

SPECIAL REPORT

ASPI

March 2008 — Issue 12



Australia and the South Pacific Rising to the challenge

Executive Director's introduction

In 2007 ASPI embarked on a major project that examines key issues in South Pacific security and Australia's role in the region. This *Special Report* is the first major output of this project and presents seven papers looking at different aspects of the regional security conundrum.

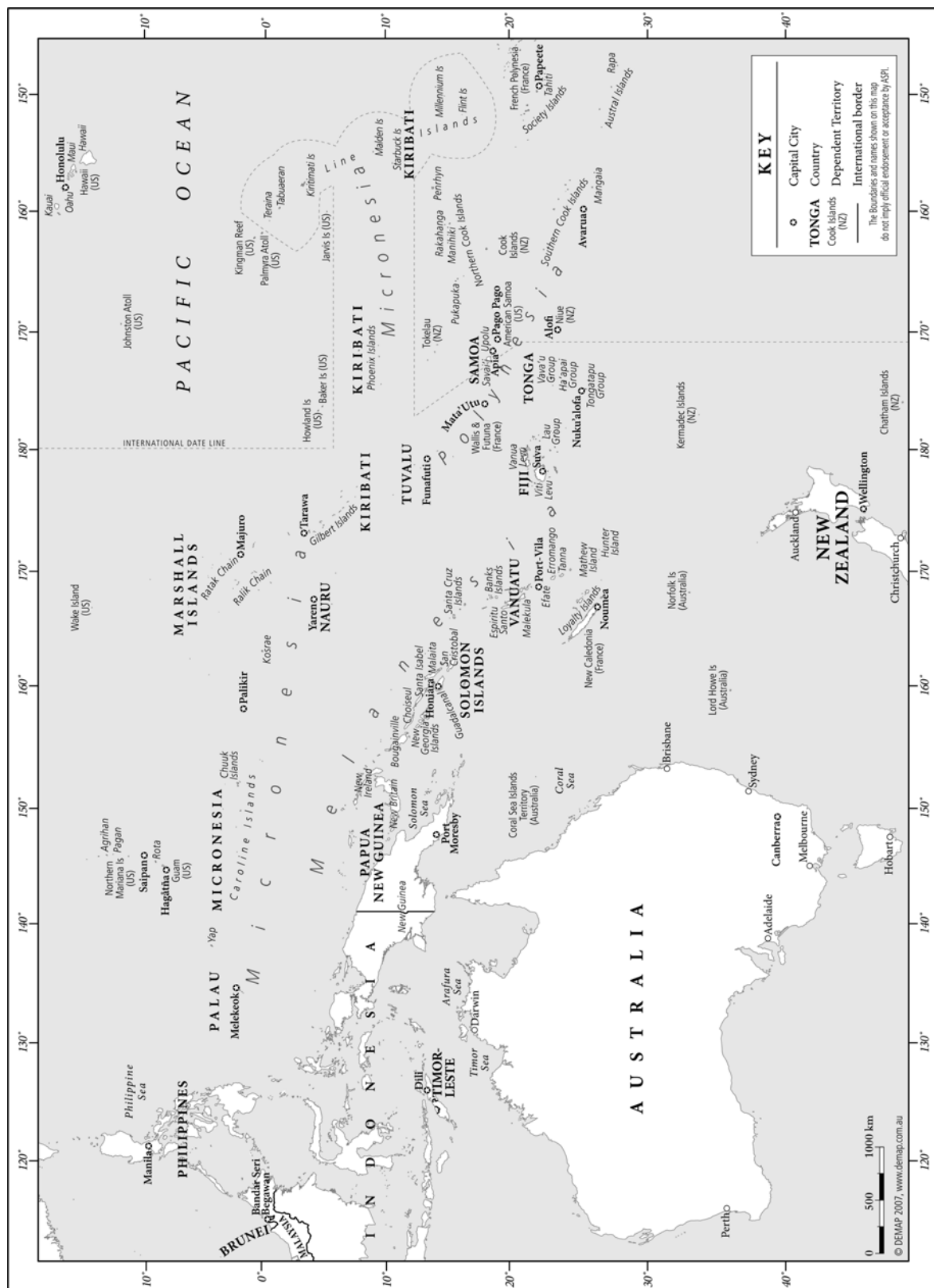
The island states of the South Pacific face severe challenges to the security needs of their peoples: most have between 30 and 40% of their population aged fourteen or under, their economic growth is slow with income levels falling and high youth unemployment; and there are problems of governance, including corruption. High rates of population growth will produce rising poverty unless income growth rates can be raised. Other problems include transnational crime, natural disasters and sea level rise.

The Pacific countries, whilst facing these problems, also have advantages that can be leveraged with the right policies. Prospects for stability are better in the smallest states—Kiribati, Tuvalu, Nauru, Samoa and Tonga—than the four most populous: Papua New Guinea, Solomon Islands, Fiji and Vanuatu.

Australia's vital interests are involved in the South Pacific: the stability of the region is an important factor in our own security, and this translates into on-going defence, security, economic, aid, environmental and humanitarian activities. We also have substantial assets to advance those interests, whilst also helping the Pacific Island countries. On occasions this might mean Australia having to directly respond to regional crises but more should be done to avert such outcomes. Australia has made a huge investment to date in partnerships in the Pacific, and this should continue. Australia's global partners expect us to lead in the region but increasing economic and political interest from other external powers may undermine Australia's ability to shape outcomes in the South Pacific.

Most of the challenges facing the island states will require a long term commitment. This *Special Report* offers a range of suggestions that should be considered in the development of Australia's regional strategy. I thank the contributors for their efforts in analysing the changes taking place in the region and for their ideas on how best to deal with future challenges. I also wish to acknowledge the work of ASPI's Director of Research Programs, Anthony Bergin, in leading this important project on our relations with the South Pacific.

Peter Abigail
Executive Director



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List of recommendations

Threat spectrum

Stewart Firth p.9

1. Australia should consider giving more support through AusAID to supporting the informal sector of Island economies and to assist in building urban infrastructure.
2. The potential of globalisation for increased labour mobility in the Pacific would be better realised if Australia were to change its policy on seasonal labour schemes from the Pacific Islands in a limited and regulated way.
3. The successes of regional police cooperation on money laundering and drugs suggest that real progress is possible, but the struggle against transnational crime will need to go hand in hand with campaigns against corruption because the two are linked.
4. Australia should encourage a way forward on land which blends communal land ownership with leases that allow for individuals to use and develop land while recording rights over land and enhancing the legal framework for land dealings.
5. A major and continuing aid commitment by Australia to PNG is vital to Australian national security, given the security, health and governance challenges that PNG will face.
6. The Regional Assistance Mission to Solomon Islands (RAMSI) needs to focus even more on leaving a legacy in the form of a new generation of highly skilled Solomon Islands public servants and experts.
7. Australia may need to encourage more regional institutions—or parts of them—to move from Fiji to another Pacific Islands Forum country.
8. Australia may need to assist the University of the South Pacific (USP) directly. USP is a key institution in the region's development and is being undermined by Fiji government funding cuts and political interference.

Economic challenges

Satish Chand p.18

9. Improve governance by increasing both the demand for and supply of governance. Increasing demand involves facilitating popular participation in government, which implies reversing a colonial political legacy that promoted traditional authority while removing its accountability. Increasing supply requires improved levels of education, which in turn requires strengthening education systems, for instance by raising school enrolment rates.
10. Improve access to land held under customary title by implementing land reform. The objective is to make land available for large-scale commercial agriculture and tourism.
11. Assist in disaster mitigation. This implies not only aid to relieve the effects of natural disasters such as cyclones and tsunamis, but also intervention to forestall or contain domestic conflict and coups. The latter involves difficult political issues, but these must be addressed if regional stability is to be achieved.
12. Improve access to markets by lowering barriers to intraregional trade in goods and services, for instance by harmonising quarantine regulations. There is evidence that access to Australian and New Zealand labour markets stimulates economic growth in the Pacific Island countries (PICs). Accordingly, a regionally-vetted 'Pacific Passport' should be considered.
13. Sustainable use of natural resources must be emphasised. This includes reversing environmental degradation, which in some areas has already gone beyond natural regenerative capacity.
14. The Millennium Development Goals should be agreed upon between aid donors and recipients as a framework for reform. In any

case Australia should take a more consultative approach to regional reform and aid. Priority should be given to repairing political relations between Australia and New Zealand on one side and several PICs on the other, as financial assistance will not be effective in the absence of mutual trust.

Security sector reform

Andrew Goldsmith and Bob Lowry p.29

15. Australia should maintain its strong commitment to policing reform as a fundamental part of security sector reform (SSR) on the basis of its contribution to improving the daily safety and security of people in the Pacific, especially the safety of women, children and other vulnerable groups within those societies.

16. More attention should be given to oversight and accountability issues in deployment groups and within the local police services, as crucial to restoring and building trust in institutions that exercise power over ordinary people's lives.

17. Australian policing missions in peacekeeping and capacity-building require a commitment to a generational approach, one in which there is acceptance of the need to build relationships, as well as impart knowledge and resources, over many years to come.

18. A combination of generosity on our part, and a certain humility in terms of how and which objectives are set down, and how they are realised, should be cultivated.

19. These deployments need to be located within broader governance and development agendas if reform is to be effective and sustainable.

20. A deeper appreciation is required of the contexts in which policing and other assistance missions are rolled out, implying

a greater commitment to our study of the region generally and of the cultures, languages, and politics of other likely recipient countries.

21. Consideration should be given to the establishment of a Peace Operations research and training centre, outside government but with links to police and military, standing either independently or linked to universities and other research institutions. It should be open to others in the Pacific for short periods for research and educational purposes.

22. Efforts to build effective working relationships and partnerships across departmental, professional, and indeed national boundaries need to be maintained and strengthened. Development needs to proceed alongside security agendas.

23. Given skepticism at times within the region towards Australian direct engagement, Australia should also explore 'indirect' as well as 'direct' partnering—helping other countries and donors to provide assistance in the region through provision of planning, logistical and other forms of support, including financial resources.

24. In conjunction with the countries concerned, audit each country's defence policy, legislative and oversight mechanisms to identify gaps in control measures.

25. Where appropriate, work with the countries concerned to close gaps in control measures.

26. Where appropriate, assist the countries concerned review their security sector requirements and make appropriate functional and structural adjustments to crisis management arrangements and agencies.

27. Keep the pressure on the military regime in Fiji for a return to democracy in accordance with the agreed timeframe and conditions.

Peace support operations

Bob Breen p.43

28. A high-level Task Force should analyse the viability of a Regional Neighbourhood Development Program (RNDP) that includes examining peace monitoring models from Bougainville and community engagement in Solomon Islands.

29. The Task Force should facilitate inter-departmental discussion and testing of RNDP options.

30. The Task Force should develop draft RNDP options. The Australian Government should invite a South Pacific neighbour to host a summit to develop a shared understanding of community-level challenges in the region and options for addressing them.

31. The Australian Government should convene an inter-departmental discussion and testing of application of RNDP options to helping communities meet challenges identified at the regional summit, including incorporation of suggestions by participant nations.

32. The Australian Government should invite a South Pacific neighbour to host a return summit to examine options and to present and then seek input, endorsement and commitment of financial and human resources for a proposed RNDP.

33. A regional assistance task force should implement pilot RNDP in several selected locations in the near region.

34. The Pacific Islands Forum should evaluate and report back results of pilots after 18 months.

35. The Pacific Islands Forum should adapt and implement five-year RNDP.

Maritime security

Sam Bateman and Anthony Bergin p.55

36. Establish a Regional Maritime Coordination Centre (RMCC) to collect, fuse and analyse all sources of data; manage and schedule regional air and surface assets; receive bids for surveillance time from regional countries; provide recommendations for action to individual countries; coordinate response from regional or national assets; coordinate funding from aid donors plus national contributions; liaise with national 'points of contact'.

37. The Centre would have two main functions: an Operations Centre and a Management Group. The Operations side would provide legal and enforcement support to operations such as brokering information sharing and manage information sharing agreements, acting as the SAR coordinator for the region and the joint coordination centre for multilateral operations. It would maintain the regional vessel of interest list. The Management Group would develop and maintain the regional maritime surveillance strategy, act as the experts in surveillance training and maintain a register of qualified surveillance operators in the region. It would develop and maintain the architecture for multilateral cooperation—surveillance treaties, information sharing agreements and annual maritime surveillance management meetings. It would analyse the web of information that links vessel movements to crimes. It would establish and manage projects to trial emerging technologies and provide administrative and IT support to the Operations Centre.

38. A tiered approach to capabilities is suggested: some assets would remain under national control but air surveillance and offshore response capabilities should be provided regionally under the management and coordination of the RMCC.

39. Coastal Patrol Vessels (CPVs) would be operated by the PICs at a national level. Two or more might be required by PICs with larger exclusive economic zones (EEZs) and they would be strategically based around the islands. Their role would not be to undertake patrols as such, but to respond to particular incidents as reported through the RMCC. However, their operations within national EEZs would be managed by national maritime surveillance centres.

40. The Ocean Patrol Vessels (OPVs) would undertake regular patrols through the high seas and EEZs of the PIC area often in conjunction with scheduled air patrols. They should be at least 70 metres in length with a range of about 5,000 nautical miles and desirably, be capable of operating a helicopter. Up to three or four such vessels would be required and there could be some commonality with the patrol vessels being acquired by the Royal New Zealand Navy (RNZN) or they could be similar to the offshore patrol vessels that might possibly be acquired by Australia to fill Australia's own capability gap between frigates and patrol vessels.

41. Aerial surveillance would be mainly provided by contracted aircraft working under a contractual arrangement, similar to that used by Coastwatch in Australia. These aircraft would be managed and programmed by the RMCC. Where possible, authorised law enforcement officers from the PICs should fly on patrols.

