here that, since the end of the Cold War period, France has been in the process of reinvigorating its regional geopolitical project in the South Pacific. Given the geopolitical and economic importance of New Caledonia and since French interests cut across those of the independence movement, there is thus likely to continue to be an ongoing conflict until indigenous demands are appropriately accommodated, as required by the United Nations. The purpose of this chapter is also to argue that the complex conflict and political change within the French “overseas country” of New Caledonia is not simply yet another example of ethnic resurgence as has so often been argued (for example, Ward, 1992). Rather, it is suggested here that the conflict is a manifestation of a deep-seated reaction and accommodation to long-standing repression brought about by the enduring impacts of French colonialism and its exploitation of distant lands both on account of their remoteness as well as their perceived worth. In short, there exists a fundamental geopolitical element in the case of New Caledonia, the complete appreciation of which is critical to an understanding of the overall conflict and its outcomes. The association between remoteness and disagreeable behavior, or the relocation of unacceptable human action, has been a common feature of colonial conduct around the Pacific and elsewhere. Ironically, the Pacific has been the only part of the earth’s surface which has been regularly used by several imperial powers to test and to use nuclear weapons. Even now, the Pacific still remains as a potential candidate

for the location of much of the world's nuclear waste. Furthermore, the Pacific has also been perceived by imperial powers as a region into which surplus humanity could be located either for banishment or for labor or both. All such actions can be explained simply by the region's remoteness from Europe. For Britain, for example, relocating its over-inflated convict population and the co-option of indigenous land in Australia for this purpose was to some degree replicated in the Pacific by France. In the case of the latter, indigenous land in New Caledonia was therefore used for the transportation of its "undesirables."

In addition, the case of New Caledonia exemplifies the extent to which a colonial state's perception of regional space can change and yet is associated with quite contradictory signals. On the one hand, the indigenous human content of New Caledonia was regarded by France as being essentially worthless and uncivilized, but the nature of the territory, its relative location and its actual and potential resources have rendered to it an importance far in excess of its size. The acquisition and maintenance of colonies such as New Caledonia was thus a clear manifestation of French geopolitical ambitions and can be interpreted as reflecting a distinctive French geopolitical tradition (Parker, 2000). In particular, for France to possess New Caledonia has assisted in its acquisition of global status, which is not just defined in Europe, and, in the future, will also provide access to a potentially rich sea bed and to what it perceives to be a dynamic Asia-Pacific region.

In order to develop these arguments further, the chapter will first consider some aspects of the geopolitical significance of New Caledonia. It will then identify the principal objectives of French colonialism in general and the French geopolitical project in New Caledonia, in particular. Indigenous resistance to this project is discussed in the context of French accommodations in the form of the Matignon Accords and the Noumea Accord. The last major section of the chapter evaluates some of the essential characteristics of the French geopolitical project in the 21st century, the reactions to these on the part of New Caledonian voters, and the prospects for the territory's future status.

13.2 THE GEOPOLITICAL SIGNIFICANCE OF NEW CALEDONIA

The geopolitical significance of New Caledonia can be assessed both in terms of its absolute and its relative location. In absolute terms, it is clearly far removed from the colonial power, but, in relative terms, it is quite close to Australia. Australia and New Caledonia thus possess certain biophysical similarities and Cook has noted the similarity of New Caledonia's flora with that of Australia (Flannery, 1995, p. 42). From an environmental perspective, it has been suggested that "New Caledonia is like an Australia writ small." As a result, French colonial exploitation of the environment provides some important lessons for Australia (Flannery, 1995, p. 362).

Given its location in the southwest Pacific approximately 1500 km from Brisbane, New Caledonia falls within Australia's traditional perceived sphere of influence, expressed in the form of an "Australasian Monroe Doctrine" (Figure 13.1). This region was essentially regarded as an Anglo-Saxon preserve into which other states should not "trespass" (Fry, 1991, p. 226). Furthermore, given that Australia is New Caledonia's nearest big neighbor, there is a certain inevitability over likely increased Australian

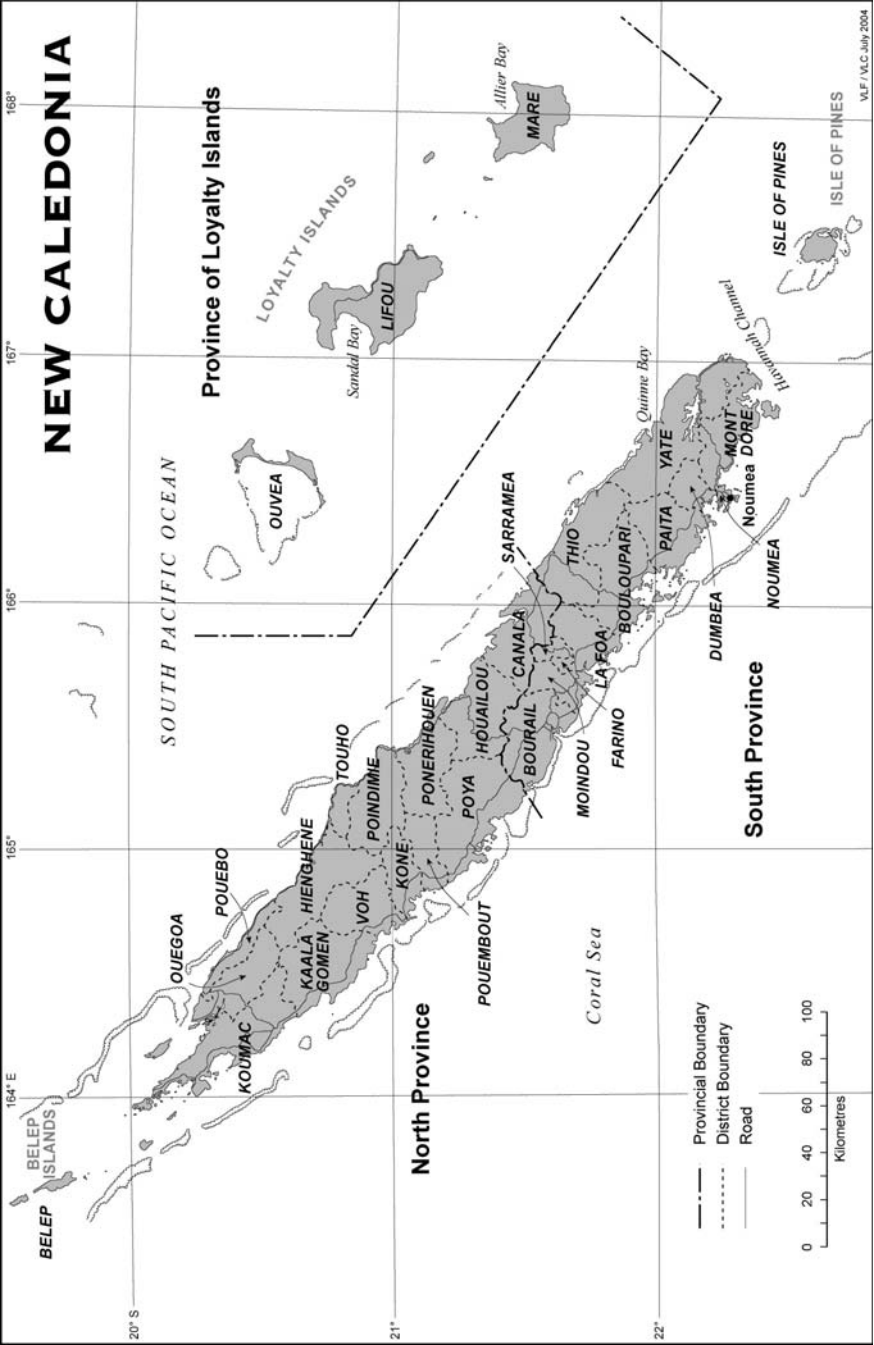


Figure 13.1 New Caledonia

influence in the future. Consequently, it is highly likely that Australia-New Caledonia relations will increase in strength and there is a certain amount of recent evidence to support this contention. Of particular note has been the signing of a memorandum of understanding between New Caledonia and Australia in March 2002 setting out guidelines for further trade developments. In addition, in April 2002, joint naval exercises were undertaken with Australia in New Caledonia to celebrate ANZAC day. The relatively recently created Australia-Pacific Islands Business Council, which is designed to foster trade linkages between Australia and Pacific Island neighbors, has placed New Caledonia as a priority for future exchanges. However, even in the early days, trade between New Caledonia and Sydney and Newcastle was fairly active, and Australian coal exports have been important in the development of the local nickel industry (Burchett, 1944). Furthermore, Sydney was an important base for the sandalwood trade with New Caledonia (Connell, 1987, p. 24). In 2002, Australia (12.6%) was second only to France (52.5%) as a source of New Caledonian imports with civil engineering equipment, prefabricated buildings and coal being the most important items. Australia (5.4%) is much less important, however, in New Caledonia's export profile, which is dominated by Taiwan (20.5%), France (20.4%) and Japan (19.7%).

Up until quite recently, New Caledonia was an example of a French Overseas Territory (Territories d'Outre-Mer, or TOMs) along with French Polynesia, Wallis and Futuna and the French Southern and Antarctic Territories. The older "colonies" (vieilles colonies or VCs) – French Guiana, Reunion, Guadeloupe and Martinique – or Départements d'Outre-Mer (DOMs), became départements in 1946. While the TOMs have a local constitutional status which has been in the process of change, the DOMs are virtually subject to the same legislative framework as metropolitan France. In addition, France has two collectivités territoriales (COTs) – Mayotte and St-Pierre-et-Miquelon – whose status lies somewhere between that of a DOM and a TOM.

In 1958, General de Gaulle asked all French colonies whether they wanted to become independent or to have some other status. The colonial populations were given three choices – assimilation with France as départements, internal autonomy and self-government within the French community or total independence, but without French aid (Gildea, 1996, p. 217). Many voted for independence, but in the September 1958 referendum, New Caledonia voted to remain in the Fifth Republic even though, originally, its TOM status was meant to be temporary and a transitional arrangement as a stage toward independence (MacLellan and Chesneaux, 1998, p. 77). To a degree, this occurred following the 1998 Noumea Accord (see below) as a result of which New Caledonia became a "French overseas country." All of the remaining overseas territories – DOMs, TOMs, and COTs – are represented in the French National Assembly by one or more members (two in the case of New Caledonia) and, except for Southern and Antarctic Territories, one Senator.

Measured in terms of GNP per capita, New Caledonia is one of the richer South Pacific island territories. For example, New Caledonia is one of the world's key players in nickel production and it is estimated to hold about a quarter of the world reserves, while only satisfying 6% of world demand. It also produces a number of other "strategic minerals" (Bates, 1990, p. 17). Geopolitically, it is no accident that the richer Pacific Islands have shown a lesser inclination on the part of the colonizing power to relinquish complete control, and this is reinforced by the maintenance of a

dependency relationship. Adding New Caledonia's 1.74 million square kilometre EEZ to that of France, for example, increases that of the latter by a factor of six (MacLellan and Chesneaux, 1998, p. 237).

Nonetheless, New Caledonia possesses its own internal structure of government which has changed over the years. At present, as a result of the Matignon Accords (see below), it is divided into three Provinces, with the main island, Grande Terre, being subdivided into a North and South Province, while the third comprises the Loyalty Islands (Figure 13.1). The Provinces are further sub-divided into a total of 33 communes, of which 15 are located in North Province, 13 are in the South Province (although Poya on the central west coast is shared between North and South) while the other three (Lifou, Mare, and Ouvea) are in the Loyalty Islands. Of the estimated population of 215,904 in January 2002, 68% is located in South Province, while North Province had only 45,340 (21%) and the Loyalty Islands had only 11% or 23,750 people (UNS, 2002, p. 2). Not only does this indicate a core-periphery structure to New Caledonian society and politics but it also implies that there is a considerable variation in the size and thus the capacity of each of the communes, ranging from Noumea in the South with 76,293 to Farino also in the South with a population of only 279. However, theoretically, the communes have virtually the same rights as those in metropolitan France.

Each of the Provinces has its own Parliament (and President) which is elected every 6 years by proportional representation, and the Territorial Congress, which comprises the three Provincial Assemblies meeting together, elects the Government as an executive body with the powers and functions being shared among the various levels of government. In addition, New Caledonia has 8 customary regions which are divided into districts governed by a *grand chef* and tribes governed by a *petit chef*. The Provincial Customary Consultative Council, which is made up of the district heads is consulted on various matters of law and may be consulted on any other matters of significance. New Caledonia's current "quasi-colonial" status means that President Jacques Chirac is the Head of State, Marie-Noëlle Thémereau is the President of the Government (Territorial Congress) as a result of the 2004 election, and, in addition, France is also represented locally by a High Commissioner.

13.3 FRENCH COLONIALISM IN THE SOUTH PACIFIC

The causes of colonialism are a combination of both domestic and international factors which are invariably inextricably intertwined. Foremost among these, however, has been the geopolitical requirement among states to obtain extra-territorial acquisitions in order to be seen to have achieved international status commensurate with that of other competing European colonial powers. In contrast to the British colonial tradition, which was one of gradual accession to responsible government, French policy tended to place greater emphasis on centralization and on the creation of dependency (Aldrich and Connell, 1998, p. 20). Furthermore, in the case of France, the necessity for Empire was driven not only by a concept of a Greater France (Aldrich, 1993) but also by a compulsion to match British influence in the global geopolitical contest for power and influence. In the South Pacific, there emerged a fundamental contradiction between France's global ambitions, on the one hand, and its avowed mission to liberate oppressed peoples on the other (Gildea, 1996). Such a regional contest was necessarily linked to French

nationalism, national prestige and to the export of the French language to the developing world (Brunschwig, 1966, p. 182). Indeed, the assumption of a French global role was closely linked to the global defence of the French language (Gildea, 1996, p. 223), which, in the case of the South Pacific, became manifest in the attempt to create a Franconesia (Maclellan and Chesneaux, 1998, p. 90).

However, the creation of Franconesia was associated with another element of great power status – the ability to obtain and to test nuclear weapons. Ironically, for security reasons, it was considered necessary to transfer French nuclear testing from Africa to Franconesia in 1966, and this, in turn, marked the beginning of a 30-year period of nuclearization in the South Pacific (Aldrich, 1993, p. 83). This was significant since the possession of overseas colonies as well as the nuclear bomb assured the maintenance of a French seat in the UN Security Council. For France, nuclear testing far from Paris was thus an integral part of its plan to remain as a “puissance mondiale moyenne” (Maclellan and Chesneaux, 1998, p. 78). Furthermore, from the viewpoint of the South Pacific, it also ensured a French regional role (Bates, 1990, p. 130). Concerns over any negative local social and environmental impacts of nuclear testing have been dismissed by the French. In his visit to the region in July 2003, President Chirac stated that the nuclear testing “had been completely safe” and that there was “no evidence of a health threat.” On the other hand, the French nuclear veterans association, AVEN, has shown that the cancer rate among its members is twice that of the population of the same age in France (Oceania Flash, 25 February 2004).

While the South Pacific was seen to be strategically significant for France in the 1960s, the region suffered in part on account of its political marginalization prior to the Second World War (Maclellan and Chesneaux, 1998, p. 63). Other considerations were thus significant in the initiation and maintenance of the French colonization of the region. It has been suggested that the French decision to take possession of New Caledonia on 24 September 1853 was based on “colonial utilitarianism” – principally to create a naval station and to mine nickel (Maclellan and Chesneaux, 1998, p. 31). An important additional factor was the felt need to locate a penal colony as far away from France as was possible. Needless to say, this process was based in part upon the British model for Australia, since it seems that the French were determined to create a “Sydney of the South Seas” (Burchett, 1944, p. 27). Interestingly, French transportation began the same year that the British ended its own convict scheme (Forster, 1991, p. 135). The declaration of New Caledonia as a *bagne* (or penal colony), to which transportation began after 1863, thus served the dual purpose of colonization as well as incarceration (Toth, 1999).

The creation of the penal colony enabled the execution of a central French colonial motive – the mission to civilize – and the ideology of the civilizing mission – the *mission civilisatrice* – not only implied colonial superiority but was bound up with a French view of itself as possessing a special mission to civilize indigenous people (Conklin, 1997). Civilizing Kanaks also facilitated the further spread of catholicism and a conflictual regional “competition for souls” with the British (Aldrich, 1993, p. 135). On the one hand, France was reluctant to see New Caledonia become an Anglo-Saxon, especially Australian, possession (Ward, 1982, p. 63). On the other hand, although it appears to be “surprising” that the French prevailed over the British in New Caledonia, it seems that the latter had reached a stage of “imperial fulfilment” after the acquisition

of India and that any further colonies would need to be of greater commercial interest (Connell, 1987, pp. 33–34).

The ideology of the civilizing project was fueled by a belief in “France’s pre-eminent, God-given role as Eldest Daughter of the Church” (Flood and Frey, 1998, p. 70). It was also reinforced by what the colonial power regarded as barbaric behavior on the part of the indigenous people – “des missionnaires mangés par les cannibals de la Nouvelle-Calédonie” (Meyer et al., 1991, p. 534). For indigenous Kanaks, however, pre-colonial cannibalism reinforced political hierarchies, preserved traditional institutions and was a mechanism for dealing with enemies (Bensa and Goromido, 1997).

The purification of French criminals and the pacification and civilization of the Kanak population in New Caledonia became associated with a plan for their numerical sub-ordination, for the confiscation of their land and for the economic exploitation of their minerals and other resources. Cultural, economic, and, by implication, political sub-ordination of the indigenous population thus became critical and enduring elements of the French colonial project in New Caledonia. “State paternalism,” by withholding Melanesian responsibility, inevitably served to erode the sense of New Caledonian community (Ward, 1982, p. 70). A summary and indictment of the impact of such policies on the Pacific Islands in general is presented by James Michener, in his *Return to Paradise*, in which he quotes from Alain Gerbault’s book, *A Paradise is Dead*:

“the stupid and ferocious administrative machine, the reign of mediocrity, the sailors who debauch the girls, the tourists who bring only the gospel of gold.....Here was desolation complete, planned and cruel.”

Michener notes that Gerbault was attempting to “waken France’s conscience to the tragedy of Oceania” (Michener, 1951, p. 62). In particular, he was attempting to make explicit the universal contradiction between the benign face of colonialism, on the one hand, and the attitude of the denial of atrocities on the other.

From the perspective of the international community, New Caledonia remains one of 16 Non-Self Governing Territories as determined by the United Nations General Assembly in December 1986. In order to monitor the implementation of the UN Charter which guides the decolonization process, the UN Special Committee on Decolonization (UNSCD) was established in 1962. Among other things, the UNSCD “makes recommendations concerning the dissemination of information to mobilize public opinion in support of the decolonization process” (UNDWS). In 1990, the UN General Assembly proclaimed 1990–2000 as the International Decade for the Eradication of Colonialism, and, in 2001, the Second International Decade for the Eradication of Colonialism was proclaimed. New Caledonia is among the largest (both in terms of size and population) of all remaining Non-Self Governing Territories.

13.4 NEW CALEDONIA COLONIZATION, KANAKY RESISTANCE AND THE MATIGNON ACCORDS

Inevitably, the impact of the French colonization process has resulted in varying degrees and types of resistance from the indigenous population, especially to the three enduring core elements of the French geopolitical project – demographic minoritization, land confiscation and economic control. Although the population is ethnically

diverse, New Caledonia's demographic structure essentially comprises three broad groups – indigenous Kanaks, Europeans and Others. While the proportion of Europeans (mainly French) has remained relatively constant since the latter part of the 19th century at just over one-third, the proportion of Others has increased from 5% to 22% (10% Wallisians, 8% Indonesians and Vietnamese, and 4% Polynesians). The Kanak majority, which stood at 60% in 1891, fell to just over 50% in the 1950s. However, once the UNSCD was established in 1962, the Kanak people gradually became a minority in their own land and now stand at approximately 44% of New Caledonia's population (Figure 13.2). This was as a result of an explicit French government demographic minoritization programme in association with the “development” of New Caledonia. After colonization, the first major demographic shift was the considerable convict influence with some 20,000 being forced into the penal colony 1864–1897. Linked with this was the decline in the size of the indigenous population as a result of disease and disruption – from around 42,000 in the 1870s to about 27,000 in the 1920s. Substantial numbers of cheap and compliant laborers were also imported from other Pacific islands during this same period (Shineberg, 1999, pp. 203–208).

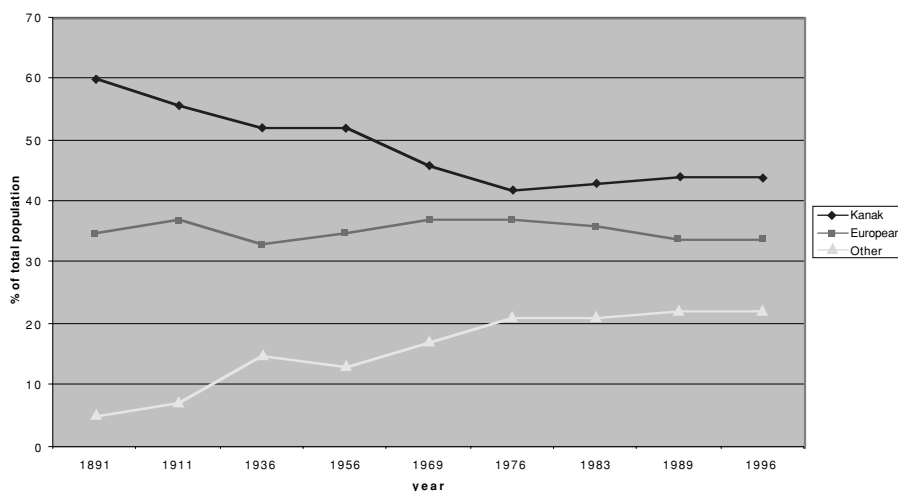


Figure 13.2 The demographic structure of New Caledonia 1891–1996

The French government's immigration policy in New Caledonia not only reduced the numerical power of indigenous Kanaks, but also created a basis for conflict between indigenous people and immigrants. In addition, immigrants were easier to manipulate to achieve the French economic project in mining and agriculture, especially if they were delivered from other French territories. The Islands of Wallis and Futuna, which were annexed by the French in the 1880s, were used as a labor pool for New Caledonia's mines. Net immigration is rather difficult to assess and has varied considerably in the 20th century from a position of more than 1500 per year in the nickel boom years (1969–1976) to a negative of 1000 per year in the nickel recession (1976–1983). In addition, negative net immigration continued through the years of

extreme political instability from 1983 to 1989. However, after the signing of the Matignon Accords in 1988 and from 1989 to 1996, net immigration per annum was in excess of 1000 people. Furthermore, most of the arrivals (85.5%) came from French-speaking places – France (68%), Wallis and Futuna (7.5%), from DOM (5.2%) and French Polynesia (4.8%), while a further 3.1% came from Asia (Demmke and Beccalossi, 2001, pp. 69–70). In short, the French minoritization project continued despite a call by the UN Secretary-General in 1991 for the Administering Powers to “ensure that any exercises of the right of self-determination are not affected by changes in the demographic composition of the Territories under their administration as a result of immigration” (United Nations, 1991).

A second core element of the French geopolitical project was the confiscation of indigenous lands for agriculture and mining and the establishment of reservations for the Kanaks and the relocation of tribes onto land traditionally occupied by other groups. This policy facilitated both a breakdown in traditional identity and enhanced the prospect for internal conflict both among traditional groups and with the colonizers. The importance of this issue cannot be overemphasized, since “For many indigenous peoples, their land is their life, their spirit, their existence. As such, whatever happens to their land touches the indigenous peoples profoundly. The invasion of the lands by outsiders is insupportable” (Peang-Meth, 2002, p. 106).

A third core element of the French geopolitical project involved government control of the nickel industry from the 1870s, which thereby assured French control of the New Caledonian economy, given the dominance of nickel in its economic profile. It was felt that the French government should control nickel “in order to preserve French independence in the world economic system” (quoted in Winslow, 1994). The profits, which inevitably flowed to Noumea and to France, ensured the underdevelopment of the New Caledonia periphery and the resultant widening of economic inequality between indigenous Kanaks and settlers.

The combined effects of minoritization, land confiscation, and French economic control precipitated both violent and political struggle on the part of indigenous Kanaks as well as increasing demands for independence, especially by the late 1970s (Berman, 2001). This was the time when the first group of French University-trained Kanaks arrived back in New Caledonia, including Jean-Marie Tjibaou, many of whom raised fundamental questions about the justice and morality of the French colonial project, and this, in turn, led to the foundation of a Kanaky independence movement (Winslow, 1994). Only through such indigenous political pressure, it was felt, was the status quo likely to be modified, if at all. French responses to Kanak demands depended in part on the political flavor of the French Presidency, and ranged from considered sympathy in the case of Francois Mitterand in the early 1980s to outright repression in the case of Jacques Chirac in the mid-1980s. In all cases, however, a lack of action on the part of the French to effectively change the status quo not only resulted in further violence and instability but also led to the political organization of the Kanak independence movement, the Front de Liberation National Kanak Socialiste (FLNKS). While any French concessions were reversed with the subsequent election of Jacques Chirac, the reelection of Mitterand in 1988 led to negotiations among the French government, the settler-dominated conservative Rassemblement pour une Calédonie dans la France (RPCR) and the FLNKS, which resulted in the creation of the Matignon Peace Accords.

The Matignon Accords, signed in June 1988 by French Prime Minister Rocard, the leader of the PRCR, Jacques Lafleur, and by Jean-Marie Tjibaou, the leader of FLNKS, were a stability-inducing mechanism designed to devolve some powers to Kanaks by designing three Provinces, two of which were Kanak-dominated (Loyalty and North) while, at the same time, preserving a settler Province in the South. A promise was made for a self-determination poll in 1998, and, over the next 10 years, economic development would target the poorer regions in general and Kanaks in particular. For example, a regionally based positive discrimination public works program would be introduced and training schemes would be initiated to enable the greater involvement of indigenous people in the public sector and other employment areas. These measures were significant because regional socio-economic variations within New Caledonia closely mirror ethnicity, and, from a political-geographical perspective, illustrate a kind of inverted north-south divide (Table 13.1). For example, Kanak regions exhibit much higher infant mortality rates and lower life expectancies. In addition, the Loyalty Islands and North Province, with the highest proportion of Melanesians, have a lower proportion of households with inside running water, a higher proportion engaged in agricultural employment, a higher level of unemployment and lower levels of educational attainment. Regional differences are also clearly identifiable in terms of average income. Compared with the average income of 255,000 CFP, North Province (−21.3%) and the Loyalty Islands (−15.1%) were significantly lower, while incomes in South Province (+2.4%) and especially in Noumea (+3.8%) were proportionately higher.

Table 13.1 Provincial socio-economic indicators 1996 (% of population)

	<i>North</i>	<i>South</i>	<i>Loyalty</i>	<i>New Caledonia</i>
Melanesian	77.9	25.5	97.1	44.1
Inside running water	59.7	94.6	24.9	82.9
Agricultural empl	19.4	4.3	21.4	7.2
Industrial empl	16.5	12.6	2.8	12.7
Construction empl	9.3	11.1	8.6	10.7
Services empl	54.8	72.0	67.3	69.4
Unemployment	14.4	8.7	18.1	10.7
No schooling	6.2	5.8	13.5	6.5
Tertiary education	4.6	13.6	3.6	11.0
Infant mortality rate ^a	10.2	5.5	8.4	7.0
Life expectancy ^b	73.1	76.1	74.0	75.6

Sources: ITSEE (1997); Demmke and Beccalossi (2001).

^a Infant deaths per 1000 live births.

^b Measured in years.

13.5 THE 1998 NOUMEA ACCORD

The promised self-determination referendum did not take place in 1998. Rather, as noted earlier, following the signing of the Noumea Accord, the status of New Caledonia changed to that of a “French overseas country” and a self-determination poll was

postponed for up to 20 years. Thus, rather than representing significant change, the Noumea Accord has been characterized as “a convenient guise for maintaining more than a century-old colonial harness” (Berman, 2001). On the other hand, however, it can also be seen as a practical political compromise which suited the majority interests of all three principal stakeholders – the French government, the settlers and the indigenous people. In the case of the French government, extending the process of decolonization allowed it to maintain international standing while giving it more time to engage in policies designed to manipulate local opinion in its favor, including the enactment of new development projects, which, in turn, would enhance political stability. After all, regional stability is part and parcel of its current geopolitical project. The settler population, for the most part, would reject any independence vote and would thus support the French government viewpoint. The minority situation of the indigenous population, on the other hand, has meant that a vote on independence would be defeated and this could mean an irrevocable loss in the struggle for self-determination. Furthermore, if immigration can be halted, then, sooner or later, it was felt, the Kanak population would be in the majority.

To a certain extent, therefore, the Noumea Accord represented something of a holding pattern, and, also, to a degree, was an extension of the policies already in place as a result of the Matignon Accords (Berman, 2001). However, what was of additional importance was that the Noumea Accord represented a major change in public posture on the part of the French government, especially toward the history of New Caledonian colonization and its impact upon the indigenous people. In particular, the Preamble refers to how French colonialism “had a long-lasting traumatic effect on the original people.” It talks of a relationship “marked by colonial dependency,” “dispossession” and the marginalization of the Kanak people. Even the word “decolonization” is used in Section 4 of the Preamble as well as the need to introduce a “citizenship of New Caledonia” (Embassy of France, 1998).

Importantly, the Policy Document contains a variety of provisions associated with Kanak identity (Section 1) in relation to customary land (the new name for the Reserves), the customary Senate and cultural heritage. The nature of the political institutions, including the Assemblies, the electorate and the electoral system were codified. Of especial significance, however, was the staged process of the devolution of powers, some of which were to be transferred immediately (for example, principles of employment law, navigation and international shipping services) and others (for example, policing, civil, and common law) at a second stage, while yet others were to be shared (for example, international and regional relations). As a result, New Caledonia would be allowed to be represented in countries of the Pacific region. Various other issues to do with economic and social development and the evolution of New Caledonian political organization are also laid out in the Accord.

Although, in principle, the Noumea Accord represented a major step toward New Caledonian independence, at no stage in the Policy Document is the word “independence” actually used. Certainly, the last sentence of the Preamble raises the prospect of “full sovereignty for New Caledonia,” but the Policy Document itself prefers to use the term “complete emancipation” (Section 5). Furthermore, from the perspective of the indigenous people, at least two other related issues raise significant questions about the future political status of New Caledonia. The first concerns the possible outcome of

the Referendum scheduled during the fourth term of office of the Territorial Congress (2013–2018). Section 6 of the Policy Document states that the results of this “will apply comprehensively to New Caledonia as a whole. It will not be possible for one part of New Caledonia alone to achieve full sovereignty, or alone to retain different links with France, on the grounds that its results in the poll differed from the overall result.” Although the signatories to the Accord may well have completely understood the intent of this section, what is not clear is the scale to which it might apply, and, more importantly, while the Referendum guarantees a majority solution for all of the residents of New Caledonia, it does not guarantee Kanak independence. This would only be possible if the Kanak population were a majority and voted in sufficient numbers for an independent solution.

