

# Introduction

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The State, Society and Governance in Melanesia Project at the Australian National University organised a conference on globalisation and governance in the Pacific Islands in October 2005, and this volume brings together the papers delivered by the participants, who came from Papua New Guinea (PNG), Solomon Islands, Fiji, Samoa, the Federated States of Micronesia (FSM), Hawai'i, New Zealand and Jamaica as well as from within Australia. The conference, held in Old Canberra House over three days, was generously supported by funding from the Australian Government through AusAID.

The aim of the conference was twofold.

First, we sought to explore the impact of globalising processes in the South Pacific on regional economies and political systems. We wanted to know more about the effect of free trade on industries such as sugar and garments in Fiji, the consequences of ever-increasing labour migration from Samoa, Tonga, Fiji and other Island countries and the continuing repercussions of mining and forestry in PNG and Solomon Islands. As the Hon. Tuilaepa Aiono Sailele Malielegaoi, Prime Minister of Samoa, has said, 'We now live in a so-called globalised world and our efforts to reduce or adapt to its negative impacts will continue to test our resilience. What is clear is that globalisation, even if it does deal an unfair hand to small island economies, is here to stay' (AusAID, *Pacific 2020: Challenges and Opportunities for Growth*, Canberra 2006: 60). Given the political conversation in the Pacific Islands about globalisation, we want to hear all voices on the issue, critical and otherwise.

Second, we wanted to revisit key issues in the debate about good governance, such as the role of culture and tradition in Pacific politics and the importance of a free media. And we sought to examine the state of play in governance in different parts of the region, in particular PNG, Solomon Islands, the FSM, Fiji and Samoa.

Our first theme, then, is globalisation.

In one sense globalisation is not new and has affected the Pacific Islands since outsiders first ventured there over two centuries ago. Globalisation in another sense is a phenomenon of the past quarter-century or so. The new globalisation can be described as accelerated incorporation into the global economy under neo-liberal conditions, a process characterised by constantly intensifying economic exchanges across national borders, a communications revolution that continues to shrink the globe, and the worldwide shift by governments to neo-liberal economic policies intended to make this globalising process possible.

In the modern context, then, globalisation has become synonymous with neo-liberalism in economics.

Pacific Island governments and regional institutions have embraced the conventional wisdom that economic reform and globalisation are good for the region. Heavily dependent on globalising aid donors, they could hardly do otherwise. From 1997 the governments of the Pacific Islands Forum, which brings together the independent countries of the region, began sending representatives to annual meetings of economic ministers — the so-called Forum Economic Ministers' Meetings (FEMM) — who committed themselves to deregulating economic life, minimising subsidies, privatising government enterprises, assisting foreign investment, improving public accountability, reducing tariffs and moving towards complete free trade. The economic policies favoured by the Asian Development Bank (ADB), the World Bank, the World Trade Organisation (WTO) and the International Monetary Fund (IMF) became those now enunciated by Pacific Island countries whether they were directly connected to those institutions or not. Like much 'policy' that emanates from island governments, this commitment to reform was frequently rhetorical, designed to reassure donors that the region should continue to receive aid, and did not always lead to immediate change. But a process of gradual reform was set in train and has continued ever since.

Our second theme is governance.

There seems to be no argument against good governance. Who cannot be in favour of accountable, efficient, transparent and responsive government and public administration apart from those who benefit from the opposite? Yet we should remember that good governance is part of a wider globalising message preached by aid donors and international institutions, who see good governance as the best way to implement globalisation and the free market, and who rather like to place the blame for failure not on global institutions but on national shortcomings in the developing countries. And we should also reflect on the extent to which good governance depends on Western assumptions about individual interests and responsibilities and the virtues of democracy. That said, few Pacific Islanders would not want their leaders to be more honest and efficient, their services more reliable and their life chances more assured.

Before we proceed, we should remember that the life chances and economic opportunities of Pacific Islanders differ markedly from one part of the region to another for a number of reasons that go beyond globalisation and governance to culture and history.