42. The proposed regional maritime surveillance and enforcement regime would be funded by a Regional Maritime Surveillance Trust Account. Sources of funds might include developed countries in the Asia-Pacific region, international aid agencies and financial institutions, including the Global Environment Facility, the World Bank and the Asian Development Bank.

43. As some PICs may seek to retain their PPBs beyond the end of their effective life Australia would need to declare a final date from when Australian support would cease.

44. Royal Australian Navy (RAN) patrol boats should resume regular visits to the PIC area and show a greater preparedness to assist local efforts through time allowed for worthwhile patrols in PIC EEZs. Where possible they should embark authorised law enforcement officers from the PICs.

45. As an interim measure for air surveillance, consideration should be given to scheduling air patrols in the PIC area using the larger aircraft under contract to Coastwatch.

46. For the longer term, Australian assistance should be at two levels: provision to individual PICs of the CPVs and ongoing support for their operations, including in-country advisers; and financial assistance and in-kind support with personnel and training for the RMCC, the OPVs and contracted aircraft.

Pacific power plays

Graeme Dobell

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47. A key to enhancing soft power will be for Australia to find a place for Pacific people in its Pacific policy. That means bringing Pacific people into Australia through many doors—letting in skilled and unskilled workers as well as students. If Australia is to have a special role in the Pacific then Pacific people must have a role in Australia.

48. The free trade agreement that Australia and New Zealand are negotiating with the Islands must be generous in its approach to labour mobility. The agreement is a building block in the creation of a Pacific Community.

49. The Pacific Plan created by the Forum calls for Islands to cooperate or merge functions in many areas of government and administration. Australia and New Zealand need to offer the Islands incentives to sacrifice sovereignty for greater efficiency

and better economic performance. The soft power logic says that a closer interaction of Island people's, societies and economies with Australia and New Zealand is the surest means of achieving such change.

50. Whatever the strategic denial instincts that reside within Canberra's polity, Australia can never exclude other players from the Pacific stage. Australia's role in the power plays is governed by broader relationships with the external powers. But just as importantly, Australia's interactions with the other big players will be informed by the levels of consensus or *followership* that Canberra and Wellington can create in the South Pacific.

51. Australia's new trilateral security relationship with Japan and the US must have a Pacific Islands dimension.

52. Australia will not risk its relationship with China over Pacific issues, but Canberra can argue to Beijing that its behaviour in the Islands will be an early indicator of China's real capacity to be a responsible regional leader.

53. Taiwan is a democracy that has sought to erase corruption from its own domestic politics. Taipei should live by its own standards in the South Pacific, acting as a responsible democracy, not undermine Island democracies through bribery and interference in domestic politics.

54. The three-way relationship Australia and New Zealand have created with France for disaster relief and surveillance in the South Pacific can be broadened. France, with its own presence in the region, is a potential burden-sharing partner for Canberra and Wellington.

55. Australia and New Zealand, over the past decade, have returned to work together in the same geography they proclaimed in the 1944 ANZAC security pact, which declared 'a regional zone of defence comprising the Southwest and South Pacific areas.' It is time

for Canberra and Wellington to commit to another element of that Treaty—the pledge to create permanent defence links for joint planning, organisation, equipment, training and exercising of the armed forces 'under a common doctrine'.

Regionalism and institutional reform

Richard Herr

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56. The Regional Institutional Framework (RIF) process should take the next year to consolidate the areas of agreement on its work rather than initiate or pursue further reform. The decisions of the 38th Pacific Islands Forum demonstrate that a period of confidence building is desirable if there is to be the political will to initiate amalgamation or additional rationalisation along the lines proposed by the RIF review.

57. One area of consolidation could be streamlining the Council of Regional Organisations in the Pacific (CROP) by pruning those agencies without the institutional capacity to implement inter-governmental decisions. This is desirable to enable CROP to operate more effectively as an organ for securing a coherent and efficient regional approach toward implementing regional policy.

58. Further to this objective, consideration should be given to mechanisms for developing a direct relationship between a slimmer, more focused CROP and the Forum Leaders. The direct control of CROP is desirable for building confidence and political will in CROP's role as a coordinating organ for inter-agency implementation of regional policy.

59. The consequences of the entry into force of the Forum Treaty, especially for the role of the Forum Secretariat within the regional system and its centrality in CROP require clarification. This reflection should include also the apparent resistance amongst the Forum Island countries to ratifying the Forum Treaty.

Threat spectrum

Stewart Firth

Threats to the twenty-two political entities that constitute the Pacific Community may be made to territory, resources, environment, economic development, political stability and human security. In every case, those threats are much greater for the nine independent, sovereign states of the region than for the thirteen Pacific territories and freely associated states, all of which are protected by constitutional, treaty and financial links to powerful external states. External states provide strategic protection and economic subsidisation for the territories and will continue to do so: the USA for Guam, the Commonwealth of the Northern Marianas and American Samoa; France for New Caledonia, French Polynesia and Wallis & Futuna; New Zealand for Tokelau; the United Kingdom for tiny Pitcairn Islands, which is a British overseas territory. And by virtue of free association agreements, the five freely associated Pacific states enjoy similar assistance. The USA's security guarantees, together with considerable financial flows, extend to the Republic of the Marshall Islands, the Federated States of Micronesia and the Republic of Palau, and New Zealand underwrites the defence and economies of the Cook Islands and Niue, both of which are legally part of the Realm of New Zealand. This paper therefore focuses on the independent Pacific states—Fiji, Kiribati, Nauru, Papua New Guinea (PNG), Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu—and on internal security threats.

From external to internal threats

Until the mid-1980s the governments of independent Pacific Island countries, together with those of Australia, New Zealand and the USA, defined Island security primarily as protection from external threats such as the Soviet Union. But in the late 1980s Fiji

experienced two coups; rebels in Bougainville closed the copper mine and demanded independence from Papua New Guinea; and rioters swept through Port Vila, the capital of Vanuatu. These turbulent events changed the focus permanently towards threats of internal rather than external origin. At the same time the good governance that had characterised the early years of Pacific independence was beginning to crumble as new elites acquired business interests, enriched themselves from corrupt deals with resource investors, allowed institutions of public accountability to wither and adapted political systems to their own financial interest. An observer of Solomon Islands, for example, sees the transition to the era of wholesale corruption as taking place with the end of the Kenilorea-Alebu Government in 1989, when 'the Solomon Islands had left behind the independence decade and entered a new age in which politicians served themselves, not the people'.¹ The 1987 Fiji coups had a similar effect, by undermining respect for the law, making ethnic origin a criterion for advancement in the public service, and giving many indigenous Fijians an unwarranted sense of entitlement. One consequence was the mid-1990s scandal of the National Bank of Fiji, looted by people who borrowed with no intention of repaying. 'The disaster at the Bank', comments Brij Lal, 'was not an aberration but a predictable result of patronage-based, non-accountable management'.² The situation in Papua New Guinea was worse, former PNG prime minister Mekere Morauta describing corruption in his country as 'systemic, because it has invaded the whole process of policy-making and decision-making, and systematic, because it is organised'.³ And worst of all was tiny Nauru, which frittered away a fortune of more than US\$1 billion in phosphate royalties, became a global conduit for laundered money held by criminal syndicates and finally went broke.

During the 1990s Pacific Islanders and foreigners alike warned of future threats arising from corruption and poor governance, and the new century brought events that seemed to confirm their predictions. In 2000, a year after electing its first prime minister of Indian ethnic origin, Fiji lurched back into instability with a 'civilian coup' that was soon overtaken by army intervention and the abrogation of the constitution. A few weeks later a coup in all but name overthrew the democratically elected government of Solomon Islands, a country convulsed by armed conflict between rival groups, the capture of the police force by ethnic militia, rapid economic decline and government weakness amounting almost to state failure.

Australia's new engagement

The terrorist attacks of 11 September 2001 and the Bali bombings of 12 October 2002 changed the strategic context of Australia's Pacific policy. When Solomon Islands slid further into disorder despite attempts at peacemaking, Australia changed course. After persistent pleas from the Solomon Islands Government for an Australian intervention, and a few weeks after ASPI's publication of *Our Failing Neighbour: Australia and the Future of Solomon Islands* in June 2003, Australia brought Pacific Forum foreign ministers to Sydney and said it would lead a regional intervention force, the Regional Assistance Mission to Solomon Islands (RAMSI). Backed by the Pacific Islands Forum's Biketawa Declaration of 2000, authorising regional action in the case of security crises arising in member countries, RAMSI enjoyed remarkable initial success in disarming militants and restoring law and order. At the same time Australia intensified its engagement with the South Pacific in general. Australian aid to PNG grew by a third in 2004–2005 and to the rest of the Pacific it more than doubled. Police commissioners from the Australian Federal

Police went to Fiji and Nauru, and briefly in PNG. An Australian became Secretary-General of the Pacific Islands, and the Forum itself embraced a new Pacific Plan to encourage regional economic integration.

Rapid population growth and urbanisation

The population is growing faster in PNG (pop. 6.1 million), Solomon Islands (pop. 550,000) and Vanuatu (pop. 221,000) than in the rest of the region. The estimated proportion of the population under 15 years of age in 2004 was 39% in PNG, 42% in Solomon Islands and 34% in Vanuatu compared with 19% in Australia. While other independent Pacific countries such as Fiji, Tonga and Samoa also have a larger proportion of children in their populations than Australia, they will continue to benefit from continuing out-migration to countries of the Pacific Rim such as New Zealand, the USA and Canada. Young men without jobs were readily recruited into the armed militias and criminal gangs of Solomon Islands during the period of unrest from 1998 to 2003, and the ranks of their generational cohort will be amply replenished over the next twenty years.

While rural populations will continue to predominate in PNG, Solomon Islands and Vanuatu, the trend to urbanisation is rapid everywhere in the Pacific, and the rest of the region will be an 'urban Pacific' by 2020. Statistics differ, but one estimate puts the population of Kiribati increasing from 94,000 now to 145,000 by 2025 with 70,000 squeezed onto South Tarawa's 17.6 square kilometers of connected islets. About 45,000 of Vanuatu's population of about 220,000 now live in towns, with 80,000 predicted to live there in 2016. The urban population of Fiji, already half the total, is expected to continue to grow rapidly under the pressure of expiring land leases and a failing sugar industry. All

independent Pacific countries will be short of urban infrastructure in the next twenty years. Australia should consider giving more through AusAID to support the informal sector of Island economies and to assist in building urban infrastructure.

Globalisation brings benefits but also risks

Globalisation offers the prospect of increased labour mobility. In recent years Fiji has joined Samoa, Tonga, Tuvalu and Kiribati as a major exporter of labour and a major earner of remittances, which are key sources of income in all five cases. Tongans and Samoans have long been able to work in New Zealand and the USA, and Fijians are now employed in large numbers by the British Army, which continues to recruit in Fiji annually despite the 2006 coup. Almost a thousand Fijians are also working as guards and escorts for private security firms in Iraq. Many young men of Kiribati and Tuvalu are seamen in the merchant marine. Globalisation also offers the opportunity for call-centres and back-office operations in countries with highly educated, English-speaking workforces.

The potential of globalisation for increased labour mobility in the Pacific would be better realised if Australia were to change its policy on seasonal labour schemes from the Pacific Islands in a limited and regulated way. The former Foreign Affairs Minister Alexander Downer indicated in August 2007 that Australia would be watching the success of the New Zealand seasonal labour scheme, and an Australian version could complement the policy of improving Pacific Islanders' skills through the Australia-Pacific Technical College. Unlike aid, remittances are earned directly by Pacific Islanders without being channelled through bureaucracies. Much aid money is absorbed by Australians—public servants, experts and consultants—on its

way to assisting Pacific Islanders. Wages would go directly to Pacific Islanders. Seasonal labour schemes to Australia would not transform the region's prospects for security but would be a useful reform alongside others.

Globalisation in the Pacific Islands also requires changes that can be highly disruptive in the short term. The classic examples are the Fiji sugar and garment industries, both major employers and both threatened by new free trade arrangements. The European Union (EU) price paid for Fiji sugar will fall by 36% from 2007–2009 and more later, placing the entire sugar industry at risk of collapse by 2014 as the special pricing arrangements under the Sugar Protocol are phased out. At stake is the continuing existence of more than 9,000 small sugar farms, four sugar refining mills, a network of railways and employment for perhaps 40,000 people in a country of 840,000. Sugar's survival in Fiji is by no means guaranteed over the next ten years. Free trade is having a similar impact on the Fiji garment industry, the only significant South Pacific experiment in industrialisation. Once predicted to employ 30,000, the industry has been in decline and contracted sharply when it lost guaranteed access to the US market under the Multi Fibre Arrangement, a World Trade Organisation incompatible trade mechanism which ended in 2005. A garment industry employing 5,000 or fewer may survive over the next 10–20 years, but only by adopting niche techniques to avoid a lack of competitiveness.

A Fiji economy fully adapted to free trade would have greater flexibility and greater strength against external shocks, but adapting quickly is difficult: the transition to free trade over the next decade may well contribute to political instability. Even if the sugar and garment industries survive, rural to urban migrants are expected to swell the squatter population in the Suva-Nausori

corridor of Viti Levu and place further strains on Fiji's creaking urban infrastructure.

The Pacific attracts transnational crime

The Pacific Islands are targets of least resistance for transnational crime, which may take the form of money laundering, drug trafficking, identity fraud, people smuggling, electronic crimes, illegal trade in small arms and weapons and illegal trade in endangered wildlife. Corruption, weak law enforcement and poor governance create attractive conditions for crime syndicates, as illustrated in 2004 when police discovered a methamphetamine factory in Suva with chemicals capable of producing drugs worth more than \$500 million in Australia or New Zealand.