A second cause for concern from an indigenous perspective is the uncertainty over the future relationship between New Caledonia and the Islands of Wallis and Futuna as expressed in Section 3.2.1, where it states that such relations “will be addressed in a separate agreement.” The number of Wallisians in New Caledonia (about 20,000) currently exceeds the population of the Islands of Wallis and Futuna (15,585). Tensions between this group and indigenous Kanaks have been building for several years in certain suburbs of Noumea, largely stemming from land claims. A former leader of the FLNKS and a prominent customary chief, Roch Wamytan, believes that the tensions, which erupted into violence in the village of St Louis, southeast of Noumea, and also resulted in one death in early 2002, have been exacerbated as part of a deliberate destabilization policy on the part of the French state (UNS, 2002, p. 7). Given Wallis and Futuna’s status as a TOM and given its relative location northeast of Vanuatu and north of Fiji (Figure 13.1), it is difficult to speculate on what the French government might have in mind regarding these Islands’ future relations with New Caledonia.

Despite these and other concerns, the Noumea Accord was ratified by New Caledonians in a referendum in November 1998 and by the French legislature in March 1999. In the referendum, which attracted a 74% electoral turnout, 72% voted in favor and none of the 33 communes registered a majority “no” vote. In the subsequent May 1999 elections, the FLNKS received a majority of seats in the North and Loyalty Provincial Assemblies, while the RPCR obtained a majority in South Province. For the Territorial Congress, RPCR obtained 24 of the 54 seats, while the FLNKS received 18 (UNS, 2000, p. 4).

13.6 KANAKY NEW CALEDONIA IN THE 21ST CENTURY

It has been suggested that, while in the latter half of the 20th century a combination of colonial overreach and local nationalism fueled a global decolonization process, the momentum toward further decolonization has now virtually ceased, with the possible exception of New Caledonia (Aldrich and Connell, 1998). From the viewpoint of international law as determined by UN resolution 1541 (XV), Principle VI of December 1960, at some time during the 21st century, the minority indigenous Kanak population, which has resisted French colonialism for 150 years, faces the acute practical dilemma of deciding whether its future is to be as an independent state, whether it should remain in free association with France or whether it should be integrated into the French state (UNDWS). In the South Pacific area, Vanuatu opted for independence in 1980, for

example, while the Marshall Islands opted for free association with the United States, both on the basis of a fully informed and democratic process (Peang-Meth, 2002, p. 104).

Given the history and nature of Kanak resistance to French colonialism, it is highly likely that the status quo, or the no change option, will heighten the intensity of that resistance and lead to increasing local and regional instability. In short, the integration option is the least desirable of the three alternatives from an indigenous perspective. On the other hand, the concept of complete self-determination for New Caledonia would invariably result in the conventional world-order based objection based on non-viability, although, arguably, globalization has effectively removed this objection. Thus, it has been suggested that, in the 21st century, "viability is a function of stable and rational administration sufficiently consensual to allow the openness essential for effective integration into the global economy" (Farer, 2003, p. 397).

From an international perspective, the Report of the UN Secretary-General on the Second International Decade for the Eradication of Colonialism urges all member states as well as government and non-government agencies to implement the Plan of Action, the ultimate goal of which is "the full implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples through the exercise of the right of self-determination and independence by the populations of the remaining Non-Self Governing Territories." Furthermore, it calls on the "administering powers" (France, New Zealand, UK, and USA) to promote development and to conserve the environment of the Non-Self-Governing Territories (United Nations, 2001).

In the case of New Caledonia, the conservative French view seems to be that "relinquishment" by France of New Caledonia to full self-determination will imply a setback to French nationalism, a blow to national revival or have some kind of negative impact on French regional and global interests. There is also concern among many in the French right about the prospect of the US filling the vacuum left by any French withdrawal (Flood and Frey, 1998, p. 80). To indicate the importance still attached to New Caledonia, the French President, Jacques Chirac, undertook an official visit in July 2003, the first from a French Head of State for 18 years. In part, the visit was apparently designed to try and ease intra-ethnic tensions and to be briefed on nickel mining developments in New Caledonia. However, the principal reasons for visiting were more closely linked to the felt need to renew cooperation with regional states associated with the French perception of its regional presence as a factor for regional stability. To this end, France wanted to build a "new partnership" with regional states and was keen to maintain its regional influence in security and development issues operating within a framework of a regional strategy. During his visit, the French President referred to the role which the French Pacific territories could play in regional relations and the prospect of greater regional cooperation between France and Australia and New Zealand in the future. In short, the principal purpose of the French President's visit was to renew the French geopolitical project in the South Pacific. However, although New Zealand attended the "France-Oceania" summit in Pape'ete, at which France announced that it would double its Pacific Fund for regional development, Australia did not send any representation.

The visit of President Chirac precipitated further tensions within the FLNKS (comprising the Union Calédonienne [UC], PALIKA – the Kanak Liberation Party, UPM – Progressive Melanesian Union, and RDO – Oceanian Democratic Rally), with

the UC refusing to meet with the President and organizing demonstrations, while the other two components of FLNKS were more willing to be consensual and welcoming. The UC secretary-general, Damien Yeweine, wanted his group to protest about a number of outstanding issues, including nickel development and voting rights (Oceania Flash, 15 August 2003).

In the context of a revived French geopolitical project, the Kanak self-determination option would not only be geopolitically, but also economically, unacceptable. For example, the selective development of New Caledonian nickel deposits could likely reinforce two of the core elements of the French geopolitical project – economic control and minoritization. While the completion of the Goro nickel project in South Province would not only balance New Caledonia's trade deficit, it would also likely inhibit nickel development in Kanak-controlled North Province, and, at the same time, require additional foreign labor to ensure its success (UNS, 2002, p. 9). On the other hand, it seems that the Goro development will be delayed until the latter part of 2006 (Oceania Flash, 15 August 2003). In any event, the project has been the subject of concern among certain sections of the Kanak community, due, in part, to its potential environmental implications.

However, a potentially much more important economic rationale for the revival of the French geopolitical project concerns the resources contained within New Caledonia's EEZ. Indicative of the economic potential of these was the discovery in November 1999 of what could be the world's largest gas deposits off New Caledonia's western coast (UNS, 2001, p. 8). Furthermore, while commercial fisheries play an important role in the economies of many Pacific island territories, the development potential of this industry in New Caledonia and the prospects for receiving access fees paid by foreign fishing vessels to fish in its EEZ are considerable.

From the perspective of the indigenous population, while the Noumea Accord not only speaks of the need to "rebalance" economic development and thus reduce economic inequalities, it also indicates that the government will seek to favor local employment. The conclusion of an agreement in 2000 for each of the three New Caledonian Provinces to become shareholders in nickel production can be seen as an important step forward in this process. As a result, a new company, Société Territoriale Calédonienne de Participation Industrielle (STCPI) will be 50% owned by Nordil, a joint venture of North and Loyalty Islands Provinces. Another Kanak-controlled company, the Société Minière du Sud-Pacifique (SMSP) is now also involved in the nickel industry (UNS, 2001, p. 8). While such developments are to be applauded, they will advance indigenous interests only if alternative competing nickel developments are not preferred by the government, and, if indeed, local labor is used during the construction and production phases.

The proper implementation of the clauses within the Noumea Accord associated with the future political status of New Caledonia are even more critical to the advancement of the indigenous people. In this regard, several visits to New Caledonia by the French Minister for Overseas, Brigitte Girardin, have been aimed at providing reassurance about the implementation of the Accord. While the Kanak population is in a minority and while there continue to be internal divisions within the pro-independence camp, it is likely that the pro-integration option will prevail. However, it is possible that, with immigration stemmed, that the number of Kanak voters will outnumber non-Kanak voters before the end of the fourth term of office of the Territorial Congress (Berman, 2001). In any event, given the differential age pyramids by Province, it is

clear that there will be a significantly higher number of new voters in North and in Loyalty compared with the South in the referendum (Demmke and Beccalossi, 2001, p. 24). This prospect places considerable importance on the pre-requisites for voter registration and perhaps even the definition of Kanak itself. Those of majority age who were born in New Caledonia and/or can prove at least 20 years of unbroken residence will be eligible to vote in the "final referendum" (Noumea Accord, Section 2). However, some recent doubt has been raised over the question of the ethnic composition of the referendum electoral register, partly because of the postponement of the 2003 census due to the sensitivity over the question of "community of affiliation." In the last two censuses in 1989 and 1996, New Caledonians were asked to identify whether they were of Kanak, Wallisian or European heritage. However, during President Chirac's July 2003 regional visit, he referred to questions about ethnicity as "irresponsible and illegal" and went on to say that France does not recognize people on the basis of their ethnic origin; rather people "are all French and there are French people of all ethnic origins." These comments reinforce the interpretation of the French Pacific geopolitical project as having both a civilizing and a "citizenizing" mission (Winslow, 1994). Although censuses in virtually all of the Pacific islands ask a question on ethnicity, the French "law of '78" (Computers and Liberties) prohibits the maintenance of information on ethnic origin, religion or philosophical group. Thus, neither the last census in French Polynesia nor the one in Wallis and Futuna asked a question regarding ethnic affiliation. Given the unique political and economic status of New Caledonia, however, it is unclear as to whether this particular law can actually be applied, since it has not been applied previously and since economic rebalancing in part requires ethnic data.

The first New Caledonian election of the 21st century, which took place in May 2004, was something of a watershed and has been characterized locally as a "political earthquake" (Oceania Flash, 14 May 2004). In brief, the election was a watershed because it was contested by a new configuration of pro and anti-independence political groupings. The pro-independence groupings continued to display a lack of common purpose and the Union Caledonienne ran under a separate ticket in the election. The anti-independence movement saw the emergence of the Avenir Ensemble (AE) (The Future Together) political party, which was composed primarily of dissidents from the RPCR, the former principal anti-independence representative. The AE was set up mainly on account of the tendency of the RPCR to monopolize power which contributed to a drifting away from any concept of power sharing. While pro-independence groups continued to control Northern and Loyalty Islands Provinces, AE took control in the South. Furthermore, after a great deal of delay and political compromise, Marie-Noëlle Thémereau was elected Congress President – its first female and AE representative – with Kanak writer and politician, Déwé Gorodey, being named as Vice-President.

The May 2004 election was also a political watershed because, in effect, New Caledonian voters were represented for the first time by three political groupings – the pro-France centralists, who did not appear to favor any form of power sharing (RPCR), the Accordists, who favored the implementation of the Noumea Accord (AE) and the separatists (FLNKS and related groups). However, what the 2004 election also seemed to indicate, above all, was the prospect for a more "collaborative" approach toward local control on the part of a majority of voters.

13.7 CONCLUSION

As the Preamble to the Noumea Accord states, France sees itself as the “distant motherland” of New Caledonia. French colonial behavior over the past 150 years, and especially its more conciliatory and diplomatic approach since the end of the Cold War period, seem to support the view that it wishes to continue this relationship for the foreseeable future. Clearly, the independence movement in New Caledonia is not unified, and yet, given appropriate economic development, and dependent upon the structure of population growth over the next decade, there may well be a majority demand for independence at the final referendum. If this does occur, it is quite likely that New Caledonia will seek to widen and strengthen the scope of its regional linkages from those currently in place. In any event, the French government has been keen to see that New Caledonia further increase its regional linkages.

In terms of its current regional linkages, New Caledonia hosts the Secretariat of the Pacific Community (SPC), formerly the South Pacific Commission, which is a consultative body comprising all 22 island states and territories plus the five colonial powers in the region – Australia, France, New Zealand, UK and USA – which, along with the Netherlands, founded the SPC in 1947 under the Canberra Agreement. Second, New Caledonia joined the other major regional consultative body, the Pacific Islands Forum (PIF), as an observer in 1999, following the signing of the Noumea Accord. Compared with the SPC, the PIF, which was founded in 1971, has its Secretariat in Fiji and comprises all 16 independent and self-governing Pacific island states, including Australia and New Zealand, and has 12 Forum dialogue partners which possess regional interests, including France.

New Caledonian independence, however, would lead to the strengthening of the Melanesian Spearhead (comprising Fiji, Papua New Guinea, Solomon Islands, and Vanuatu), a consultative economic grouping which was formed in 1993 and which cuts across colonial ties. In any case, trade linkages are likely to strengthen with Australia and New Zealand, partly as a result of the South Pacific Regional Trade and Economic Cooperation agreement signed by regional states with Australia and New Zealand, and partly arising out of the subsequent memorandum of understanding with Australia. Furthermore, the concept of a Pacific Economic and Political Community comprising all 16 PIF member states (Commonwealth of Australia, 2003) may well appeal to an independent New Caledonia. In the secular world of the 21st century, a competition for community is likely to replace a competition for souls in this region.

On the other hand, for its part, France is likely to strongly resist any New Caledonian moves toward independence. For example, New Caledonian independence would no doubt lead to the removal of the French aid package, worth in excess of US\$340 million in 2000 (DAC). However, this loss could be offset not only by indigenous control of all land and sea resources, but also by any needed development assistance from both Japan and Australia, neither of which is currently a donor state, and this, in turn, would help reinforce Australian linkages and assist in the development of even stronger trade ties with Japan. France, however, would presumably continue to facilitate stronger regional linkages for New Caledonia, but these would more likely be with Wallis and Futuna and with French Polynesia in order to recreate *Franconesia*, to control large areas of the sea bed and to reinvigorate a French regional role in the South Pacific.

ACKNOWLEDGMENTS

I would like to pay particular tribute to Patrick Antoine Decloitre for his excellent, regular, succinct and informative “Oceania Flash” communications. My wife, Hilary, was a first-rate research assistant during New Caledonia fieldwork, especially in terms of her unique and insightful anthropological perspective and her French-language skills. Last, but not least, I would like to sincerely thank Kyoto University, and especially its Vice-President, Akihiro Kinda, for its extremely generous Visiting Professorship which enabled the bulk of the writing of this chapter to be completed.

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14. UNITY, IDENTITY, NATION BUILDING: CHALLENGES TO FIJIAN LEADERSHIP

‘... We hope that we will be regarded by the Fijians as friends, even though we may be candid.’ (Burns et al., 1959)

14.1 INTRODUCTION

The chapter begins with a theoretical discussion of leadership and social change seen in the light of classical sociology. Section 2 describes how geography and history shape different and at times oppositional neo-traditional ethnic Fijian structures and identities that pose a *challenge of ethnic unity* to Fijian leaders because together they make both for conflict and cohesion. Section 3 examines how these social structures are primarily a matter of social networks rather than groups, ones that facilitate *communication* or symbolic action, including ritual, between individuals and groups made from networks, to produce either symmetry or asymmetry among Fijians, and a communications break between Fijians and non-Fijians. For leaders this remains the *challenge of identity*. Section 4 examines Fiji’s recent history of instability and military intervention, and how rumor functions as an important (but sociologically neglected) form of communication when it comes to local understandings of instability. Section 5 returns to a third challenge to leaders: the *challenge of nation building*. Section 6 consists of two conversations, one with a Fijian and another with a man of mixed Fijian-Chinese descent; selected from among 15 interviews recorded in early 2001, parts of which are used in Section 2, they are presented as further evidence of what people *think* about many Fijian leaders and institutions. The chapter ends with a summary of their concerns viewed in the context of the earlier discussion and with an indication of what failed leadership may yet mean for future unity, stability, and nation building.

It could be argued that it does not take a social scientist to realize that leadership lies at the heart of Fiji’s major contemporary dilemma, namely the need to achieve unity, stability, and nation building while securing a sense of equitable developmental amid identity politics. After all, Fiji has descended into three coups since 1987, each one garbed in flamboyant – if not inflammatory – Fijian rhetoric directed at Indians, and acts of violence, which though mild, compared with coups elsewhere, could have turned out differently and in the future could still do so unless Fijian leaders meet to the challenge. However, what is less well understood by outsiders is just how complex the interplay of cultural and social factors is that has produced this situation. Herein lies the challenge to Australia.

Lies and dissimulation play a part in the Fiji’s political scene as they do elsewhere (Griffin, 2003), but according to Bailey (1988), effective leaders *must* lie, and what

constitutes “effective” leadership depends on judge, process, and judgment criteria. Beginning with the first, three types of judge are apparent: *leaders* themselves, *followers* real or potential (including rival leaders), and *intellectuals* – these being (dispensing for present purposes with Bourdieu’s (1993) analysis of “intellectuals”) those more or less dispassionate types among the intelligentsia who claim to engage in independent, critical, rule-bound public debate, types who flourish only where critical debate itself is valued and promoted: in “open” democratic societies.

The conditions suited to an intellectual class in Fiji are still in their infancy and some would say have not been helped by colonially minded social scientists (see Durutalo, 1983). Little more than 40 years ago Burns et al. (1960, p. 15) said the Fijian “throughout his history the Fijian has been taught to depend on his chiefs (and later also on the Colonial Government) for guidance in all matters great or small. He has never had to think for himself and indeed has been discouraged from doing so. . . . Even the planting of food crops, on which his very existence depends, is a matter for guidance by authority” (1960, p. 15). It is therefore, the more remarkable that today intellectuals exist in all ethnic groups, including the Fijian, some of them being academics who have themselves played a direct role in politics. As for that larger category of formally or informally educated people, the intelligentsia, who engage mainly in private social analysis, they too are represented throughout the ethnic and occupational spectrum. Even so, thinking and *speaking* one’s mind remain scarce Fijian resources.

This chapter is concerned primarily with indigenous Fijians and their leaders, so “Fijian” is used throughout to refer only to *indigenous* Fijians. Therefore, let us begin with Fijian *leaders*: those men and women (but mainly men) who as political leaders judge other leaders, are judged by other people and in some cases may be considered intellectuals themselves. Among the latter, two types stand out. The first rose to prominence before Independence in 1970. Men of traditional high rank, they were groomed for modern leadership by their colonial patrons, and two of them immediately come to mind, Ratu Sir Lala Sukuna and the late Ratu Sir Kamisese Mara, both Oxford educated. So far, history has judged Sukuna highly (Scarr, 1980). In the inter-war years he helped create institutions that gave lasting protection to Fijian interests, and he did so without alienating Indians even though their refusal to enlist in World War II – ostensibly on equity grounds – displeased him. It is generally agreed he was the “ideal exemplar of high chiefs as figures of unassailable strength and dignity representing and protecting Fijians, their land, and their culture in the modern world” (Norton, 1999, p. 41). History will probably be less kind to Mara. As Fiji’s first Prime Minister at Independence, as leader of the Alliance Party and government for almost two decades, 1970–1987, his record of development and statesmanship, and goodwill to Indians is well established. For a while Fiji was, it seemed, as it proclaimed, “How the world should be.” Not till the early 1980s did stories of corruption and uneven development really circulate, against a backdrop of increased Fijian nationalist anti-Indian sentiment that culminated in the coup of May 1987 and suspicions of Mara’s involvement.

The other kind of leader-cum-intellectual is of the generation following Mara’s and often a commoner. University of the South Pacific (USP) educated, usually male, more occasionally female, this type either entered directly into politics or served from the sidelines either to defend Fijian neo-traditionalism’s nexus with modern governance, or critique it.

So much for Fijian *leaders*, later we will see how *followers*, including intellectuals evaluate them. As for *process* or how leaders are judged, this depends on the institutions available for the purpose, and something we will hear of later in the words of followers or what we have noted from them. As for *criteria* there is really only one, and that is the sense of personal and collective wellbeing people enjoy relative to others in this global world, something else to which we will return.

14.2 THEORETICAL AND REAL PROBLEMS

The challenges facing Fijian leaders are complex and interrelated but sociological literature suggests they have well-established theoretical underpinnings. Part of the Fijian leadership problem is nation building and much of the problem of nation building lies in the nature of Fijian unity. In what Alumita Durutalo describes as a social construction adopted by colonial powers in 1874 “from indigenous forms of knowledge in which the philosophy of unity was embodied in customary leadership practices within the context of socio-political constructs such as the *i totakoka*, *mataqali*, *yavusa*, *vanua* and *matanitu*,” and which she says (quoting Routledge, 1975), was a “colonial myth of homogeneity” (Durutalo, 2000, p. 73). However, we need to clarify this. Firstly, it is not the case that colonial leaders saw Fijians as united, let alone homogenous. Not every part of Fiji agreed to cession, some resisted. In addition, one of the first tasks of the colonial authorities was to authorize a single Fijian language from among the 300 or so dialects in the group (Geraghty, 1994). This was relatively easy as the Bauan dialect was not only the language of Bau, the center of power of the Kubuna confederacy, but missionaries had already translated the Bible into Bauan that they used throughout Fiji (Figure 14.1). While initially there was neither unity nor homogeneity this is not to say there has been no sense of Fijian unity *since*, nor is it to say unity requires socio-cultural homogeneity. There *is* a sense of national Fijian unity but this depends on two things: the situation-defined presence of other ethnic reference groups, and upon the network of networks made up of kin, marriage, and otherwise related individuals, which shapes the Fijian social structure, and bind different (sometimes opposing and distrusting) Fijian networks, and *groups* made up of networked individuals, against other non-Fijians. Lack of trust both inside and outside the ethnic network thus presents Fijian leaders with a problem, especially those with limited Indian contacts.

The problem of modern authority for traditional leaders, and the problem of cohesion related to it, is similar to one previously faced by continental Europeans and analyzed by Weber and Durkheim, respectively. For Durkheim, loss of social cohesion associated with urbanization resulted in social problems and even the breakdown norms he called *anomie*. For Weber, the modernization problem involved the social processes by which “traditional” authority gave way to the “legal-rational” authority of science, bureaucracy, and statutory law.

Space precludes discussion of the terms “modern” and “post-modern,” suffice it to collapse both to mean that condition resulting from new divisions of labor, technologies, markets, and worldviews that involve such novel relations and demands between groups that they call for ongoing understanding, analysis, and negotiation if they are to be effectively managed. The general term for this process, “modernization,” has among other things involved tribes transforming into nations, nations into empires

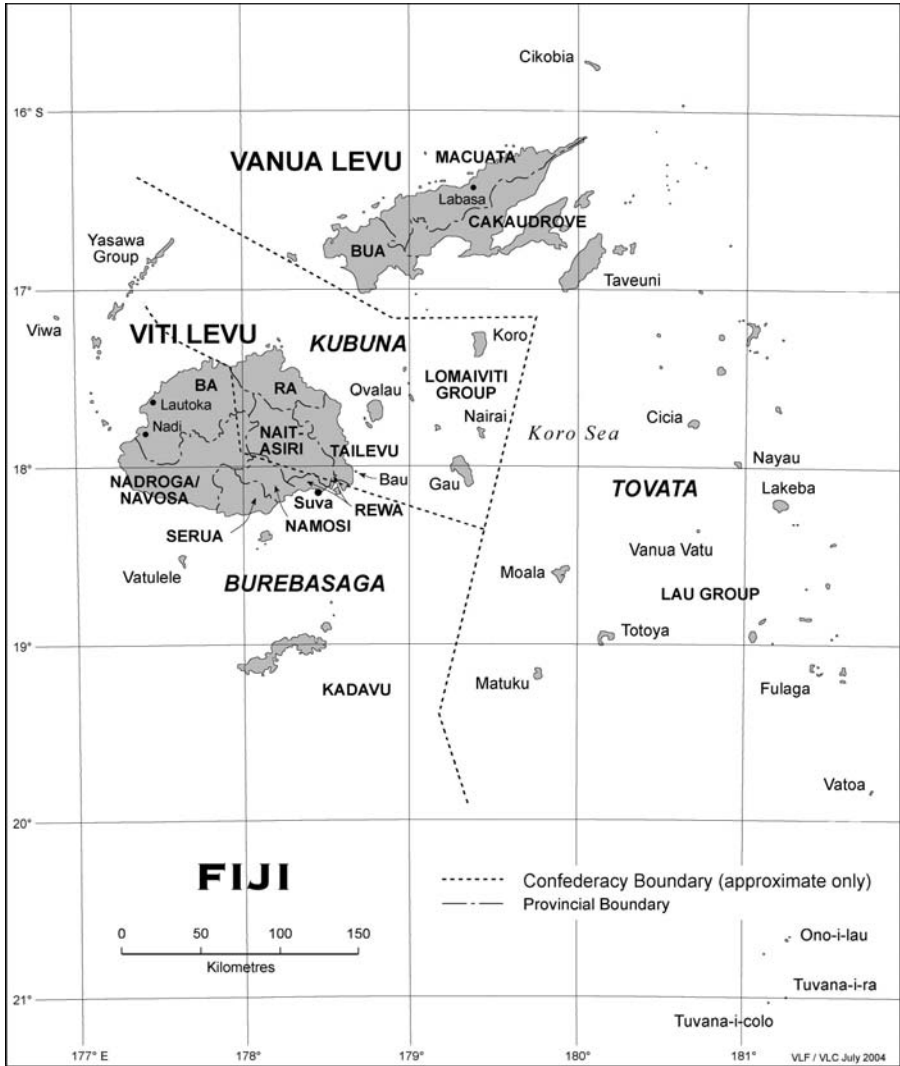


Figure 14.1 Fiji

(while not necessarily eliminating tribes), empires back to nations, and nations into still other unions.

In Durkheim's terms, the problem for Fijians is how to modernize while not abandoning the structures of what he called "mechanical society," and the values of communalism that ideally accompany those structures and provide people with a master identity. In Weber's terms, the problem for Fijians is sustaining the *meaning* of values and practices ideally personified and epitomized in traditional leaders while adjusting

to new values and authorities in a global world. Both men saw that greater personal freedom came with a socio-cultural cost, but Weber recognized humans *chose* their value-orientations and did not merely follow them. That is why this chapter not only listens to what Fijians have to say about Fijian leaders, the nation and its future direction to analyze the three main areas of challenge for leaders (namely unity, identity, and nation building), it also draws more or less *verbatim* on two conversations with educated men of middle years to press home those views. For present purposes Indian interviewees are excluded.

Both interviews were conducted in English, taped, and illustrate opinions broadly consistent with others gathered at the time but not included here. Moreover, the fact they do not constitute a “sample” allowing claim to testable “scientific” validity and reliability, should not lead one to assume they are unreliable or invalid in themselves.

Toennies (1855–1936) came close to Durkheim in distinguishing relations of “association” (*gesellschaft*) from relations of “community” (*gemeinschaft*). However, Durkheim’s idea of rural “mechanical solidarity” being based predominantly on kinship (as compared to urban “organic solidarity” based on the division of labor) was later disproved by American sociologists who found urban life did *not* always rule out extensive primary group relationships. Similarly, but conversely, Belshaw (1964) found Fijian communalism did not rule out individualistic enterprise in rural western Viti Levu; indeed, other studies found many independent cultivators (*galala*) living and working on the edge of villages. Yet the problem for most Fijians, urban and rural, is being able to balance domestic enterprise and savings with obligations to extended family (*i totakatoka*), sub-clan (*mataqali*), clan (*yavusa*), village (*koro*), church (*lotu*), and *vanua*.¹ Qalo (1997), a Fijian academic with business interests, used Weber to analyze his own family’s solution to this, but the quandary of individualism versus communalism, custom and modernization, have long been the subject of inquiry (Nation, 1978; Nayacakalou, 1975; Spate, 1959).

14.3 THE CHALLENGE OF UNITY

The challenge of Fijian unity owes much to its geography and history. Fiji lies 3150 km north east of Sydney and comprises approximately 332 islands, 110 of them inhabited, set in a million square kilometers of ocean. Total coastline exceeds 1129 km and goes mostly unvisited save by occasional yachts, a point not lost on Fiji’s small security force whose concern here would more likely be drug smugglers not terrorists. Most people live on Viti Levu and Vanua Levu that make up 8% of Fiji’s total land mass. Others live on Kadavu, Taveuni, Ovalau, and in the Lomaiviti, Mamanuca, and Yasawa groups, and in Northern and Southern Lau where in the 19th century Tongans established colonies. It was from a Lauan base in the 19th century that the Tongan prince, Ma’afu, a strong claimant to the Tongan throne, formed northern Fiji and Lau into the confederacy (*matanitu*) of Tovata and in so doing counteracted Bau and what would soon become the *matanitu* Kubuna.²

¹A word meaning land as collective property and political entity that thus incorporates a person’s sense of identity and belonging.

²*Matanitu* here means a confederacy of *vanua*, but may also mean the government of a *vanua*.

Between them, Lau and Bau created and came to dominate Fiji. Indeed, arguably, Lau's head start in copra production and wise investment of copra taxes in education put two generations of Lauans ahead of other Fijians (see also Knapman, 1976).

Bau lies off the east coast of Viti Levu near the provincial boundaries of Rewa and Tailevu. In 1860 under chief Seru Cakobau it became seat of the tribal confederacy, Kubuna. Up till that time, Fiji had consisted of 40 "jealous and suspicious kingdoms" where the real power was concentrated in 12, eight of them situated around the Viti Levu coast (Derrick, 1968, pp. 158–159).

The idea of a single confederacy for the entire group was mooted by Ma'afu and Cakobau, and signed up to in 1865 by seven the so-called "independent chiefs of Fiji" (Bau, Rewa, Lakeba, Bua, Cakaudrove, Macuata, and Naduri) on behalf of the rest. The outcome was a General Assembly, a President, a legal code, and a flag. War could now only be declared with the General Assembly's approval, a notion that was generally well received seeing as now "the common people were beginning to discriminate against legitimate chiefly privilege and mere oppression, and an elementary sense of responsibility was becoming evident among some of the chiefs" (Derrick, 1968, p. 159).

The confederacy notion proved fragile. After 2 years with Cakobau as President, Ma'afu, supported by other chiefs, staked his own claim to the post. However, the confederacy collapsed when the Fijian chiefs' "suspicion and distrust of the Tongan" (*ibid.*) outweighed that existing between them. In 1873, as Cession neared, Ma'afu found himself "isolated amongst the Fijians, who insisted he was "a foreigner with no standing in Fiji" (Scarr, 1976, p. 122). In 1874, a Deed of Cession was signed. Of the 12 signatories, all but 1 represented the "east," Ma'afu and Cakobau being among them. The Tongan died in 1881, and Cakobau 2 years after.

Rewa is the provincial home of Fiji's only other confederacy, Burebasaga, which ranks second after Kubuna. Until her death in July 2004 its chief, the Roko Tui Dreketi, was Adi Lady Lala Mara, widow of the former PM and President of Fiji, the late Ratu Sir Kamisese Mara, paramount chief of Lau and the confederacy of Tovata, a woman who also had important kinship ties with Bau. All three *matanitu* are thus closely interconnected and by virtue of their geo-political epicenters have, as far as the western provinces of Viti Levu go, an "eastern" identity that is reinforced by the capital and seat of government, Suva's, south-east location. Strictly speaking, though, Fiji is divided for administrative purposes into four geographic divisions, western, central, northern, and eastern, with Suva coming under central division. Periodically, this has led the western provinces of Viti Levu (which are thought to include the landing place of the very first Fijians, as wells as the hill region which was among the last areas to succumb to outside authority) to threaten formation of a fourth confederacy or even secession. Thus, there is a *cultural* layer to these geo-political identities; and it goes still further.

The Eastern Division, proper, stands astride the western edge of Polynesia, that convenient anthropological tag for a vast culture zone which Sahlins (1963) described as "Chiefly" or hierarchical by contrast to the "Big Man" cultures of Melanesia further west where leaders or "Big Men" compete between themselves to *achieve* authority. Polynesian "Chiefs" are *ascribed* leaders, installed by followers who believe the person can direct and assure their wellbeing. Polynesian societies are stratified and rank conscious. Melanesian ones are more egalitarian, and such socio-cultural differences

imbue Fiji's "east-west" differences of identity, and not surprisingly, given Tonga's influences in Lau and Vanua Levu. History and geography thus count for much.