One reason is political status. Territorial status and free association protect a minority of Pacific Islanders from the need to survive economically by themselves. The inhabitants of territories of metropolitan states such as Guam, the Northern Marianas and American Samoa (for the United States) and New

Caledonia, French Polynesia and Wallis and Futuna (for France) have easily the highest standards of living in the Pacific. Incorporated in one way or another into the advanced world, they are subsidised by foreign economies that have benefited from globalisation. People who live in countries that are freely associated with metropolitan states (Palau, the FSM and the Marshall Islands with the USA and the Cook Islands and Niue with New Zealand) also benefit from their connection with the rich world, above all by having the right to migrate to it, an opportunity that many have taken. The majority of Pacific Islanders who live in the nine independent Pacific Island countries (Fiji, Kiribati, Nauru, PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu) are on their own, with much lower standards of living and much less freedom to benefit from globalisation.

A second, related reason is differential access by citizens of independent Pacific states to labour markets outside the Pacific. Samoa and Tonga have been remittance economies since the early 1990s, and Fiji is increasingly becoming one, as their citizens migrate to New Zealand, Australia, Canada and the USA and spend time as foreign workers elsewhere in the Pacific and in the Middle East. Access to labour markets overseas is also available to people from Kiribati and Tuvalu, especially to men employed in the merchant marine, but is denied to all but a tiny proportion of people in the Melanesian west of the region that confronts the most serious economic problems.

A third set of reasons are historical, cultural and demographic. Solomon Islands, Vanuatu and PNG, which lie in the Melanesian culture area, rank considerably lower on the United Nations Human Development Index than Fiji and the Polynesian countries to the east. The outside world reached them later than their eastern neighbours — the PNG Highlands, for example, did not encounter modernity in any sustained way until after World War II — and they consist of hundreds of different identity groups thrown together by the experience of colonial rule but with little else to foster a sense of common national destiny. In Fiji, Samoa, Tonga, Tuvalu and Kiribati, by contrast, the modern nation-state is home to a majority population of Pacific Islanders speaking a single language, possessing a common sense of national identity and bound together by a culture of chieftainship and hierarchy that has adapted more readily to the demands of modern government than have the more egalitarian political cultures to the west. At the same time, population growth is significantly greater in Solomon Islands, Vanuatu and PNG than in Fiji, Samoa and Tonga. Where half the population has not reached adulthood, as is the case in Solomon Islands, Vanuatu and PNG, the challenge of increasing GDP per capita is correspondingly greater.

The book begins with globalisation, and with the global and regional context of economic policy. To place the Pacific Islands experience in the widest frame of reference, we invited John Rapley from the University of the West Indies in

Jamaica to open the conference. In the first of three keynote addresses, he offers an explanation of why, since the 1970s, neo-liberal economic doctrine favouring growth at the expense of equality has replaced Keynesianism as the policy fashion, and suggests where the rise in inequality might now lead us. Claire Slatter follows by placing the global movement against globalisation in its regional context, and arguing that civil society in the Pacific Islands needs to do more to influence the present direction of economic and trade policy. Her chapter is a critique of neo-liberal policy and non-governmental organisations. Elise Huffer focuses on the Pacific Plan adopted by the Pacific Islands Forum in 2005 as a route to regional integration. 'People are protected from the destructuring or disintegrating effects of the market in large part,' she argues, 'by their cultural values and practices, including emphasis on solidarity and reciprocity, attachment to land, and focus on obligations and duties to others.' She wants these values to be in the plan as originally promised.

Six chapters on labour migration follow. The first two, by John Connell, offer a detailed and comprehensive analysis of the state of migration in the Pacific Islands. Connell argues that remittances continue to have positive effects on island economies: MIRAB (Migration, Remittances, Aid and Bureaucracy) still works and is even being emulated, as in Fiji. Migration has 'deferred and mitigated, but not resolved' the region's problems of poverty and development, he believes, and the long term for migration might be less positive than the short term. Manoranjan Mohanty focuses on Fiji and its recent emergence as an economy benefiting considerably from remittances. Helen Lee examines Tonga, a classic MIRAB state, and contends that second-generation Tongans in Australia, with a diminishing sense of connection to the homeland, are far less likely than their parents to send money back to relatives. The one hope, she suggests, would be a change of Australian policy enabling Tongans to undertake seasonal work in Australia. Nic Maclellan and Peter Mares subject the whole issue of a seasonal work scheme for Pacific Islanders to detailed and careful scrutiny, comparing it with a Canadian scheme for the Caribbean and Mexico showing how it could work decisively in favour of Pacific Islanders and Australians. And Avelina Rokoduru alerts us to migration within the Pacific Islands, following Fijians who have found work in the Marshall Islands, and finding the reasons why they have gone there.