A concerted international effort to stop money laundering in the Pacific in recent years means that no Pacific countries remain on the Financial Action Task Force list of non-cooperative countries but authorities will need to remain vigilant over the next two decades. The market for illegal drugs (except for cannabis) is mostly in Australia and New Zealand, with the Islands being used as production and staging points, and there seems little doubt that they will continue to be so. Australia makes much of the danger of people smuggling in annual meetings of the Forum's regional security committee, but without much evidence that people enter Australia illegally via the Pacific Islands. On the other hand foreigners—especially Chinese—are entering PNG, Solomon Islands, Fiji and other countries illegally in considerable numbers, and will continue to do so. RAMSI's disarmament program in Solomon Islands has been so successful that small arms and weapons have ceased to be a serious security problem but in parts of PNG, especially the Southern Highlands, thousands of weapons continue to be used in

inter-group fighting and crime. The weapons trade (some of it from across the border in Indonesian Papua) is flourishing in PNG and will do so for years to come. The risk of Island countries serving as bases for terrorist groups has probably been overstated: Islam is gaining adherents in Melanesia but so far on a small scale, and the traditional Islam of Fiji is conspicuously moderate.

A framework of regional cooperation on combating transnational crime exists through the Forum Regional Security Committee meetings, liaison between the Australian Federal Police and Pacific police forces, regional police training in Fiji, the Pacific Transnational Crime Coordination Centre, and Forum declarations on regional security. This effort will need to be intensified in the years ahead, with better interagency coordination, an improved knowledge base on transnational crime and cooperation between donors. The successes on money laundering and drugs suggest that real progress is possible, but the struggle against transnational crime will need to go hand in hand with campaigns against corruption because the two are linked.

Land tenures need flexible reform, not privatisation

Disputes over land—as the unrest in Solomons showed—are a major source of instability and insecurity in the Pacific, and may be expected to continue as populations grow, especially in PNG, Solomons and Vanuatu. The answer, however, would not be to individualise land tenure wholesale if even that were politically possible. Research in PNG shows, for example, that agricultural production of food and export crops has expanded under customary land tenures in recent decades while declining on land under registered title.⁴ As *Pacific 2020* points out, the way forward is to blend communal land ownership with leases that allow for

individuals to use and develop land while recording rights over land and enhancing the legal framework for land dealings.⁵

Cyclones may increase in intensity over the next twenty years

Cyclones are a greater threat to the Pacific Islands than they used to be. Scientific research on climate change suggests that they will become more extreme, though not more frequent, in the next twenty years and that greater preparations will be needed, such as the construction of seawalls of the kind being funded by the World Bank in Samoa.

Sea level rises are occurring but firm predictions are premature

The South Pacific Sea Level and Climate Monitoring Project, funded by Australia, has been recording sea levels in the Pacific since 1994 and its data suggest rises at all twelve stations, but it cautions against drawing firm conclusions from such a short-term study, pointing out that sea levels can change naturally even over time scales measured in decades.⁶ Science does not yet support firm predictions that low-lying atoll countries such as Tuvalu and Kiribati, or atolls within high island states, will be inundated by the sea and will require evacuation.

The four most populous independent Pacific Island states face serious challenges to stability and security in the next twenty years: PNG, Solomon Islands, Fiji, Vanuatu

Papua New Guinea

PNG has a population of 6.1 million. It has a history of successful democratic elections since independence in 1975 and a more recent record of continuous, stable government since 2002. Political stability in PNG, however, does not translate into development and

human security. The state is stable but weak. PNG's Westminster system is also one with Melanesian characteristics that will continue to count against government accountability and to foster corruption. Patronage and demands for compensation characterise the modern system of government in PNG just as they did in traditional systems. Every MP has access to an annual slush fund of 500,000 kina per year to spend as desired with more available for spending in the form of development grants. The loose party system turns the election of a government into a two-stage process in which voters have no control over the second stage, and no way of voting in a reform government. Government functions poorly, if at all, at a basic bureaucratic level. As Hank Nelson points out, government in PNG fails 'at the level of those who answer questions from the public; look after files; make, receive and record all small payments; manage recurrent costs of power, building maintenance and cleaning; order stationery, ink for printers and photocopiers; and issue permits for trading, vehicle registration, liquor licences and building. In the Education Department, teachers might go more than seventeen fortnights without pay...'⁷

In many parts of PNG the government has effectively withdrawn over the last twenty years, leaving roads to return to bush and the health system to disappear. The national government lacks authority in some parts of PNG, especially Southern Highlands Province. PNG will continue to grapple with multiple problems of human security over the next twenty years. During that time the population of 6.1 million will almost double, HIV/AIDS will become a pervasive health crisis, parts of the country will continue to evade the control of the national government and service delivery will continue to be patchy at best.

Australia's Enhanced Cooperation Program is worth more than a billion dollars over the five

year period 2004–2009. The program sends Australian civil servants to PNG, where they work in line positions and as advisers in key areas of economic policy, finance, justice and border control. Given the enormous security challenges PNG will face over the next twenty years, and the strategic importance of PNG to Australia, a major and continuing aid commitment by Australia is vital.

Solomon Islands

Solomon Islands, with a population of 550,000, is a weak state with characteristics that are likely to foster continuing political instability over the next two decades. The population is growing much faster than in more developed Pacific countries. Unemployment for young men is the rule rather than the exception. The economy was seriously affected by the unrest of 1998–2003 and will take decades to recover. The political culture is characterised by top-level corruption, which continues to be stimulated by cultural factors and by the country's heavy dependence on logging and fisheries. As the Solomon Island commentator Transform Aqorau points out, corruption is routinely practised by 'government ministers, land officers, fisheries, forestry, immigration, labour, Honiara Town Council officials, motor vehicle licensing officers, and education officials. There is also corruption at the community level involving so-called tribal leaders and Asian logging companies.'⁸

The Australian response has been RAMSI, which the vast majority of Solomon Islanders welcome, but the 2006 riots in Honiara pointed to the difficulties of its state-building task. RAMSI is in an ambiguous position. On the one hand, it claims to be merely assisting a sovereign government which has invited it to be there and can ask it to leave; on the other hand it seeks to challenge that government's procedures, policies and probity for the sake of the Solomon Islands people.

RAMSI faces challenges inherent in its design and mandate. Public servants from Canberra are tempted to get the job done by by-passing or covering for their Solomon Island counterparts, who are supposed to become the trained experts of the country's future but are sometimes left behind in the rush to efficiency. RAMSI is doing excellent work with committed people but must leave a legacy in the form of a new generation of highly skilled Solomon Islands public servants and experts.

In Solomon Islands globalisation takes the form of a poorly regulated industry extracting tropical timber for markets in East Asia and has created an economy dangerously dependent on exporting a single commodity. In the 1990s foreign timber companies corrupted whole governments which then brought the country to the brink of bankruptcy, and when the national government failed to provide services, villagers themselves turned to the loggers as a source of cash income and development. Logging continues apace in Solomon Islands and will undermine the future political stability of the country unless it is brought under control.

RAMSI is not the Solomon Islands government and cannot, by itself, make the changes that Solomons most needs:

1. an effective campaign against corruption, so as to reduce the gate-keeping leverage now exercised by ministers
2. a decisive move towards transparency and public explanation of government decisions
3. a strategic shift towards a more diversified economy, so as to check the corrupting influence of some logging and fishing interests.

Solomon Islands is likely to remain a weak state in need of external assistance, and Australia's commitment will need to remain open-ended.

Fiji

Fiji has a population of 840,000. The state is not weak in Fiji; democracy is weak, and likely to continue to be so. Coups in Fiji are not followed by a collapse of state institutions as happened in Solomon Islands. The policy implication for Australia is that it may have to accept that Fiji for the next two decades will have either military governments or, at best, elected governments under military influence. The parallel in South East Asia is not Burma but Thailand.

The 2006 Fiji coup is a more significant rupture with Fiji's political traditions than previous coups in 1987 and 2000. First, the coup leader and interim prime minister, military commander Frank Bainimarama, has not justified his intervention on ethnic grounds as did earlier coup leaders, but instead claims to be intervening in order to end corruption and replace it with good governance and multi-racialism. Second, he has asserted a leading role for the Republic of Fiji Military Forces in the political life of the country, sacking most heads of government departments and state-owned enterprises and placing military appointees in key positions throughout the bureaucracy and in charge of the police. Third, he has directly confronted Fiji's traditional chiefly system and, having first attempted to dissolve the Great Council of Chiefs, he now is purging it of opponents. Fourth, he glories in the fact that he has no voters to please and can therefore take decisive action to re-make Fiji as he wishes. Bainimarama believes he can revolutionise Fiji from above. Fifth, he has promised elections but said he will not permit Laisenia Qarase, the prime minister who won the 2006 election, to stand again, and reintroduced a state of emergency as soon as Qarase visited Suva.

A number of considerations flow from this analysis. The military forces will continue to

have a central role in the government of Fiji. The elections now promised for 2009 are likely to be delayed. If they do take place, most indigenous Fijians will vote for a pro-Fijian party as they did in 2001 and 2006. Most Indo-Fijians will vote for the Fiji Labour Party, widely regarded as the pro-Indian party, but since their numbers are falling and they are now under 40% of the population, their party will almost certainly be defeated and the pro-Fijian one will win. Such a result would return to power the very people removed by the military in 2006 and would almost certainly provoke another military demarche.

Australia may need to encourage more regional institutions—or parts of them—to move from Fiji to another Forum country, as is already happening with the shift from Fiji to Samoa of the Pacific Transnational Crime Coordination Centre, an initiative of the Australian Federal Police. Australia may also need to resume direct assistance to the University of the South Pacific, which is a key institution in the region's development and is being undermined by Fiji government funding cuts.

Vanuatu

Vanuatu, with a population of 220,000, has one of the highest population growth rates in the region (2.6%) and for this reason GDP per capita, despite encouraging economic growth in recent years, is lower than it was twenty years ago. Vanuatu has limited access to overseas labour migration and remittances, although New Zealand is beginning to take a small number of Ni Vanuatu for seasonal agricultural work. At least 65% of the population still depend on subsistence farming and small scale agriculture. The 2007 riots in the Blacksands squatter settlement left three dead and point to problems that are likely to deepen over the next twenty years. These are the problems of unemployed youth and urbanisation. A recent development,

which may return to haunt Vanuatu in the future, is the wholesale alienation of coastal land on Efate to real estate developers who are selling 75-year leases to Australian, New Zealand and other foreign investors. Landowners may contest the legality of these leases in the next twenty years, both through the courts and more directly.

Prospects for stability are better in the region's smallest independent states—Kiribati, Tuvalu, Nauru, Samoa and Tonga

Corruption is now part of the way politics works in all nine independent Pacific Islands countries. But corruption is not as serious in some countries as in others, and the outlook for their security is therefore more positive over the next two decades. *Kiribati* (pop. 94,000) is a net creditor nation and enjoys a strong international financial position because of its Revenue Equalization Reserve Fund, worth \$US666 million in 2006. The Trust Fund in *Tuvalu* (pop. 9,600) is equally well managed. *Nauru* (pop. 10,100) is recovering from economic collapse caused by corruption but embracing reforms leading to greater accountability. A newly revised constitution is likely to give the country not only a popularly elected president but also an ombudsman, an independent auditor and strict accounting of all public revenue and expenditure. Nauru is so small that prospects for success from the intervention of Australia and the Pacific Islands Forum are good.

Samoa (pop. 185,000), though not free of corruption, has an enviable record of political stability, and its economy is growing more quickly than those of its less stable neighbours Fiji and Tonga. The explanation for Samoa's stability lies in good leadership, carefully sequenced democratisation, successful public service reform, shared pride in Samoan culture, and a colonial legacy that did not create an ethnically divided

population. Samoa's prospects over the next twenty years are good.

The future political stability of *Tonga* (pop. 99,000) was not seriously threatened by the six-week public service strike of 2005 or even the Nuku'alofa riots of November 2006. Destructive though they were, the riots did not threaten the state itself and are hastening the small kingdom's overdue transition to a more democratic constitution. Tonga has a higher standard of living than its Melanesian neighbours, better human development indicators, a more effective government, a lower population growth rate, and access to labour markets overseas. Second-generation Tongan migrants remit less to Tonga than their parents, but a continuing outflow of first-generation migrants is predicted over the next two decades and therefore a continuing inflow of remittances.

Conclusion

Events in 2006 and 2007 showed that Australian engagement will need to be both effective and long-term if it is to check threats to security in the region. A major riot erupted in the Solomons capital Honiara in April 2006, following national elections, and Australia sent 400 troops to restore calm: 140 were still there in mid-2007. The November 2006 riot in Nuku'alofa provoked the dispatch of a further fifty Australian troops. The military coup in Fiji was the fourth in twenty years, and the serious violence that broke out in a Vila squatter settlement in March 2007 was a reminder that the future of Vanuatu may not be stable.

The most serious threats to stability and security in the Pacific over the next twenty years will arise in the four Melanesian states—PNG, Solomon Islands, Fiji and Vanuatu—for reasons that have most to do with the way politics works in those countries. The Australian Government recognises that there are no easy solutions and that

Australia is ‘in for the long haul’⁹. Future Australian governments will need to maintain that commitment and recognise that the challenges are considerable, progress will be slow and greater security is likely to be hard won.