Fiji became a British Crown Colony in 1874 and remained so till independence in 1970. But what the chiefs ceded was government, not unalienated Fijian land (Derrick, 1968), and the country's first resident Governor-General was Sir Arthur Gordon whose indirect rule was shaped by his determination not to see Fijians "disappear" in the same disastrous way as had other indigenous people. Only the inhabitants of the hilly western interior of Viti Levu resisted first Cakobau's Royal Army and then the colonial authorities, and to this day they are seen, and see themselves as, stubborn, individualistic, and more egalitarian than their eastern cousins.

To pay its way the colony's rulers urged the use of Indian indentured labor to expand and further develop plantation agriculture. That way it hoped to distance itself from the European pre-cession practice of "blackbirding" or kidnapping, or otherwise dubiously enticing Pacific Islander labor to its various plantations.

Between 1879 and 1916 over 60,000 Indians, mostly middle agricultural caste Hindus, and some Muslims, were recruited to work mainly for the Australia based Colonial Sugar Refining (CSR) Company, and most remained in Fiji as tenant farmers after their contracts ended (Gillion, 1973). Some ventured into retail, transport, and small manufacture. Collectively and colloquially they were known as "*girmityas*" (from "agreement"). An entirely different category of Indian was the entrepreneurial Gujarati who arrived between the two World Wars, along with a number of agriculturally skilled Sikhs. Frequently, a source of envy and resentment among other Indians, some Gujaratis went on to become trading magnates.

Despite Gordon's enlightened views on colonial practice, a degree of social Darwinism prevailed. Indeed, whether it was because Gordon saw Fijians as needing protection (given the Maori experience) that resulted in so few Fijian men marrying Indians, or whether it was a case of Christian Fijians not *wanting* to marry Hindus for cultural reasons, or Indians not wanting to marry Fijians for the same reason (though some men did take Fijian wives), lies open to question. However, as Gillion says, "though government policy helped keep the races apart, this would probably have occurred because of differences of temperament and customs; both regarded the other as inferior" (1973, p. 155). In consequence, two major social identities were cemented. Three if one includes "Europeans," four if we add mixed-race "Part Europeans." Even so, fine-grained identities were not totally obliterated.

"Indians" distinguished each other by faith and sect. They differentiated among themselves according to regional sub-continent languages even when Fijian-Hindi was emerging as the common tongue. Motives for migration, indenture, or speculative business, were another factor. Moreover, as mentioned already, the fact most Indians were Hindus meant there was a psycho-cosmological distance between them and Fijians, and vice versa, which discouraged intermarriage. By contrast, a small number of Chinese immigrant traders and cultivators, usually Hakka or Cantonese, did marry Fijians, and though their offspring did not qualify as "Fijians" with land usufruct, as *vasu* or kin to Fijian clans and villages through their mothers, they have enjoyed a degree of integration not commonly experienced by Indians. After the 1987 military coups most of Fiji's best qualified people, mainly Indians, emigrated for good. Faced with need of fresh investment fast, the government set about attracting outsiders and in

the process attracted several hundred “new” Chinese from Shanghai, Beijing, Taiwan, and Hong Kong. In some cases visible as restaurateurs, in other instances as importer–exporters, some are “fronts” for serious criminal rackets like prostitution and international drug smuggling.

When Fiji acquired independence in 1970 its first Prime Minister was Ratu Kamisese Mara, leader of the Alliance Party. Educated at Catholic schools in Fiji and Auckland, at Otago and Oxford universities, and the London School of Economics, Mara brought to his role, a worldly, even-tempered vision of multiracial tolerance while urging Fijians to maintain to customary ways while still aspiring to entrepreneurialism. How successful he was as Prime Minister in bringing a sense of evenly spread “progress” is another matter. By the early 1980s his government’s record of transparency was under serious question. Talk of corruption was common. Law and order was becoming a problem along with Fijian unemployment. Altogether Mara won elections in 1972, 1977, and 1982 (after the Governor-General stepped in when successful Indian parties dithered over who should be Prime Minister). He was defeated in 1987 by a coalition of Indian and Fijian parties led by Dr. Timoci Bavadra, a commoner from Ba.

The campaigning Bavadra punched hard. He accused Alliance politicians of extracting “many more resources from the west than they have put in . . . resources siphoned off to a select few who . . . contributed little to national development” (Bain and Baba 1990, p. 41). He talked about “unequal regional development,” and of reform to the Native Land Trust Board (NLTB) so that it served “the interests of all Fijians and not just the privileged few” (Bain and Baba, 1990, p. 3). He promised to investigate corruption and named Mara, Jim Ah Koy, an entrepreneur from the “old” Chinese community, and Motibhai Patel, a Gujarati, as culprits. Yet as one man from the eastern province of Nadroga whom I will call Apenisa put it – a man who also talked half jokingly of a return to tribal fighting should Mara and the “east” dare to stage a fourth coup – Fijians are “*one family*” they stem from the same root, traceable to Vuda, near Nadi, where according to myth the first Fijians landed³ in Fiji.

Bavadra’s electoral success in April 1987 did not last. In May large Fijian demonstrations provided Colonel Sitiveni Rabuka excuses for a coup. On May 14, Rabuka deposed him and followed through with a second coup in September. Fiji announced itself a Republic without actually formally severing its ties with the Crown. The new President was Ratu Sir Penaia Ganilau, Tui Cakaudrove, Rabuka’s own provincial chief, who till that moment had been the Governor-General. Mara became leader of an interim government.

14.4 THE CHALLENGE OF IDENTITY

Earlier I said Fijians constitute a unity *vis-à-vis* others. Ideally, they acquire their identity and sense belonging *qua* “native born,” *tauvei* or *tauvei ni qele* (natives of the soil) from their extended family (*tokatoka*) – a network that commonly functions, in part at least, as a *group*, particularly when it comes to land; from their agnatic land-holding

³Earliest archeological evidence of humans in Fiji is Lapita pottery some 3000 years old discovered at Sigatoka on Viti Levu’s south coast. Human remains of roughly this age were discovered in 2005 in south-west Viti Levu.

sub-clan (*mataqali*) and clan (*yavusa*); and from their village (*koro*), province (*yasana*) and confederacy (*matanitu*); and in that order of compass. Each and all of these distinguish Fijians, as such, situationally, from non-Fijians. Within each network, partial network, or *group* (if that is how the partial network situationally functions), members are bound by obligatory customs of give-and-take, while those outside the network or group defined specifically as such are, irrespective of their general ethnicity, regarded as *vulagi*: outsiders, foreigners, or guests.

In brief, “Fijian” society is a network of networks; an interconnected web of smaller kin and similar based networks, each with its own hub or operational site and sense of range and frequency defined according to the situation, which outsiders wanting to join or connect to must negotiate symbolically by word or deed, usually both, often by ritual. Ritual connects different Fijian groups: through presentations of kava (*sevusevu*), kava drinking, gifting whales teeth (*tabua*), mats, food or money, and asking for help (*kerekere*) knowing that asking is reciprocal. Thus, when Sahlins said the “failure of White men to participate in *kerekere* led Fijians to construct them as selfish (by their insisting on *buying* and *selling*), rather than the selfishness of White men led Fijians to construct themselves as generous . . .” (1994, p. 380), he hit on a defining aspect of Fijian culture and how deviation from it puts people beyond the pale – Fijians and non-Fijians. Which brings me to the subject of trust.

Fijian social cohesion and identity depend more on conformity and the avoidance of shame than upon trust and guilt, and in this respect it resembles other cultures in the Asia-Pacific region including, most famously, Japan (Benedict, 1946). There is, for instance, no word in Fijian for “guilt” apart from “shame” or *madua*, which is primarily a socially and externally other-induced sanction, and one that villagers only partly escape when they migrate to town or overseas.

Many writers including Bourdieu (1979, 1990), Putnam (2000), Cox (1995), Giddens (1991), Fukuyama (1996), and O’Neill (2002) have built on Durkheim and Weber (or Marx) when examining the lack of “community” in contemporary “western” life. Weber’s focus on actors’ own *meaning* of their situations is now widely regarded as very important, while Durkheim’s attention to social integration and *anomie* has generated concepts of human capital (social and cultural), social networks, inclusion, trust, civil society, and equity. The sort of things that at first glance one would expect Fijians to be rich in. Yet, Bourdieu shows Durkheim’s “mechanical society” is more complex, divided and riven by power; more complex than even that classicist’s understanding of Aboriginal divisions and ritual suggested. For knowledge is power and *ipso facto* the privileged knowledge or know-how of well connected individuals and networks. For instance, in Fiji, when a person’s traditional authority is reinforced by modern education and training it equips them for life in two worlds – the local and global – that traditional knowledge alone *does* not and modern know-how alone *may* not, and it is capital some leaders have used to personal advantage over their followers (Griffin, 1983). Another area of research that builds on the classical sociologists is Inglehart’s (1997) examination of the relationship in 43 societies between political authority and ideals of either “survival” or “well-being.” Unfortunately, it did not include the Islands.

In a report on Australian aid to the Pacific, economist Bauer et al. (1991) suggested it should only “go to those governments whose policies are most likely to promote the economic progress and general welfare of their peoples through humane leadership,

effective administration and the extension of personal freedoms” (1991, p. 17). And in the same report, in an essay labeled “an insider’s view,” Siwatibau, a former Governor of Fiji’s Reserve Bank, pre-empted Hughes (2003) when he said “security and stability” are essential both for development and regional security. Later, we will see how two other insiders, intelligentsia, intellectuals perhaps, view development, leadership, unity, stability, and nation building.

Most Fijians, intelligentsia and intellectuals included, maintain profound reservations about Indians, and vice versa. This is the result of decades of separation that begin for most people long before entering school. There are, of course, exceptions, but what begins in home and school is reinforced (on the Fijian side) by that sense of identity and sense of belonging that by definition exclude *vulagi* and involve bridges constructed mainly on ethnic Fijian terms. It is therefore worth noting though it is only an impression that more urban Fijians seem to be deliberately sending their children to Indian schools in preference to Fijian ones. Fijian intellectuals and intelligentsia who criticize their leaders’ failure to bring on innovation in education and training might therefore think hard about the ethnic integration of schools, curricula, and pedagogy, and seek to extend the principles of independent critical thinking valued at University to education in schools. As for Australia, it must maintain its aid focus on education while becoming immensely better educated itself about Pacific Island societies, cultures, and histories.

14.5 INSTABILITY AND MILITARY INTERVENTION

Rabuka first claimed the coup was his own idea (Dean and Ritova, 1988), the intention being to forestall racial violence and defend Fijian interests. Yet, the 1970 constitution *already* protected Fijian interests. Furthermore, it would take Rabuka a dozen years to admit (the truth *presumably*) that Mara and Ganilau played coup roles (Sharpham, 2000) similar to those that some, including this writer, argued at the time they probably had (Griffin, 1987). Not only did Governor-General Ganilau know a coup was in the offing, he sat “silently, as if weighing up his options” when told it was done (Sharpham, 2000, p. 95). As for Mara, he “insisted prior to the election that he would not let Fiji be run by a group of amateurs” (*ibid.*). Consequently, his silence after the event bestowed an authority and legitimacy on it like no other (Griffin, 2003; Sharpham, 2000, p. 101). In the same book Rabuka revealed other leading coup plotters and opportunists to include Ratu Inoke Kubuabola and Apisai Tora, who in 2000 would both become Ministers in Laisenia Qarase’s post-Speight government. Others named were Viliame Gonelevu, and Jone Veisamasama, a senior official in the Alliance Party and its parent body, the Fijian Association, who was found shot dead in odd circumstances just before he was due to make a sworn statement about the perpetrators. His death was declared “accidental.”

Rabuka resigned his commission in 1990 and promulgated a constitution underwriting Fijian supremacy and reserving them the posts of President and Prime Minister. His rivalry with Mara now became increasingly apparent, and after a spell in Mara’s government, he quit to take lead a new nationalist party, the *Soqosoqo Vakavulewa ni Taukei* (SVT), which in 1992 he led to victory. With minority Labor Party support in return for promising to review the constitution, he formed a government and became Prime Minister.

In 1992, Rabuka added to his agreement for a constitutional review the idea of a government of national unity with Indians. His nationalist supporters were furious. Trapped between them and Labor, and pressured to rescue the economy, Rabuka's allies deserted him, and unable to gain support for his 1993 budget, his government folded. Elections were called for. That May the Fijian vote split along numerous new party lines. Rabuka was returned to power. With an eye to constitutional change he now forged links with Jai Ram Reddy, leader of Indian dominated National Federation Party (NFP), an old foe of Labor's Mahendra Chaudhry. Eventually, in 1996, a Constitutional Review Committee led by New Zealand jurist, Sir Paul Reeves, proposed a new constitution to deliver multiethnic governments. The document became law in 1997. Today, the post of President is reserved for Fijians, and opposition parties are eligible for positions in Cabinet.

Elections under the new constitution took place in May 1999, and against the odds Chaudhry's Labour Party won easily. Fiji registered its first Indian Prime Minister and a shaken Rabuka declined to participate in his government. Coup rumors began at once.

By late 1999, many people, including Indians, were complaining of Prime Minister Chaudhry's leadership style being brash and culturally insensitive. Even the millennium distraction could not stop the *Fiji Times*, January 1, from carrying a headline warning from Rabuka of possible future racial conflict. And he was right. On May 19, 2000 a minor figure, George Speight, Chairman of the Fiji Hardwood Corporation, along with others, including eight soldiers of the former Counter Revolutionary Warfare (CRW) unit established in 1987 by Rabuka, stormed Parliament and took Chaudhry and most of his Ministers hostage. President Mara whose politician daughter was among the hostages, announced a state of emergency. Speight immediately declared the statement "null and void" until new decrees were made. "There are no laws governing the country" (*The Weekend Australian*, May 20–21, 2000), he said. Thousands believed him. In Suva, before the nation's television cameras and under the implacable gaze of police, Fijian men, women, and children, burnt and looted Indian shops and businesses.

Australian Foreign Minister, Alexander Downer, confessed Fiji has "taken us completely by surprise." An editorial in *The Australian* (May 22) said, "Alexander Downer is correct: Australia has taken its eyes off the Pacific." Gurry would later observe, "Given the access Australia has to intelligence from the Pacific, this was somewhat alarming and suggests a failure of analysis" (2000, p. 15). But perhaps the most damning commentary of all came from Anthony Bergin, Director of the Australian Defence Studies Centre, (*The Australian Financial Review*, May 30) who blamed Downer's "flat-footed" posture on the Australian government's over reliance "on covert intelligence as opposed to widely disseminated open information," and intelligence's failure to gather "much open source information – legally and ethically available material . . . could have provided cost-effective, timely and accurate information of the broad strategic trends developing," particularly "regional media and academic analysis" (p. 18).

Holding the democratically elected government under duress in the Parliamentary compound while simultaneously being feted by delegations from Bau and other parts of Fiji, Speight declared himself Head of State, had Ratu Timoci Silatolu, a Rewa high chief with close ties to Bau, declared Prime Minister, and saw Ratu Jope Seniloli, a high chief from Tailevu, sworn in as President. Seniloli would later become the country's Vice President, and it would take till 2004 for him to be brought to justice. Charged with administering an illegal oath for the purpose of legitimating the coup he was sentenced

in August 2004 to 4 years jail. At the time of writing it remains to be seen whether he serves his full time.

On May 26, Fiji's Great Council of Chiefs or *Bose Levu ni Turaga (BLT)* chaired by Rabuka, concurred with Speight. The 1997 constitution was dead. It recommended executive authority pass to President Ratu Mara. Mara then proclaimed Ratu Tevita Momoedonu, a Chaudhry Minister who had avoided capture, Prime Minister. He in turn resigned and handed power back to Mara; thus the Chaudhry government ended; Mara then talked of possibly granting Speight and company immunity, and of the need for constitutional reform (*The Australian Financial Review*, May 29).

Bau's traditional ties with Speight's province Tailevu, and their place together in the *matanitu* or confederacy of Kubuna, caused many Fijians to see May 2000 as Kubuna's answer to Tovata's gains from the 1987 coup. Kubuna, they reasoned, was too long in the cold. Not since Ratu Sir George Cakobau was Governor-General had Bau enjoyed the limelight. Tovata, on the other hand, with Lau's paramount chief, Mara, and Cakaudrove's paramount chief, Ganilau, dominated Alliance governments from 1971–1987. Even Rabuka's rude entry into politics did not immediately change that. Tovata was also linked through the *vasu* tie made by Ratu Mara's marriage to the paramount chief of Burebasaga, Roko Tui Dreketi. In addition, Mara and Ganilau, Prime Minister and former Deputy PM, respectively, were linked by the marriage of one of Mara's daughters, to one of Ganilau's sons.

In reality, the Speight coup was more complex than this. It involved opportunistic businessmen of different ethnic backgrounds, Fijian parliamentarians once close to Rabuka (some of whom figured in the May 1987 coup), police and army officers. Men ousted by Chaudhry in 1999. Men for whom power matters; Christian fundamentalists whose faith informs their idea of *vulagi*; men and (some women) who racially manipulate religion and identity among Fijians for whom 30 years of independence has brought increased internal relative deprivation as well envy of Indian successes, and men for whom patriarchy and preaching allow a strident pulpit voice, if no other.

On May 29, Fiji Military Forces' commander, Commodore Frank Bainimarama, asked President Mara to resign and assumed executive authority for himself. Mara went unwillingly (*The Australian*, April 22, 2004). Bainimarama commenced hostage negotiations with Speight that ended in their release 56 days later. Speight and his henchmen were arrested and charged with treason. One hostage, Poseci Buna, was reported as saying Speight admitted he was never the coup mastermind (*The Weekend Australian*, August 19–20). Yet for many Fijians he was, after the event, a charismatic leader; a "savior" no less who was ultimately double-crossed and crucified both by his patrons and by the legal system. Spared death, he was sentenced to life imprisonment.

Rumor is a social fact and like its close relation, gossip, tells us much about a people's norms, values, conflicts, fears (Firth, 1967), and its social networks. It is therefore of interest especially wherever unpalatable truths are not spoken of directly, or where complex facts that might turn out to be embarrassing or shameful, are difficult to establish for this very reason. Whether true or untrue, rumor (like gossip and all other forms of communication) is the stuff of networks, the information conveyed that has yet to be proved fact or fiction, which nevertheless always reveals something of a people's values and anxieties. For this reason alone it is of significance to all kinds of social investigators from policemen and politicians right through to social scientists.

In late 2000, three rumors spread particularly wide and fast. Not just face-to-face but by Internet websites (including journalistic gossip columns), e-mail, newspaper articles, and mobile telephone. According to one, Speight's coup stemmed from a plot by Speight and local and overseas businessmen to sell Fiji's potentially priceless mahogany stock to a US buyer against the wishes of Chaudhry's government, which was about to prevent it. Another rumor claimed that Isikia Savua, the Commissioner of Police (and a military colleague of Rabuka's in 1987), was one of the coup conspirators. The rumor gathered momentum when Bainimarama's interim Military Council suspended Savua pending an inquiry, one that subsequently exonerated him. Even so, Savua left the Force and in 2003 was replaced as Commissioner by an Australian, Mr. Andrew Hughes. Hughes keeps an open file on him. Savua meanwhile became Fiji's Ambassador to the United Nations. Not for the first time was a senior Fijian official with rumors of crime hanging about him, doing what Yellow Bucket (a Fiji website gossip columnist)⁴ describes as the "sideway shuffle into the diplomatic community," thanks to a partial network comprising a hub of powerful people. The third rumor concerned Ratu Mara and was particularly bizarre. It is worth recalling here for what it tells of the depth of feeling many Fijians held about Ratu Mara. It also reveals something of what remains to be done in the way of nation building. This was revealed by *Apenisa* from Nadroga, who I have already mentioned, a kinsman of the President, told it to me. Other versions circulated both in Australia and Fiji. In three Australian versions, its veracity went unquestioned by listeners, and in one the narrator claimed he had heard it directly from a cousin in the army who had been an eyewitness.

When Mara resigned and President Iloilo moved into his official residence (the old Governor-General's house), something strange occurred. One night, when asleep, Iloilo saw a figure standing over him holding out a *bilo* or kava cup. Much alarmed, the President vowed not to sleep there again until such time as a cleansing ceremony was conducted. About the same time, Iloilo's staff discovered a locked room for which only Ratu Mara held the key. Inside they found a table, 12 chairs and a glass bearing traces of human blood. Apenisa was a witness. A second discovery was a tunnel running between the house and the old parliament building. Eventually, Methodist Church ministers conducted a ceremony that was broadcast to the nation on television, though viewers were not told its real purpose, and cameras were not allowed inside the "secret" room. In another conversation, Apenisa repeated the story, adding: "*It was just like the Last Supper*". When I asked what that made Mara, another man replied, "*a witch*." Mara, Apenisa winked knowingly, stayed at Masonic lodges when he traveled around Fiji on official business. Some people, he confided, believe he orchestrated Bavadra's death; murdered by lethal injection in a New Zealand hospital. President Iloilo did not trust him. He was careful to use only his personal physician. (In fact, Bavadra died in Lautoka, western Fiji, 8 months *after* leaving New Zealand).

This is not just rumor. It is the malign product of fertile imaginations. Yet fantastic – crazy even – though it sounds and no doubt is, in no way lessens its sociological significance for what it tells us, as observers, about networks and their frequencies, about Fijian social divisions (based in part on geography), about peoples' rancor with Mara,

⁴http://www.fijivillage.com/artman/publish/article_11095.shtml.

about the composition of stories based on traditional sorcery beliefs mixed with ideas taken from Hollywood, and on sentiments that followed hard on press reports of an arson attack on the Masonic lodge in Levuka.

Though Mara may well have acquired investments at home and abroad not easily accounted for, to my knowledge this has never been properly investigated in the way purists would like. That is not the nature of Fijian culture. What is a fact is only that rumors of his corruption circulated for years. So had some concerning his wife. In 1992, for example, the ABC television's *Foreign Correspondent* program investigated claims she owed millions in un-redistributed rent to the people of Cuvu, traditional owners of Yanuca Island, whose land was leased to the Fijian Hotel. Lady Mara (who died in July 2004) had been the locals' Trustee. In the film an evasive NLTB manager, Josefa Kamikamica, tried to defend her. However, her half-brother, Ratu Mosese Tui-sawau, an inveterate critic of the Alliance Party, joked about the "Native Land Title No-Trust Board." Others agreed with that assessment.

In August 2000, Ratu Josefa Iloilovatu Uluivuda, paramount chief of Ba, became President, and merchant banker, Laisenia Qarase, became Prime Minister. Qarase's ministers included Apisai Tora, a rambunctious ethno-nationalist much involved in Rabuka's coup, Ratu Epeli Nailatikau, Bauan aristocrat son-in-law of Ratu Mara who commanded the army in the first coup and was made head of Fiji's London diplomatic corps immediately afterward, and Ratu Inoke Kubuabola, Minister for Information, a member of both Mara's Alliance and Rabuka's SVT inner circle, who when President of the Fiji Council of Churches in 1987, was also a leading coup player (Sharpham, 2000). Under Qarase, Kubuabola was made Ambassador to Papua New Guinea (PNG): another case of hub relations in a network rich in social capital.

In 1999, Chaudhry's government saw several traditional Fijian land-holding groups protest to the NLTB about overdue lease payments. Many if not most of these debts were owed not by individuals but by government departments whose infrastructure sat on native land. These debts had accumulated over time. The biggest protest involved landowners at Monosavu in northern Viti Levu, the island's main source of hydroelectricity, and coincided with the Speight coup. Armed men took over the plant after first incapacitating the military guard. For weeks they held the government to account. Like other grievances with the NLTB, it was symptomatic of rural dismay at government and public service neglect.

In November 2000, soldiers of the CRW unit launched an attack on the Queen Elizabeth Barracks, Suva, to oust Bainimarama. The attack failed and eight of the mutineers died. Suspicion momentarily fell on Rabuka after he appeared on the battle scene offering to mediate, but nothing conclusive was established. Another suspect was Lieutenant Colonel Filipo Tarakinikini, the army's high profile media spokesman during the hostage crisis. Before the army could fully investigate, however, Tarakinikini got government clearance to leave Fiji, and in February 2001, took his family to New York to take a job at the UN. He is still there, despite army efforts to repatriate him. It is an open secret he and Bainimarama old rivals.

The present government has done nothing to help Bainimarama. On the contrary, it appears to have done the opposite. In view of Savua and Kubuabola's diplomatic appointments, Vice President Seniloli's conviction, and latterly (August 2004) the appointment of Rabuka as Ambassador to Washington, its international reputation

for leadership and good governance is marred, lies open to question, to cynical manipulation from outside, and undermines the confidence of numerous diligent public servants and military personnel. Everything now “known” to be true about corruption to the *many*, previously known only to a *few*, has nevertheless been the stuff of rumor for years. Indeed rumor owes its weight to Fiji’s very culture of silence (Griffin, 1987, 2003) and to the privileging of some voices over others in a closely networked society.

In February 2001, Qarase’s government lost an appeal to the Supreme Court against an earlier court ruling (*Prasad v The Republic of Fiji*, August) that the 1997 constitution remained intact and the government, therefore unconstitutional. It also ruled the army acted in a “revolutionary manner” when it assumed executive authority. New elections were planned.

In September, Qarase’s Fijian United Party won 31 seats and formed a government with Fijian opposition members. Contrary to the Constitution neither Chaudhry nor any other Indian was invited to join it. Three years later, in April 2004, at the time of writing, there was only one Indian in government. Speight who stood for and won a seat while incarcerated was disallowed it. He is currently the only person still serving a prison sentence for involvement in the coup. Several soldiers, however, received long jail sentences for their part in the November 2000 mutiny, including the apparent ringleader, Captain Shane Stevens, a part-European, (*kai loma*).

Although the Fiji government adopts a pragmatic approach, its run-ins with Bainimarama (including a reluctance to see the commander’s contract renewed) are unsettling. As recently as January 2004, a *Fiji Times* editorial (January 12) told readers the current standoff between the military and Government was “threatening to shatter the fragile peace and stability in this country, and to undo all the good that has been done since the illegal takeover and attempted mutiny in 2000.” Two months later, a *Fiji Sun* editorial warned that despite Qarase’s statement that “there was no risk of instability, that relations between the Government and armed forces were normal” (March 23, 2004), the division between them *had* to end. In short, Fiji’s stability is deceptive and fragile. Furthermore, it will remain so until Fijians know and acknowledge the truth of May 2000 (along with that of May 1987). This requires robust institutions and courageous leaders. Till then there is also little hope of reconciliation among Fijians, leave alone between themselves and others. In short, little hope of nation building. What is called for is an enlightened intelligentsia and greater intellectualism – that is already under way-which in turn means a change in Fijian values and practices.

14.6 THE CHALLENGE OF NATION BUILDING AND AUSTRALIA’S ROLE

Despite Foreign Minister Alexander Downer admitting to having been caught out by the Speight coup, Australia’s relationship with Fiji, indeed the entire South Pacific, changed little over the next 2 years. Moreover, when eventually it did, it was mainly because of other people’s concerns: September 11, 2000, the Bali bombing 2001, the United States in Nauru, 2003, the special problems in Solomons, and George W. Bush’s moves on Iraq.

The September 11 attack on the World Trade Centre in 2000 caused Australia to re-affirm its US ties in the interests of its own *national* security. The Bali bombing by *Jemaah Islamiyah* in October 2001, which killed over 80 Australians and many other

nationals, literally brought home the need of *regional* security cooperation. US pressure on bankrupt Nauru (see Chapter 11) in early 2003, including its instruction to cease its “passports-for-sale” practice (*The Australian*, April 7, 2003), further reminded Canberra of its Pacific responsibilities, and acutely so, considering its novel use of Nauru in its “Pacific Solution” to “illegal” immigrant (and asylum seeker) arrivals by sea. Fourth, Australia’s eventual decision in May 2003 to send police and military to the Solomons sent a message to regional nations, including Fiji, about its Pacific reawakening. As a result, the United States “formally recognised Australia’s role as South Pacific policeman on the war on terror” (*The Australian*, March 4, 2004). Finally, in May 2003, when the US attacked Iraq, Australia was conspicuous among the “coalition of the willing,” further underscoring its reinvented Asia-Pacific role.

Fiji’s trade with Australia is worth A\$161.5 million annually. Here garment and gold exports benefit from SPARTECA trade arrangements, while tourism is an important sector even though much of the profit returns to countries like Australia. Australia’s own trade with Fiji is estimated at A\$367 million; Fiji’s trade deficit is therefore around A\$205.5 million (*Pacific Islands Trade and Investment Commission*, November–December 2003). Australia’s total Official Development Assistance (ODA) or foreign aid in 2003–2004 was \$1.894 billion; a 2% (or \$79 million) increase on 2002–2003, or 0.25% of Gross National Income. Of \$1.895 billion ODA, \$1 billion goes to PNG, the Pacific Islands and East Asia; of it, PNG and the Islands receive \$509.4 million; \$333.6 million of it going to PNG. Fiji receives the fourth largest share, \$20 million, mostly for “long term capacity building programs in health, law and justice, and education” (*AusAID, Focus*, 2003).

As well as the five factors mentioned, one other spur to Canberra’s Pacific reawakening was Hughes’ May (2003) critique of AusAID’s regional performance, for flawed though it was, it rightly pointed to the failure of local and national institutions in the parts of the Pacific.

“Government ownership undermines the evolution of the institutions essential to growth and development. Clan loyalties characteristic of less developed societies do not lead to new ‘internal’ institutions, such as civil and business morality. Modern ‘internal’ institutions such as respect for the rights of the individual are essential to savings, entrepreneurship, investment and rising output and productivity. ‘External’ institutions such as police, legal systems and economic rules for the conduct of an economy have become clearly recognised as essential components of growth and development.” (2003, p. 27)

To be sure, the most important internal institution for growth and development in Fiji is leadership itself. That is something almost everybody in Fiji agrees on. Leadership skills and the sense of responsibility Sukuna and others once showed are hard to find. Too many chiefs in government jobs are either self-serving or use their traditional authority to play upon internal indigenous divisions and *vanua* identities. Others play up the “danger” of Indians. In 2001, when Inoke Nabulivou, a former President of the Methodist Church, returned to Australia from visiting Fiji, he remarked to me (in a way Durkheim might have approved), how splits in the army and *BLT* (Great Council of Chiefs) showed that “*parts of the body now think they’re independent.*” He also spoke about villagers’ concern at the lack of rural leadership now so many chiefs lived in town. And he went on to say that evangelical pentecostal churches like the Assemblies of God were drawing Fijians from Methodism in ever

larger number, thereby posing a risk to Fijian “*flexibility*” through their more rigid dogma. Mara, he pointed out, was a Catholic convert, originally drawn to it by its ritual; Ratu Sukuna had been an Anglican (who, Inoke might have added, like Mara, enjoyed [pre-Vatican II] Catholic ritual, and for a fleeting moment was interested in freemasonry (Scarr, 1988, p. 19) possibly for the same reason).