In the next section, on sugar and garments, Kate Hannan points to tough times ahead for Fiji's sugar and garment industries as they contend with the loss of special arrangements and the coming of free trade. Urbanisation in the Suva-Nausori corridor will intensify, she argues, and government will need to recognise and support the informal sector as people from the rural areas seek to survive in the city. At the same time, the new migration of labour from Fiji to the Middle East and elsewhere has pitfalls of its own, not least proposals to regulate, control and tax remittance income. Donovan Storey concentrates on

Fiji's garment industry in the wake of the end of the Multi Fibre Arrangement in 2005; he describes its history under more favourable arrangements, and predicts an uncertain future for this experiment in Pacific Islands' industrialisation.

Tarcisius Tara Kabutaulaka opens the discussion of corporate and state governance in the resource sector with a study of the interactions between global capital and local communities in the case of forestry in Solomon Islands. Solomon Islanders, he suggests, are not mere passive victims of logging companies, but are strategising and negotiating in order to benefit most from what is on offer. Glenn Banks develops the theme of interaction in his analysis of relations between the Porgera Joint Venture mine in the PNG Highlands and local communities, both landholders within the special mining lease and those beyond who also want benefits and rewards. His theme is the fine line that the company must walk to sustain the mine and the community at the same time. Mel Togolo argues against the 'resource curse' thesis in the case of PNG. The problem, he says, is not that companies are extracting minerals and petroleum but that governments are not maintaining good governance and sound national economic management.

The book then shifts gear from the economic to the political and from globalisation to governance, beginning with five chapters on the interaction of tradition, culture and politics.

Fiji's Vice-President, Ratu Joni Madraiwiwi, in the second keynote address to the conference, reminds us of the ineluctable facts of his country's history: 'Colonial rule, entrenchment of Fijian chiefly structures and the Indo-Fijian presence resulted in the evolution of communal politics grounded in notions of Fijian identity. In the transition to independence and subsequently, there was little recognition or understanding by Fijians of the full implications of democracy. The commitments made by Fijian decision-makers, in political settlements with other communities, were not necessarily shared by their people.' Fijian leaders, he says, need to develop a vision of their country that is 'inclusive and truly multicultural' if Fiji's potential is to be realised. Vijay Naidu subjects the State in Fiji to unsparing scrutiny, emphasising the deleterious effects of race politics, the domination of the Fijian chiefly class and the growth of poverty and inequality since 1987. Jon Fraenkel charts the unhappy history of the rigid power-sharing provisions of Fiji's 1997 Constitution and compares them with more flexible and successful arrangements in the French territory of New Caledonia. Asofou So'o asks why Samoa has been so stable politically for the past two decades, and finds the answer not only in Samoa's thoughtful blending of Western and indigenous political institutions, but in intelligent leadership in times of crisis and the pervasive influence of kin loyalties and the *fa'a Samoa* (the Samoan way). Morgan Tuimaleali'ifano, less positive about his country,

recounts the case of a title installation ceremony in Samoa corrupted by money and greed.

In the third keynote address, Francis Hezel draws on 40 years' experience of living in Micronesia to introduce the topic of media, civil society and governance. Good governance, he points out, depends on people knowing what their governments are doing and therefore on an active free press. But traditions in Micronesia, as elsewhere in the Pacific, too often block the flow of information. People hoard knowledge as a possession and do not want it to damage the good personal relations on which small communities depend. Joe Kanekane shows that the PNG media has endeavoured to alert citizens to their rights and describes the PNG Media Council's war against corruption, but he concedes that the media is constrained, above all, by the need to make money. Orovu Sepoe calls for a rights-based approach to democracy in PNG, and sees potential for a better future in properly implementing the *Organic Law on the Integrity of Political Parties and Candidates* and limited preferential voting. Finally, Morgan Wairiu finds ordinary people to be marginalised by the modern system of government in Solomon Islands, and calls on his compatriots to seize the opportunity offered by the Regional Assistance Mission to Solomon Islands to construct governance that is more inclusive and that underpins people's livelihoods.