Endnotes

- 1 Clive Moore *Happy Isles in Crisis: the historical causes for a failing state in Solomon Islands, 1998–2004*, Asia Pacific Press, 2004, p. 49.
- 2 Brij Lal *Another Way: the politics of constitutional reform in post-coup Fiji*, Asia Pacific Press, Canberra, 1997, p. 54.
- 3 Quoted in Ron Crocombe, *The South Pacific*, Suva, 2001, p. 513.
- 4 Jim Fingleton, ed., *Privatising Land in the Pacific: a defence of customary tenures*, Australia Institute Discussion Paper 80, 2005, p. ix.
- 5 AusAID *Pacific 2020: Challenges and Opportunities for Growth*, Canberra, 2006, pp. 44–45.
- 6 Philip Hall, ‘What the South Pacific Sea Level and Climate Monitoring Project is Telling us’, AusAID 10 Nov. 2006.
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- 8 Transform Aqorau ‘Corruption no secret in Solomon Islands’, *Pacific Islands Report*, 8 May 2006.
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Economic challenges

Satish Chand

The long-term economic security of the fourteen Pacific Island countries (PICs) remains in question. Table 1 presents data on total population, population density, extent of urbanisation, and per capita GDP. The data shows considerable heterogeneity on each of the above mentioned: Niue, the smallest of these countries in terms of population had 1,800 residents while Papua New Guinea (PNG), the largest of all, had a population of some 6 million in 2004. Their per capita GDP is equally diverse, ranging from a low of US\$513 for the Solomon Islands to that of US\$7,549 for Cook Islands (figures for 2004). Population growth rates and poverty-pressure are just as diverse. The more populous states of Melanesia have, on average, lower per capita income and are besieged by several economic and political problems. Furthermore, these nations—Papua New Guinea in particular—are located closest to Australia. Political and economic turmoil in these nations, therefore, will ripple across to Australia and in all likelihood draw Australia into any rescue.

Prevention, however, would be better than ex-post assistance of the nature undertaken in Solomon Islands under the banner of the ongoing regional assistance mission. The challenge thus is one of inducing acceleration in the rate of economic growth within the poorly performing countries so as to gird peace and stability on economic prosperity. The PICs are sovereign states and thus responsible for their actions (and inactions), but well targeted external support to those pointed in the ‘right’ direction has the potential to yield security dividends to the region as a whole. For those which are not, the choice is not to withdraw, but one of a different strategy to those with good governance.

Economic Security

The focus of this paper is on economic security, here defined as the capacity of the nation to fund its basic provisions from internally generated resources or those from export of labour and capital. At least on this criterion, many of the PICs are far from being economically secure. The US Government funds some two-thirds of the government budget of the Republic of the Marshall Islands (RMI). Significant proportions of the development budgets of Papua New Guinea, Solomon Islands, and Vanuatu are donor funded. While few audits on the effectiveness of this assistance have been undertaken to date, those provided by the Government Accountability Office (GAO) on US assistance to Northern Pacific states are disturbing. The GAO had noted on economic assistance of some US\$2.6 billion (at 1999 prices) provided to the Federated States of Micronesia (FSM) and the RMI from 1987 to 1999 that it had ‘little impact on economic development’, even though ‘national security objectives were achieved’¹. In their subsequent review, released in December 2006, the GAO goes on to note that both of the above-named PICs continue to face ‘serious obstacles to achieving the goals of economic advancement and budgetary self reliance of their people’². The key lesson from the above is that donor assistance can go to waste. In the worst-case scenario, donor support can impede reforms necessary for growth of the economy. This is particularly true when donor assistance leaves room for local leaders to procrastinate on necessary reforms for growth of the economy.

Why focus on economic security? The reasons are simple: it is a prerequisite for human security, where the last entails freedom from fear and want.³ This more individual-centred definition of security is founded on Sen’s (1999) notion of ‘Development as Freedom’. Many residents of the PICs are not free from fear or want of basic needs. Many lack the

Table 1: Basic statistics on Pacific Island countries

Country	Population '000s	Density People/km ²	Urban (% of total)	Literacy (% adult popl)	GDP per capita US\$
Melanesia					
Fiji	840	46	52	93	3,098
Papua New Guinea	5,800	13	13	57	695
Solomons	521	18	17	30	513
Vanuatu	213	17	23	34	1,472
Polynesia					
Cook Islands	20	86	70	94	7,549
Niue	1.8	6.9	33	95	4,364
Samoa	181	65	22	99	2,030
Tonga	102	127	34	99	2,087
Tuvalu	11	373	...	95	1,346
Micronesia					
Kiribati	90	123	49	93	633
RMI	61	337	67	92	1,803
FSM	108	154	30	95	1,786
Nauru	10	479	...	95	3,500
Palau	21	46	68	91	6,350
Income group					
Low		80	31	61	536
Middle		44	53	91	2,305
Upper		20	72	94	5,189

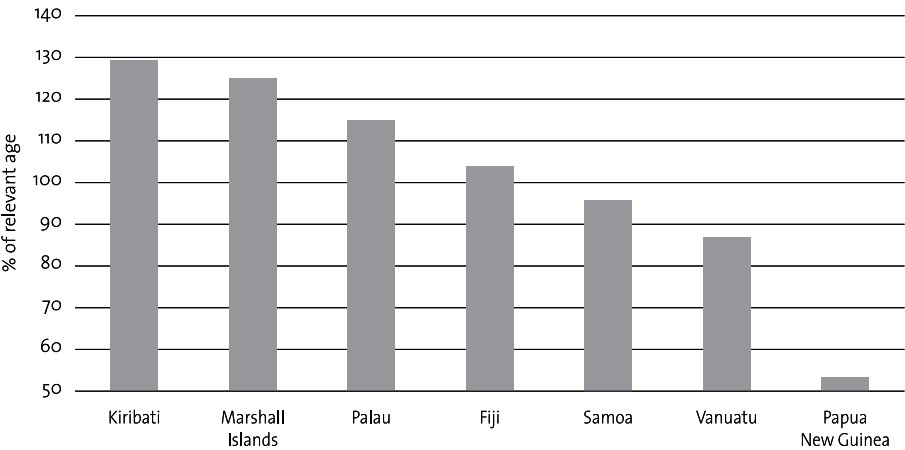
Source: AusAID Pacific 2020: Challenges and Opportunities for Growth, Canberra, 2006

opportunities to earn income, have poor access to basic services, while an increasing proportion of the population are unable to meet their basic needs, such as food, for healthy living. Mothers still die, in scores, at childbirth in PNG due to lack of basic medical facilities. Nearly half of school age children in Papua New Guinea lack places in primary schools, a disturbing fact given the low levels of literacy in the country (see Figure 1). Crops regularly go to waste due to poor infrastructure and irregular shipping. Many Pacific communities have over the past few decades regressed from their positions of ‘subsistence affluence’. Fiji has seen its rate of poverty climb steadily since 1977, from having one in eight in the population with an

income insufficient to meet their basic needs in 1977 to one in four by 1991 and one in three by 2002.

Pacific communities, and those in Melanesia particularly, remain largely rural. This is partly explained by their customary land tenure system that provides serious disincentives for migration. Cash income earning opportunities and access to services are, however, pulling migrants into urban centres. The populations of Honiara, Port Moresby, Port Vila, and Suva are expanding at a rapid pace. Many of the migrants are settling on land illegally. This is creating tensions between landowner and settler communities, constituting a major risk to internal conflicts. Competition for resources in the presence of weak

Figure 1: Primary school enrolment rate, 2005



Note that the 100+ percent is due to enrolments of children outside of the age cohort.
Source: Compiled from data collated from the World Development Indicators database.

governments has contributed to conflicts in Solomon Islands, Bougainville (in PNG), and the four coups in Fiji. Attaining economic security, therefore, will remain a prerequisite to attaining peace in the PICs.

Economic security has been more of an exception rather than the rule in most of the countries covered in this study. The PICs in many respects are not too dissimilar from several poorly performing developing nations, each struggling with their social, economic, and environmental challenges. The small size and relative isolation of the PICs from industrialised country markets places them at a serious disadvantage. These challenges, however, can be mitigated with appropriate policies as demonstrated by the experiences of many similarly endowed but prosperous economies such as Maldives, Malta, and Mauritius.

The PICs moreover have a few advantages that, if tapped, could be a boon to their prosperity. Their isolation from industrialisation has left them relatively free of industrial pollutants. The same isolation has left them relatively secluded

from the emerging threats of international terrorism. Being located within the Pacific, still within a day’s flying distance of several Asian cities but yet far away from the hassles of industrialisation, offers the PICs the opportunity to market themselves as the place to visit and relax for the burgeoning pool of middle income earners from a rapidly growing Asia. The PICs can market these features to their advantage. Tourism is a rapidly growing sector in global GDP, the benefits of which could be tapped into by the PICs. This growth could then provide the jobs and income that have evaded these nations over the past. Such prosperity, moreover, will have a flow-on benefit to the surrounding region.

The PICs have over the past decade faced several natural and man-made disasters. Each of these disasters has weighed down economic progress and sometimes curtailed the freedom of individuals. Amongst the natural disasters have been regular cyclones and the less common but equally damaging droughts and earthquakes, while the several episodes of civil disorder such as the 2006

riots in Honiara and Nuku'alofa comprise the artificial ones. Coups in Fiji have done a lot more damage to economic progress than cyclones; conflict-prevention has the potential to save considerable human suffering. External states, if able to prevent conflicts, would confer significant albeit unobserved benefits to the beneficiary country and to the region more broadly. This would be in the form of preventing an economic decline and with it further slippages into poverty.

Change, to be successful has to be supported, preferably initiated and thus owned from within. Recent episodes of political instability and breakdowns in law and order in several PICs have all led to growth collapses. Rising security costs and uncertainty of property rights have taxed private enterprise, weighed down investments and destroyed much-needed jobs in the afflicted economies. Perhaps most importantly, conflict has put a huge dampener on foreign exchange earnings, both through reduced tourism receipts and a loss of foreign investments. These events have afflicted Melanesia the most, i.e. the very countries with the greatest need for jobs, given their high population growth rates and the absence of access to labour markets abroad. Aid for trade, as argued below, has the potential to assist in breaking the cycle of high unemployment responsible for law and order problems that in turn prevent the investment necessary for employment creation. That is, aid used to fund infrastructure and skill acquisition that facilitates trade—this is what is meant by 'aid for trade'—has the potential to raise income on a sustainable basis in the PICs.

This paper considers the challenges of addressing economic security, a necessary precondition for attaining human security. It argues that achieving economic security in many of the PICs will require a significant cranking up of growth rates of income compared to the achievements of the

past. The status quo, in other words, is not security-compatible.

The status quo is not sustainable

The population of the PICs was estimated at 8.7 million in 2004 (see Table 2). This figure is forecast to rise to 11.6 million, that is, by a third, by 2020. The rate of population growth however differs considerably across the individual nations. The Solomon Islands and Kiribati populations are projected to grow at an annual rate of 2.23 and 2.18%, respectively. The high rates of population growth will put considerable pressure on natural resources, particularly in Nauru, RMI, FSM, and Kiribati where population densities are already in excess of 100 people per km² of land (see Table 1). The high and rising population densities in Pacific capitals such as Majuro (RMI) and Tarawa (Kiribati) are already threatening their fragile physical environment. Further growth of their populations risks doing irreparable damage to the physical environment.

The rate of growth of income (or a decline in population growth) in the PICs other than Cook Islands would need to pick up in pace if these countries were to witness marked declines in the proportion of their population living in poverty. On present trends, the RMI, Solomon Islands and Vanuatu will see declines in their per capita income by 2020 (see Figure 2). Such declines will see increases in the rates of poverty in the above-mentioned states. Falls in the levels of poverty in the majority of the PICs, therefore, requires acceleration in their rates of growth of income. Otherwise, the PICs are unlikely to achieve their Millennium Development Goals by 2015.

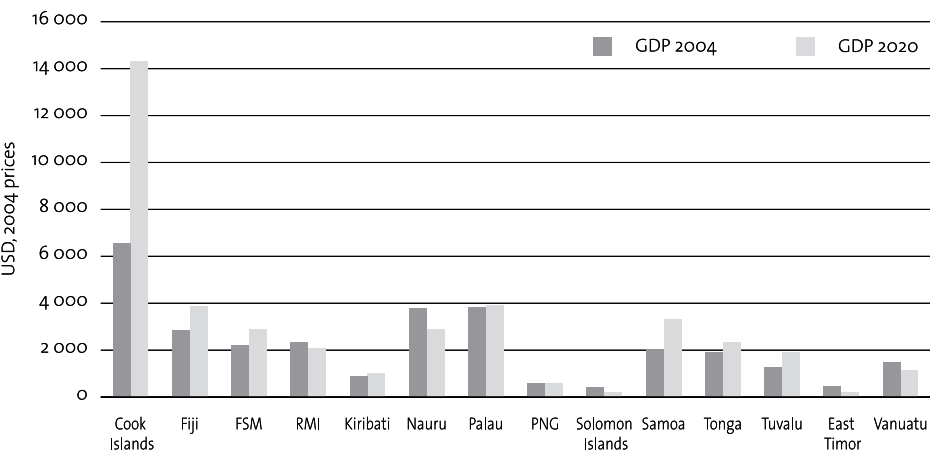
Sustained growth in income, particularly for a significant period of time so as to bring about reductions in the rate of poverty, requires sustainable use of resources. That is, sustained growth requires the building of an economy's physical and social capital. This is