Another who spoke of Fijian divisions was school principal Ana Soveti, a 40 year old married woman from Taveuni, a USP graduate now involved in charismatic Catholicism who thought Fiji should be designated a “Christian” country. Like others, Ana talked of the Speight coup dividing Fijians and ushering in a new wave of violence: the coup and hostage taking, the ransacking of Indian businesses, the army’s rough treatment of Speight and his gang, and the deaths and mutilation, at the hands of the army, hence no pathologist’s report of five former CRW soldiers who mutinied at the Queen Elizabeth barracks. In Australia, unsolicited, I heard roughly the same about the mutineers from a the CWM Hospital staff eyewitness whose life was threatened by soldiers if she revealed what she saw. There was no trust (*dina*) between Fijians, she said. This was moreover, nowhere more evident than in the military and in the tension between Lieutenant Colonel Tarakinikini and Commodore Bainimarama suspected Tarkakinikini of mutiny involvement. Tarakinikini is a Catholic from Naitasiri province; Bainimarama is married to a Catholic, and comes from Tailevu. Unlike most senior army officers who are schooled at the Methodist Queen Victoria School (QVS) in rural Tailevu, both are commoners, educated at Marist Brothers High School, Suva. However, Bainimarama rose through the navy, and Tarakinikini through the army, and this is one of their main sources of professional difference, and one that fails to bind them in the network that often joins Marist against QVS old boys.

Although Canberra’s steps accorded little with Hughes (2003), following as they did on September 11th and other events, they were not without impact. Not since Bob Hawke’s days when Gordon Bilney was Minister for the Pacific Islands had Australia shown such regional interest. That year both P.M. John Howard and Foreign Minister Downer attended the Pacific Islands’ Forum, a conspicuous change for Howard given his previous absences. Still yet he was elected Chair, while another Australian, former diplomat Greg Urwin, became Secretary-General. Pressured as they may have been into making these appointments, there is also no doubt the Forum saw need of such assistance, as witness what has happened in the Solomon Islands, and Fiji itself with its new Police Commissioner. Far from being regarded locally as returning to colonialism, a return to the situation of 30 or 40 years ago when, according to some local social analysts (Rokotuivuna et al., 1973), Fiji was a colony of Australia through its banks and trading companies like Burns Philp and W.R. Carpenters, and the CSR Company, these steps are regarded as a sensible and necessary example of regional cooperation.

Nation building must also attend to institutions like the NLTB, to agricultural extension services, to the Fiji Sugar Corporation and wherever else good management is called for. Management training is thus as important as education in the broader sense. Rupeni Ligaliga, let us call him, is a cultivator from Nananu village, in Tailevu. In January 2001, when the government through the NLTB, was 3 years behind on payments for land leased by Ratu Kadavulevu Secondary School, villagers threatened to close the school till payments were made, and new conditions met – including school places for village children. Closure date was set for May 18 (not 19th as the press

reported). Indeed, Rupeni claimed Nananu and one other village were the only ones in that part of Tailevu *not* to support Speight, and against NLTB advice refused him gifts of food. Whether this is true or not is beside the point. What is significant is that NLTB payments were already overdue well before Chaudhry came to office in 1999; that the coup leaders used their provincial networks to their own advantage to play on rural grievances with the NLTB; and that these grievances remained long after the May 19 coup. Thus till such time as institutions like the NLTB become more efficient, nation building is delayed.

14.7 TWO MORE VOICES

Timoci Uluibeka is a 50 year old, legal aid worker married to a Part-European; a USP graduate and MA, and father of three.

Timoci began by recalling Herman and Chomsky's (1988) "manufacturing consent" thesis: the State manipulates history by misinformation and repeating small misrepresentations for the media till it creates a "*selective landscape*" devoid of social and historical context.

"We in Fiji haven't done nation-building. Our history needs to be questioned.

"Since 19 May 2000, the State has been giving directives to the TV stations. It's more difficult with the print media because of the stakeholders involved; they're – harder to control. Over and above this there is the Fijian psyche: that you never question, that anyone in authority must be right. Why? Because he is in authority. . . . Consequently, it's very easy for someone who knows the workings of a modern state to be able to seal the predicament of a group or community he wishes to influence. And Minister 'X' is the ideal person.

"Once you've decided where you want to go, the means justify the end . . . knowing you don't have to work hard because a lot of things are given, accepting them as part-and-parcel of Fijian society (it is easy). But if this were suburban Melbourne where you had to maintain your parliamentary seat, it would be different. A different land, different system. The system here is easy [to manipulate].

"If given this system I'm the first Fijian who's well qualified academically and also a high chief in the literal sense with the spiritual mana that comes with it, at least in terms of how I am perceived, and if I am the first Fijian to go through the Legislative Council [Parliament] and been there since time immemorial, then question is how is a person like this predisposed to make changes in a country like this? Because people are saying, "Yes lead me, tell me what you want us to do", and that reinforces the mindset. It's very unhealthy. Very dysfunctional. So I see the social-political Fijian psyche right now going through a catharsis ('crisis') because it hasn't found its true identity.

"So it's not so much outside influences are the problem, it's the internal dynamics that are uniquely Fijian [that are important] and which give them a degree of predetermination (i.e. – 'inevitability'), and that is why May 2000 was sure to happen, because the question hasn't changed, and the people who milked the system before 2000 feel they can milk it further. The only difference this time around is that they're not sure how they're going to put it together to achieve their ends because it's harder given the global nature of things. If Fiji was a closed society, fine, but now being an open society, makes it much more difficult.

"So depending how ruthless and determined people are about staying in power it become much more, if you like – evil. In terms of science it's like entropy. You've sucked the system in terms of what's helpful and good by nature to the point where there's none left. And that is where the Church and civil society come in. The State and private sector, and community at large, endorse this Fijian hierarchy and it has become part of the State and part of society. The State has lost its lead its legitimacy, and that vacuum is only now beginning to be filled by civil society and the churches. So until that vacuum is filled, that

imbalance, that sign of unhealthiness in Fiji, will remain until the Trinity, the three-legged stool, fills it again.

CG. 'Three-legged stool' refers to the normative balance between land, chiefs and people making up a vanua.

"But it's more than just a matter of civil society. It's leadership in a very fundamental sense, because it's become lost. Absolutely lost. And that's why the Methodist Church is struggling to come to an even keel – because it has already gone the other way round and it's now hard to move.

"That's the Big Picture as I see it. Lack of vision. Lack of sustained pathways. Ask a Fijian now as compared to the past who he is, where he is going, and you don't get an answer. They are not even encouraged to answer. Or if they are asked, there are set answers and you don't get beyond them. You see Globalisation involves development of a large 'new community' at the cost of an 'old community' living within its 'comfort zone'.

CG. "So back to Education?"

"Well, talking of school-teachers, they're one of our most important stakeholders, along with parents, but if you look at our Education system, how it has evolved, it's one of the most boring ['moribund'] areas. Total neglect. Government has failed to see parents as basic stakeholders in development. The impact of neglect is the result of that socialisation process by a whole generation of people who are now Members of the Legislative Assembly (MLA), civil servants, the private sector, and community at large both in a formal and informal sense.

[Concerning Speight] "There was a cadre of leaders in the Seventh Day Adventist Church who were very influential on Sam Speight [George's father] who joined the Church early on. This cadre included Jim Ah Koy and David Pickering (an MLA). These people were looking for an alternative lifestyle that would make them successful, so if you didn't smoke, drink, and looked after your body, and you had good relations with people who were going to help you – all the positive sides of religion they consciously wanted, talked about, preached, and listened to in the pew . . . Well, before they entered politics they all came together. People close to them know they're like brothers, but very few other people do. They [the cadre] don't talk much about it, but they help one other. Sometimes it only takes a phone call, but it's enough. George was brought up with these mentors, and it was ideal, he had lots of options.

Speight's family broke up when his mother died (about 15 years ago) and it was about then he made the hard decisions. He'd been to university in America, Andrews University, a Seventh Day Adventist university where he did Business Management. What he did after, I don't know, because he was already falling outside the Church, and that is where the Church is accountable in terms of nurturing, allowing people to be who they are within a spiritual community while nurturing . . . interacting, enabling. George was a youth leader before he went to university but his social skills were already pretty well developed before, Andrews University was just refinement. But most of them have now left the Seventh Day and it is due to the Church's inability to manage the younger generation – though it's improved lately.

"Fundamentally, I think the Church can't see clearly between principles and living out the principles. There's a very clear understanding of the vertical relationship to God – Origin of Truth or whatever you call it – and trying to nurture the connections horizontally.

CG. Here Timoci echoes Martin Luther King (1989).

"That's where civics and-all comes in, but it's not a straightforward exercise. The Church is a spiritual organization and not a typical NGO, its mandate is wider, and it deals with the whole person. What traditional Fijian social worship, Fijian society, the spiritual configuration of 'Fijianess' is based on, is [thus] replaced by a Church which deals with the most attractive and easiest part – getting converts, getting them baptised and sitting in the pew – but doesn't deal with the whole person. Statistics show the rapid growth of Seventh Day Adventism in the Pacific, but if you look at what comes out the door, the exit rate is very much greater. The Church has neglected the horizontal and that's why it's possible for Seventh Day people to come to church on Sunday and next day hold a gun to someone's head. It's got a very deformed, dysfunctional, relation to its

beliefs. Seventh Day religion is very easy to work with. If you're a person with a good mind and can work out its basic tenets you can actually lay down a strategy for success; it's very easy in a sense, but it's only *part* of being a Seventh Day Adventist. Yet that's how people do it and how George did it. They're [materially] successful but spiritually undeveloped, and they pursue success with an element of messianism. It's self-reaffirming. That's why David Koresh [of Heaven's Gate cult] did the things he did: delusions of grandeur. And if delusions of grandeur happen to someone who has the basic ingredients of leadership when there's actually a leadership vacuum, that's when it gets dangerous.

Andrew Lee Fong, aged 36, is a successful entrepreneur who directly and indirectly employs many Fijians. Born in Ba, of Fijian mother and 'old' Chinese father, tertiary educated, his Fijian wife comes from Serua province. Catholic both, they have two children.

"There's a guy in a village I buy taro from. I help finance his project; I'm trying to help him get ahead. He can't get ahead, because when he buys bread with butter – not just plain bread, everybody talks about it; they say 'it's because Andrew's helping him'. I help a guy get ahead in the village by lending him 30,000 dollars to start his farm, but I help him as an *individual* because whenever I got into collective helping I got nothing out of it. Nobody wants to work. We tried the collective mataqali (sub-clan) thing, but it doesn't work. Some people work, some don't, but they all want the same share. Anyway, this guy I helped, started to get his 100,000 taro plants planted and the *mataqali* said, 'he's an Indian: *kai Idia*', because when a relative came and *kerekere* 'd, the guy said 'No, that taro belongs to Andrew, who is financing it'.

"Fijians aren't lazy. Give them an opportunity and they'll thrive, and I've proved it. But jealousy causes a lot of problems; people tend to get isolated. So I say, 'OK, now we must set a plan here', for no matter how much you want to help a Fijian in the village, even if you've got finance, you can't help. You've no power (to help) . . . he's got all this bad stuff coming from his family – jealousy. So I said to him, 'Help them, otherwise they'll isolate you', but then a flood came along and he lost his entire taro, plus there was bad management. He started to buy trucks, started losing and didn't tell me. The point is, at the village level custom and tradition is very strong. They know the structure; know what's there. Hey, my own wife's very good at it. She'll say, 'Hey, why are you about to sit there? You come and sit here; this is where [in formal village affairs] you belong. You go to the kitchen; everybody knows that'. But if you try to short cut, the Fijians will say, 'No'. Even Rabuka can't go into Somosomo village without going to the *lovo* (oven) where he belongs [when it comes to custom]. As PM, or whatever, as the *vanua*, his role is at the *lovo*. So we have to understand Fijian culture before we can really move towards the western way. Ratu Mara is an Oxford guy, but the grassroots is still in him. My wife's *yavu* [literally, house foundations] are in the village. I say, why not give it away? She says, 'No, that'd put us outside the village . . . we are the root, as Chiefs we are in that *yavu*'. At first I didn't understand it, I thought 'That's all out of date!' But no, in the village it's never out of date.

"Let's go back to the Chief and ordinary people, because if we can understand their structuring, their political system [we'll get somewhere]. Well, there's a chief, a sub-chief, a *yaqona* [kava] guy, and a [ritual] spokesman. There's a real structure here; it's quite sophisticated. Now, when I go to a big Fijian ceremony it's initially chaotic! But no, all in good time, it's perfect; they get the thing done. Why end it? And why are Fijians using the Indian as scapegoat? For that's basically what it is. Take the NLTB.

"The NLTB has failed native landowners. The landowners are poor, they're not properly paid for their leases. There's misplaced trust in institutions and chiefs: '*Galū!* (Keep quiet!). *Varogo!* (Listen!). The chiefly system has failed them because the chiefs have become greedy. They take and don't give; they've forgotten the giving part. Now I am their chief. People come and tell me, 'Hey, Andrew, you're our chief now because you give us security. We plant taro, you come and buy it!' They say, 'You are my chief'. They tell me to stand for Parliament! That's the function of the chief. You see, in Bau, there's people whose traditional job is to dig the grave. The chiefs come and say thankyou to them

because they've got all the *yau* and are supposed to give it back, but they forget all that, so people say the *mana's* gone. They use that word. They're not stupid, the people. That's where Mara conned a bit. He's a bit of a grabber. Grabs this, grabs that. He's got land in Deuba. He's got an island, and the people are saying 'Hey, what's going on?' His wife too, the paramount chief of Burebasaga, but there's nothing right happening here between commoners and chiefs. Things are supposed to be shared. Nobody's supposed to be poor.

"Take the Native Land Development Corporation (NLDC), the financial arm of the NLTB. Instead of the manager telling land owners to invest their annual return of say \$30,000, maybe only \$10 dollars a person, they're given no advice. In the end, Fijians accuse him of taking the money and using it himself. It's only a rumour, but the people aren't stupid, they see the chiefs exploiting their own people. Take the brand mineral water, 'Fiji Water' [a best selling mineral water in USA], a \$20 million re-cycling plant.⁵ Ratu C is on the board of this American company. Why not give five per cent to the landowners? They own it in the sense of source ownership, but 'develop', that is another story. They own it in the sense of the *mataqali* owning it, but they say 'No, I want my personal piece of land'. I say, well for Christ's sake, 'OK, go and farm it'. But of course for that kind of economics you need bank loans and a cash flow to pay workers, and you can't do that at present. The Fiji Development Bank (FDB) and Native Land Trust Board (NLTB) and Native Land Development Council (NLDC) have got the white man's concept of economics, but they've got to go down to the people's thinking, to how economics works in the context of subsistence-thinking people. Just how do you raise a subsistence farmer to being an economic farmer? That's my big problem. They look at me as if I'm talking riddles. But it's basic, and I can't understand why these Fiji institutions can't do this. They just follow the book. Plagiarizing again. Looking at the western system but forgetting the people; and when they do give them assistance they just say, 'Do this, do that'. If you go to the FDB and research bad debts, just how much debt belongs to Fijians and how much to others? [i.e. most of it is Fijian]. The institutions have failed. We need to look at the Great Council of Chiefs again, at the NLTB and at the Fijian Affairs Board, and ask ourselves, 'is this institution serving the people? We have to go back to the Fijian political system in the context of the modern world again to develop sufficiently so as to understand. Education and technology's gone ahead for the young educated elite Fijians coming through, but caused instability among the chiefs with regard their role in society. This instability is within the Fijian system itself, on account of the development of science and technology and education, where some of the chiefs haven't gone ahead enough [caught up]. That's something I'd like to see gone into.

"But what sort of education? We still haven't got out of the British system of thirty years ago. Exams, exams, exams! When do we teach our kids how to think? How to *think*! Have you been to one of our secondary schools? Self-expression takes second place. First you've got to get your spelling and tables right, or else you'll get thumped. But real education is self-expression. How you write it doesn't matter. 'Galuli!' ('Be Quiet!'). You know, when I question my wife she suspects me: 'What you don't trust me?' I say, 'No, I just want your attention, so our minds can be together . . . to clarify your thinking, my thinking, to go forward together'. I mean, when you question, you question accountability, transparency. But in the Fijian way, the chief commands, is dictatorial, it's not acceptable to ask questions. The big problem is that the chiefs are responsible to us. \$70,000 lease money may go, for instance, to the Tui Y, but that money is supposed to be given back to the people. People are very confused, so Indians become the scapegoats.

"The value system remains though. Fijians have got it symbolically. I never learnt this in the formal education system, but Fijians have depth. I maintain Fijians are the best people in the world . . . if you [Chris] can come in with a bit of sympathy, heart, then maybe they can make sense of it, and connect with you. Fijians don't want to be like the Aborigines, Maoris, and Hawaiians. We are an informed people too. Disraeli said. 'Educate our masters' [i.e. 'leaders'] but in Fiji itself there's still no compulsory education to Class 8, and we are still learning the history of England.

⁵At the time of writing Fiji Water is owned by David Gilmour who also owns the exclusive Wakaya resort on Wakaya Island, in Lomaiviti.

Several themes emerge from these conversations which can now be seen, finally, in the context of the earlier discussion.

14.8 SUMMARY AND CONCLUSION

First, it is *because* of their differences of collective identity, which they mediate by ritual exchange or what Nation (1978) calls “customs of respect,” that Fijians are united, but they are also connected by extensive kin and affine networks and by historical group ties that are only reinforced as sources of unity by the presence of other ethnic groups whose own symbolic systems help to define borders and halting places (or customs-posts, if you will) to cross-cultural communication. Consequently, the race or (rather) “culture” card is always available to Fijian confronted by internal division.

Second, despite strong collective identity, Fijian interpersonal and group trust is weak (see Griffin, 2003) on account of constituent divisions of the value they put on group equality. As Nation notes, “In Fijian society the creation of unity requires action not merely political behaviour. Leaders must be able to build *trust* . . . [yet] such power may expand or contract according to the talents and actions of individual leaders . . . *jealousy, discord and conflict can arise instead of unity*” (1978, pp. 156–157, my emphasis). Together, our observations help explain the slow pace of Fijian commercial enterprise. This, incidentally, is consistent with research (Stewart, 1983) showing Fijians and Europeans to have lower levels of “belief in the trustworthiness” of people generally, then do Indians.

Third, commoner mistrust and distrust of chiefs, especially those in government, and between rural and urban sectors generally, extends also to public servants and institutions like the NLTB, FAB, elements of the army, police, *Bose Levu ni Turanga*, the Methodist Church, banks, credit agencies, and agricultural extension services. Much Fijian “right” behavior stems not from trust *per se* and conscience, but from shame (*madua*) and fear of *collective* retribution. Linked to this are perceptible individual fears of violence usually missed by outsiders given Fijians capacity for masking their true feelings. Some, like fearing more coups, more ethnic violence, worsening crime rates – including domestic violence, and violence to the truth *about* violence, is entirely rational. Some, like fear of vengeful spirit ancestors and sorcery is probably less so, but no less real. Confidence, defined in the 1964 *Concise Oxford Dictionary* as trust “reposed in a person by making him or her the nominal owner of property to be used for another’s benefit”, is in short supply. For networks, or more precisely, the hubs (which engender and are engendered (by groups) that lie at the center of situation-specific partial-networks that share symbolic capital, generate the rumor, gossip, and scandal that weakens trust and the institutions of civil society. Meanwhile, modern networks developed in school, university, churches, military, and business make for capital useful to the ambitions of a few, as well as potentially for the greater social good. For instance, Methodism has lost some of its former authority while gaining in the short-run from support given by some opportunistic supporters of the May 1987 coup, and May 2000 coup, the latter as later revealed in the press (*Sunday Times*, June 20, 2004), thereby confirming earlier rumour. Pentecostal churches, charismatic and affective, consequently appeal increasingly to *individual* commitment and the long term well-being of the disillusioned, while evangelical churches like the Seventh Day Adventists and Latter Day Saints, with their solid Protestant work ethic offer

both practical faith-based strategies and, for some, the institutional backup of schools, colleges and overseas Universities (see Finau et al., 2002).

Fourth, investment in critical thinking at every level of education, training, and extension services would add to Fiji's stock of socio-cultural capital and its effective exploitation of natural resources. Such focus is congruent with Stewart's (1983) research showing European secondary students in Fiji see people as *more* complex than do Fijians and Indians, and incidentally that Fijian and Indian university students see people as more complex than do Solomon Islands secondary students. Providing therefore Fijians see value in critical analysis, and along with Indians and other groups become more deeply understanding of their neighbors' cultures, and providing too that Australia realizes quickly it must continually educate itself in the histories, cultures, and social dynamic of these Islands, then education can provide a path to unity, stability, and nationhood. Indeed, we have noted that but for the failure of Australian intelligence services to avail itself of this knowledge base, Fiji's instability would have been anticipated.

Finally, despite three coups, or four if one includes Bainimarama's intervention, the army has in recent years been the final guarantor of stability. However, whether it could do so again is another matter.⁶ Long running animosities between the government and Bainimarama, for example, smack both of Qarase's fear of the separation of powers, and his capacity to restrain the ethno-nationalist within his ranks. Doubts also about the independence of some officers from provincial, political, and business networks are another concern that Australia needs to reckon with given Fiji's current regional policing and military role in places like PNG and Solomons. In sum, all this must be factored into nation building and be addressed by leaders both in Fiji and Australia who need to accept that multiple identities – ethnic and otherwise – are the local reality of most states in this globalized world, and that to deny this is to risk not only Fijian well-being and national stability, but possibly another serious crisis between Fijians and other nationals *vulagi* in which case Australia and other regional states would almost certainly be required to intervene.

ACKNOWLEDGMENTS

The author warmly acknowledges all those in Fiji and Australia—best left unnamed—whose help in one form or another and various degrees, informed this chapter.

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⁶For analysis of the military's role, see Halapua (2003) who came to the writer's attention too late for inclusion.

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15. ROCK OF AGES: TENSION UNDERLYING STABILITY IN TONGA¹

15.1 PREAMBLE: ENDEMIC CRISIS PERCEPTION

This book is a response to a heightened perception that Australia's security environment became markedly less comfortable in the early years of the new century. The discourse of insecurity has acquired a new prominence but whether the perception of insecurity is well founded either on regional facts or in the actual escalation of global terrorism may well be contested. If it implies that there was not a previous sense of insecurity then contemporary representations are false: there have been crisis scares since the middle of the 19th century. It is one of the constant features of Australians' perceptions of their place in the world that they are isolated in a hostile corner, far from friends, and close to potential trouble. If the Dibb Report of the mid-1980s, referred to in the introduction to this volume, spoke of a benign security environment, then that was in contradiction of common perceptions.

The current perception of crisis is not new, but merely an up-date. Considering only the years since World War II, Australia's sense of insecurity is seen in a series of foreign policy and domestic events: membership of SEATO, sending forces to Korea in the early 1950s, to Malaya and Borneo in the late 1950s and 1960s, and to Vietnam in the 1960s and early 1970s, large-scale civil defence campaigns in the 1950s in expectation of nuclear war, widespread teaching of Indonesian language in schools in the 1960s because of confrontation with Indonesia, compulsory military training ("National Service") in the 1950s, conscription between 1965 and 1972, excitement about the "Red Sails in the Sunset" Russian scare in the Indian Ocean in the 1970s, Russian fisheries agreements and Libyan diplomatic initiatives in the Pacific in the 1980s; and ever since the mooted independence of Papua New Guinea there have been fears of that state's collapse into either anarchy or military tyranny. The first military coup in Fiji was, at the time of writing, 17 years ago, and took place amid much unjustified speculation of instability in the region. The 1990s were free of "cold war" alarmism, but not of the perception of the steady decline in the economic viability and quality of governance among its Pacific neighbors, the assertiveness of Malaysia, or the slide toward revolution in Indonesia. During this decade, Australia attempted to present itself as having an Asian identity. This was driven by anxiety about being perceived as different, not from a sense of identification and affinity.

In other words, there has never been a time in recent history when Australians have not been concerned about some aspect of the so-called "arc of instability," nor have

¹The allusion is the 18th century hymn, "Rock of Ages, Cleft for Me" by Augustus M. Toplady, a favorite in staunchly Wesleyan Tonga.

they been lacking alarmist analysts whose profession it is to warn of possibilities. Such speculations do not necessarily indicate that the possibilities were probabilities. Perhaps, “possibilities” never became “probabilities” or “actualities” because forward thinking and good management averted their development. Nevertheless, to suggest that there is a unique or novel quality about the present crisis of instability is misleading; moreover, past experience might suggest that current alarmist perceptions are exaggerated. This is certainly the case in defining the scope of the “arc,” and the identification of “risk” factors has contributed toward a stereotyping whereby almost half a hemisphere is implied to be in a state of near collapse or convulsion.

15.2 TONGAN RISK FACTORS

At least for the more remote island states of the Pacific this perception is unfortunate both for understanding contemporary and historical processes, and for the influence that it might have on policy and diplomacy. As least as far as Tonga is concerned, the problem is not instability but a perception of rigidity. In the Pacific region, Tonga is the “rock of ages” (see Appendix). Tonga is not immune to political dissent, its economic base is narrow, its prosperity heavily dependent on gratuitous capital flows (aid and remittances), and it is vulnerable to natural disasters (notably hurricanes). Above all, it is small, though at a population of about 100,000 many times larger than the smallest Pacific states (Figure 15.1). The perceived sources of instability elsewhere do not on the whole apply to Tonga: it has no land borders; no “artificial” or “arbitrary” colonial international boundaries; no seabed ownership disputes with neighboring states; there are no displaced citizens or minorities to flood into Australia or nearer neighbors; it does not have the resources with which to threaten other states;² if it should come to economic collapse it will not bring any other state down with it because its trade is too small;³ political chaos there would have no ramifications elsewhere. Its only possible contribution to regional insecurity is that it could become a haven for terrorists or international criminals, but in the present condition of governance, Tonga is one of the least likely to be exploited in that manner, and cooperates in international policing arrangements.

In popular and media perceptions, Tonga’s problem is not the weakness of authority or the threat of anarchy, but an excess of authority. Commonly referred to as “feudal,” or an “absolute monarchy,” Tonga suffers criticism because the king has constitutional powers and political significance, and that the legislature is only partly elected. That Tonga should be roundly condemned so often for not being democratic, when the serious political problems in the region are located in states that are democratic is an anomaly seldom noticed by critics. While governance in Tonga is not beyond criticism, the failings of efficiency and probity are not on the same scale as found elsewhere, and do not threaten the stability of the state or Tonga’s generally high rating on the Human Development Index. In fact, the Pacific Human Resources Development Report gave Tonga a human

²Tonga’s army is a small internal security force of less than 400; its naval force is three patrol boats supplied and maintained by Australia.

³According to a *National Reserve Bank of Tonga, Quarterly Bulletin*, September 2001, 2000–2001 exports were estimated at To. \$23 million, and imports To. \$120 million; average exchange rate for 2000 being Aus. \$0.97 and US \$0.61.

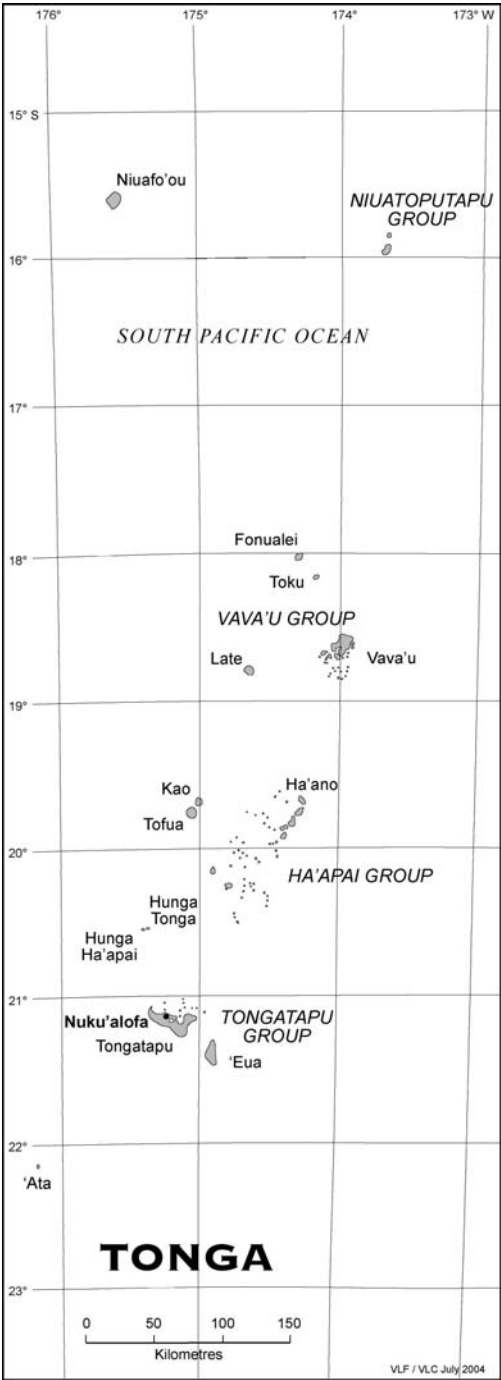


Figure 15.1 Tonga

development rating of 0.647 in 1999, third among Pacific Development Member Countries of the Asian Development Bank, and its human poverty index of 5.9 was the lowest.

15.3 THE TONGAN POLITICAL SYSTEM

The structure of politics in Tonga entrenches stability in contrast to the democratic systems elsewhere that favor volatility. Tonga's constitution is one of the oldest in the world, having been adopted in 1875. Amendments have not affected the basic structure or principles of government. It sets out the rights of citizens and guarantees the basic freedoms, it defines the power of the king and the rules of succession, it constitutes the Supreme Court, and the membership and role of the legislative assembly. The legislative assembly has three constituent parts: nine people's representatives, nine nobles' representatives (elected from and by 30 holders of 33 titles of nobility), and cabinet members (number not specified, but presently 12) appointed by the king and by convention not from those elected to parliament. Elections are held triennially. The prime minister, like other members of cabinet is appointed to that position by the king and since 1904 has usually been a close relative of the monarch, as a matter of political practice, not constitutional necessity.⁴ The affairs of government are directed by the cabinet sitting as the Privy Council in which form the king is a member, and usually the chair. Legislation may be initiated by any member of parliament, but usually comes from the privy council.

The powers of the people's representatives are obviously severely circumscribed: their role is to advise government, not to form one. Their votes – even were they to vote as a bloc – are insufficient to prevail except in combination with enough nobles or dissident ministers. This happens infrequently. Elections cannot change governments, and government policy is largely redundant at election debates in so far as elected representatives have no power to change or set policy. The franchise is universal, and the minimum voting age is 21. Electorates are rudimentary: the main island of Tongatapu (population 67,000 out of 98,000 at the 1996 census) has three representatives, and the entire island votes as a single electorate, each voter having three votes. The candidates winning the largest numbers of votes are elected. Similarly for the Ha'apai and Vava'u archipelagos which elect two members each. The remote northern islands of Niuafo'ou and Niutoputapu elect one member together, and the southern island of 'Eua, adjacent to Tongatapu, elects one member. The same formula applies for the election of the representatives of the nobles.