Table 2: Population projections for the Pacific Island

Year	Cooks	Fiji	FSM	RMI	Kiribati	Nauru	Palau	PNG	Sol Is	Samoa	Tonga	Tuvalu	Vanuatu	TOTAL
2004	21,200	880,874	108,155	57,738	100,798	12,809	20,016	5,420,280	523,617	177,714	110,237	11,468	202,609	8,666,767
2005	21,388	893,354	108,105	59,071	103,092	13,048	20,303	5,545,268	538,032	177,287	112,422	11,636	205,754	8,849,640
2006	21,571	905,949	108,004	60,422	105,432	13,287	20,579	5,670,544	552,438	176,908	114,689	11,810	208,869	9,033,279
2007	21,750	918,675	107,862	61,782	107,817	13,528	20,842	5,795,887	566,842	176,615	116,921	11,992	211,971	9,217,455
2008	21,923	931,545	107,673	63,139	110,252	13,770	21,093	5,921,144	581,208	176,418	118,993	12,181	215,053	9,401,824
2009	22,091	944,532	107,437	64,485	112,741	14,014	21,331	6,046,177	595,501	176,304	120,881	12,378	218,105	9,586,097
2010	22,254	957,603	107,151	65,819	115,287	14,259	21,557	6,170,890	609,682	176,265	122,563	12,583	221,120	9,770,017
2011	22,412	970,732	106,826	67,139	117,883	14,504	21,773	6,295,353	623,790	176,311	124,164	12,794	224,113	9,953,833
2012	22,563	983,901	106,471	68,436	120,517	14,749	21,982	6,419,588	637,869	176,451	125,829	13,009	227,102	10,137,770
2013	22,709	997,093	106,084	69,701	123,190	14,996	22,185	6,543,441	651,890	176,673	127,560	13,229	230,077	10,321,531
2014	22,850	1,010,291	105,655	70,934	125,900	15,245	22,383	6,666,792	665,822	176,935	129,352	13,451	233,029	10,504,796
2015	22,984	1,023,479	105,183	72,139	128,643	15,494	22,577	6,789,589	679,635	177,195	131,199	13,676	235,949	10,687,345
2016	23,113	1,036,640	104,678	73,320	131,426	15,742	22,767	6,912,097	693,384	177,444	133,094	13,901	238,843	10,869,467
2017	23,236	1,049,760	104,148	74,480	134,255	15,990	22,953	7,034,495	707,131	177,682	135,023	14,126	241,716	11,051,355
2018	23,353	1,062,830	103,592	75,622	137,127	16,236	23,136	7,156,622	720,852	177,902	136,976	14,349	244,560	11,232,695
2019	23,465	1,075,849	103,003	76,745	140,037	16,480	23,316	7,278,335	734,520	178,076	138,947	14,570	247,366	11,413,172
2020	23,571	1,088,822	102,378	77,846	142,979	16,721	23,492	7,399,517	748,107	178,172	140,932	14,788	250,126	11,592,557
Growth 04–20	0.66%	1.32%	-0.34%	1.87%	2.18%	1.67%	1.00%	1.95%	2.23%	0.02%	1.54%	1.59%	1.32%	1.82%
Growth 20–50	0.19%	0.95%	-1.07%	0.93%	1.66%	1.02%	0.38%	1.22%	1.32%	-0.14%	0.97%	1.01%	0.72%	1.15%

Source: US Bureau of the Census, *International Data Base*

Figure 2: Per capita GDP, 2004 and 2020 with historical growth rate of the economy



Data source: GDP data is for 2004 in USD at official exchange rate, drawn from the World Bank (<http://devdata.worldbank.org/dataonline/>). Data for Cook Islands, Nauru, and Tuvalu are from the Asian Development Bank (http://www.adb.org/Documents/Books/Key_Indicators/2005/default.asp); and, data for Cook Islands and Nauru are for 2003 while that for Tuvalu is for 2002.

in sharp contrast to growth surges of the past brought about from unsustainable logging and through mining. While natural resources will continue to propel growth in the resource abundant PICs, the ensuing gains would have to be invested wisely in alternate forms of capital so as to sustain this process. Revenues from export of mineral resources from Papua New Guinea, for example, would need to be invested in physical infrastructure and in the acquisition of financial and human capital if the growth process is to be sustained over the indefinite future. Similar arguments hold for the exploitation of marine resources. There is little evidence to suggest that the PICs have used revenues from logging and mining in a sustainable manner. Once again, change is warranted on this front if economic security is to be attained in the forthcoming decades.

A successful break from the past will entail improvements in the quality of life of the residents in the PICs. Healthy communities will comprise those with access to basic services and to employment, all made available without sacrificing the

integrity of the already fragile physical island environment. Such an outcome will not be attained without a deliberate and well-targeted strategy and one whose progress is closely monitored.

Policy recommendations

Improve governance

Poor governance has been a perennial problem in the poorly performing PICs.⁴ Changing this requires increasing both the *supply* of and the *demand* for better governance. Facilitating the participation of the governed in the determination of their affairs could address the demand deficiency. This, in the main, calls for access to improved information and a greater role for democracy in decision making. Contrary to popular claims, democracy as a governing principle is not foreign to the Pacific islands. While Western forms of democratic governments are a relatively new concept in several of the Pacific island nations, democracy was practiced within traditional Pacific

societies. The ‘big-man’ culture in Melanesia is founded on the capacity to redistribute and thus earned via entrepreneurial flair and through gaining trust of the kin. Chiefs within Polynesia, similarly, have earned and maintained their positions of authority on the basis of trust of their kin. What has changed within modern times is the co-existence of the traditional norms of authority with modern democratic forms of government. This has given rise to opportunities for abuse.

The modern state has had a role in the creation of parallel states in some of the PICs. In Fiji, for example, traditional chiefs were used by the colonial authority as instruments for ‘indirect rule’. The colonisers, in exchange for the services rendered by the chiefs, protected their positions in Fijian society. Over time and in the process, the position of chiefs was entrenched while the traditional mechanisms to make them accountable to their kin were destroyed. Matters were complicated further when chiefs began using their traditional positions to win office via the electoral process. Backing out of such creations is difficult as it incurs costs to traditional leaders; those likely and most able to resist such change. External countries, however, could support those PICs that are in the process of improving governance.

Improving the *supply* of good governance must come about through improved levels of education. Foreign assistance can help in this regard but in order for the widespread changes to take place which will be required for improved governance, national education systems must be made more effective. The most populous state, PNG, had only 50% of children enrolled in school by 2004.

Improve access to land held under customary title

Access to land for large-scale commercial agriculture and for development of tourist facilities that require long-term security

of access to the resource remains a vexed issue in most of the PICs. Land held under customary title remains particularly difficult to access for enterprise in several PICs. Some, Cook Islands in particular, have had considerable success in making such land available for commercial development. Fiji and Samoa have also had limited success with the above. The government of Papua New Guinea has launched an ambitious land reform program to facilitate its utilisation for development. Such efforts could be supported, and lessons drawn from the program for others contemplating similar interventions.

Disaster mitigation for attaining economic security

Disasters have led to growth collapses. Several PICs have been badly affected by disasters, some natural, others man-made.⁵ These disasters in the form of cyclones, coups, civil strife, droughts, earthquakes, and tsunamis have had a devastating impact on their economies. Comparing coups and cyclones in Fiji, the former have been far more damaging. Coups, much like civil strife, create distrust between communities and thus tax entrepreneurial activity, the effects of which linger for decades. The decade long conflict in Bougainville, the four military coups in Fiji, and the 4-year conflict in the Solomon Islands reaffirm these conclusions.

Domestic conflicts, including those highlighted above, now readily spill across national borders. The regional effects of the 1987 Fiji coups were confined to Fiji’s national borders except for disruptions to trade to the surrounding nations that used Fiji as a shipping and aviation hub. The 2000 coup, however, was alleged to have led to a copycat coup in the Solomon Islands while the fall-out from the 2006 coup continues. Averting conflicts before they arise and containing them once they do is, therefore, a regional

responsibility. Conflicts disrupt growth and raise poverty. Interventions to avert and contain conflicts, therefore, constitute a backstop against slippage into increased poverty. How should the international community go about helping to avert domestic conflicts?

Interventions to avert and/or contain conflicts when undertaken at a regional level raise several questions. When and how should the region respond to conflicts in its member countries? Under what conditions should the region, and the wider international community, intervene in an internal conflict without the invitation of the host government? The latter question did not arise in the case of the Regional Assistance Missions to Solomon Islands and Nauru since the host governments instigated them, but such invitations are unlikely when the government is taken hostage, as was the case for three of the four coups in Fiji. How can taxpayers be protected from internal threats such as coups from their own 'disciplinary' forces that are trained, equipped, and paid for by the citizenry? These are difficult questions but questions that have to be addressed if peace and stability are to prevail in the region. The *Biketawa Declaration* could be expanded to address some of these concerns.⁶

Use aid for trade to improve access to markets

Use of 'aid for trade' by lowering the impediments to mobility of goods, services, and factors of production within the Pacific region as a whole has the potential to raise growth of income. While barriers to goods trade have fallen both within the PICs and between the PICs and their industrialised neighbours, Melanesian access to the labour markets of neighbouring industrialised countries remains problematic. There is some evidence in support of the proposition that easing flows of labour from the Pacific into

Australia and New Zealand will be beneficial to the participating nations. At least part of the success of reforms undertaken in the late 1990s to lay the foundations for GDP-growth in the Cook Islands and Samoa was made possible by easy access to New Zealand, and thus Australian, labour markets.⁷ Per capita GDP in the Cook Islands and Samoa grew by 4.74 and 3.39% per annum between 1999 and 2004, respectively; the comparatively high rates of growth of per capita income in these two countries were due to a combination of access to foreign labour markets, thus the low rates of growth of their population, and policies conducive to growth. Kiribati, in contrast and without the same access to foreign country labour markets, experienced growth in aggregate GDP for the same period of 3.03% but with the population growing at 2.3%, per capita GDP grew by less than one percent per annum.⁸ Consideration, therefore, could be given to deepening trade links within the Pacific region as a whole. Ideally, a vetted 'Pacific Passport' could give unimpeded access to investors, workers, and consumers to live and work in the entire region.

The arguments for labour mobility for sustainable livelihood differ, however, across the individual PICs. The Micronesian states have very high population densities and a diminishing environmental capacity to sustain this population at home on subsistence alone, and thus perhaps have the most persuasive and immediate case for out-migration. In other parts of the region other factors figure more prominently. International labour mobility, whether within the PICs or more broadly, could serve as an effective response to macroeconomic shocks. The mobility of workers from small regions, and particularly those at risk of facing frequent natural disasters, provides a means for employment diversification in the face of frequent adverse shocks. Furthermore, in those countries facing the most significant governance

challenges, labour mobility could induce better governance by allowing people to 'vote with their feet'.

Access to industrialised country labour markets, even for the smallest and most resource poor states, is likely to have the largest long run effects on poverty if the labour force is 'tooled-up' to take advantage of the opportunities abroad. Thus aid targeted at improving access to education and health services on a long-term basis is likely to yield dividends in terms of poverty reduction.

Mainstream sustainable use of natural resources

Sustained growth necessitates sustainable management of the nation's resources. Reversing environmental degradation in some of the heavily populated areas remains a pressing concern in several PICs. Sustainable growth predicated on effective management of the environment is particularly difficult for the Micronesian states, where the environment is particularly fragile. The high population growth rates of the past, accompanied by rising population densities, have placed a severe toll on some of the surrounding ecosystems. In a few cases, the extent of the environmental degradation has gone beyond natural regenerative capacity.⁹ This process would need to be halted if economic security is to be attained in the near future.

Use consensus on the Millennium Development Goals to induce reforms for economic growth

Australia, as the largest donor to the PICs, could use greater consultation in reaching a consensus on the possible compromises between the priorities of the leaders of the recipient nations with those of donors. The Millennium Development Goals lend themselves as a convenient point for consensus. Otherwise, the differences in the

priorities of donors' vis-à-vis the recipient runs the risk of reducing the developmental dividends from aid.

Considerable rebuilding of bridges has to be undertaken in mending diplomatic relationships between Australia (and New Zealand) on the one hand and several Pacific nations on the other for a joint undertaking in pushing towards economic security in the decade ahead. It is indeed shocking to see relations between Australia and its near neighbours at an all time low in an era when Australian taxpayers are contributing the most to poverty alleviation in living memory. Indeed it is arguable that much more impressive security outcomes could be achieved if the government focused on mending relationships rather than spending money. When there is a sense of mutual distrust amongst leaders in the region little will be achieved on the security front even with large increases in financial assistance.

Conclusions

Only sustained growth in per capita income predicated on sustainable use of all of the nation's resources can bring about economic security. Although the region's resource endowments will play a key role in this process, this can only be achieved by a large increase in the rate of investment into human and physical capital and not by an increased and unsustainable use of the region's natural resources.

Such security is necessary, albeit not sufficient, for the realisation of lasting peace, harmony and human security for the PICs. Attaining these goals will have spillover benefits for the wider region including the surrounding industrialised nations. It is thus in the collective interest of the region to pursue economic security as a means to attaining stability and peace in the wider Pacific region. To an extent, international assistance

has become too focused on security and counter-terrorism measures as a means to ensuring economic security: perhaps spending more effort on sustainable GDP growth will pay larger security dividends over the medium to long term.

While some of the countries within the region are making progress in terms of economic growth, the majority continue to lag behind what may be necessary to achieve economic security by 2020. Cook Islands, Samoa, and Palau have displayed faster growth rates than the rest. This is not accidental given that these same countries have had a superior record on measures of governance. The contrast with the poorly performing PICs on governance is sharp.

In a few, the rate of growth in aggregate income lags the rate of population growth to such an extent that per capita income has been on a decline. Such slippages cannot be conducive to stability girded on economic prosperity. Environmental degradation, a rising incidence of HIV/AIDS and climate change are challenges that future leaders of the Pacific have to wrestle with. Space to address the above-mentioned issues will only be available if economic security is achieved on the back of sustainable development. As argued above, the status quo for many of the PICs is simply not a path to economic security. Reforms, therefore, are necessary and urgent if progress is to be made towards attaining economic security in the decades ahead.