The electoral system could accommodate political parties very comfortably, but none have been formed successfully. The reasons for their not developing are to be found in Tongan political culture. The smallness of the politically active population discourages party formation, but perhaps more significant is the fact that the people's representatives do not have sufficient leverage to influence government, and a party could never form a government. Without the prospect of attainability of goals, there is no point to a party. It

⁴From 1904 to -1912, the premier or prime minister was S. Mateialona, an uncle of the king; from 1923 to -1940, it was Prince Mailefihi Tuku'aho Tungi, husband of Queen Salote; from 1949 to -1965, it was Salote's eldest son, the present king, whose ministers have been his brother Prince Fatefehi Tui Pelehake (1965–1992), his cousin Baron Alipate Vaea (1992–2000), and since 2000 his youngest son Prince 'Aho'eitu Lavaka-Ata-'Ulukalala.

might be different if there was a stronger awareness of common interest between nobles and people, so that a party might embrace members of both groups. This too would presuppose that a majority party could constrain the ministers to act in certain ways, but because the system is more "Congressional" than "Westminster" – that is, the ministers are responsible to the king not to parliament – they are unable to do so. Parliament's role is limited to debating, and passing or rejecting bills placed before it.

Party formation was attempted during the 1990s in an attempt to apply pressure to the government in the interests of reform, in particular in a quest for greater transparency and honesty in government. There has never been a time when there was not an element of discontent with government, but the issues and causes have varied. During the 1970s, a qualitative shift took place in the nature of political dialogue. Hitherto dynastic issues and personal ambition had been the main drivers, and these had become muted over the previous few decades. The 1970s, however, was a period of rapid development, alarmingly rapid population growth and high aid inflows, so there emerged a range of populist issues to replace the former ones: an effective land shortage despite there being large tracts of unused land; large-scale youth unemployment and underemployment; and strains arising from the inevitable lag in public administration to accommodate changing values and educational levels. Outspoken criticism during the 1970s focused on the land issue, but matters did not become incendiary until 1986, the particular issue being the exposure of extraordinary payments to members of parliament for time spent explaining taxation changes to the people. Publicity was also given to instances of the government over-reaching its authority or not following due process (Campbell, 1992, pp. 85–87).

These events resulted in the election to parliament in 1987 of several people's representatives who were dedicated to raising the ethical standards of government. They were reformists, not revolutionaries; nor were they motivated by personal ambition for there was nothing to be gained by their going into public life. However, the volume of criticism of the government increased, and so did its intensity so that by the time of the 1990 election the popular mood as expressed in votes was strongly in favor of the reformers. People began to refer to a "pro-democracy movement" and a committee was formed to attempt to encourage and coordinate public discussion, but a mass organization was not formed. Talk of constitutional reform was in the air and when the next election came in 1993, public debate had become vituperative and impassioned. It had also become clear to would-be parliamentarians, that their prospects of election were slight if they did not purport to support reform, so many called themselves "pro-democracy" candidates disingenuously. The pro-democracy committee refused to endorse any candidates.

This uncontrolled use of a political catch-cry impelled some to think about formalities and its correlates: explicit objectives and party discipline. A proposal by pro-government identities for a conservative party was still-born, and some of the reformers succeeded in forming a party, the People's Democratic Party, in 1994 but it collapsed after several months, riven by internal dissent and personality conflicts. Parliamentary unity even among those who agreed that reform was necessary was impossible to maintain, for these members generally had little in common; while they could agree that the government was badly conducted in some respects, they were far from united on the alternatives, the remedies or the tactics (Campbell, 1994, 1996).

Electoral success in Tonga has usually been a matter of personal standing in the community rather than of “platform” or political philosophy. The archipelagic electorates favor those who are widely known and have already achieved success in public life, through the civil service, business or the churches. This pattern experienced some modification during the late 1980s and 1990s because of the heightened awareness of political issues. “Platform” certainly became a factor in the early 1990s, and there was a marked “coat-tails” effect associated with the leading figure, ‘Akilisi Pohiva, who had done more than anyone to expose the wrongs and inadequacies of government since the early 1980s. Notwithstanding considerable effort by Pohiva, his parliamentary associates, and members of the pro-democracy movement to widen the political debate from specific instances of complaint to questions of political philosophy and institutions, the electorate has remained focused on the specific, and on personal attributes. To this writer (based on his impression from observations in Tonga made during successive visits in the 1990s), there seems to be little discontent in Tonga with its institutions – the constitution, monarchy, nobility, and legislative assembly; even leaders in the reform movement have repeatedly stressed their loyalty and support for the monarchy, and insisted that their demands are for accountability and justice, not for the overthrow of the regime; nevertheless, there is a very strong desire that these institutions should function honestly, efficiently, and fairly, and be able to stand scrutiny.

Government, however, remains a system of patronage. There is little scope for members of parliament to engage in “pork-barreling” because they have no patronage to dispense other than what they can manage from their private resources. Elections are conducted efficiently and honestly as a result. For the nobles, however, for whom it is harder to find a role in a changing society, parliamentary membership is an important source of status and additional income which assists in the performance of the noble role. The nobles are disinclined to join in criticism of government because by kinship connections and other affinities it is possible for them to obtain benefits for their localities and people. Their solidarity and their loyalty to the royal family is reinforced by strategic marriages which in turn influence status and particularly the personal rank and proximity to the seat of power in the next or later generations. The monarch still has enormous influence over the marriage choices of members of the nobility and other high-ranking Tongans. In these circumstances, a nobles-people political alliance is extremely unlikely.

This is not to say that there is not a sense of shared identity between nobles and their people. History, kinship and propinquity all contribute to this sense of identity, but the fealty implied by critics who speak of Tonga as “feudal” is not part of this system. Tongans are not serfs; there is no legal bond tying a commoner to a noble or the noble’s estate. People may come or go, migrate to the city or abroad freely. This freedom might be inhibited by social ties but there is no structural constraint. There is a sense of loyalty and service owed to the noble in whose district one’s family lives. The entire country is divided into tracts called “nobles” estates. This had some meaning in the 19th century and for much of the 20th when nobles retained residual roles in governing their peoples, but these roles have generally been taken over by central or local government. However, it was from the nobles’ estates that land was allocated for the support of the people. Under the original Land Act of 1882 nobles had no power in relation to the

allocation of house and farm land, but since 1915 have had the right to be consulted about land applications. This restored some of the power that had been taken away. A commoner needing land must apply for some already unallocated from a noble's estate, and a substantial gift is often required to induce the noble to consent. The rent, however, is owed to the government, not to the noble. Such land is not freehold, and may not be sold either by the noble or the person in whose name it is registered, and as long as possession is retained, the noble in question is acknowledged for purposes of social leadership. He exercises great influence, but without formal power. A landholder may surrender his land (in which case it reverts to noble stewardship) and seek land from another noble, or none at all (Maude and Sevele, 1987). The role of the noble is thus fraught with ambiguity: he is in a position of status and is the patron of his people; he can expect their support for ceremonial and social events, but is in a weak position if he tries to command. The idea of a noble becoming a local political leader in opposition to the government is unthinkable, but it was not always so. Increasingly the status and wealth of a noble depend on his relationship with government, and with the royal family, not with his people. Throughout the 20th century, therefore, the nobles' interests became increasingly identified with the monarchy, and less with their own people.

15.4 THE HISTORICAL BACKGROUND TO STABLE POLITICS

Tonga is unusual in the Pacific in that culture, society, and state are co-extensive. It shares this characteristic only with states smaller than itself, including Tuvalu, Nauru, Kiribati, and the Marshall Islands, but Tonga is unique in the Pacific in that this homogeneity has been embraced in a single political and status system since ancient times. At least as early as the 12th century AD a chief bearing the title "Tu'i Tonga" (King of Tonga) exercised authority over the other islands of the archipelago, and although the closeness of that rule varied over the centuries there was no breakaway so successful that local leaders ceased to have their place in the overall social status network. This is an important matter because it has meant that the historical heritage of Tongans includes a single ranking system: in other words, a noble is noble not just to his own people, but for the whole country. He is recognized universally as of high aristocratic descent; others of aristocratic descent but not holding noble titles are also widely recognized as having superior status. Thus, the system of nobility is not seen as something that derives simply from the constitution, but is inherent in Tongan culture. Its roots are deep. The authority associated with nobility and royalty stems from habits of mind and social arrangements reaching back many centuries. While the notion of an inherent superiority of aristocrats is widespread in Polynesia, it is not in Melanesia, nor is it so strongly a part of Micronesian cultures. Nowhere more than in Tonga is traditional aristocratic status so closely allied with modern political power.

To put it simply: uniquely in the contemporary Pacific, modern political authority in Tonga has a powerful continuity with the distant past; it is rooted in Tongan culture, and there has never been a rupture between traditional concepts of authority and modern ones. This is not the same as saying that Tongans are living in the past, or that there has been no political evolution, for Tonga has been undergoing a process of modernization for two centuries, but it is a process that has left Tongans still practising a culture that is all their own.

The modernization of Tonga began with the visits of whalers, traders, and missionaries in the 1790s. The unitary political system of Tonga had recently broken down in civil war and the process of re-establishing it was not begun until the 1820s with the emergence of an energetic and ambitious chief, Taufa'ahau, who had strong genealogical ties to the highest titles. A permanent Christian mission was established in 1826, and by the late 1830s probably the majority of Tongans had either converted or were under instruction, the most important convert politically being Taufa'ahau. By this time, he had become the most powerful man in the archipelago and had largely reunified it. In 1838, he promulgated a code of law which was the first step toward a new political system, and this was followed by revised codes in 1850 and 1862. With the 1862 code, the shape of the new Tonga became evident. Taufa'ahau, by then known as Tupou, was beyond challenge politically, and had established a rudimentary parliament and had a European secretary to handle state business. The 1862 code was especially significant for abolishing the authority chiefs held over their people and in effect supplanting them with a single centralized authority (Campbell, 2001).

Tonga was still however, only a reformed chieftainship, and to make the transition to modern statehood, a formal constitution was adopted in 1875, followed by treaties with Germany (1878), Britain (1879), and the United States (1886). In the next decade major steps forward included land legislation (1882), universal, compulsory and secular education (1881), and other characteristics of modern government such as regular systems of taxation and port regulations. On paper at least, Tonga was now modeled on western states. There were adjustment problems. Making the chiefs and people (and the small number of foreign settlers) understand the new structure of authority required a strong hand, usually that of the former missionary and prime minister, Shirley Baker. Baker's program and style made enemies among all the significant sectors of society: missionaries, settlers, the new nobility, and the disempowered former chiefs. The resulting impasse in government brought about the intervention of the British High Commissioner for the Western Pacific under the treaty of 1879. Baker was removed from office and deported in 1890. Tupou died less than three years later, in 1893, and a new period of instability lasting about 30 years began (Campbell, 2001).

There were two principal components to this instability. The first was the relative shallowness of parliamentary and bureaucratic experience. The success of the reforms of the 1870s and 1880s rested very heavily on the masterliness of Baker and the stature of Tupou. In their place in the 1890s was a young and self-indulgent king lacking experience, Tupou II, and his prime minister, a protégé of Baker's whose personal competence was at least matched by his unpopularity. Making formal government work was unpopular in many quarters; failing in some respects to make it work brought ridicule and contempt (Campbell, 2001).

The second source of instability was dynastic. Tupou's kingdom was brought about by conquest, and validated by his genealogical connections. Since there were many other Tongans whose descent was as distinguished, and enjoyed higher personal rank, and including the descendants of ancient and high-ranking titles that Tupou had abrogated, there were many who could with some justice regard him as a usurper. (In fairness to Tupou, there would have been no kingdom for these malcontents to covet had he not re-established it.) Moreover, the complex ancient network of chiefs had been abolished. The former social hierarchy was reduced to a common level in law, and only 20 of the highest

chiefs were selected for new titles of nobility. This was subsequently increased to 30, and subsequently three more titles were created. But the limitation of titles and the loss of status by many highly ranked men left a long-lasting legacy of antagonism and bitterness toward Tupou and his dynasty. Consequently, neither the nobles (dynastic rivals) nor the former chiefs were well disposed, and while Tupou personally could keep these people in check, they were able to make life difficult for his successors. Parliament was largely hostile because of the complementary resentments of the nobles and the people's representatives who were probably all down-graded chiefs.

The combination of weak leadership and aristocratic anger resulted in 20 years of weak government and instability which brought about British intervention in 1900 when, under the Treaty of Friendship, Tonga became a British protectorate, and again in 1904, resulting in the British Consul and Agent acquiring significant advisory powers (Campbell, 2001, pp. 133–4). Eight years later a major confrontation between the king and the British consul was resolved by litigation in the former's favor. This appearance of nationalist assertiveness brought about a degree of rapprochement between the now more mature Tupou II and some of his most strident enemies. It also led to the appointment of a succession of British representatives who were more politically astute and interpreted their role as being to support and stabilize the shaky regime. One of the first fruits of these developments was a major constitutional reform in 1914. Parliament had previously comprised all the nobles, plus an equal number of people's representatives, the governors of Vava'u and Ha'apai, and the king's ministers, hitherto four in number. The king was therefore never able to dominate the government. The amendment introduced the representative element to the nobles, only seven of them being represented in parliament. The people's representatives were reduced to seven to match, and possibly in the interests of greater efficiency, more ministers were appointed. The number varied, but was generally around seven.

Whether intended or not, and it probably was, this reform completely changed the balance of power in Tonga, but the king lived only another three years to enjoy it. His successor, the young Queen Salote, was even younger and less experienced than he had been on his accession in 1893, and had to begin from a weaker position than her father had. There was a legacy of resentment toward her because of controversy over her father's marriage to her mother in 1900. Moreover, she was a woman, and being a Tupou there were the same dynastic jealousies as before. Most of her ministers were Europeans, appointed because of their greater capacity to manage a modern state, but who had no loyalty to her and whose Tongan social connections were with the former chiefly class. The dynastic problem was largely overcome by Salote's marriage shortly before her accession to Mailefihi Tuku'aho, holder of the Tungi title. Tungi was the senior member of the lineage that was generally considered to be the alternative royal line. Consequently, the rivalry was resolved in the absorption of both lines in Salote's children, the eldest of whom, Taufa'ahau, is the present king Tupou IV.

Overcoming the enmity of the European members of cabinet was a slow process, largely of attrition. The queen was young; they were much older. Reconciliation with the nobles and the more influential of the degraded chiefly families was also a slow process which the queen undertook by giving their sons educational privileges and opportunities, by arranging status-raising marriages for them, and thus grooming them for future leadership. Her own dignity and non-confrontational style, combined with a

higher standard of government administration than formerly, kept the government largely crisis free for most of her reign (Ellem, 1999).

Consequently, by the time Tupou IV came to the throne in 1965 there had been a complete turn-around in Tongan politics. The dynasty was unchallenged, a new generation of nobles was loyal and compliant and a new technocratic generation of Tongans identified their social mobility and economic success with their relationship with the regime. Three generations had passed since the constitution was adopted. For two of those generations Tonga was passing through a period of adjustment marked by instability, uncertainty, and speculation.

15.5 RECENT AND CURRENT ISSUES

The security of the regime combined with the persistent veneration for high rank gave an assurance that might have added to the normal arrogance of power, but in other respects the hallmark of Tupou IV's reign has been an unremitting drive to break free from the limitations of the past. The expansion of educational opportunity was a matter in which he took a close personal interest, and his public life has shown a sense of urgency about economic development. So while his government has sometimes ridden rough-shod over individuals, and has seemed sometimes to be careless of the rights guaranteed in the constitution, it has always been focused on the prospects of economic growth. Growth targets have been a feature of economic management since the first Five Year Development Plan was adopted in 1966, and the result of successive plans (if disappointing in terms of stated targets) have been many new schools, especially at secondary level, the development of tertiary education in teacher training, nurse training, and marine training. Medical services have expanded enormously, roads built and maintained, wharves, harbors and airports have been established and then enlarged in many places. Reticulated water supplies have been created, and electrification has reached all over the large island of Tongatapu and has been extended to all the other major centers of population. Economic growth has been sustained, and the standard of living of Tongans bears little resemblance to what it was only 40 years ago (Campbell, 2001).

Tupou IV has sought larger-scale and more rapid development even than what was accomplished. Many grandiose schemes have proven impractical or unsuccessful for other reasons. Land reclamation from lagoons, a timber industry and light engineering were among the more practical; others have included oil production, major engineering and shipbuilding. Retreating from the impractical to the fanciful have been proposals for massive oil storage facilities (in one case using the crater of a dormant volcano) to supply the Pacific region, nuclear power, wave energy, gas extraction from seawater, and the acceptance of garbage from abroad to burn for power generation. Concern at the land shortage led to leasing land in Papua New Guinea and Hawaii for Tongan resettlement. The same drive for rapid development has led to the adoption of some schemes that brought strong criticism and ridicule: the sale of passports in the late 1980s and early 1990s for tens of thousands of dollars (US) to mainly Chinese who had reasons for seeking a passport from a source other than their own government. The exposure of this activity and the anomalous legal status of the passport holders led to a constitutional amendment retrospectively granting citizenship to large numbers of

buyers, and of the sale of token amounts of land to them. The money from these activities was also the subject of continuing scandal as the ownership of it – the state or the king – was apparently in doubt. Much of the money has since been lost in what has been reported in the media as an investment fraud.

Many of these proposals or undertakings were initiated by the king or through him by foreigners who made extravagant promises of what they had to offer. The government at large and civil service seem not to have been seriously distracted by these schemes, but have pressed ahead with more orthodox governance and developmental programs, often in close partnership with aid and development agencies on both bilateral and multilateral bases. However, the erratic nature of the development strategies, both conventional and unorthodox, provides the context for political dispute, and some of them have been the subject of political controversy, particularly the passports and citizenship controversies, and the king's relationship with two of his most recent foreign friends, Dr Sam Wong the retail and tourism developer and J. D. Bogdonoff, the so-called "court jester" and investment adviser.

Amid all the controversy the government has proven resilient. Pressure applied by reformist politicians on cabinet ministers has resulted in none of them leaving office. While there have been changes in the ministry, these have resulted from other causes. The political careers of the reformers have been more ephemeral as they have become worn down by the effort, or have disagreed with their colleagues. Similarly, popular demonstrations involving massed marches to the palace to present petitions to the king, have had no effect. Nor have the successive elections in which strong support has been shown for candidates identifying themselves with reform proposals, and particularly for Pohiva the most persistent and outspoken of the critics.

15.6 GOVERNMENT UNDER PRESSURE

There have been two occasions when the government has given the impression of feeling beleaguered – in late 1992 and early 1993, and again 10 years later – but on neither occasion was the state threatened with instability or the government with collapse. During 1992, public opinion seemed to be strongly in support of the government's critics, and the pro-democracy committee was working hard to promote a wider dialogue about the principle of democracy and the constitution. This culminated in a major convention in December at which international constitutional experts, and Tongan intellectuals from home and abroad were invited to speak, and representatives of the overseas media were invited to attend. The government reacted in fright. Most members of cabinet absented themselves from the capital and even from the kingdom, leaving the Minister of Police the Hon. 'Akau'ola, and the most implacable and effective opponent of the reformists, in charge as acting prime minister. Foreigners were told that they would be denied entry to the kingdom if they were coming to the convention. This was later softened to simply prohibit their speaking. Tongans who had taken a foreign nationality were treated similarly, but some were harassed at the airport and detained by police. Civil servants wishing to attend were denied leave to do so, and the proceedings were attended by plain clothes policemen (Latukefu, 1993; Campbell, 1994, p. 88). There was an atmosphere of excitement and intimidation, and observers wondered whether Tongans were being pushed to the brink of riot or insurrection.

The convention was orderly and placid. Although there were some impassioned speakers, there was no inciting to direct action. Addresses were generally didactic, explaining different political systems or advocating particular forms for Tonga. Public interest was immense: hundreds of people left their normal employment, many coming from villages as well as the capital, to listen to the arguments and engage in conversation. As the organizers intended, it was a convention to discuss constitutional alternatives. That this was all very academic does not seem to have reassured the government, and at the general election two months later, the government itself campaigned against the major reform candidates. A government spokesperson engaged in public debate, and had broadcasting air time; the government radio station censored statements of candidates and made it difficult for them to claim the broadcast time that they were entitled to. Overseas media speculated about Tonga being on the brink of revolution, a perception which was extreme at the time, and in retrospect scarcely credible.

Subsequent efforts to close down public debate took a more legalistic approach with a series of defamation suits in which Pohiva was the respondent. Subsequently, criminal charges were brought against him and one of his supporters for remarks allegedly made about the king. This prosecution failed as ultimately did one in which Pohiva and the editor and publisher of the *Taimi 'o Tonga* newspaper were prosecuted for contempt of parliament and gaoled for 30 days in 1996. Thus, during the mid-1990s there were certainly attempts to muzzle criticism, and the Supreme Court came in for criticism for its insistence on upholding the constitutional guarantees of freedom of speech. Among at least some members of the government there was considerable exasperation at the Supreme Court's position which seemed to be un-Tonga in its thinking, and obstructive of the wishes of government. This came to a head in 1997 when the speaker of the Legislative Assembly, the Hon. Fusitu'a, was prosecuted for contempt of court for challenging the court's right to declare certain parliamentary actions unlawful, and threatening the chief justice with removal (Campbell, 2001, p. 250).

These confrontations were bound to recur, and came to the surface again at the end of 2002. The *Taimi 'o Tonga* newspaper, which had begun publication in 1989 and had always taken a liberal stance, sympathizing with the reformists, giving them space in its columns, and adding its own criticisms of the government moved its base of operations to Auckland, New Zealand, in 1995, mainly for practical and economic reasons. Its owner and publisher, Kalafi Moala, had various difficulties with the government during the 1990s, and was one of those illegally gaoled for alleged contempt of parliament in 1996. Government exasperation reached such a pitch at the end of 2002 that it attempted to ban the sale and distribution of the paper in Tonga. In late February and early March, 2003, *Taimi 'o Tonga* was subjected to three bans, and became both a prohibited import and a prohibited publication. It was declared offensive in being foreign owned (Moala having years before become an American citizen), having a political agenda, and not meeting acceptable professional standards of journalism. It was allegedly "inciting disaffection" and aiming at "the overthrow of Tonga's constitutional government" (Tongan Government press release, 27 February 2003).

On 4 April, the Supreme Court declared the bans illegal, and within half an hour the government promulgated a further Privy Council order making the possession, importation, copying, or distributing of a copy of the paper a criminal offence. The previous day contempt of court charges were brought against three people for having

discussed the bans on television three weeks earlier (and before the third ban of 14 March had been announced). On 26 May the ban of 4 April was declared unlawful, but in the meantime the newspaper's trading licence had been withdrawn, and when on 28 May a consignment of the latest edition arrived in the kingdom, it was impounded and the government defied a court order to release it.

A second issue had now intruded: the first was the attempt to suppress a dissident newspaper, but the second was the challenge (as members of the government saw it) by the Supreme Court to the authority of the Privy Council. Never before had a Privy Council order been subject to judicial review. The government responded with a package of proposed constitutional amendments: that would qualify the guaranteed freedom of expression, remove the Supreme Court's right to review Privy Council orders, and clear the way for legislation regulating the press. Two weeks passed before the government finally yielded to further court orders to release the impounded edition of *Taimi 'o Tonga*. During July and August the amendments and related legislation passed their early readings in the Legislative Assembly, and in the meantime controversy grew about them. Comment from New Zealand politicians and other commentators abroad was hostile, and a minor slanging match occurred between members of the two governments. In Tonga, the Human Rights and Democracy Movement (HRDM) of Tonga undertook a public education program, with its representatives including parliamentarians addressing public meetings around the country. These meetings were attended by police officers, a fact regarded by the HRDM as sinister and intimidatory. Seven of the nine people's representatives campaigned in this way. Representatives of government were likewise touring the country holding public meetings to put their own case for the changes, and were reportedly poorly received. On 6 October, organized demonstrations occurred in the main centers. In Nuku'alofa a crowd variously reported as 6000 and 8600 in size and led by various public figures including the Catholic Bishop of Tonga marched to the Legislative Assembly to present a petition.

All this activity had no effect. On various dates in November, royal assent was given to the constitutional amendment, to an act to regulate newspapers, and an act to licence media operators (see Human Rights & Democracy Movement of Tonga Website: http://planet-tonga.com/HRDMT/Articles/Law_in_Tonga/Law_in_Tonga.shtml). The amendments qualify the freedom of expression by adding "No one shall exercise this right to infringe upon the rights of others and the cultural traditions of the Kingdom, or to violate public law and order and national security" and "The regime of the media shall be determined by law." As to the legislation regulating the press, the Chief Secretary and secretary to cabinet, 'Eseta Fusitu'a, avers that this legislation simply complements earlier legislation (the Communications Act, 2000) dealing with the Internet and broadcasting (quoted on Radio New Zealand International, 17 October 2003). The legislation moreover is claimed to be in line with practice elsewhere, including the United States of America (Government of Tonga press release, 6 June 2003).

These events raise difficult questions. The allegations made by government spokespersons about *Taimi 'o Tonga* are serious, but as its own press release of 27 February 2003 stated, these can be judged only by those who can read and understand Tongan. This category of course, includes the Catholic bishop, all the members of the HRDM, all the people's representatives in parliament, and all the media representatives who combined to form a press council in July to resist infringements of freedom

of expression. It is also clear that the government was prepared to defy the orders of its own Supreme Court and tolerate the *Tonga Star* newspaper making aspersions about the character and integrity of the chief justice. There is no doubt also that *Taimi 'o Tonga* causes deep offence among the political and social elite with its continual hammering about scandal, corruption, injustice, and misuse of power. The government secretary, 'Eseta Fusitu'a may well be justified in her complaint that the paper shows bias in selecting those it chooses to scrutinise, but Moala is equally insistent that his paper performs the necessary role of independent, fearless critic (Moala, 2002).

The changes are perhaps less objectionable in themselves than in what they represent in the longer context of modern Tongan politics. If the background were different, these events might lose their sinister complexion, but the background includes persistent attempts by senior members of government to evade scrutiny, muzzle criticism, and stifle opposition. Moala's earlier difficulties in doing business in Tonga, and his illegal incarceration in 1996, the subject of a damages award in July 2003 when the government lost its appeal against an earlier award (*New Zealand Herald*, 28 July 2003) makes it difficult for the government to act against him without at least the appearance of persecution. The repeated attempts during the 1990s to both sue and prosecute its critics, and particularly 'Akilisi Pohiva, do not reflect favorably on the government's motives or intentions. Pohiva indeed can claim a longer history of victimization going back to 1985 when as a civil servant he was first promoted and then dismissed in the same month, the dismissal being for a radio program on current affairs that he conducted. The response to the Constitutional Convention in 1992 and parliament's breaching its own rules of procedure in 1996 in the trial of Pohiva, Moala, and 'Akau'ola, are the actions of a government, which prizes its dignity above constitutional values. In connection with this last event, the verbal attack on Chief Justice Nigel Hampton by a senior member of the government foreshadowed the exasperation voiced this year over the Supreme Court over-riding the Privy Council (*Radio New Zealand International*, 8 April 2003). There is a pattern to the events that weakens the government's credibility however plausible the explanations given.

Heavy-handedness rather than weakness therefore characterizes the Tongan government's relationship with its domestic critics. Its methods are blunt and sometimes clumsy. By international standards of misgovernment these are not notably oppressive however vexatious or unjust they are to its victims. Instability is not the issue.

15.7 CONSTITUTIONAL REFORM

The Tongan constitution is easily amended as the events of 2003 show: an amendment is in effect merely another item of legislation. Originally, a bill to amend the constitution had to pass at two successive sessions of parliament, and since parliament was called only once every two years, there was ample opportunity for deliberation (see Latukefu, 1975, p. 57). The ease of constitutional amendment goes to the other extreme, allowing constitutional amendments to circumvent ephemeral political embarrassments as was the case in 1990–1991 as well as in 2003.

The pro-democracy movement has pressed for constitutional change only since about 1990. The political critics of the 1980s were concerned with exposing abuses, confident that publicity and the goodwill of the king would be sufficient to rectify

faults. The failure of calls for greater honesty and transparency turned critics' minds to the question of structural change that would make ministers accountable to the public. Neither in the Constitutional Convention of 1992 nor any other public discussions, have the prominent members of the reform movement suggested radical change. Some were very conservative: wanting merely moral reform; none were so radical as to call for the overthrow of the monarchy or the abolition of the nobility. Seriously suggested alternatives preserve a constitutional role for both monarch and nobles.

In April 2002, the HRDM of Tonga made a specific proposal for a new constitution as a basis for discussion, and circulated copies widely in Tonga. It attempted to address three fundamental problems: the inability of the people to change their government, the lack of accountability by government, and the failure of the existing constitution to enforce the principle of equal rights. In response to feedback a later more radical proposal was published in August 2002. This proposal retained the king as head of state but not head of government; made the privy council more widely based, and deprives it of both executive and legislative power except as an upper house of parliament with limited powers to scrutinize legislation; and an enlarged, popularly elected assembly of 30 members including six nobles, six women, and six representatives of overseas Tongans; and cabinet to be selected from members of the assembly, and to be accountable to it (HRDM of Tonga media release, 6 September 2002). In effect, it democratizes the government without necessitating social revolution. Even this, the most radical proposal of the HRDM, and the result of wide consultation, is very moderate, and not out of keeping with other modern Pacific constitutions.

Implementation of this or any other thoroughgoing constitutional reform cannot come about without a major transformation of the outlook of the governing elite. The present privy council would need to be in favor of it, and most importantly, it would need to have the support (rather than the mere assent) of the king. The indications of recent political history are that such a change is not likely. Stability is inherent in the Tongan social and political arrangements, which are sanctioned by deep cultural traditions. Moderate reform will depend on the announced arrival of extreme instability, for which the ingredients are not yet apparent.

The weaknesses of the present constitution are however, perhaps not more serious than the weaknesses of more democratic models which in the Pacific have proven to be feeble instruments in preventing corruption and abuse of power. The Tongan constitution relies as do all constitutions on the personal integrity of particular office holders. In Tonga's case, the key individual is a hereditary office holder. The constitution permits a good deal of flexibility, and with a king or queen willing to delegate authority and allow greater play to the existing democratic elements the impetus for reform would become very much weaker.

15.8 IMPLICATIONS FOR THE REGION AND FOR AUSTRALIA

Tonga is not a risk or threat to the region either in its unreformed state, or in its potential development. It is an instructive case study however. It was at its most unstable during the first 30 years of constitutional history, and that instability was only overcome by foreign intervention which gave the regime a breathing space to consolidate and establish the conventions that would make the constitution (subsequently amended) work. If

history has lessons, this one is *that new democracies need a “shake-down” time with international mentoring*. This is what the younger Pacific states are still going through. Long periods of stability, however, bring their own abuses in their train.

The Tongan example also shows something about the nature of foreign intervention: that which benefited Tonga so much was not annexation to a colonial power, or heavy-handed didacticism, but after an initial intervention to re-establish the integrity of government, subtle and constructive engagement did the rest. Both in relation to modern Tonga and to the rest of the Pacific Australia might reasonably offer institutional strengthening in order to keep government clean, honest, and efficient, but this will require other forms of aid to sweeten the pill. An attitude of cordiality rather than criticism will go much further to achieving the objectives of good governance and regional stability. This indeed seems to be the policy and practice of the Australian government.

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16. SAMOA: AUSTRALIA'S PACIFIC SUCCESS STORY?

16.1 INTRODUCTION

In this chapter, we focus on the two issues that link Australia and Samoa – aid and migration. We will examine the role Australia has played in the social and economic transformation of Samoa since the 1970s, the cost and rewards of these changes, and how they have shaped Samoa's relations with Australia. Currently Australia's commercial interests in Samoa are minor, but significant in a small economy. The major banks (ANZ and Westpac) are Australian-owned and Australian exports to Samoa were valued at \$5.4 million in 2002–2003, of which, according to AusAID, a large part was refined petroleum. The value of goods imported by Australia from Samoa is far greater. In 2002–2003 these totaled \$98.6 million and almost all of these were car wire harnesses assembled at the Yazaki plant in Apia and exported to Japanese car assembly plants in Australia.

Australia's interests in Samoa are focused on social development via support for health, education, and human resource development, and in particular support for good governance. Of all the Pacific island states, Samoa may be currently the most stable, having achieved a compromise between sovereignty and external dependence and the competing demands of tradition and modernity. Samoa has one language, one culture, and no ethnic problems, since few foreigners live in the islands (Figure 16.1). It was the first small island dependency in the Pacific to achieve full independence in 1962. But in the 42 years since Independence, and with considerable assistance from Australia since the mid 1970s, social and economic change has been more rapid and extensive than during the 62 years of colonial rule.

When Samoa (then known as Western Samoa) became independent from New Zealand (which had governed under a UN Trusteeship), about 90% of the population lived in villages where they were sustained by subsistence agriculture and fisheries. Most households obtained small amounts of cash by growing export crops such as bananas, copra, and cocoa. These provided very modest amounts of cash income to most households. Houses were mainly traditional domed, open-walled thatched houses located in nucleated settlements located along the coasts of the two main islands. There were few sealed roads and communications were poor, few villages had piped water or modern amenities, health services were basic, and most people only had access to primary education. The country was governed by *matai* (titled heads of families) at village and national levels, who alone could vote in elections until 1990. Fertility rates were high and about half the population (around 115,000) were under 25 years old. Few Samoans lived outside Samoa.

Forty-two years later, Samoa has a population of about 170,000 with almost as many Samoa-born people living abroad, mainly in the USA, New Zealand, and Australia.

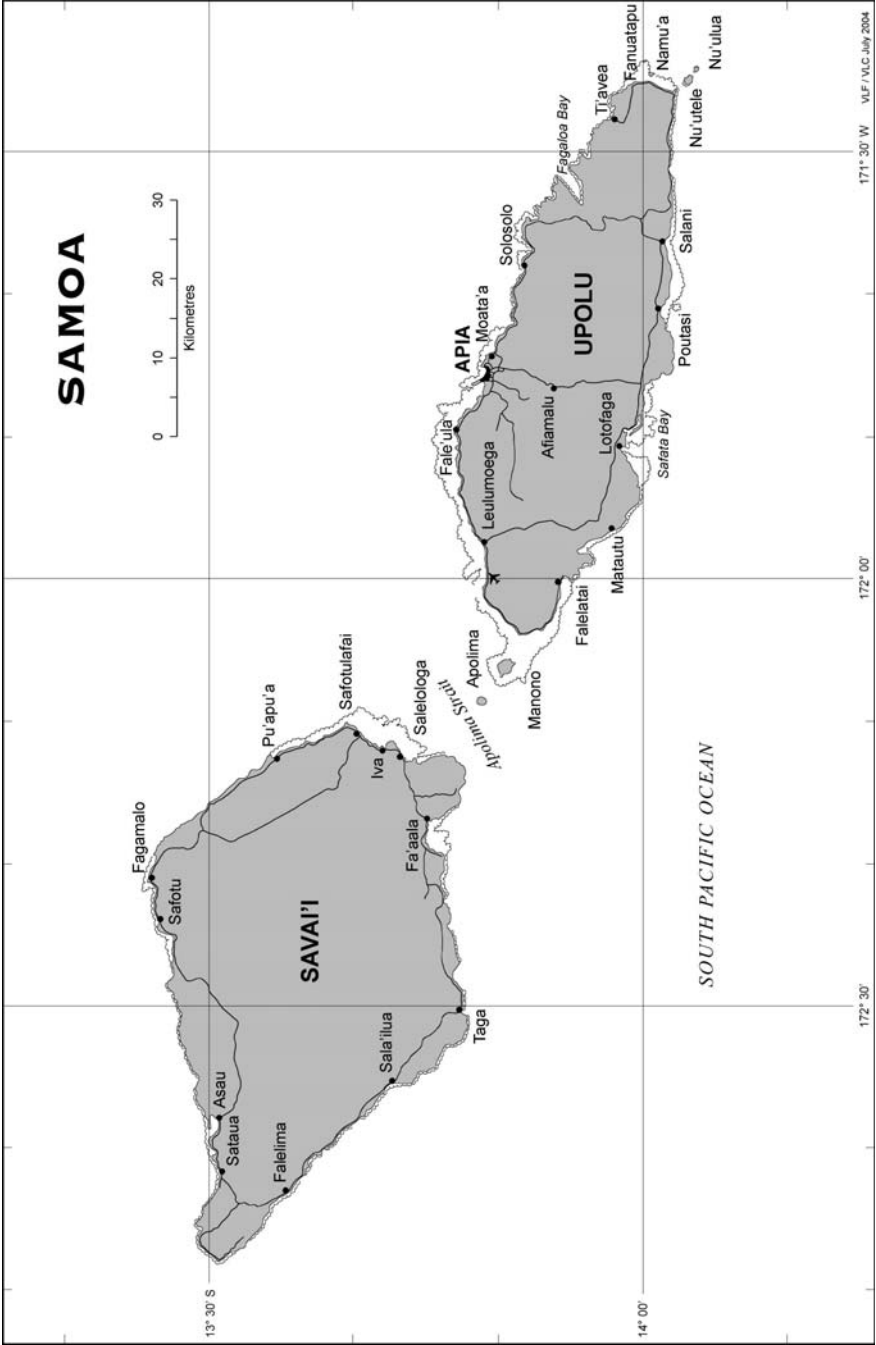


Figure 16.1 Samoa

Virtually every family in Samoa has kin overseas and although most still practice agriculture for their basic livelihood, they have access to cash from relatives living abroad. Today, Samoans live in houses built of permanent materials, in neatly gardened compounds surrounded by hedges, in villages located along sealed roads. The country has become urbanized, not just through the growth of the town of Apia, but in the character of its villages. Most households have access to piped water and electricity, and most children have at least eight years of formal education. Health services are still basic, but the population has easy access to two modern government hospitals. Everyone can vote, although only *matai* may stand for elections, but the number of *matai* has multiplied so that now most adult men, as well as many women have titles.

16.2 THE FORCES OF CHANGE

It might reasonably be asked why Samoa became independent in the first place, given its smallness and low prospects for economic prosperity in the 1960s. To answer that question we must look back on the nation's history. In the period between 1830 and 1860, there was a cultural revolution created by the near universal adoption of Christianity. As Samoans accepted the doctrine that all were equal in God's eyes, the chiefly system began gradually to be leveled as ascribed rank distinctions diminished and the old customs that supported these distinctions were abandoned.

From the 1860s, Samoa's chiefs had growing problems dealing with the growing influx of foreign settlers. The Samoan political system had been one of autonomous villages grouped into rival allied districts, each alliance acknowledging its own paramount chief. Political dominance shifted frequently between one faction and another, and warfare between competing alliances was endemic. A common voice was needed to deal with foreign intrusion, but ancient rivalries prevented one from emerging. US, British, and German settlers represented by their consuls, began to demand a national government under a Samoan king. Conflict over land and other entitlement were growing between Samoan and settlers and the consuls had to go, often fruitlessly, from chief to chief seeking resolutions in their favor. But attempts to reconcile Samoan institutions with a central government failed, as the Samoans could reach no agreement as to which of their paramount chiefs would be king. The period 1860 and 1900 was one of escalating civil wars between competing Samoan factions backed by rival groups of ambitious foreigners. Eventually representatives of the German, British, and the US governments sat down together in Berlin and agreed to divide the islands between the USA and Germany. Britain withdrew its claims in exchange for German concessions elsewhere in the Pacific. The eastern islands of the Samoan archipelago became a US territory, American Samoa, as it is today. The larger and more populous islands in the west became part of Germany's Pacific "coconut empire" and were administered to suit the interest of a Hamburg-based plantation and trading company.

German and US colonial policy aimed to suppress the political institutions that encouraged factional rivalry among the Samoans. The German administration had the most difficult task, since the major chiefs of the time lived in the western islands, but it was close to achieving its goal when the First World War commenced in 1914. New Zealand, acting on behalf of Britain, sent a military expedition to Samoa to remove German officials and set up an interim administration. In 1921, it was granted a mandate

to govern Western Samoa¹ by the League of Nations. By 1926, two interest groups had emerged in opposition to New Zealand rule. The first was a coalition of chiefs who resented paternalistic intervention in their political affairs by the New Zealand administration. The second was the foreign settler and part-Samoan business and planter community who objected to the administration's economic interference. The two groups merged in the person of Taisi O. F. Nelson, who had a foot in each camp, and who became the international voice of a movement known as the Mau, a name connoting "Samoan opinion." This resistance movement, with its motto "Samoa for the Samoans," agitated by means of peaceful demonstrations, non-cooperation and international representation. In 1929, open conflict began when New Zealand military police opened fire on an un-armed procession of demonstrators, resulting in the death of Tamasese Lealofi III, one of Samoa's highest ranking chiefs.² The civil conflict widened as New Zealand attempted to suppress the Mau by force, but by the late 1930s Samoan opposition became more moderate as New Zealand became more accommodating. The Second World War diverted attention from national conflict but the determination among many Samoan leaders to achieve self-government, and independence continued until these political goals were achieved in 1962 (see Davidson, 1967; Meleisea, 1987).

16.3 IMPACTS OF MIGRATION

In the 1950s, the architects of Samoan independence were optimistic that the people of Samoa would be content with their customary way of life under the authority of *matai*.³ The Mau slogan "Samoa for the Samoans" encapsulated an ultra-nationalist world view that held Samoan institutions and culture were unique and prized by Samoans above all else, so it was believed that Samoans would never wish to live any other way than under *fa'asamoa* (Samoan ways). But some senior Samoans were sceptical that Samoa could go it alone. The late Meleisea Folitau, a senior government official in the years preceding independence, told the writers that he had originally had reservations about Samoa's political independence. Although he sympathized with nationalist aspirations, the country was so lacking in development infrastructure and had such limited development potential that he could not see how it could be viable on its own. However, he and other highly placed doubters were persuaded to change their views by members of one of the United Nations visiting mission on decolonization in the 1950s. He became convinced that sustainable development and national self-sufficiency would be possible if people continued to live in their customary manner under Samoan institutions. The hope that Samoans would forever be content with customary rural life was soon proved false. In the 1960s, half Samoa's population was under 20 years of age, this was the first generation in which most completed primary school, and this younger generation became restless with the limitations

¹The name by which Samoa was known internationally between 1962 and 1997.

²Four chiefly titles, Malietoa, Tamasese, Mata'afa, Tuimaleali'ifano, those associated with chiefly contenders for the Samoan monarchy 1860–1900, came to be regarded as Samoa's official paramount titles.

³Over time, the term *matai* has incorporated traditional status distinctions between *ali'i* (chiefs) and *tulafale* (orators, heads of families) as well as those of traditional rank (although rank distinctions are still made on formal occasions). See Meleisea, 1995 and Tcherkezoff, 2000.

of village life. Parents, having invested in their children's education expected them to earn, but the rural economy offered little opportunity to make money (O'Meara, 1990). School classrooms often featured pictures of life in America and New Zealand cut out of magazines for the children to admire. Emigration, a trickle in the 1960s, became a flood in the 1970s.

Samoans have three avenues of migration; under a quota system they can migrate directly to New Zealand, and once they have permanent residence status or New Zealand Citizenship, they can move to Australia. Another means of "step migration" is to the USA via American Samoa. Migration from Samoa to the USA began to climb in the 1970s. Those who had relatives in American Samoa to accommodate them moved to Tutuila to work in the Pagopago tuna canneries. In the 1970s and 1980s, jobs were open to workers from independent Samoa because the more affluent American Samoans had other opportunities. They could emigrate at will to the USA, and those who stayed in the islands and who qualified as "poor" by US federal standards were entitled to food stamps and other federal assistance. "Poverty" was measured by a US mainland inner-city yardstick, so large numbers of American Samoans qualified. School children received free American-style breakfast and lunch at school, pre-schoolers went to Head Start, "seniors" were given hot lunches, and the business of dispensing all these services created jobs for hundreds of cooks and clerical workers. If the Western Samoans who came in to take the cannery jobs that were less attractive to American Samoans stayed long enough, they got green cards. This allowed them to migrate to the US mainland, popular destinations being Hawaii and California. About 65,000 Samoan-born people now live in the USA.

New Zealand was the major migrant destination. Today half of New Zealand's 225,600 Pacific Islander populations are Samoans, who number around 115,000. Until the 1950s, Samoans had free access to New Zealand, but few Samoans chose to take it, and those who did were mainly urban part European or part Chinese. In 1951, there were only 1336 Samoa-born people living in New Zealand. After 1955, Samoans had to apply for visas to New Zealand; as visitors they could obtain short-term visas but if they wanted to work in New Zealand, they were required to apply for them under the continuing residence scheme. This required the applicant to undergo extensive screening and demonstrate that employment had been organized. Successful applicants got renewable six-month visas and a resident permit after five years. In 1962, Samoa and New Zealand signed a treaty of friendship, which provided for preferential treatment of Samoan immigrants, but this was revised in 1967 when a quota of 1100 migrants a year was introduced. Between 1961 and 1991, 38,832 Samoans settled legally in New Zealand (Va'a, 2001, p. 63).

In the 1980s, increasing numbers of Samoans left New Zealand to settle in Australia, which now has over 40,000 residents of Samoan ethnic origin. Most of these people came to Australia from New Zealand after that country restructured its economy in the 1980s. Samoans were heavily concentrated in semi-skilled and unskilled manufacturing and service work. The removal of protective tariffs and subsidies caused a massive downturn in the manufacturing sector, and thousands of Samoan workers lost their jobs and became reliant on social welfare, which was also cut back during this period (see Krishnan et al., 1994). Australia offered more chance of finding work than New Zealand and Samoans quickly formed communities in industrial working class suburbs in Sydney, Melbourne and Brisbane as well as smaller cities, soon starting their own churches that are the hub of Samoan community life (Va'a, 2001).

16.4 ECONOMIC IMPACTS OF EMIGRATION

Every family dispatching members abroad expected the emigrants to do their duty and send money home. As Samoan families became established in overseas communities, they helped relatives to join them by finding them jobs and providing guarantees and temporary accommodation. By the 1980s, the effects of migration and remittances had begun to transform villages around the country. Nucleated settlements of traditional thatched houses were replaced by rows of concrete and timber iron-roofed houses scattered along the sides of the main roads, and a new, more individualistic lifestyle among rural people. The economic effects of this exodus were also powerful. During the first two decades of independence, economists fretted about how to increase Samoa's exports and earn the foreign exchange needed to pay for the growing demand for imported goods. Dozens of expensive aid projects aimed to increase agricultural production were launched, most if not all failing when funds and subsidies ran out (Schoeffel, 1996, p. 61–94). But migrants created strong export niche markets for Samoan products.

This proved to be a mixed blessing. In the 1980s, as the Samoan population of New Zealand grew, the demand for taro, the most favored Samoan staple, grew and there was an export boom that enriched some growers, but proved to have disastrous environmental consequences. Under customary usage, individual families have use rights to various small portions of an extended family estate, for subsistence and small-scale commercial use, under the nominal custody of its *matai*. Growing taro on a commercial scale required clearance of lowland forest because most existing holdings were too small to be profitable. According to custom, forests are owned in common by villages, but when portions are cleared for cultivation they become part of the estate of the *matai* whose kin-group did the clearing. To obtain land, Samoan entrepreneurs used their kinship connections⁴ in various villages to become *matai*, and their superior wealth or influence to obtain consent from other *matai* to clear large areas of forest for taro plantations. The normal constraint of family labor availability was overcome because the entrepreneurs could afford to hire wage labor. In a short period of time a number of individuals acquired sizable commercial plantations by the manipulation of traditional norms. The boom ended when taro blight, a fungal disease, wiped out the crop, but while it lasted there was massive deforestation. According to Ward and Ashcroft (1998, p. 31) the land under forest on Upolu decreased from 43 percent in around 1987 to 25 percent in 1990 due mainly to land clearance for commercial agriculture.

Only a handful of Samoans had or have sufficient capital to make a good living from commercial farming (see O'Meara, 1990), and most Samoans have no experience of running small enterprises; indeed cultural forces tend to inhibit private enterprise (Schoeffel, 1996, pp. 95–121). Those who want money head overseas and most migrants send money home for at least a few years. The money sent pays for school fees and builds family houses, village churches, and residences for church ministers; and also for the increasingly lavish exchange ceremonies that Samoans use to mark important events. These ceremonies create their own economy for bulk supplies of imported canned meat and fish and live pigs and cattle. By the 1990s, migrants were also sending

⁴In some cases, the connection was very remote.

home hundreds of cheap second-hand cars, along with TV sets, stereos, furniture, and other household appliances, earning the government considerable revenue from import duties. Remittance inflows had ended balance of payment problems, and the importance of agricultural exports in the economy became negligible. If Samoa can continue to export labor as it has done since the 1970s, remittances will continue to underpin the economy. The problem for Samoa is that due to structural economic forces in Australia and New Zealand, there is decreased demand for unskilled labor, and immigration opportunities are becoming more restricted.

Samoa today has a population of around 182,000 with as many more people living overseas; it is an exemplar of globalization, sitting at the hub of an international network of kin, most of whom retain strong links to the homeland. In consequence, the country stands somewhat uneasily between First World and Third. People's expectations are conditioned by the living standards of their mainly working class kin in the USA, New Zealand, and Australia, but although the gap between living standards between home and abroad is narrowing, wages in Samoa are only a fraction of those to be earned abroad. The cost of living is high; those who sell bananas, taro, fish, and other produce at markets do so to get money to buy imported goods such as clothing, kerosene, petrol, soap, sugar, rice, flour, and canned and fresh meat. These goods cost more in Samoa than they do overseas, but everyone depends on imported goods as necessities of life today. Educational and health services cannot match those available to migrants living in the suburbs of metropolitan countries, but Samoans know there are better services to be had abroad, and want these for themselves and their families. Most younger Samoans, unless they have prestigious jobs to compensate for the modest wages they are paid, would choose to emigrate if they had the chance, and large numbers of Samoans abroad have taken or are trying to get elder members of their families to join them, so they can be cared for, often with assistance from social welfare services.

Samoa's aspirations are increasingly conditioned by the migrant experience. Taking just one issue as an example, there are no facilities in Samoa to treat diseases resulting in renal failure. The government has so far been unable to afford a dialysis unit although this is likely to change soon. Samoans appear to have a high pre-disposition to diabetes and gout leading to renal problems, which some medical experts consider to be related to the recent dietary transition from a simple traditional diet to one high in low-quality processed imported foods, as well as to genetic pre-disposition. Those who develop renal disease in Samoa must die unless they qualify for the heavily overstretched overseas treatment scheme funded by New Zealand, or the government's own equally burdened scheme.⁵ Samoans compare the automatic right to healthcare enjoyed by their relatives with legal rights to live in New Zealand with their own plight and feel harshly treated by fate. Another issue is education. While Samoa is doing reasonably well in the provision of primary education, it lacks the resources to provide secondary and tertiary education to match that available in Australia and New Zealand. Many families aspire to send children abroad for education, so they can acquire the job skills needed in today's labor markets, but this is an impossible dream for most.

⁵Samoa plans to establish a dialysis unit at the national hospital under the 2005 health budget.

16.5 THE POLITICS OF MIGRATION

Because of the growing dependence on migration and remittances, migration became a painful political issue in New Zealand (Krishnan et al., 1994). In the 1960s, New Zealand welcomed the flood of cheap island labor, but in the 1970s New Zealand entered recession at a time when increasing numbers of Samoans and other islanders were overstaying their visas. In 1976, the authorities launched a campaign to deport over-stayers, which included tactics such as dawn raids on the home of suspects, and random street arrests aiming to capture elusive over-stayers. There was a public outcry and the practice was eventually abandoned. In 1986–1987, New Zealand experimented with a visa waiver, which led to mass arrivals from Samoa and other Pacific Island countries. By 1989, New Zealand authorities recorded 8288 over-stayers from Samoa.

In 1982, a case appealing a deportation order brought by a Samoan over-stayer, Falemai Lesa, went all the way to the Privy Council in London, which New Zealand used as its highest court of appeal. The Privy Council found that Mrs. Lesa was a New Zealand citizen by virtue of legislation that was in force when Samoa was a colony of New Zealand. This legislation, the Privy Council ruled, applied to all Samoans born between 1924 and 1948, and their heirs. Quailing at the prospect of virtually all of Samoa's 170,000 people moving to New Zealand, the New Zealand Parliament hastily nullified the Privy Council decision by passing the 1982 Citizenship (Western Samoa) Act.⁶ This stated that Samoans born before 1948 did not qualify for New Zealand citizenship. The Samoan government of the day found the prospect of a mass departure of its people equally unwelcome and passed similar legislation. Lest the concerns about a mass exodus by Samoa and New Zealand should seem exaggerated, it should be noted that more than two-thirds of the populations of the Cook Islands, Niue and Tokelau, have moved from the islands to New Zealand, as the terms of their links with New Zealand permit free access to New Zealand. Niue is now virtually depopulated, even before the recent cyclone drove away many of the remaining families on the island.

The issue of Samoan rights to New Zealand citizenship has remained a focus of Samoan grievance with their own government and that of New Zealand ever since, and opposition politicians in both countries revived it in 2003. In March of that year, there were mass rallies in New Zealand and Samoa, unsuccessfully demanding the repeal of the Act. According to media reports, thousands of people protested outside the New Zealand Parliament and outside the New Zealand High Commission in Apia, with speeches, dancing, and singing. New Zealand parliamentarians were presented with a 100,000-signature petition to repeal the Act. It is highly unlikely that either government will repeal the legislation in question, however.

16.6 SAMOANS IN AUSTRALIA

From the Australian perspective, it might be asked if Samoan migration benefits Australia. As noted above, Samoa-born and New Zealand-born ethnic Samoans began

⁶According to a respected New Zealand constitutional expert, Alison Quentin-Baxter, the New Zealand government was advised that the Privy Council decision had no defensible basis in law (personal communication, May 2004). However the popular belief that it was a racist decision remains strong. Figures are in Australian Dollars.

to move to Australia in large numbers when unemployment grew high in New Zealand in the 1980s. It is hard to state how many Samoans moved to Australia in the 1980s because only the Samoan-born is recorded in census figures. The 1991 census showed that 5742 Samoan-born people lived in Australia almost twice as many as were recorded in 1986, and according to the 2001 census 13,206 people said they were born in Samoa. A study of Samoa-born migrants in Sydney in 1992–1993 showed that most Samoan migrants, like most of those in New Zealand, are concentrated in low-income outer suburbs in unskilled and semi-skilled manufacturing and service jobs (Va'a, 2001). About one-third of those surveyed were unemployed on benefits and seeking jobs. For most, life revolved around their churches, which had predominantly Samoan membership. In New Zealand, Samoans are a significant and influential ethnic minority, comprising over half of all people of Pacific Island origin. There are well known Samoan New Zealanders in the performing and visual arts, literature, broadcasting, and of course in athletics and team sports, where Samoans first made their mark, particularly in rugby (union and league). But in Australia, Samoan communities in Sydney, Brisbane, and Melbourne (as well as a few smaller centers), only emerged in the 1980s. They are eclipsed by many other more numerous ethnic groups and lack the political influence that Samoans have developed in New Zealand. Many studies show that Samoan migrants in the USA, New Zealand, and Australia fall easily into a poverty trap created not only by obligations to send money and goods to Samoa, but by the conflict of cultural demands in the new homeland. The writers have been told by Australian Samoans of a pattern by which people move to Australia from New Zealand to escape the heavy financial obligations of church, ceremonies that develop in migrant communities, only to recreate the same financially burdensome cultural patterns in Australia. Va'a also notes this pattern and his data illustrate that of 120 households remitting money, an average \$225.75 was sent to Samoa each month, but in addition, households spent an average total of \$247.64 a month on church donations, and \$91.00 on traditional ceremonies.⁷ The total cost of contributions to ceremonies and church donations was greater than the cost of remittances, although this money was spent in Australia. Yamamoto's study of Samoans in Hawaii argues that the benefits of migration are greater for the homeland than for the first-generation migrants themselves. Migrants are obliged to help kin in Samoa and to participate in cultural and religious activities that work well in subsistence-based villages, but not in industrial cities. Samoans, she points out, have created a discourse of identity that says "if you are Samoan you must give" (Yamamoto, 2001). However, the New Zealand experience suggests that most overseas-born Samoans integrate well with the host society and that role models will quickly develop for young Australian Samoans. Already, Australian Samoans are beginning to make names for themselves in Australian rugby sides and it is likely others will make their mark in many other endeavors in the future. Samoans are family-oriented and tend to have large families of four or more children. They are Christian and as well as having distinctive Samoan values, they tend to have values that make them good migrants such as a desire for education, saving to own a home, and having respecting for civil authority.

⁷Traditional ceremonies are events such as weddings and funerals, the costs of which are supported by a network of family and friends according to Samoan custom.

16.7 AID AND AUSTRALIAN INFLUENCE

In the 1970s and 1980s, the Cold War worked in Samoa's favor. When the Soviet Union and China began making overtures to Samoa (along with other newly independent Pacific Islands in the 1970s), foreign aid increased sharply. During this period, Australia expanded its role in the Pacific islands as "America's sheriff" and as American aid to all countries except US territories dried-up, Australian aid soured. In its first two decades of Independence, Samoa received only limited New Zealand assistance, but by the late 1970s, development assistance funds were being provided by Australia, Japan, China, the European Union, and various UN agencies as well. Today, Australia is Samoa's second largest bilateral donor after Japan, providing aid of \$16.3 million (2003–2004).

In 1985, Bertram and Watters proposed that a number of small island states have adopted a development process that they termed the "MIRAB model" (Migration, Remittances, Aid, and Bureaucracy). The state acts as the main employer (bureaucracy) while remittances from migrant and foreign aid are the main economic resources. These writers argued that the model was viable and sustainable as long as the remittances and international aid allowed small island states to make best use of their comparative advantage (see Poirine, 1998). But the model has displeased many development economists who see an economy based on "rents" and on what Larmour (1998) calls "trading on sovereignty," as both distasteful and unsustainable.

This view is represented at its most extreme by Helen Hughes who captured much media attention in 2003 following her publication of an essay demanding an end to Australian aid to the Pacific Islands. Hughes points out that the A\$100 billion (in 1998 dollars) that Australia has expended in aid to the Pacific islands since 1970⁸ rather than producing development in the Pacific has created economic "rents" that distort economies and actually undermine real development. Instead, she recommends that the Pacific Island States pull up their socks, stop breeding so fast, get a grip on law and order and governance, and put young men out to work in agriculture. The problem with Hughes's argument is that it conflates diverse situations with an entity called "the Pacific." Another problem is that, like influential 1991 World Bank study of "the Pacific," Hughes makes invidious comparisons with Mauritius, overlooking the fact that if an indigenous population of Mauritius had survived – indeed existed in the first place – in substantial numbers, its culture intact, its imported population of enterprising migrants which in fact constitutes the entire population, would not now be running the country so successfully. Rather, its problems would, in principle, be more like those of Fiji. The Pacific Islands cannot be compared with the small island states of the Caribbean or the Indian Ocean. What makes the Pacific unique is that most countries, like Samoa, are run by the representatives of their indigenous populations who lived under paternalistic colonial regimes for 60 years or more, in which they were told to stay in their villages and be traditional with occasional forays as contract labor in some areas. Reconciling this heritage with the demands of modernity has been a far more difficult and painful business than anyone realized in the heady days of decolonization. Although some of Hughes's ire may be justified with respect to performance of the

⁸By her reckoning, Samoa has been the seventh largest recipient of 20 Pacific Island states and territories, with US\$1086 million since 1970.

larger multicultural states of Fiji, Papua New Guinea, Solomon Islands, and Vanuatu, they are less justified with regard to small island states where size severely limits economic options. Ward and Proctor first pointed this out in 1980 in an Asian Development Bank-sponsored study of agriculture and development prospects in the Pacific Islands.

The suggestion that Australia should offer special entry concessions to migrants from small island states has been mooted since the 1990s and in 1994 AusAID commissioned a study by Appleyard and Stahl (1995) on the implications for Australia of New Zealand's experience with Pacific Island migration. One of the questions addressed by the authors was whether Australia was bound to treat all Pacific islands equally with respect to immigration, or whether the smaller states deserved special concessions. In their conclusions, the authors point out that sustainable development is an option for some Pacific island states but less so for others, defining "sustainable" development as "a process whereby output per capita rises over time in ways which benefit the masses without compromising the welfare of future generations." In their opinion, the Pacific Islands can be considered in three categories with respect to the sustainability of their development potential; "unfurnished" states such as Tuvalu, Kiribati, and Tokelau, "partly furnished" states such as Tonga and Samoa, and "fully furnished" states such as Papua New Guinea, Solomon Islands, Vanuatu, and Fiji. Because labor migration and remittances are the best options for the "unfurnished" and "partly furnished" Pacific states, they suggest that it would be quite reasonable for Australia to apply immigration concession to these countries without feeling the need to treat all Pacific Island countries equally.

In practical terms, Samoa and its even smaller neighbors such as Tonga, Tuvalu, and Kiribati need access to Australian labor markets and health and educational services far more than they need development aid. However, the Australian government has stood firm on its policy to treat all applicants for entry to Australia alike. Since the Appleyard and Stahl study, the argument for concessions has shifted ground somewhat, with critics of Australia's refusal to sign the Kyoto protocol on greenhouse gas emissions pointing out that global warming threatens atoll states such as Kiribati and Tuvalu with inundation. The threat of rising sea levels and increased frequency of tropical cyclones is also very real for small volcanic islands such as the two main islands that comprise Samoa. With their steep interiors, all the country's infrastructure and housing is concentrated on narrow coastal corridors. Some indication of what might be in store occurred in 1991 when successive cyclones Val and Ofa struck Samoa with 240 kph winds destroying roads, bridges, and buildings and flattening and destroying all food crops, leaving Samoans without electricity for five weeks and without water for seven. Whole villages on the western side of the islands were swept away and their people had to relocate inland from scratch. The damage to property was estimated at more than \$500 million. Much of the damage to private property was repaired by private remittances from the overseas branches of Samoan extended families.