A number of strategies have been suggested for inducing a more rapid rate of growth of income in the PICs. Such growth, to be sustained, must be grounded in the sustainable use of all resources available to the economy. International trade, no doubt, will have an important role. The specifics in terms of the particular set of interventions for any particular country, however, will depend on their particular economic and political

circumstances. Moreover, as sovereign states the countries themselves must initiate and take responsibility for their actions. Donors, however, have a role in supporting nations short of resources who are already embarking upon growth-promoting reforms. The risk of providing aid to countries not having these preconditions is that such support may prolong the need for necessary reforms. Aid in this context could do more harm than good.

Donors can help the PICs accelerate their pace of economic growth. Support for sustainable development has potential to align the interests of the multitude of donors and the PICs. The Millennium Development Goals provide a common rallying point for interventions to attaining economic security in the coming decade. Furthermore, a singular focus on human security has potential to act as a point of affinity both between the PICs and the external states as much as amongst the extra-regional countries themselves.

Endnotes

- 1 GAO, 2000. 'US Funds to two Micronesian nations had little impact on economic development and accountability over funds was limited', Testimony before the Subcommittee on International relations, House of Representatives, June 28, GAO/T-NSIAD/RCED-00-227, p.4
- 2 GAO, 2006. 'Compact of Free Association: Micronesia and the Marshall Islands face challenges in planning for sustainability, measuring progress, and ensuring accountability', Report to US Congressional Committees, December 2006, p.2.
- 3 See the United Nations definition of human security at: http://www.unidir.org/html/en/human_security.html
- 4 Governance is defined as the manner in which power is exercised in the management of a country's (economic and social) resources for development.
- 5 Tonga, for example, was struck by two earthquakes within a month; an earthquake measuring 7.8 on the Richter scale struck on 4 May 2006 followed by another measuring 6.7 on the Richter scale on 28 May 2006. Neither of these is reported to have caused

major damage; this is in sharp contrast to the macroeconomic effects of a salary rise won by public servants in the aftermath of their seven-week-long strike of 2005 and the riots in Nuku'alofa in November 2006.

- 6 Chand, Satish 2006. 'Economic growth in Forum Island Countries: Lessons of the past decade and challenges and opportunities ahead', keynote paper delivered to the Forum Economic Ministers' Meeting, Honiara, July 4, 2006.
- 7 *ibid.*
- 8 Tuvalu appears to provide an even sharper contrast on this front, but with this data being drawn from the *World Fact Book* it is likely to be of lower quality than the World Bank data for Kiribati.
- 9 'Subsistence affluence' for these folk is a distant memory. Many residents in the urban centres of the PICs risk starvation from interruption of international shipping services.

Security sector reform

Andrew Goldsmith and Bob Lowry

The push for good governance in developing countries as the path to economic prosperity and stable and peaceful societies has inevitably given effective, democratic policing and civil control of the military forces high priority in the reform agenda internationally and nationally. Reform programs for both police and military are now couched within the holistic approach of security sector reform (SSR), embracing all facets of the political and legal foundations of the state and the processes and agencies it employs to uphold the law, administer justice and direct and constrain the military.

Police and military have been the focus of Australian assistance efforts in the region for many years with less than satisfactory results. This paper first reviews the challenges of developing effective police forces and then surveys four military forces within the region. It is followed by concluding remarks where the two intersect.

Police reform

Australia's policing deployments in the Pacific and near neighbouring countries have become a significant foreign policy development of the past five years.¹ As current growth in the Australian Federal Police's International Deployment Group from 800 to 1200 personnel attests, this trend is set to continue. The future for Australia's engagement with policing in its Pacific neighbourhood will depend upon a number of fundamental considerations:

1. the assessment of justice and security needs and threats to them in the region
2. the prioritisation of those needs and threats
3. the amenability of recipient nations to interventions by and assistance from Australia

4. regional and international support or opposition to Australia's engagement in particular nations
5. Australia's domestic capacity and willingness at particular moments to get involved in and to sustain such engagements.

Two general observations may be offered to contextualise this discussion. The first is seemingly universal in its applicability: the capacity and orientation of domestic police forces are ultimately dependent upon, and reflective of, the quality and aptitude of the political arrangements from which they spring and which they serve ('police can be no better than the governments they serve'). The message here is that technical and professional forms of assistance and intervention in policing can only proceed effectively and positively if they are located in relatively stable and benign systems of political governance in recipient nations.

The second point is that police institutions, and policing in general, are achieving new prominence and significance in humanitarian and state-building operations in the twenty-first century. The diplomatic and strategic importance of international policing reform has grown considerably. The United Nations Police Division is expanding its operations and now operates separately from the Military Division within the Department of Peacekeeping Operations of the UN; individual nations are contributing greater numbers of police personnel to multilateral, regional, and bilateral engagements. In many parts of the world, including the Pacific, calls for improved security in the aftermath of intra-state conflicts are being translated into the need for more, and better, police. No longer are these engagements mainly about monitoring local forces; increasingly, they are about capacity-building in the post-conflict phase or in buttressing security institutions in 'fragile' or 'weak' states. The domestic focus

of policing engagements, however, has not rendered them ‘technical’ exercises. Far from it—policing reform has always been political in its significance within individual countries, and is even more so transnationally, from one country to another. Policing in this second sense, which is the focus of this discussion, is indeed taking place in a ‘foreign policy space.’

Australia in the region

Closer to home, some further observations apply to any assessment of what Australia should do, and might feasibly become involved in, by way of policing reform. First, Australian threat assessments from a fragile states or international police reform perspective will not necessarily be shared by those within recipient nations. Resistance within recipient nation political elites or within the wider community, including from inside the police forces of those countries, may emerge to confront and undermine the goals of external policing reform agendas. Opposition to high-level corruption investigations last year in the Solomon Islands conducted by the Royal Solomon Islands Police (RSIP) and the Participating Police Force (PPF) is an example. Policing reform agendas, therefore, can take a variety of forms, some of which will give rise to local resistance or indifference. Determining what should be done, and how it can be best achieved, therefore cannot be simply left to nations such as Australia on the basis that ‘we know best.’ Partnerships between countries, including donor and recipient countries, are required in which, among other objectives, joint problem assessment and planning of police assistance missions are undertaken.

Second, Australia’s particular aspirations and engagements in policing reform cannot be separated from its broader role in the region. There is a historical dimension to current deployments, as well as one of scale and relative affluence, here. In a country like Papua

New Guinea, Australia has a long history of engagement in policing as well as in other areas of national development, dating to pre-Independence times.² Long trajectories of this kind can generate a range of viewpoints within recipient countries concerning the ‘real’ agendas or motives for specific reform objectives. The short-lived policing component of the Enhanced Cooperation Program (ECP) in Papua New Guinea is a reminder of the local sensitivities that can exist within a longstanding relationship, of the symbolic significance of policing reform for local sovereignty considerations and intra-country political struggles, and of how these contextual factors can readily undermine the best laid and intentioned plans of external governments and agencies.

Policing reform therefore cannot be considered a stand-alone activity. Two recent reminders of this fact took place in 2006. The events in April 2006 in the Solomon Islands and the following month in Timor-Leste demonstrated the vulnerability of even well-planned and well-resourced police assistance missions to recipient country politics.³ In the case of the Solomon Islands, those events took place within a broader cross-sectoral mission, the Regional Assistance Mission to the Solomon Islands (RAMSI), which was premised upon three pillars—law and justice, machinery of government, and economic governance. In this case, it has been suggested by some critics, RAMSI’s footprint remains overwhelmingly police-focused and Australian-backed, implying a lack of balance with other governance and economic development agendas.⁴ The fact that Australia has often provided the lion’s share of the resources needed for such a mission, and many of the policing and civilian personnel on the ground, also permits the perception among some of its political critics within the recipient countries that it is operating neo-colonially.

Directions in Australia's foreign policy and national economic agendas can also impact upon perceptions of and reactions to police assistance missions, both within recipient countries and among other countries and agencies. A telling example is Australia's interest over several decades in the oil and gas resources in the Timor Sea.⁵ Australian proposals on policing reform remain open to criticism on the grounds that Australia's true motives for involvement even in policing issues may be perceived as reflecting economic self-interest.

Challenges for institutional policing reform

Different agendas

As noted earlier, international policing reform can reflect a number of agendas focused upon building policing institutions. Some are technical in nature and related to relatively narrow objectives. Some Australian Federal Police programs on counter-terrorism with the Philippines and Indonesia (e.g. the Jakarta Centre for Law Enforcement Cooperation), and with transnational crime in the southwest Pacific nations (e.g. the Pacific Transnational Crime Coordination Centre in Suva, Fiji), are examples of this kind of engagement.⁶ Others are more humanitarian in nature—police peacekeeping in the early days of the RAMSI intervention in 2003 is an example. Then there are the capacity, or state-building engagements, such as the latter phases of RAMSI have reflected, in which longer-term institution-building has been the focus of Australian and other Pacific Island contributions. The different agendas pose a number of issues.

The first is sequencing—when should peacekeeping be accompanied by, or succeeded by, capacity-building? Policing engagements are unlikely to be limited to single-item agendas. Today, it is broadly accepted that capacity-building

should be planned for from the very first engagement—peacekeeping or other humanitarian intervention, on the grounds that these phases overlap anyway and that good peacekeeping practice sets the groundwork for later capacity-building. Better understanding of how interventions should be sequenced is still, however, urgently needed.

The second is related to the legitimacy of engagements. Humanitarian engagements tend to be less contentious than technical assistance or capacity-building engagements. Saving lives and stopping intimidation and looting serves the general interest of conflict-ridden societies; however, longer-term police institution-strengthening, for instance in anti-corruption capacity, runs a higher risk of encountering 'spoilers' within the local political elites. The Solomon Island Government's sacking of Royal Solomon Islands Police Commissioner Shane Castles in 2006 can be viewed in this light. In short, different policing assistance agendas are likely to have different receptions in recipient countries, depending on what is at stake and whose interests are being threatened.

Different modalities for achieving reform

Today, Australia is engaged in several different delivery modalities for international policing reform: United Nations multilateral (e.g. Timor-Leste); regional multilateral (e.g. RAMSI); and bilateral (e.g. Indonesian counter-terrorism programs). In part, reception of Australian participation in this reform work will be conditioned by the modality under which it operates, as well as by the other, historical and contemporary associations Australia has with the recipient country with which it is involved. For example, given some of the factors working against Australian-led involvement in capacity-building on a bilateral basis in Timor-Leste,⁷ there is the option, at least

theoretically, of becoming involved in the longer term through participation within a UN-led capacity-building mandate set down by the UN Security Council.

As the UN Police role grows internationally, Australia is likely to participate both as a contributor to UN-led missions as well as in partnership with the UN. In the region, it remains to be seen whether Australia will become involved in UN-led operations or tend to remain a bilateral and regional multilateral player. The ‘size of the footprint’ issue, evident in the RAMSI example, also raises the issue of how a particular modality (in this case, regional multilateral) is put into practice, and whether lead nation status should be expressed indirectly rather than directly in the face of certain sensitivities, or whether it is best avoided, or at least minimised when impracticable to avoid involvement altogether. One possibility is for Australia to support, rather than become directly involved in, the engagements of other regional nations in assistance missions.

Executive, in-line, serving police and external advisory roles

In relation to peacekeeping as well, but most of all, capacity-building, Australia has experience in the region in each of these approaches to police reform. Executive policing is policing provided by foreign police when local police have ceased to function for whatever reason—Australia provided this kind of executive policing in restoring law and order in the Solomon Islands as part of the initial phase of RAMSI; similarly, it acted in this role, together with police from Malaysia and New Zealand, in Timor-Leste after the implosion of the Timor-Leste police in May 2006. In-line refers to the assumption by Australian police of positions within recipient nation police forces undertaking the gamut of policing work—Australia has a history of doing this in the Royal Papua New Guinea

Constabulary under the short-lived ECP program, and until now in the Royal Solomon Islands Police as part of RAMSI. External advisory positions, as well as serving police advisors (e.g. in the current Participating Police Force [PPF] under RAMSI), tend to be focused on technical assistance training and general capacity-building functions, drawing upon non-serving personnel from policing and other backgrounds. In this last category, policing reform tends to resemble other forms of development assistance.

Australia is likely to rely in future upon a mix of these policing roles in its relations with Pacific countries. External advisors offer flexibility of deployment. The reliance upon retired or former police as external advisors means that their use doesn’t impact upon the numbers of serving police from Australia drawn into off-shore engagements. However, use of serving police in in-line, executive, or advisory roles does require the deployment of current or newly-recruited police personnel. The impact of overseas deployments upon current strength of state and territory as well as Australian Federal Police (AFP) numbers continues to generate a range of recruitment, selection, training, maintenance, and retention issues.⁸ Ensuring that state police services do not suffer too much attrition in order to meet the staffing needs of the International Deployment Group (IDG) is likely to require close monitoring, particularly during any growth phase. Use of private consultancies (often retired police), which was common in aid-related programs prior to RAMSI, can only provide some respite under these circumstances. While there does not appear to have been significant use so far of private security contractors in the region to provide police reform services,⁹ the possibility of doing so is unlikely to go away, especially if calls upon Australia to help out or reasons for doing so do not diminish in future. When external contractors are being considered as a policy option in this area, concerns of

quality and accountability must be given priority, based upon previous experience with such operators in other developing countries, particularly when their use is being countenanced on any scale.

Coercive policing/policing by consent

In contrast to colonial times, Australia's recent engagements in off-shore policing have mainly been premised upon a civilian community policing approach. This has been particularly evident in capacity-building programs. However, the events in Tonga, Solomon Islands and Timor-Leste in 2006 served as a reminder to the AFP that sometimes capacity-building does not proceed smoothly, and that a more robust approach to handling of public disorder and protest is sometimes required. Such a capacity is often sought and indeed expected of foreign police deployments by those countries in the grip of disorder. In August 2006, it was announced that the AFP's International Deployment Group would develop an Operational Response Group (ORG) capable of dealing with the sorts of situations encountered earlier in the year in Honiara and Dili. The Stability Response Teams being currently established within the ORG are intended to provide a stand-by capacity capable of reacting quickly to incidents of disorder in countries in the region.