In the 1990s, the government of Samoa began to embrace globalization and to accept emigration and a certain degree of external dependency as facts of life, even as potential strengths, rather than as cause for concern. Indeed, government officials and members of parliament have told the writers that they would like to gear Samoa's development more closely to its realities, developing the nation's human resources as

much for emigration as for national benefit, because the two are interconnected. In a published interview in 2003, the Deputy Prime Minister Misa Telefoni Retzlaff said:⁹

“Remittances might rightfully be called the mainstay of our economy. I got into an argument with a lady from the International Monetary Fund who said islanders living overseas should stop sending money because it makes people at home lazy. I told the bank to mind its own business. But I also went to my statistics department and had them do geographic mapping on the areas that receive the most remittances. Then I had them map the areas of most economic productivity. In actual fact her contention was absolutely untrue. Some of the areas receiving the most remittances were also the most productive, in taro production, for instance. We remain classified as an “underdeveloped country” because they do not count remittances, but if they did, I am sure we would no longer meet the criteria of underdeveloped. We receive approximately US\$600 per year in remittances for every man, woman, and child in the country.”

16.8 THE GOVERNANCE AGENDA

Although Australia has so far refused to make immigration concessions to Samoa and other small island states, there has been a shift in aid, with less emphasis on export-generated economic growth, and more emphasis on education, health, and policy development. Australia has provided extensive technical assistance along with New Zealand and the Asian Development Bank, to assist a program of financial, economic, and public sector reform. In her influential (previously cited) paper, “Aid has Failed the Pacific”, Hughes lumps Samoa together with Tonga, she notes migration and remittance dependency, and that both are agricultural economies with “small and inefficient formal sectors producing for the domestic market” and also “successful small, export-oriented agricultural and manufacturing production.” She goes on to criticize the illiberal regime in Tonga but makes no mention of Samoa’s progress in governance, perhaps because it illustrates how aid has succeeded and counters her core thesis.

Samoa is still a kin-based society and the web of family connections and obligations tends to intrude into government and politics. Politics in Samoa have long depended on patronage networks and some degree of cronyism, supported by neo-traditional political institutions including the church. The political system is fairly democratic, nevertheless, even though the same party has held power for 17 years. Some elements of the political system in Samoa have attracted particular criticism; for example, heads of departments are made by ministerial appointment that has the effect of politicizing the civil service. Elections are held at five-year intervals that some critics say is too long. Over the years, there have been periodic battles between the government and a handful of privately owned newspapers, notably the *Samoa Observer*. However, their publishers and editors have resisted political intimidation and continued to report things as they see them.

There have been several scandals in the past decade, such as the way in which the government glossed over a critical report by the Controller and Chief Auditor, Rimoni Ah

⁹Pacific Magazine, September 2003, pp. 18–19.

Chong. In his report to the Legislative Assembly in July 1994,¹⁰ Mr. Ah Chong detailed official abuse of power. In effect, he was charging nearly half of the 13-member cabinet with improper activities. Cabinet appointed a commission of inquiry to investigate the Chief Auditor who was subsequently suspended for exceeding his brief. He was eventually dismissed after a constitutional amendment for that purpose. When the matter went to the Court of Appeals, the Judge ruled that while the Chief Auditor may have technically overstepped established reporting protocols, but that he had revealed disturbing facts which indicated a code of conduct need to be adopted by Government. In 2003, Transparency International awarded Mr. Ah Chong one of three 2003 "Integrity Awards." These recognize the courage of individuals and organizations fighting corruption. Even greater scandal and tragedy were to follow. In 1999, two former Ministers named in the Controller and Chief Auditor's report were tried and sentenced for arranging the assassination of the Minister for Works, Luagalau Levaula Kamu. A young man pleaded guilty to shooting Luagalau and gave evidence at the trial that his father Leafa Vitale and Toi Aukuso Cain had arranged the assassination. Leafa had formerly been minister for works and was replaced by Luagalau, who may have investigated his predecessor's dealings too closely. These sordid events shocked the Samoan public and may have created a climate of improved government integrity and accountability. The government, however, has retained its popularity through these trials because of the services it has provided to rural areas in the form of upgraded and new roads, water supplies, and electrical power. In general, it can be said that Samoa voters are more interested in bread and butter issues (or in Samoan terms, taro and coconut cream issues) and tend to vote for individuals who have served their local communities well. For instance, the success of the oddly named Human Rights Protection Party in hanging on to office for so long is due to its ability to attract the loyalty of candidates who can draw support at the district level.

Internationally, the focus on governance and development is linked to a reform agenda that has arisen from the concerns of aid donors and international development agencies such as the World Bank, Asian Development Bank, and UNDP. These concerns are about the cost and questionable efficiency of governments in many developing countries. They have questioned whether the amount of national and donor resources required to support the public sector is justified by cost effectiveness. It is argued that a weak private sector is stifled by the intrusions of the state into every sphere of activity. If the lion's share of resources goes to dysfunctional governments, it is argued, the private sector, that should be generating economic growth, will languish. The standard prescription is to cut public expenditure by reducing the size of government. This includes cutting government jobs, privatizing state-owned enterprises, contracting out government services to private providers, abolishing government subsidies and all other state mechanisms that encourage cronyism, and the siphoning off of public funds. At the same time, governments are urged to streamline, retrain, and reorganize bureaucracy so that it operates more efficiently, and to encourage better performance among civil servants by subjecting them to corporate mechanisms and market forces and pressures.

Australia has been proactive in encouraging reform along these lines in Samoa, but it is widely agreed that Samoa's greater success in comparison to other Pacific Island

¹⁰Covering the period from 1 January 1993 to 30 June 1994.

countries is due to local leadership (see Knapman and Saldhana, 1999). Financial and public sector reforms have been successful, although there is still work to be done, due to the support of the political leadership – the Prime Minister Tuilaepa Sailele was formerly the Minister for Finance and has a background in economics. However, the reforms were also endorsed by well-educated senior civil servants who readily appreciated that the gain would outweigh the pain. Asian Development Bank studies of Samoa's reforms published in 1999 and 2000 note that reforms got underway around 1996 and have included tariff and tax reforms. The introduction of a consumption tax aroused ferocious public and political opposition, but the government held firm. It stopped short at taxing the incomes of Church ministers, however. Most are lavishly paid by Samoan standards, the majority from a fund of personal donations. Given their immense social and political influence, a government bold enough to tax clergymen could expect few votes in a subsequent election. Financial liberalization has been pursued since 1998 with good results, involving the removal of much red tape, government controls on credit and interest rates, and strengthening of Central Bank capacity (Asian Development Bank, 2000). But unfortunately, economic growth in the ensuing period has been led by the fisheries sector where, it is widely agreed, fish yields are unsustainable and will require controls if the resource is not to be depleted.

16.9 SAMOA, AUSTRALIA, AND INTERNATIONAL RELATIONS

As the “superpower” of the Pacific, Australia is regarded with some degree of suspicion by small island states that are sensitive about potential Australian coercion. At the 34th meeting of the Pacific Forum in August 2003, the Prime Minister of Australia John Howard apparently managed to persuade a majority of the Forum's 14 islands country members to appoint an Australian, a former diplomat and Pacific specialist Greg Urwin, as the Forum's new Secretary-General. Urwin was chosen over politically highly placed candidates from Samoa, Fiji, and Tonga. Urwin's candidature was accompanied by some reported grumbling in the region about Australian dominance and muscle flexing. Although Australia is a member and a major financier of the Forum Secretariat, there is a feeling that the job of Secretary-General is a Pacific Islanders' preserve. At the same meeting, Mr. Howard made it clear that Australia expected the Forum to exert more influence on economic policies in the Pacific islands, and more control over security matters like terrorism, drugs, and organized crime. In contrast to Australia, New Zealand typically takes the line that although it is not as rich and powerful as Australia, it is more sensitive and accommodating to Pacific sensibilities. For example, at the same meeting, New Zealand's Prime Minister, Helen Clark was quoted by Pacific magazine (September 2003) as saying:

“Where you have big states and little states, it is always possible for perceptions to arise that the big states are throwing their weight around. . . . It is incumbent on big states to address perceptions and it is incumbent on small states to look at the merits of the issues.”

Samoa has long made up its own mind on the issues. For example, in July 2003, Samoa signed the Townsville Agreement and stood with Australia on intervention in the Solomon Islands subsequently sending a contingent of police, as it had done to support UN peace-keeping in East Timor (Timor Leste) the year before. But, in contrast, Samoa

did not support Australia's decision to join the US-led "coalition of the willing" in the invasion of Iraq. On this issue, Samoa's position was similar to that of New Zealand. Peace marches were held in the capital, Apia, and the Prime Minister told 2000 demonstrators that Samoa remained committed to multilateral action only within the framework of the UN.¹¹

16.10 FUTURE SOURCES OF INSTABILITY

Samoa is enjoying many benefits from its current standing as the Pacific success story. Australia and other donors are keen to support what is working. But there are still issues of concern for the future. Samoa has one of the world highest suicide rates, at around 26 annually in a population of about 170,000.¹² Further, although Samoa has no army and its unarmed police force numbered 490 in 2002, according to a recent study of firearms in the Pacific Islands, Samoa had the highest homicide rate per capita in the Pacific. While this may reflect better record keeping, there were 175 homicides in Samoa in the period 1997–2001, and 1622 assaults (Alpers and Twyford, 2003). According to anecdotal evidence, rape and housebreaking (including several home invasion-style robberies) have escalated in recent years. There were 11,995 licensed civilian owners of firearms in Samoa in 2002, reflecting ownership of a firearm by about one in every 14 people. In fact, the number is probably much higher because it is widely believed that an illicit trade in firearms between American Samoa and Samoa has existed for years. Migration has been a safety valve for Samoa since the 1960s. Despite declining fertility rates, the rates are still high (an average total fertility rate is 4.1 children per woman), but population growth has been slow due to migration. The population of Samoa in the mid-1800s was between 30,000 and 40,000 people. Population stability was undoubtedly maintained by a lower fertility rate maintained by traditional prohibitions (Turner, 1984, pp. 80–81), warfare, and periodic natural disasters. Now, there are some 450,000 ethnic Samoans of whom less than half live in the home islands (including American Samoa with a population of about 62,000). The islands could not sustain larger populations without serious adverse environmental and social consequences. Thus, if the turn of world events were to threaten the niche, Samoa has established with its migration and remittance-based economy, there would likely be a rise in poverty and social and political instability. This is a fact that should be taken account of in Australia's assessment of its long-term relations with Samoa.

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¹¹ Pacific Magazine, May 2003.

¹² Data provided by the Suicide Awareness Association Samoa Inc., 2003.

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CONCLUSION: FUTURE PROSPECTS AND POSSIBILITIES

In this last chapter, we try to draw from the previous essays some implications for national and regional policy. To this end, we have divided the chapter into three main sections: first, there is an interrogation of the use and usefulness of the term “Australia’s arc of instability” when it comes to making policy; second, follows a discussion of what regional policy dilemmas remain for the Australian Government; and third, there is a brief outline of some outstanding issues which must be addressed if Australia is to have a constructive role in improving regional stability.

INTERROGATING “AUSTRALIA’S ARC OF INSTABILITY”

The phrase “Australia’s arc of instability” is a fraught one. It lies open to numerous interpretations. For that reason alone, it can irritate both academics and government policymakers. Bearing in mind what each of our authors has had to say, we therefore need to consider how the phrase *could* be interpreted, before we decide how it *should* be used in the process of policymaking.

Let us begin with the word “instability.” Derived from “unstable,” meaning what is rocky, unbalanced, and likely to fall over or collapse – assuming that the instability is sufficiently serious – in the case of an entire state, let alone region, this is a catastrophic scenario. For it suggests the collapse of a system, be it economic, political, or possibly even an entire social system. The cause or causes of such failure, or *potential* failure, thus reach to the core of such systems. The timing of intervention, if it is to occur, can be critical to the maintenance of humanitarian values and long-term social stability. In the case of East Timor, for example, earlier international intervention may well have prevented the perpetration of genocide (Kiernan, 2003). What we must do, therefore, is to identify the potential causes of systemic failure *before* they have effect and that is what some of the chapters have aimed to do – the chapter on Fiji, for example. In other cases, however, it is too late. The system – let us call it a “social system,” since this is the most embracing of our “system” concepts – has *already* failed. Though not, perhaps, as irrevocably as it would have if outside forces, including the Australian Government, had not become involved as, for instance, it did in Nauru and the Solomon Islands. Yet again, some of the states and territories examined in these chapters, according to their authors, appear to be rock solid; instability is ruled out. Tonga, at the eastern end of the “arc,” as assessed by Ian Campbell, is the prime example of this. Its neighbor, Samoa, the only other unambiguously Polynesian society in the book, examined by Schoeffel and Meleisea, comes close to it, but is not entirely without sources

of concern. Elsewhere, in Melanesia, states often described by commentators as “unstable” or close to being “failed states,” are, according to our authors, either stable but at the same time, weak in their institutions of governance – as is the case with Papua New Guinea, or as in the case in Vanuatu from 2001 to 2004, *is* unstable but far from collapse.

In short, not only is “instability” relative but so is system failure. It would be more accurate to say, therefore, that there are *degrees of instability* and *degrees of system collapse*. This brings us to a third issue, risk. When unstable systems collapse, or threaten to collapse, who is most at risk? A particular answer to this question depends on the nature of particular risks, but the general answer, surely, is – “those least able to protect themselves” – which, in most cases, means the poorest. In this book, we have come across a variety of risks that threaten state or territory collapse, especially when they occur in combination with others. They include problems of land tenure, financial mismanagement, corruption, political opportunism, militarism, environmental degradation, urban unemployment, crime, ethnic tension, an increased incidence of “western” lifestyle diseases, the looming pandemic of HIV/AIDS (particularly in PNG), and many others, some of which have received little attention in this book – including long-standing natural disasters such as hurricanes, earthquakes, volcanic action, tidal waves, and some new and not altogether “natural” ones like rising sea levels linked to global warming. With some exceptions it is probably true to say that whatever the risk, it is generally the rich – individuals and states – who are best equipped to protect themselves. Nauru not long ago was a very rich state measured per capita. The reason for its near total collapse has been mainly due to the financial ineptitude and profligacy of its leaders, the richest of the rich, and the kind of people who have usually planned their emergency exits well in advance. At another level, of course, Nauru’s parlous state has been caused entirely by its exploitation from outsiders.

From an Australian perspective, the *potential* risk of serious financial mismanagement also lies elsewhere in the arc and perhaps most notably in the newest and poorest state of all, East Timor. In Fiji, past financial mismanagement combined with corruption has shaken the system. Some of those who have lined their pockets not only have investments at home and abroad, as well as security systems intact to protect them from the poor when the going gets tough, but, in a few cases they have been rewarded with diplomatic posts abroad where they are not easily accountable to the public and where they can profit further from the public treasury.

In general, it is indeed the poor who face the greatest risks and do so, furthermore, in most cases not being fully aware of other people’s sources of advantage, since effective knowledge is as unevenly distributed as any other capital. Thus, in an age of globalization characterized by risk (including that of international terrorism) not only is systemic collapse an individual (state) concern, it is also a regional concern, if not a wider one, which Australia must think about seriously for its own sake if no other, and by most accounts has now begun to do so. What the preceding chapters suggest, though, is that Australia’s capacity to engage with others on their risks *within* the “arc” depends entirely on its understanding *of* the arc and the people who live there. This brings us to the other part of our title: “*Australia’s arc*.”

The direction of an arc depends on the viewpoint from which it is drawn, and what falls along or within it depends upon its range. The “arc” in this book has

looked out from Australia (or rather from a rough point of origin we call “Australia”) and consequently it has its limitations. For example, we might easily have extended it to include Thailand, Malaysia, Japan, South Korea, North Korea, Philippines, Taiwan and, therefore, China, whose stake in the Pacific Rim and even in the Pacific Islands where it already has interests, is expected to increase considerably in the next few decades (see Crocombe, 2001). However, we have not included these countries for several reasons.

First, however its analytic value is judged, the “arc of instability” concept is generally presumed in Australia to include those states and territories included here, even if others are excluded. Second, other states and foreign territories may see our arc differently. They may not see the risks Australians do or may regard them as being insignificant compared to their own regional context; they may see risks that Australians do not; in fact, they may see Australia as being the unstable state, particularly given the Howard Government’s depth of commitment to the USA alliance, and the mixed views on this held by an electorate that is asked to go to the polls every three years. However, even if all of this were the case, this does not mean that our view of the arc is mistaken or cannot be appreciated by others; nor “theirs” by us, for that matter. In fact, if the risk of system collapse really does have region-wide implications then it is vital that Australians make every effort to see the region from the perspective of each state and territory within the arc, or, if you will, it is vital that Australians in politics, government, media, NGOs, and other agencies involved in development, human rights, and peace and justice issues, try to see regional states in all of their complexity through the eyes of the different local stakeholders. Third, by way of justification, both the run of the mill demands of academic life, and strictures of publishers, mean that we have had to draw a line somewhere; scarcity of time, space, and money have demanded this. Nevertheless, if the term “Australia’s arc of instability” is tenable, providing it is qualified, then the extent and nature of instability identified in this book at different degrees of the arc are real enough and are not simply imagined or exaggerated. In which case, the concept is useful. In fact, all 10 states and territories from Christmas Island in the arc’s west to Fiji in the east, give Australia cause for some (but not equally grave) concern; the others include Indonesia, East Timor, Papua (Irian Jaya), Papua New Guinea, Solomon Islands, Nauru, Vanuatu, and New Caledonia.

Furthermore, we can now say that among this group, eight directly or indirectly show sufficient *degrees of internal instability*, to pose some risk to Australia’s security. And without seeming to suggest any likelihood of imminent economic, political, or social collapse, the greatest risk lies, or has till recently lain, in East Timor, Solomon Islands, Nauru, and Fiji.

Fiji, following the coups of 1987 and 2000, lies at the medium to high-risk end of the breakdown spectrum on account of a confluence of factors, including ethno-nationalism, political opportunism, rabid Christian fundamentalism, unresolved land issues, and the merger of political and economic elites in a climate of increasing relative deprivation or poverty. In addition, Fiji has a relatively large, well equipped, and experienced military comprising almost entirely of ethnic Fijians who could yet divide along provincial or other lines to make for another coup d’état. If this were to happen, the ensuing racial conflict would almost certainly be far bloodier than anything seen so far, and would probably also involve intra-ethnic Fijian fighting reminiscent of

pre-colonial times. In May 1987, it is worth remembering, the Hawke Labor Government not only briefly considered military intervention, before dismissing the idea, but it also raised the matter of possible evacuation. Therefore, nothing is more important for Australia than that it should maintain and develop the closest relations with the Fijian Government and military. Indeed, the time may have arrived for the Australian Government to think of reviving a Ministry of Pacific Affairs, along the lines of the one that existed until 1996. The South Pacific's largest economy, excepting Australia, and New Zealand, Fiji's problem of law and order since the Speight coup and the mutinies that followed, has been greatly improved by the appointment of an Australian to the post of Commissioner of Police, at the Fiji Government's request. Even so, it would be very naïve to suppose that one outsider, or even a few, no matter how professional and capable, could in a short while understand, let alone radically change, what is an exceedingly complex systemic situation not always understood, and certainly rarely explained by Fijians to outsiders.

In Solomon Islands, the risk of state collapse has been defused by the recent formation of RAMSI as a long-term regional response to Solomon Islands request for assistance. The particularly urgent matter of law and order seems now to be resolved. Nevertheless, land tenure matters and asymmetries of power among ethnic groups remain problematical. In Indonesia, ever since the Bali bombings in 2002, Australian Federal police, intelligence, and security officials have worked together very effectively, yet terrorist threats to Australian interests remain. They did so again when another bomb went off outside a hotel frequented by Westerners in Java in 2003. As recently as September 9, 2004, a bomb killed 9 people and injured about 200 others when it was detonated outside the Australian embassy in Jakarta in the run up to the Indonesian and Australian general elections.

In East Timor, Australia not only supported the independence movement, it also helped secure the safety of East Timorese from the Indonesian military by playing a major role in the UN mission (UNMET). Moreover, Australia's 2004 offer of increased revenue from the Greater Sunrise reserves, and forbearance with East Timor's reluctance to ratify *The Unitisation Agreement for the Development of the Greater Sunrise Field*, demonstrates its genuine regional commitment.

In Papua, in August 2004, members of the Indonesian special military force, Kopassus, known for their previous brutal suppression of the East Timorese, shot dead two Free Papua Movement (OPM) separatists in what Papua human rights activist, Dr. Aloyisius Renwarin, says may have been an attempt to start a civil or military emergency, and, despite the fact that OPA is now armed mainly with bows and arrows, and has switched its strategy to dialog.

Australia's latest financial support for Nauru has somewhat alleviated the very serious problem there of economic collapse, and this has also allayed, in part, the concerns Nauru poses directly or indirectly to regional and global safety from terrorism. Its long-term future, even its survival as a separate state, however, still has to be thought through. In Vanuatu, despite earlier concerns about political instability, plus a reluctance to become involved in it, Australia's new-found zeal for the Pacific Islands Forum (PIF) and role in RAMSI clearly suggests a future willingness to help if and when it is requested. Indeed, throughout the "arc," Australia has prioritized means and ways of promoting good governance. Nevertheless, some basic policy dilemmas remain.

SOME DILEMMAS FOR AUSTRALIAN GOVERNMENT REGIONAL POLICY

The Neo-Colonial Dilemma

The overall problem remains as to precisely what the Australian government can and should do to facilitate a solution to the regional problems outlined in the previous chapters. It is, of course, impossible to easily disentangle these issues from past policies and past perceptions, and these have seen Australia viewed in different ways in different parts of the arc of instability. Such views range from one of "regional benefactor," distributing much-needed largesse, at one end of the spectrum, to that of "colonial bully," with authoritarian attitudes to policy imposition, at the other. Other perceptions include that of "paternalistic interference," linked to a minimum of local cultural understanding. To some extent, this is also linked to perceptions of an Australasian Monroe Doctrine bound up with a "we know best" for the region mentality. There are other perceptions of Australian policies and attitudes that can be characterized as "benign neglect." Clearly, questions deriving from Australia's past regional policies, and involving negative regional perceptions, need to be addressed. Dealing with regional problems in the light of this neo-colonial dilemma appears to come down to two broad Australian policy options. The first is a "traditional sovereignty" view (Bull, 1995) which implies that a state's sovereignty is defined solely in terms of its territoriality and thus from an Australian regional policy perspective, necessitates a "hands-off" approach. The second is a "modern sovereignty" view which sees sovereignty as also incorporating other functions, including normativity (human rights, humane governance, and human dignity) and functionality (non-territorial centers of authority and control) in addition to territoriality (Falk, 2000, p. 70; Herz, 1976). From a policy perspective, this view implies intervention and cooperation, and the potentially stabilizing role of constructive engagement cannot be underestimated.

Taking the first perspective suggests that Australia cannot do much apart from offering arm's length financial and other forms of aid to the troubled states and territories. It believes Australia possesses limited responsibilities to assist independent jurisdictions and that it should focus help on those who help themselves. An alternative view is that Australia needs to find some middle ground on which it could help take some regional responsibility for basic law and order and other services in ways that would not be seen as somehow neo-colonialist. Most recently, Australia's overall stance seems to be increasingly interventionist based on a view that it has a regional responsibility to play an active role in the region. RAMSI, in particular, has signaled both a shift in Australia's regional foreign policy and in its long-term commitment to the institutionalization of law and order. However, more needs to be done in many regional states, especially in terms of issues relating to education, urbanization, and nation building, among others, but this will depend in part on accurate intelligence and on a mutually cooperative engagement process. Other matters, such as those related to land tenure, can only be dealt with by local groups.

The Self-Determination Dilemma

To some extent, there is some uncertainty within the arc of instability regarding Australia's position on self-determination that reflects the different types or "orders"

of self-determination present in the region and whether they represent, for example, “decolonization” (as in the case of New Caledonia), “provincial separation” or the claims of indigenous peoples (Falk, 2000, p. 100). On the one hand, there is a regional view of Australia as favoring *any* form of self-determination, as exemplified by East Timor. Another view is that East Timor was a regional “one off” and that other Indonesian secessionist movements are not to be officially condoned. Future options for Indonesia relate in part to the complex relationship between state territorial stability and increasing economic and political participation, with the latter implying territorial fragmentation in large authoritarian states (Rumley, 1999, p. 31). The current Australian view, though, is that it would not support any Indonesian secessionist movement since it does not wish to see the “Balkanization” of Indonesia and so West Papua’s claims would be rejected (Rumley, 1999, p. 40). Yet, as the experience in East Timor has shown, so far at least, self-determination does not *necessarily* imply Balkanization, the end result of which would be the creation of a number of independent mutually hostile states.

The Dilemma of Non-traditional Security Threats

A fundamental policy dilemma revolves around the general issue of devising appropriate policies to deal effectively with the so-called “non-traditional” security threats, and being in a position to reliably assess the relative importance of such threats – for example, HIV/AIDS in PNG – to Australian security, while not allowing these initiatives to undermine the realization of a full and proper partnership with regional members. The recent PIF decision in Samoa to adopt a Regional Aids Strategy (RAS) is to be welcomed in this regard.

In addition, there is some concern that Australia’s interests might be at risk in the concept of a regional Islamic superstate. It seems that the *al-Qaeda* terrorist group and *Jemaah Islamiyah* aspire to create an Islamic superstate in South-East Asia, known as *Daulah Islamiyah*, which would embrace Indonesia, Malaysia, Brunei, Thailand, and Cambodia. In May 2004, the Philippines national security adviser, Roilo Golez, told the Australian Broadcasting Corporation’s *Four Corners* program that Abu Bakar, with *al-Qaeda* backing, was trying to include northern Australia in its plans. Among other things, such plans potentially threaten northern Australian oil and gas production as well as regional sea lanes (lines) of communication (SLOC). Dealing with these matters can be delicate, especially when religious sensibilities are involved. Nonetheless, as the September 9, 2004 suicide bombing of the Australia Embassy in Jakarta clearly demonstrated, the terrorist threat to Australia is very real.

As has been argued, these issues have important implications for Australian defense strategy and expenditure (Cordner, 2004; Dupont, 2003). In addition, cooperative educational and training programs at a variety of levels are required which are aimed at strengthening local institutions and governance in order to reduce national and regional opportunities for exploitation by terrorists and foreign criminals (Commonwealth of Australia, 2004a, p. xv), and for that matter local ones as well. In July 2003, for example, Johnston Honimai of the Solomon Islands Broadcasting Corporation (SIBC) stressed the need for education among ordinary Solomon Islanders on what democratic leadership is all about (even some MPs did not know) and he expressed gratitude to the

aid donors who had kept SIBC alive. We have heard similar expressions of educational need in Fiji.

On a somewhat different tack, in August 2004, it was reported that the United States was developing a Fiji-based “flying squad” to visit vulnerable Pacific states in order to track regional terrorist financing and money laundering under the US State Department’s Pacific Strategy. As US Assistant Secretary of State, James Kelly, pointed out, “governments must also refrain from measures that could provide unintended support to terrorist networks” (Harvey, 2004). The question that Australians must ask is: to what extent do operations like this undermine regional faith – outside of political elites – in the bigger programs of grassroots cooperative education and training?

The Development Dilemma

Development in its broadest sense is a fundamental requirement of all states and territories within Australia’s arc of instability. Furthermore, each of the region’s “administering powers” – France, the United Kingdom, the United States, and New Zealand – together with other external aid donor states, such as Japan, bears a particular responsibility in this regard. From an Australian policy perspective, however, development should not just be equated solely with official development assistance (ODA). The regional targets, determinants, and impacts of such assistance on overall human development need to be carefully monitored and evaluated in order to be certain that they do not lead to an increase in land degradation, social, and economic inequality and thus to an increase in social and political instability. Instability, in turn, can affect the availability and provision of local services. For example, after the Speight coup in Fiji in 2000, power supply was restricted in and around the capital Suva for months, causing immense damage to business, governance, and ordinary daily life. In other states and territories, much less obvious “political” conflict and crime has led to school closures.

Most importantly, of course, it is primarily local populations who should identify development targets. Development “gaps” need to be identified in order to modify regional targets. Furthermore, as has been recently argued, a principal requirement for effective ODA is a context of “mutual obligation” (Hughes, 2004a, b, p. 10). There is a greater need to devise policies which emphasize human security (Commission on Human Security, 2003), and this raises the question of how we can usefully apply the principles of human security to deal with regional instability issues?

Clearly, apart from local instability, emigration – internal and overseas – is a common regional response to underdevelopment, which in turn debilitates local expertise and educational capacity. As has been shown, while migration networks can make some states, like Samoa, a “hub” of globalization, remittances can involve a more individualistic lifestyle back home. However, this issue raises some difficult policy questions, not the least of which concerns the linkage between regional development and stability and Australasian government migration policies.

Among other things, all of this requires the long-term strengthening of regional educational and management infrastructure and the re-establishment of vanishing political, bureaucratic, and person-to-person links between Australians and what used to be called “the islands” (Barker, 2002; Crocombe, 2001). The active encouragement of and support for leaders with moral authority who possess both real *integrity and education*

is a significant challenge. This combination is essential in order to help minimize any confusion over the direction in which development might be or should be heading.

To achieve real development requires an understanding of local conditions. There is thus a need to improve and deepen Australia's intelligence about, understanding of, and sensitivity toward all regional states and territories in order to better anticipate and help allay problems long before they become intractable (Commonwealth of Australia, 2004b).

Finally, an overriding concern of regional development policy is the necessity for it to be ecologically sustainable. This is no less true of Papua forests and minerals and East Timor resources as it is of all southwest Pacific island states and territories. Indeed, in the latter case, over the next 50 years, both Kiribati and Tuvalu (not included in this book) face the prospect of inundation (and therefore emigration) due to a sea level rise as a result of global warming. Thus, dealing with some arc of instability issues requires extra-regional, even global action.

The Instability Dilemma

As has been demonstrated in these chapters, and as was indicated earlier in this conclusion, the nature and degree of instability, the way it is locally perceived, the differential relevance of some of its causes and the capacity of states to manage conflict varies considerably in the different case studies. For example, it seems that there is likely to be a higher degree of conflict in ethnically bipolar states (Fiji) than in other states (Papua New Guinea, Vanuatu) containing a plethora of ethnic groups (see also Milne, 1981). However, strong/failed leadership and good/poor governance are critical components in this regard. Degrees of stability and instability and their local and regional importance lie, to some extent, in the eyes of the beholder.

Nonetheless, arguably there is a realistic prospect for the emergence of at least one failed state – that is, Nauru – in the next decade. There is a need for sharper anticipatory planning in terms of identifying and responding quickly to potential failed states. Nauru has already been defined by the United States as one of the first rogue states under the 2001 *Patriot Act* (Hughes, 2004a, b, p. 8), and Herr and Potter in their chapter, examined this assessment. Australia needs to define a coherent position on these and other related matters, especially in view of the fact that *it* was the country to benefit most from Nauruan phosphates. This raises many other questions about the future options of small, unstable states.

The Governance Dilemma

The problems found within the arc of instability are to a great extent a reflection of a range of deficiencies in good governance. Herein lies one of the dilemmas of self-determination. On the one hand, policies that emphasize self-determination whose end result is statehood almost inevitably confront arguments about economic viability. Clearly, it is highly debatable whether the emergence of relatively small new states as an outcome of this process will negatively impact upon Australia's national security (Aldrich and Connell, 1998, p. 249). On the other hand, for many of the existing smaller states and

territories, economic viability is problematical and a source of instability. It has been suggested, however, that, in the 21st century, "viability is a function of stable and rational administration sufficiently consensual to allow the openness essential for effective integration into the global economy" (Farer, 2003, p. 397). According to this view, designing appropriate governmental institutions and ensuring their effective functioning would likely overcome problems of economic viability. This stands in stark contrast to an alternative, more extreme view, which, in the admittedly atypical case of Nauru, advocates a "destate" option that would involve it in "ceding all rights to the island" (Hughes, 2004a, b, p. 10).

A third perspective on good governance derives from the improvement of current regional dialog institutions and, or alternatively, the construction of new and more appropriate mechanisms. These institutions would likely be different in different parts of the arc and thus respond differently according to local circumstances. The emergence of the South-West Pacific Dialog, incorporating Indonesia, Philippines, Papua New Guinea, East Timor, New Zealand, and Australia is a concept that came from former Indonesian president Abdurrahman Wahid, who believed that the area where the western Pacific and outer south-eastern Asia overlapped tended to be neglected developmentally, presenting potential challenges to the region's stability. It is possible that the dialog might help tackle problems that had arisen at the Association of South East Asian Nations (ASEAN) and the PIF. Since Megawati Soekarnoputri came to power, Indonesia's Foreign Minister and professional diplomat, Hassan Wirayuda, has championed the dialog. The former Australian Labor Party leader, Kim Beazley, had proposed a similar structure, but one more clearly focused on the Arafura Sea zone (Callick, 2002).

The matter of regionalism and regional awareness has been a long-standing one in the South Pacific sector of the arc of instability (Crocombe, 2001, pp. 591–626), and the concept of an Australasian regionalism goes back to its federation debates. The Eminent Persons Group (EPG) Report which was commissioned for the PIF in August 2003 titled "Pacific Cooperation: Voices of the Region" is a significant document in that it is the first collective statement on future regional cooperation. The extent of that cooperation is admittedly perhaps not as great as some would have hoped in that ideas mooted for a regional parliament and for a regional peacekeeping force, for example, did not feature. Rather, the principal focus was on ecologically sustainable development, economic growth, good governance, and security. Matters of energy security and environmental security were seen as central to future development. In addition, it stressed the importance of an increased regional role for women, and the need to deal with the problems of youth and human rights. Meeting the needs of the most vulnerable of the Forum's members, especially the particular needs of the small island states (SIS) was seen as essential to greater Pacific cooperation. The Report also recommended a more proactive PIF Secretariat involving a strengthened role for the new Secretary-General, Greg Urwin (PIF, 2004). However, at the PIF summit meeting in New Zealand in April 2004 to consider the Report, differing views emerged. Australia, for example, proposed some form of regional economic union, while other Forum member states preferred a cooperative approach across a range of areas, including economic development, security, shipping, and common laws.

OUTSTANDING ISSUES

Maritime Boundary Delimitation

In addition to all of the issues raised earlier in this chapter, maritime boundary delimitation is a particularly important outstanding matter that requires Australian policy attention and regional cooperation. Two issues of maritime boundary delimitation are worthy of special mention on account of their likely relevance to future regional competition and conflict. One is associated with the future national and regional role of Exclusive Economic Zones (EEZs). The other concerns a number of outstanding regional maritime boundaries.

The potential global economic significance of regional state/territory EEZs and their implications for exploitation are considerable. For example, a continued French occupation in New Caledonia increases its EEZ by a factor of six. Other regional states possess substantial EEZs compared with Australia's more than 11 million square kilometers, although the relative importance of EEZ delimitation varies considerably by regional state. For instance, Fiji's 1.3 million square kilometers is 71 times its land area; Nauru's 0.32 million square kilometers is 15,238 times its land area; Samoa's 0.12 million square kilometers is 42 times its land size; the Solomon Islands 1.34 million square kilometers is 46 times its land area; Tonga's 0.7 million square kilometers is 936 times Vanuatu's 0.68 million square kilometers is 56 times its land size (Australian Government, 2004).

With regard to the second bundle of issues, of a possible 30 sets of maritime boundaries among 23 island states in the southwestern sector of the South Pacific Ocean, only 16 bilateral agreements have been signed (Figure 17.1). The latest, between Australia and New Zealand, was agreed on July 25, 2004, though details of this are still not at hand.

While the island states and territories in this region are generally small in land area, their geographical extent allows each of them to generate comparatively large tracts of ocean in the form of an EEZ, amounting in all to over 195 million square nautical miles, if we discount Australia's claim in the Southwest Pacific Ocean and possibly a claimed extended legal continental shelf. Claims like the latter will need to be documented and details submitted to the Commission on the Limits of the Continental Shelf some time between November 16, 2004 and November 16, 2009 for approval from the Commission and comments from interested parties, especially from neighboring states.

Maritime jurisdictional limits legislation is in place in each state, and, in the cases of 16 delimited maritime boundaries, the boundaries in question will likely serve a dual role – namely, for the exploitation of hydrocarbon reserves and for the harvesting of marine biotic resources – in other words, they will function as water column and seabed boundaries.

Disputes over the sovereignty of islands will need to be resolved before a finalization of all boundaries is realized. For example, France and Vanuatu dispute ownership of Hunter and Matthew Islands; a potential problem involves Tonga's claim to North (Tele Ki Tokolau) and South Minerva Reefs (Tele Ki Tonga) that will draw in Fiji and New Zealand; and there is a dispute between Papua New Guinea and Solomon Islands over whether the speck of rocks of Pocklington Reef has an economic life of its own.

On August 12, 2004, the Australian Government offered the Government of East Timor up to A\$5 billion in additional revenue from the exploitation of the *Greater*

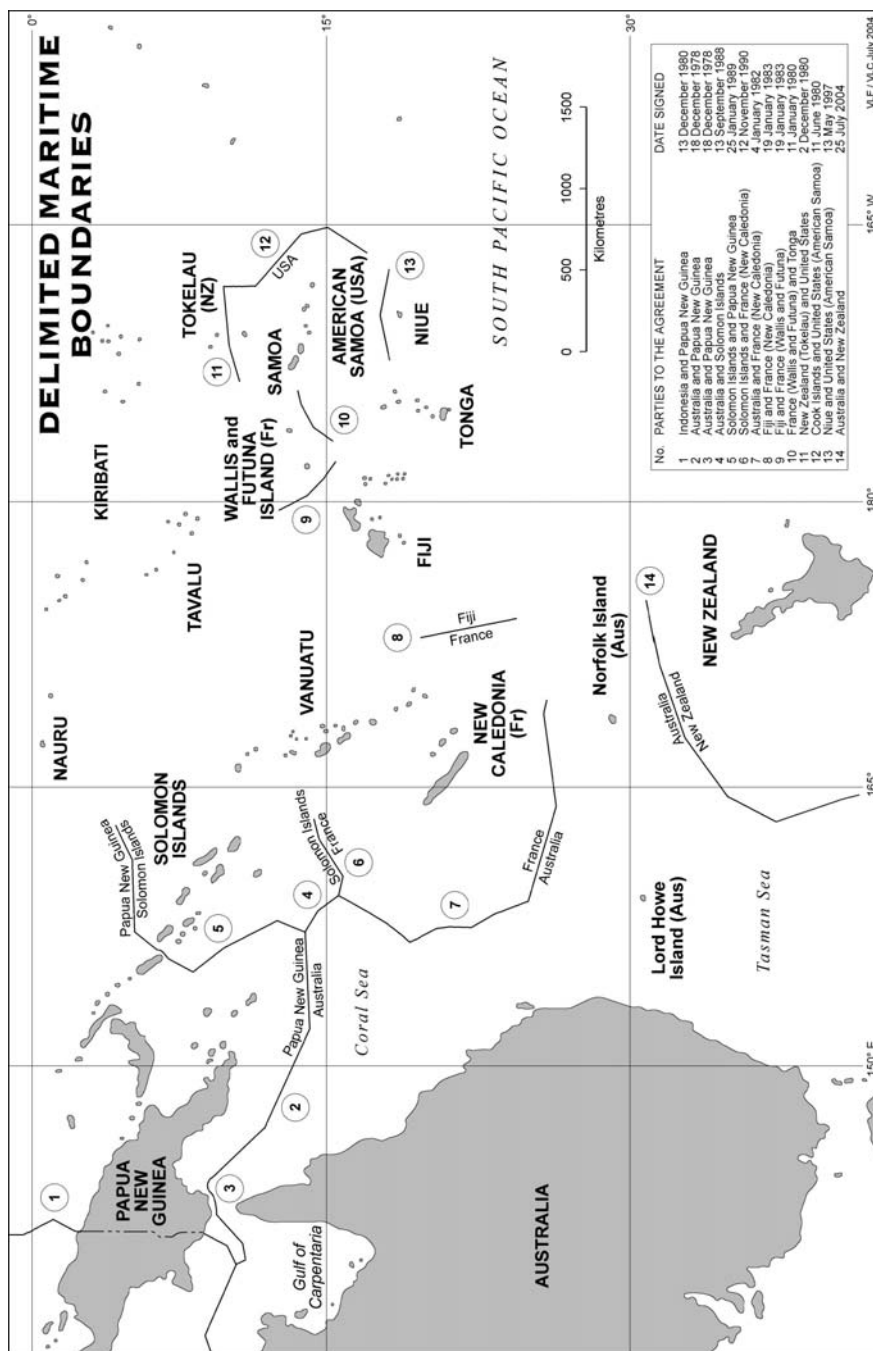


Figure 17.1 Delimited Maritime Boundaries

Sunrise gas field in the Timor Sea in order to obtain East Timor's ratification of the *Unitisation Agreement* for the development of a field said to straddle a maritime boundary in a ratio 20:80 in Australia's favor. Earlier in 2004, the East Timorese Government's engagement in an international campaign to acquire more revenue from the exploitation of the Joint Petroleum Development Area (JPDA) was seen by some commentators as doing a potential disservice to the East Timorese people since it raised the prospect of delayed development if a compromise were not reached. Indeed, there still remains a view in some quarters that future talks should try to ensure that Australia's legal position, based on the natural continental shelf principle, is not compromised. At the same time, however, such legal motives, grounded in a strict interpretation of sovereignty, may up to a point be seen to be in conflict with humanitarian and social justice concerns. In the final analysis, though, the expectation is that the financial gains accrued from the developments of the oil and gas fields in the Timor Sea – within and outside the limits of the JPDA – will flow for the benefit and welfare of all East Timorese citizens.

Addressing the Causes of Instability

Military solutions to the problems of instability generally involve treating the effects of that instability rather than its causes. Consequently, such solutions often increase the level of conflict in the process. Dealing with the *causes* of regional instability rather than designing policies that treat the *effects* is thus an essential long-term regional policy requirement, and brings us back to the title of this book. First, as it suggests, and as we have argued, there is indeed an arc of instability around northern and eastern Australia that fades east of Fiji in Tonga and Samoa. While the book title implies that there exists a certain uniformity in capacity to deal with it, as the case studies have shown, and as has been argued in this conclusion, there is a wide variety of degrees of instability and a variety of internal state and territory responses. Second, our title suggests a singular *ownership* of the arc of instability, which, of course, is not the case. For what has been seen throughout this volume, even if it has been our starting point, is not only *Australia's* arc of instability, for the issues which we have raised impinge upon all other regional states and territories, including (though we have deliberately excluded it for fear of over-extending ourselves) New Zealand. These issues also impinge upon France, the United Kingdom and the United States, which to some extent still possess significant degrees of regional interest and influence. In sum, although we expect Australia to pursue a continuing leading policy role in treating the effects of instability, understanding, and solving the *causes* of regional instability before they take effect will require the collaboration of all regional states and territories, including the "administering powers" and other states with a regional interest, such as Japan, working together toward a "major process of democratic renewal" (Reilly, 2000, p. 268); a renewal which should and only can be successfully achieved without imposition.

ACKNOWLEDGMENT

We are very grateful to Roderic Pitty of the University of Western Australia for introducing us to some of the complexities of the legal aspects of global governance.

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INDEX

- administering powers, 237
- agriculture, 19, 131, 137, 146, 152, 154, 171, 174, 183, 190, 221, 236, 237, 253, 289, 291, 294, 298, 299
- aid, 3, 9, 14, 17, 19, 20, 39, 58, 61, 62, 79, 108, 122, 123, 124, 141, 161, 167, 168, 176, 189, 190, 191, 193, 208, 211, 213, 225, 232, 244, 255, 256, 262, 264, 274, 277, 283, 288, 289, 294, 298, 299, 300, 301, 309, 311
- Akilisi Pohiva, 286
- Alexander Downer, 35, 39, 120, 175, 190, 201, 209, 257, 261
- Alliance Party, 166
- al-Qaeda, 16, 310
- Anthony Bergin, 257
- anti-Indian sentiment, 248
- ANZAC day, 232
- ASEAN, 14, 20, 313
- Asian Development Bank, 221, 276, 300, 301, 302
- AusAID, 3, 123, 165, 211, 262, 289, 299
- Australasian Monroe Doctrine, 17, 230, 309
- Australia, 1, 3, 11, 15, 23, 24, 30, 37, 41, 49, 50, 53, 56, 59, 62, 65, 78, 83, 97, 103, 105, 107, 111, 119, 167, 209, 261, 287, 289, 296, 302, 305
- Australia's arc of instability, 1, 69
- Australian Federal Police (AFP), 75, 223
- authority, 24, 29, 39, 42, 74, 93, 115
- Avenir Ensemble, 243
- Bali bombings, 15, 194, 308
- Balkanization, 87, 100, 120, 310
- Barak Sope, 217, 219, 224
- blackbirding, 178, 179, 253
- cash crops, 136, 145, 221
- cheap labour, 236, 296
- Christian fundamentalism, 307
- citizenship, 74, 207, 293, 296
- coal, 232
- Cold War, 5, 7, 11, 12, 13, 14, 16, 17, 83, 105, 126, 190, 191, 201, 204, 212, 229, 244, 298
- communes, 233, 240
- Comprehensive Reform Programme (CRP), 221, 222
- constitutional crises, 225
- constitutional reform, 8, 258, 277, 281, 287
- convicts, 141
- corruption, 6, 7, 139, 141, 142, 144, 145, 146, 161, 167, 168, 174, 176, 178, 188, 189, 190, 195, 203, 204, 226, 248, 254, 260, 261, 286, 287, 301, 306
- COTs, 232
- Coups, 8, 139, 154, 217, 222, 247, 253, 268, 269, 307
- crisis perception, 273
- decolonization, 18, 19, 106, 192, 203, 229, 235, 239, 240, 292, 298, 310
- democracy, 6, 9, 98, 101, 152, 161, 222, 277, 278, 283, 286
- demographic minoritization, 235
- departments, 107, 203, 260, 300
- development, 3, 11, 14, 17, 19, 21, 23, 25, 28, 32, 34, 36, 38, 39, 41, 44, 45, 55, 61, 65, 70, 75, 76, 77, 78, 81, 98, 101, 104, 106, 109, 114, 116, 118, 120, 133, 134, 136, 139, 141, 143, 146, 158, 160, 164, 167, 171, 174, 175, 176, 177, 179, 180, 183, 190, 191, 192, 194, 204, 211, 220, 229, 232, 236, 238, 239, 241, 242, 244, 248, 254, 256, 262, 265, 267, 274, 276, 277, 282, 283, 287, 289, 292, 298, 299, 300, 301, 307, 311, 312, 313, 316
- Dibb Report, 3, 16, 98, 273
- discourse of insecurity, 273
- dissimulation, 247
- DOMs, 232
- Durkheim, 8, 249, 250, 251, 255, 262

- East Timor, 3, 4, 5, 15, 21, 23, 30, 32, 35, 37,
 38, 39, 40, 41, 45, 64, 83, 84, 88, 94, 95,
 97, 99, 101, 103, 104, 105, 106, 107, 108,
 109, 110, 115, 116, 120, 121, 122, 123,
 124, 126, 155, 190, 194, 302, 305, 306,
 307, 308, 310, 312, 313, 316
 ecologically sustainable development, 44, 313
 economic control, 235, 242
 economic dependency, 229
 economic inequality, 237, 311
 education, 6, 59, 96, 107, 135, 140, 143, 144,
 146, 161, 174, 180, 190, 192, 213, 217,
 238, 252, 255, 256, 262, 263, 267, 269,
 280, 282, 285, 289, 291, 293, 295, 297,
 300, 309, 310, 311
 Edward Natapei, 215, 218
 elections, 6, 50, 76, 139, 141, 145, 151, 157,
 161, 164, 165, 166, 175, 211, 218, 226,
 240, 254, 261, 283, 289, 291, 308
 Eminent Persons Group, 162, 313
 ethnic tension, 3, 20, 133, 187, 222, 306
 ethnically bipolar states, 312
 Exclusive Economic Zone (EEZ), 25
 exploitation, 27, 29, 30, 31, 33, 37, 39, 42,
 45, 46, 88, 93, 94, 95, 96, 108, 201, 208,
 229, 230, 235, 269, 306, 310, 314, 316
 external debt, 218, 220

 factional infighting, 225
 fertility rates, 289
 Fiji, 3, 6, 8, 17, 19, 20, 84, 97, 129, 131, 132,
 133, 134, 135, 138, 139, 140, 142, 145,
 154, 160, 177, 178, 190, 191, 192, 217,
 222, 223, 226, 240, 244, 247, 248, 249,
 250, 251, 252, 253, 254, 255, 256, 257,
 258, 259, 260, 261, 262, 263, 264, 265,
 267, 269, 273, 298, 299, 302, 305, 306,
 307, 308, 311, 312, 314, 316
 financial mismanagement, 161, 306
 financial schemes, 220
 fisheries, 26, 27, 30, 33, 34, 191
 FLNKS, 237, 238, 240, 241, 242, 243
 Francois Mitterand, 237
 Franconesia, 234, 244
 French colonialism, 7, 229, 230, 239, 240,
 241
 French Geopolitical Project, 229, 233
 French geopolitical tradition, 230
 French nationalism, 241
 French Polynesia, 232, 237, 243, 244

 genocide, 305
 geopolitical element, 229

 George Speight, 132, 134, 139, 257
 George W. Bush, 206
 global economy, 241, 313
 global warming, 119, 299, 306, 312
 globalisation, 265
 governance, 3, 6, 7, 9, 18, 19, 94, 98, 143,
 144, 152, 175, 184, 187, 212, 213, 215,
 248, 261, 273, 274, 283, 288, 289, 298,
 300, 301, 306, 308, 309, 310, 311, 312,
 313, 316
 Grande Terre, 233
 Great Council of Chiefs, 258, 262, 267
 Greater France, 233
 Greater Sunrise, 39, 40, 41, 308
 Greg Urwin, 263, 302, 313
 Guadalcanal, 133, 134, 171, 173, 174, 175,
 178, 179, 180, 181, 182, 183, 184, 185,
 186, 187, 188, 189, 194, 223, 226

 Hawke Labor government, 308
 health, 6, 57, 59, 60, 131, 135, 136, 138, 141,
 143, 146, 174, 183, 190, 213, 234, 262,
 289, 295, 299, 300
 Helen Hughes, 298
 HIV/AIDS, 136, 145, 306, 310
 Howard government, 4, 108, 210, 211
 human rights, 5, 94, 95, 120, 121, 122, 123,
 126, 307, 308, 309, 313
 Human Rights & Democracy Movement
 (HRDMT) of Tonga, 285
 human security, 16, 311

 identity, 7, 8, 18, 85, 144, 202, 237, 239, 247,
 250, 251, 252, 253, 254, 255, 256, 258,
 264, 268, 273, 278, 297
 immigration, 4, 26, 42, 46, 49, 50, 54, 55, 56,
 57, 58, 59, 60, 62, 64, 65, 75, 79, 236, 237,
 239, 242, 295, 299, 300
 indentured labor, 253
 independence, 4, 7, 8, 9, 20, 38, 39, 84, 85,
 88, 89, 92, 93, 95, 96, 107, 108, 109, 111,
 113, 114, 115, 120, 121, 122, 123, 124,
 125, 145, 151, 152, 154, 155, 157, 159,
 160, 161, 162, 164, 166, 168, 171, 178,
 180, 182, 183, 184, 185, 186, 187, 188,
 192, 193, 202, 203, 212, 221, 229, 232,
 237, 239, 240, 241, 242, 243, 244, 253,
 254, 258, 269, 273, 289, 292, 294, 308
 Indians, 8, 71, 72, 73, 247, 248, 253, 256,
 257, 262, 267, 268, 269
 indigenous resistance, 230
 institutions, 6, 8, 151, 152, 164, 168, 180,
 205, 208, 210, 235, 239, 247, 248, 249,

- 261, 262, 263, 264, 266, 267, 268, 278,
291, 292, 300, 306, 310, 313
- Iraq, 54, 58, 83, 84, 194, 261, 262, 303
- Islamic superstate, 310
- Jacques Chirac, 237, 241
- Japan, 14, 15, 19, 53, 54, 58, 70, 84, 103, 104,
202, 232, 244, 255, 298, 307, 311, 316
- Jean-Marie Tjibaou, 237, 238
- Jemaah Islamiyah*, 79, 110, 261
- Joint Petroleum Development Area, 316
- Kanak, 8, 229, 235, 236, 237, 238, 239, 240,
241, 242, 243
- kava, 255, 259, 266
- King of Tonga, 279
- Kubuna confederacy, 249
- Kyoto Protocol, 299
- labor markets, 21, 295, 299
- land confiscation, 235, 237
- land tenure, 140, 185, 306, 308, 309
- law and order, 5, 38, 109, 139, 157, 158, 162,
167, 171, 173, 174, 175, 176, 177, 178,
187, 189, 190, 193, 194, 195, 213, 217,
225, 285, 308, 309
- leadership, 7, 8, 45, 89, 93, 94, 104, 106,
139, 140, 152, 156, 159, 179, 183, 187,
188, 189, 217, 220, 221, 222, 223, 226,
247, 248, 249, 255, 256, 257, 261, 262,
265, 266, 279, 281, 302, 310, 312
- lies, 26, 32, 47, 48, 70, 85, 95, 125, 139, 144,
194, 199, 232, 247, 249, 251, 252, 253,
261, 305, 306, 307, 312
- Loyalty Islands, 233, 238, 242, 243
- Mahendra Chaudhry, 257
- mahogany, 259
- Mailefihi Tuku'aho, 276, 281
- Maritime boundary, 4, 31, 32, 35, 36, 40, 41,
42, 45, 47, 70, 80, 314, 316
- matiai*, 289, 291, 292, 294
- Matignon Accords, 8, 230, 233, 237, 238, 239
- Melanesian Progressive Party (MPP), 217,
219, 226
- Melanesian Spearhead, 154, 244
- migration, 4, 6, 9, 14, 42, 43, 46, 52, 56, 60,
62, 63, 65, 134, 180, 183, 185, 187, 188,
253, 289, 293, 294, 296, 297, 299, 300,
303, 311
- military intervention, 156, 308
- Ministry of Pacific Affairs, 308
- mission civilisatrice*, 234
- modern sovereignty, 309
- monarchy, 9, 103, 274, 278, 279, 287, 292
- Nation Building, 4, 8, 144, 188, 247, 249,
251, 256, 259, 261, 309
- National United Party (NUP), 217, 218, 219,
223
- nationalism, 92, 105, 132, 155, 234, 240
- Nauru, 3, 7, 19, 61, 65, 69, 79, 191, 192, 199,
200, 201, 202, 203, 204, 205, 206, 207,
208, 209, 210, 211, 212, 213, 261, 262,
279, 305, 306, 307, 308, 312, 313, 314
- neocolonial dilemma, 309
- New Caledonia, 3, 7, 8, 19, 20, 23, 31, 45, 47,
84, 129, 178, 190, 193, 229, 230, 231, 232,
233, 234, 235, 236, 237, 238, 239, 240,
241, 242, 243, 244, 245, 307, 310, 314
- New Zealand, 9, 12, 13, 19, 20, 21, 23, 41,
45, 53, 54, 69, 73, 75, 97, 160, 173, 174,
177, 191, 192, 202, 212, 221, 241, 244,
257, 259, 284, 285, 286, 289, 291, 292,
293, 295, 296, 297, 298, 299, 302, 303,
308, 311, 313, 314, 316
- nickel industry, 232, 237, 242
- Non-Self Governing Territories, 235, 241
- non-traditional security, 11, 16
- Noumea Accord, 8, 230, 232, 238, 239, 240,
242, 243, 244
- nuclear testing, 192, 234
- nuclear waste, 230
- nuclear weapons, 17, 229, 234
- Official Development Assistance (ODA), 3,
14, 19, 20, 262, 311
- oil and gas, 39, 41, 108, 310, 316
- OPM, 5, 93, 94, 115, 116, 117, 119, 124,
125, 126, 155, 308
- overseas country, 8
- over-stayer, 296
- Pacific Islands Forum, 21, 61, 120, 176, 189,
210, 244, 308
- PALIKA, 241
- Papua New Guinea (PNG), 3, 6, 19, 23, 30,
61, 65, 84, 92, 97, 98, 101, 111, 129, 133,
134, 135, 136, 137, 138, 139, 140, 141,
142, 144, 145, 146, 151, 152, 153, 154,
155, 156, 157, 158, 159, 160, 161, 162,
164, 165, 166, 167, 168, 184, 210, 211,
215, 217, 221, 226, 244, 260, 273, 282,
299, 306, 307, 312, 314
- Patriot Act, 7, 206, 210, 312
- patronage, 140, 278, 300

- peace, 21, 38, 160, 173, 174, 175, 182, 185,
 187, 190, 237, 303
 penal colony, 234, 236
 People's Democratic Party, 277
 People's Progressive Party, 223
 PEPCO, 21
 periphery, 97, 233, 237
 political instability, 7, 8, 101, 140, 215, 217,
 221, 226, 237, 308, 311
 political will, 7, 34, 227
 politicisation of the bureaucracy, 225
 Port Vila, 133, 134, 141, 219, 220, 222, 224,
 225
 poverty, 8, 16, 49, 94, 98, 111, 131, 136, 138,
 140, 143, 145, 154, 222, 276, 297, 303,
 307

 Queen Salote, 276, 281

 RAMSI, 6, 7, 177, 187, 189, 193, 194, 195,
 308, 309
 Ratu Sir Kamisese Mara, 248
 Ratu Sir Lala Sukuna, 248
 Ratu Sir Penaia Ganilau, 254
 Regional AIDS strategy, 310
 regional conflict, 20, 229
 regional stability, 12, 17, 81, 239, 288, 305
 religion, 85, 96, 113, 145, 243, 258, 265, 266
 remittances, 9, 274, 294, 295, 297, 298, 299,
 300, 311
 remoteness, 229, 230
 risk, 6, 49, 55, 78, 109, 110, 119, 120, 123,
 124, 125, 126, 154, 159, 190, 201, 212,
 261, 263, 269, 274, 287, 306, 307, 308,
 310
 Roch Wamytan, 240
 rogue states, 312
 RPCR, 237, 240, 243
 rugby, 297
 rumour, 267, 268

 Samoa, 3, 9, 19, 191, 192, 205, 289, 290,
 291, 292, 293, 294, 295, 296, 297, 298,
 299, 300, 301, 302, 303, 305, 310, 311,
 314, 316
 Santo Rebellion, 217, 220
 SEATO, 273
 security, 1, 3, 4, 5, 11, 12, 13, 14, 15, 16, 17,
 18, 19, 20, 21, 26, 38, 49, 50, 55, 56, 57,
 59, 60, 64, 65, 69, 70, 78, 79, 80, 81, 83,
 84, 94, 95, 97, 98, 99, 101, 103, 105, 109,
 131, 136, 141, 151, 154, 155, 156, 158,
 159, 161, 162, 163, 166, 167, 173, 174,
 176, 190, 191, 193, 194, 199, 213, 215,
 234, 241, 251, 256, 261, 262, 266, 273,
 274, 282, 285, 302, 306, 307, 308, 310,
 312, 313
Security in Melanesia report, 222
 self-determination, 8, 34, 35, 87, 88, 91, 106,
 121, 199, 229, 237, 238, 241, 242, 309,
 310, 312
 Sitiveni Rabuka, 254
 social change, 247
 social Darwinism, 253
 social hierarchy, 280
 social networks, 247, 255, 258
 social system, 189, 305
 Solomon Islands, 3, 6, 19, 21, 23, 31, 45, 47,
 83, 84, 125, 129, 133, 134, 135, 137, 138,
 139, 142, 145, 146, 154, 155, 156, 160,
 171, 172, 173, 174, 175, 176, 177, 178,
 181, 182, 183, 184, 185, 186, 187, 188,
 189, 190, 191, 193, 194, 195, 210, 215,
 217, 222, 226, 244, 263, 269, 299, 302,
 308, 310, 314
 South Pacific island territories (SPICs), 229
 SPARTECA, 191, 262
 Speight coup, 258, 260, 261, 263, 308, 311
 State paternalism, 235
 STCPI, 242
 strategic minerals, 232

 Taiwan, 20, 83, 232, 254, 307
 Tamasese Lealofi III, 292
 Taufa'ahau, 280, 281
 tenant farmers, 132, 253
 Territorial Congress, 233, 240, 242
 terrorists, 81, 194, 207, 208, 251, 274, 310
 Timoci Bavadra, 254
 Timor Sea, 32, 33, 39, 40, 41, 44, 45, 63,
 316
 TOMs, 232
 Tonga, 3, 8, 9, 19, 177, 191, 192, 253, 274,
 275, 276, 278, 279, 280, 281, 282, 284,
 285, 286, 287, 288, 299, 300, 302, 305,
 314, 316
 Tongan resettlement, 282
 tourism, 19, 29, 45, 81, 159, 191, 192, 221,
 262, 283
 traditional sovereignty, 309
 Treaty of Friendship, 281
 trust, 7, 30, 114, 132, 138, 202, 203, 254,
 260, 267

 UC, 241, 242
 UN Security Council, 234

- UN Trusteeship, 289
- unemployment, 56, 98, 108, 133, 143, 152, 238, 254, 277, 297, 306
- Union of Moderate Parties (UMP), 217, 218, 219, 221, 223, 224, 226
- United States, 11, 13, 15, 19, 25, 52, 53, 54, 57, 58, 83, 93, 114, 116, 122, 126, 145, 184, 191, 193, 194, 201, 204, 205, 206, 210, 241, 261, 262, 280, 311, 312, 316
- unity, 5, 8, 85, 91, 92, 107, 108, 109, 118, 141, 217, 247, 249, 251, 254, 256, 257, 268, 269, 277
- University of the South Pacific (USP), 248, 263, 264
- UNMET, 308
- UPM, 241
- USA alliance, 307
- Vanuatu, 3, 6, 7, 19, 84, 97, 129, 133, 134, 135, 137, 139, 141, 142, 144, 160, 162, 178, 184, 191, 193, 205, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 240, 244, 299, 306, 307, 308, 312, 314
- Vanuatu Mobile Force (VMF), 220, 223, 224, 225
- violence, 6, 8, 88, 91, 96, 115, 119, 122, 123, 124, 125, 133, 134, 138, 139, 141, 143, 146, 157, 164, 165, 166, 171, 174, 175, 176, 181, 187, 188, 195, 217, 222, 223, 225, 226, 237, 240, 247, 256, 263, 268
- voter registration, 217
- Wallis and Futuna, 237, 240, 243, 244
- Weber, 8, 249, 250, 251, 255
- Willy Jimmy, 223