The challenge for the AFP will lie in how this capacity is deployed in the field where community policing programs are also being planned or implemented. Given the political roots of many of the situations where the ORG will be asked to intervene, even having the explicit invitation of the government of the day in the recipient country will not deliver legitimacy in the eyes of the public in some instances as less controversial forms of assistance. While there is conceivably a 'chicken and egg' aspect to this point, the use of force on any systematic basis by

the AFP may impact negatively in terms of acceptance of other policing programs being run by them in recipient countries. Australia's deployment of this operational capacity also needs to guard against the appearance of it acting as the foreign legion of an unpopular government. There are no easy answers to these dilemmas, but at the very least, avoiding the worst pitfalls will require a high level of diplomatic skills at the operational level as well as the conspicuous exercise of restraint ('minimal force').

Dealing with political contexts

Australia has shown considerable international leadership in its development and rolling out of the RAMSI whole of government concept in the Solomon Islands. As noted earlier, the prospects for significant policing reform cannot be separated from governance and development considerations. It has become increasingly well-recognised in our region as well as internationally that in part this requires the inclusion and development of prosecution, courts, and corrections in order to advance broader Law and Justice objectives. On the donor government side, this is sometimes referred to as a sectoral or whole of government approach. However, a sectoral approach must also address the nature of the contexts in which it is operating. Local politics, both formal and informal, need further recognition in future planning for similar missions. It makes little sense to pursue capacity-building at the level of training local police personnel if problems of political governance are not also being recognised and dealt with simultaneously. Disputes within the political elites (e.g. Solomon Islands in 2006; Fiji in 2006) as well as incompetence and corruption in relevant ministries (e.g. the Ministry of Interior, Timor-Leste, 2006) threaten the very viability as well as effectiveness of policing missions. Once again, political skills, not just technical skills, are urgently needed in support

for such deployments. The more effective use of ‘soft power’ by Australian ministers, diplomats, and policing leaders involved in missions is required.

Operational planning matters

Rolling out missions has advanced significantly in terms of timeliness and effectiveness with the establishment of the IDG in 2004 and the lessons learned through the relatively short period since. The apparent global, not just national, shortage of police officers provides a recruitment and selection challenge for the IDG, not least of all in terms of how it can build and sustain effective partnerships with state and territory police forces. One of the benefits of a more holistic or sectoral approach in this area is that civilian skill sets, as well as those of police, can be counted, especially in relation to capacity-building activities.

The recent extension of the IDG’s pre-deployment training from 12 to 35 days reflects a number of identified needs in terms of the missions facing Australia and other Pacific countries in the region. One of these has been the greater emphasis needed to be attached to cross-cultural awareness, communication, and language skills. As resources permit, the AFP could give even greater attention to matters of language in future, especially if (as can reasonably be expected) capacity-building is to remain central to off-shore missions. The ability to communicate with local police and members of the community in-country is an important precondition for effective teaching and mentoring of local police and for building trusting relationships with local people.

Short mission duration is frequently raised by recipients of police assistance as a problem for effective capacity-building. Twenty-week rotations of personnel deployed by the IDG, often with periods of leave and different

postings breaking up these periods, can lead to complaints from locals that ‘they don’t know whom to trust’ as they are asked to talk with and confide in a changing parade of Australian police mentors. The importance of more long-term placements in mission has been recognised by the AFP, but getting enough of these to meet local community expectations remains a challenge.

Sustainability of missions

The trend recently identified by the outgoing Police Adviser to the United Nations is towards more missions involving police. It is no longer the case that UN-type missions will be purely peacekeeping in their original sense (monitoring), but rather that mandates will extend to capacity-building. This trend has obvious costs in terms of raising and maintaining appropriate numbers and types of personnel. Wealthy countries such as Australia will continue to be asked to contribute resources and personnel to such missions. In the region, there is no obvious end in sight to interventions of the RAMSI or more limited type in future. In a globalised world, no country can remain completely isolated from events in other countries, especially in those close at hand.

Hence, a generational approach should be planned for, so that program time lines and performance measures reflect the need for sustained engagements in many cases (though not all) over decades, rather than just years, months or weeks. The experiences over decades in Papua New Guinea should inform this recognition, though it will depend for its effectiveness and relevance upon the willingness to be self-critical of past involvements. It also implies the importance of establishing what local resources and mechanisms are already available to assist in the achievement of broadly agreed policing objectives. Policing reform should not be, nor

be seen to be, a kind of ‘cargo cult’ exercise, in which the external actor becomes a magical saviour. Local responsibility for what is achieved needs to be reinforced, but this presupposes that the objectives and the paths chosen for their achievement are grounded in local aspirations and priorities, something which experience has shown us repeatedly cannot be taken for granted.

What else can be done?

First, Australia should maintain its strong commitment to policing reform as a fundamental part of SSR on the basis of its contribution to improving the daily safety and security of people in the Pacific, especially the safety of women, children and other vulnerable groups within those societies. It should do this in part by ensuring that international police deployment personnel and local police are responsive to these groups, and accountable for their actions. Oversight and accountability are important to restoring and building trust in institutions that exercise power over ordinary people’s lives. It is only when the police are patently serving, rather than undermining, the security needs of ordinary people from all walks of life, and no longer the particular interests of elites or powerful individuals, that real progress in SSR and the achievements of particular deployments can be measured.

Second, following from the previous point, Australian policing missions in peacekeeping and capacity-building require a commitment to a generational approach, one in which there is acceptance of the need to build relationships, as well as impart knowledge and resources, over many years to come. This requires not just generosity on our part, but also a certain humility in terms of how and which objectives are set down, and how they are realised.

Third, policing missions need to be located within broader governance and development

agendas. This is essential if the restoration of safety is to be sustainable in the longer term. This requires in part a deeper appreciation of the contexts in which policing and other assistance missions are rolled out, implying a greater commitment to our study of the region generally and of the cultures, languages, and politics of other likely recipient countries.

The establishment of a Peace Operations research and training centre, outside government but with links to police and military, standing either independently or linked to universities and other research institutions, would allow a more considered development of how these matters are understood, planned for, and implemented.¹⁰ How policing links to other Rule of Law and justice sector initiatives is one area such a centre could explore. Bringing students from the Pacific for short periods or longer terms to contribute to the research projects would enable a valuable resource to be tapped.

Fourth, partnerships also mean the establishment of effective working relationships and partnerships across departmental, professional, and indeed national boundaries. Recent gains of this kind, for example, domestically, as between the AFP and AusAID and Defence, and transnationally, as between Australia and New Zealand and other Pacific countries, need to be maintained and expanded. In view of some of the tensions noted at the international level surrounding policing reform missions, Australia should also explore indirect as well as direct partnering—helping other countries and donors to provide assistance in the region through provision of planning, logistical and other forms of support, including financial resources.

Pacific militaries and civil control

The militaries of the South Pacific include the Papua New Guinea Defence Force (PNGDF),

the Republic of Fiji Military Forces (RFMF), the Tonga Defence Service (TDS), and the Vanuatu Mobile Force (VMF)—the paramilitary arm of the Vanuatu Police Service (VPS). All of them are based on light infantry establishments and small maritime forces, and the PNGDF and the TDS have small air transport wings.

There are two central questions: do these countries need military forces and, if so, how can they be prevented from becoming a threat to democracy? There is an extensive literature on why militaries become politicised and the reforms needed to minimise the potential for militaries to become politicised.¹¹ The primary lesson of this literature is that, while there are generic explanations and palliatives, the causes and the cures are to be found in the particular political entity being considered.

They also emphasise that effective security can only be achieved by adopting a cross-sectoral approach that engages all relevant state institutions, informal structures of power, and the communities they serve. Reform strategies must also be adapted to the scale of the community involved, ranging from the economically viable to the perpetually aid dependent state.

Causes and cures

Militaries generally become politicised because of a sense of revolutionary entitlement, because governments fail or are unable to fulfill their basic functions, or because of irreconcilable ideological positions that undermine the legitimacy of government and/or regime. Militaries become concerned that national security is being undermined either relative to an external threat or because of internal anarchy or the emergence of unacceptable ideological or religious alternatives. In these circumstances, militaries often meddle and sometimes intervene unilaterally but they are also commonly

invited to intervene by political forces seeking to use the military for their own purposes.

All the South Pacific countries with militaries reached independence peacefully so none of them have a sense of revolutionary entitlement stemming from the defeat of a colonial power. Nevertheless, since 1987, the RFMF has had a self-proclaimed 'Guardianship' role as defender of Fijian ethnic political supremacy and more recently as the guardian of clean and non-discriminatory government. Although the other militaries have been entangled in domestic political disputes, usually related to maladministration of the militaries concerned, none have sought to seize political power.

The best way to avoid politicisation of the military is to ensure that governments are broadly representative of their communities and, of equal importance, fulfill the functions expected of them to a standard that does not undermine faith in democracy. Politicians who draw militaries into politics are employing a dangerous strategy with often unpredictable and uncontrollable outcomes.

The institutional cures for politicisation of the military are equally well established ranging from appropriate legislation, effective executive and parliamentary control and oversight, effective government administration of the forces, and professional development and administration of the forces maintained. This includes measures for the reintegration of retirees and veterans into the community.

It is often proposed that militaries be given policing or community development roles that keep them busy and therefore less likely to become politicised. The obverse of this argument is that militaries that become involved in routine policing or community development also become more politically attuned and more likely to assert a right to a political voice because of their contact with

the broader community. Moreover, because militaries do not have to make the political compromises governments do it is easy for them and the community to develop the idea that they would be better at running the country than the government.

Consequently, it is an illusion to believe that involving the military in essentially civil matters will make them less likely to engage in politics: the reverse is more likely. Nevertheless, if a country has a military, either because it needs one or because it does not have the political capital to demobilise it, there is no reason why it should not be used in emergencies either in support of the civil power or emergency services. Indeed the political pressure to use all available resources in emergencies would be overwhelming.

The best cure for politicisation of the military is to demobilise them. If that is not possible they should be kept as small as feasible, given an external focus if that is possible, and restricted to basic military functions, including training related to aid to the civil power and emergency assistance.

Papua New Guinea Defence Force

The PNGDF evolved from the Pacific Islands Regiment established by the Australian colonial administration in the 1950s and bequeathed to PNG in 1973. It comprises about 2500 men organised into two under-strength infantry battalions, an engineer battalion, a small air wing, and a small naval patrol force. The Headquarters PNGDF and one infantry battalion are located in Port Moresby, the other infantry battalion is at Wewak, and the engineer battalion at Lae.

PNG is the only South Pacific nation sharing a land border with a neighbouring country. It is the only country to have the geography, population and resources to justify a viable military defence strategy. Moreover, if it can

restrict the force to 2500 it will not impose an undue burden on the government budget. Two experts on the PNGDF recently observed that: 'The military coup predicted by many observers at the time of independence has never occurred and there seems to have been greater stability and consolidation in the Force since the early 2000s.'¹² Nevertheless, there are policy, institutional and professional weaknesses that need to be addressed, particularly in relation to their inevitable primary role, aid to the civil power and emergency services.

Republic of Fiji Military Forces

The RFMF in its present form stems from forces raised during WWII for home defence and operations in the Solomon Islands. A battalion was also raised briefly for operations during the Malayan Emergency. It was always an overwhelmingly ethnic Fijian force because of the particular political and economic factors that applied during WWII.¹³ At independence in 1970 the RFMF was a small mainly ceremonial force but by 2006 had grown to around 3500 men plus reserves. It comprises two regular and three reserve infantry battalions, an engineer regiment, logistics battalion; a navy with several patrol boats, including three Pacific Patrol Boats and has a company in Iraq.

The strength of the RFMF began to expand when it was committed to peacekeeping operations in the Middle East, first with the United Nations Interim Force in Lebanon (UNIFIL) in 1978 and later with the Multinational Force and Observers (MFO) in the Sinai. By 1987, it had become a well educated and trained professional organisation and mounted a well disciplined coup d'état when Fijian interests seemed to be threatened after the parliamentary elections of that year. Although Fiji eventually returned to democracy, elements of the military supported the 2000 coup after the

election of the first Indian-led government in 1999.

The RFMF countered the coup and facilitated new elections leading to the formation of a new Fijian government in 2001. Meanwhile, the RFMF, or at least its commander, Commodore Voreqe (Frank) Bainimarama, had developed a 'Guardianship' role giving itself the right to dictate the limits of government prerogatives on certain matters. From the end of 2004 until the elections of May 2006 he waged a public campaign against the government on numerous proposed laws and appointments. He purged the military forces of opponents, dismissed senior officers who refused to pledge personal allegiance to him, and eventually declared in 2005 that he no longer recognised the authority of the government over the military. After several years of this civil-military tension, another election returned the same government, and, after it refused to withdraw certain bills and Bainimarama was threatened with criminal charges, the RFMF launched its latest coup.

This time the purpose was not to restore Fijian political paramountcy but supposedly to root out corruption and abolish the discriminatory policies of the previous government. Bainimarama now sees the RFMF as 'the only institution that has fought for the people of Fiji's freedom and liberty that we enjoy today'.¹⁴ Unlike previous coups, the 2006 coup is entrenching the RFMF itself in the bureaucracy and governing institutions while its leader pays lip-service to the eventual restoration of democracy.¹⁵ His government has sacked most heads of government departments and state-owned enterprises, and appointed military officers to key positions.

How and when Fiji will return to democracy is beyond the scope of this paper but when it does happen the new government will have to come to grips with military reform. Fiji has no need for military forces but it will be stuck

with them for the foreseeable future. The task will therefore be to cut them to the minimum, and address the underlying political tensions that invite military intervention. The task will be exacerbated by the collaboration of both Fijian and Indian political forces with the military, the weakening of the police, and the consequences of economic decline worsened by the coup.

A 2004 government initiated security review identified the options for security sector reform (SSR) and could be a starting point for developing a strategy for subsequent reforms in this field.¹⁶

Tonga Defence Service

Following large-scale rioting and looting on 16 November 2006, New Zealand and Australia sent troops and police at the request of the government of Tonga to help the Tongan Police Service and the TDS restore order. The riots erupted after Tonga's parliament went into recess for the year without voting on proposed democratic reforms that would have seen elected MPs replace those selected by the king.

The TDS has an authorised strength of 1500 but, at 450 men, is well below this and includes an infantry battalion; a navy of three Australian supplied Pacific Patrol Boats, a tanker and landing craft; and an air wing of two light aircraft.

The TDS has maintained about 200 personnel in RAMSI since 2003 paid for by Australia and New Zealand and also had a small contingent in Iraq immediately after the invasion. A second TDS deployment to Iraq was announced in July 2007.

There is no strategic reason for having a military. The internal security challenge stems from pent-up regime change pressures that will continue for some time. In the long run, however, Tonga cannot afford to maintain forces at their current or projected strength.

Vanuatu Mobile Force

The VMF became the paramilitary arm of the Vanuatu Police Force (VPF) in the late 1990s together with a small maritime element of one Pacific Patrol Boat. Except for the maritime element, the VMF is a light infantry force of about 200 men. Both the VMF and VPF have been represented in various UN operations.

The VMF has been politically active mainly in support of pay disputes and disputes over senior appointments within the VPF and has the potential to become more politically active unless broader governance challenges are addressed.

Australian policy

Australia has provided substantial support through the Defence Cooperation Program (DCP) to all of these militaries, although there is currently a freeze on support to the RFMF. DCP contributions to these four countries in 2005–06 totalled \$49.3 million dollars, more than half the total DCP outlays, with PNG receiving \$19.2 million, Fiji \$5.5 million, Vanuatu \$1.8 million and Tonga \$1.4 million. Most of this money was consumed by Australian personnel stationed in these countries, training in Australia, the Pacific Patrol Boat program, and the provision of armouries.

Australia is the major donor but other countries including NZ, the US and China also make significant contributions. Both China's and the recipient's motives are mixed, but Australia's main concern is with the potential for unconditional aid to undermine open and accountable government with potential impact on civil–military relations.¹⁷

No matter how small and fragile some of these states are they still have the protection of sovereignty so there are limits on how much influence the Australian Government can exercise. Consequently, the fundamental

object of Australian policy should continue to be directed at assisting these countries establish political arrangements that enable them to govern themselves effectively and without resort to violence by the community or the state.

An audit of institutional civil–military control instruments needs to be undertaken to determine what constitutional, legislative, executive and other civil–military control measures need reform for each country. Australia can then determine how it might assist in the development of these instruments.

In addition, a joint security review should be undertaken with each country to determine what requirements they have and how they can be met within available resources. Regional aspects, such as fisheries and maritime security should also be factored into such reviews.

Dubious proposals to justify retention of militaries in these states should be resisted. These include the claim that they can bolster repatriated earnings, for example, by using them as peacekeepers or encouraging metropolitan powers to rent units or recruit surplus military manpower.

Peacekeeping

Peacekeeping is sometimes said to be the answer for unnecessary militaries, to give them an external focus, keep them busy and to soak up unemployed men who would otherwise have no opportunities for employment.

The question is who pays? Unless there is a long term commitment, such as Fiji had in UNIFIL, the forces raised for such purposes have to be funded by their home governments when not employed in peacekeeping. Unless the UN or other governments or organisations are prepared to fund standby forces separately then this is

not a solution for the militaries of the South Pacific or elsewhere and should not be used to justify the retention of otherwise unnecessary militaries.

Contract forces

The contracting of units raises the same questions as peacekeeping. Unless Australia was prepared to have a long term contract for the provision of such units it would still place a burden on the home government. Even if Australia was to enter into a long term contract it would raise all sorts of questions relating to national and international legal implications and conditions of service obligations. While these issues might be resolvable, the political issues relating to such arrangements both in Australia and in the home countries would undoubtedly damn such an option.

Britain has been recruiting soldiers from various former colonies for many years. They receive the same conditions of service as British recruits and are eligible for citizenship after a defined period of service. This is in effect just another form of immigration and while it might add to repatriated earnings and reduce population pressure it is not a reason to maintain military forces in the home country.

Concluding remarks

Although there are many organisational and cultural similarities between militaries their politicisation cannot be divorced from the polity that spawned them. Arguably PNG has a need for a small conventional military but the others have no such need. Nevertheless, they do need formed elements within their respective police forces or other agencies to deal with maritime security, mass protests, and to assist with managing natural disasters.

While it is their sovereign right to have whatever military forces they deem necessary, Australia should be circumspect about providing assistance in helping them develop and maintain forces that detract from higher priority areas like education, health care and sustainable economic development.

Australia could assist these countries in four ways:

First, audit their constitutions, legislation, policy making structures, and crisis management arrangements to ensure they provide a sound basis for civil control of their militaries.

Second, sponsor reviews of their broader security requirements to assist governments in producing relevant and affordable defence and security agencies.

Third, continue to monitor and advise regional governments of potential threats to civil-military relations and how they might address them without undermining their political interests.

Finally, continue to support efforts for the rapid restoration of democracy in Fiji before the military becomes too entrenched in the political and economic fabric of the country.

Where countries have military forces, the challenge of reforming the police and military invariably intersects. The latest coup d'état in Fiji and the gathering storm preceding it, provide the most recent example.

Consequently, where countries have militaries or paramilitaries, whether needed or not, it is essential that their 'aid to the civil power' and 'aid to the civil community' functions and the supremacy of the civil authorities and the rule of law be clearly defined in law, inculcated by education, training, and application, and enforced by control and oversight measures.

Civilian political leaders are often intimidated and underestimate the power and authority they have to bring recalcitrant militaries to heel. On occasions, it can suit the personal or sectarian interests of civilian authorities not to exercise their control over the police and the military. Consequently, part of any reform agenda should include alerting political leaders to their responsibilities for the control and administration of their police and military forces, and supporting them in the practical measures they might employ to circumvent and overcome challenges from them while advancing the effectiveness of both within the rule of law.

Consequently, the coordination of Australian aid programs to countries with militaries does need to ensure that there is effective policy oversight of police and military reform and development programs to ensure that they are mutually supportive. The issue of balance of effort by Australia must also be faced up to: is encouraging more effective militaries in the Pacific a desirable outcome for Australia? Is it preferable, through commitment to international policing reform, to ensure more effective, and democratic, police forces in the region, and thus offer the prospect of improving the current lives of many of its residents? Whilst, realistically, this is not an 'either/or' proposition, prioritising the latter course for Australian policy development has much going for it.

Endnotes

- 1 'Policing in a Foreign Policy Space' Speech of AFP Commissioner to the National Press Club, Canberra, 11 October 2006.
- 2 On Papua New Guinea, see e.g. Sinclair Dinnen, Abby McLeod and Gordon Peake, 'Police-Building in Weak States: Australian Approaches in Papua New Guinea and Solomon Islands' (2006) *Civil Wars*, 8, 87–108.
- 3 These events are explored further in Andrew Goldsmith and Sinclair Dinnen, 'Transnational Police Building: critical lessons from Timor-Leste and Solomon Islands' *Third World Quarterly*, 28(2), 1091–1109 (2007).
- 4 See e.g. Oxfam (2006), *Bridging the gap between state and society: New directions for the Solomon Islands* (Oxfam Australia and NZ); also Pacific Islands Forum Eminent Persons Group (2005), *Mission Helpem Fren: a review of the Regional Assistance Mission to Solomon Islands*.
- 5 See Paul Cleary, *Shakedown: Australia's grab for Timor oil*, Allen & Unwin (2007).
- 6 The different international police reform agendas of the AFP have recently been outlined and analysed by John McFarlane, 'The Thin Blue Line: The Strategic Role of the Australian Federal Police' (2007) *Security Challenges*, 3, 91–108.
- 7 Such as rivalries with other countries (e.g. Portugal) and bad feeling over the Timor gas and oil agreement struck between Australia and the government of Timor-Leste.
- 8 These issues have been raised in some of the submissions to the current Senate Foreign Affairs committee inquiry into peacekeeping. See http://www.afp.gov.au/Senate/committee/fadt_ctte/peacekeeping/index.htm
- 9 In the past, many police advisors have operated under development assistance type programs, rather than through police-led assistance missions. A good example is their use over two decades in Papua New Guinea under Australian government-funded aid programs to the Royal Papua New Guinea Constabulary.
- 10 An Australian Labor Party media statement 13 November 2007 announced Federal Labor will set up a \$5.1 million Asia Pacific Centre for Civil-Military Cooperation in Queanbeyan, near Canberra.
- 11 See for example, the works of Samuel P. Huntington including *The Soldier and the State: The Theory and Politics of Civil-Military Relations*, Harvard University Press, Cambridge, 1957 and *The Third Wave: Democratisation in the Late Twentieth Century*, University of Oklahoma Press, Norman, 1991, and McCarthy, Stephen, *Political Instability in the Asia-Pacific: Lessons from the 2006 Coups in Thailand and*

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- 15 For an exposition of recent Fiji politics see, Fraenkel, Jon and Firth, Stewart, *From Election to Coup in Fiji: The 2006 Campaign and its Aftermath*, ANU E Press, Canberra, 2007.
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Peace support operations

Bob Breen

This paper examines Australia's contemporary contribution to peace in its regional neighbourhood. Its focus is on a post-colonial struggle with nationhood. The emphasis is on peacekeeping in Bougainville in the 1990s where Australia made the transition from an *in extremis* intervention policy to an intervention policy based on applying regional solutions to neighbourhood internal security problems. In Bougainville Australia also began to take a whole of government approach to local peace support operations and to incorporate community engagement. Unarmed peacekeeping there presaged a regional approach to armed intervention into East Timor and Solomon Islands in 1999 and 2003 respectively, and again into both countries in 2006.

The paper argues that Australia is moving towards a regional neighbourhood watch role. Neighbourhood watch is collaboration between police and people that aims to prevent crime and build community solidarity. The preventative and cooperative approach to regional relations in the 1970s and 1980s echoed the crime prevention and community building objectives of neighbourhood watch.¹ However, it was neighbourhood watch without policing. In the late 1980s neighbourhood disturbances in Fiji, in Vanuatu and in Bougainville set the scene for neighbourhood watch with policing.

In the 1990s and early 2000s unarmed preventative neighbourhood policing (peacekeeping) evolved into armed policing (peace enforcement). The paper concludes that regional neighbourhood watch needs to incorporate adapted models of community engagement from earlier peacekeeping operations to prevent further crimes against

democratic governance and civil society and to help rebuild national governance and well-being among troubled neighbours by mobilising civil society.

Why bother to keep the peace in the neighbourhood?² The Second World War was Australia's shock of the century. In the first three months of 1942 Japan humiliated Western powers in Southeast Asia and went on to encroach into the South Pacific. Australians feared invasion. If Gallipoli was a bloody initiation into nationhood, then the Kokoda Campaign in 1942 was a bloody initiation into strategic reality. Australians were fighting an Asian power in their own backyard without substantial American or British support. Sufficient American support did come, but Australian blood had to be spilt on southwest Pacific battlefields. Australian governments vowed to never let hostile powers use the islands of the South Pacific as stepping stones to Australia or as bases from which to cut Australia's maritime trading routes.

Australia neither sought hegemony nor proprietorship after the Second World War in anticipation of a decolonised neighbourhood. The challenge was not to interfere but to encourage and facilitate stable democratic governments underpinned by viable economies and well-behaved civil societies. Though the term 'neighbourhood watch' was not used at the time, Australia was a founding member of the South Pacific Forum in 1971 that became the venue for regional neighbourhood watch meetings, (name changed to Pacific Islands Forum in 2000). The Forum had met six times by the time the territories of Papua and New Guinea became independent as Papua New Guinea (PNG) in 1975. Its focus was on creating the South Pacific as a region of peace, harmony, security and economic prosperity. The British connection was also important. The Commonwealth of Nations, founded in 1949,

was also a mechanism for South Pacific neighbourhood watch. It was founded as 'a voluntary association of independent states with their shared inheritance in language, culture and the rule of law consulting and co-operating in the common interests of their peoples, and in the promotion of international understanding and world peace'. South Pacific members were Australia, Fiji, Kiribati, Nauru, New Zealand, PNG, Samoa, Solomon Islands, Tonga and Vanuatu.

Neighbourhood disturbances

The first test for regional neighbourhood watch occurred in 1980, a few months before the birth of the new nation of Vanuatu, formerly called the New Hebrides. The micro-state of Vanuatu was based on a group of islands that Britain and France had colonised and then combined as the Anglo-French Condominium in 1906. In May Father Walter Lini, the Prime Minister-elect of Vanuatu, had asked for help from members of the South Pacific Forum to quell a Francophile secessionist movement centred on the island of Espiritu Santo. The response was muted. Britain and France, who were still responsible for law and order for two more months before independence, could not agree on military action. One neighbour was prepared to help. Sir Julius Chan, the PNG Prime Minister, after private talks with Lini, announced that PNG would provide a military force to put down the rebellion in conjunction with Vanuatu security forces.

Presented with a *fait accompli*, Australia was drawn into the neighbourhood's first post-war policing operation. An ad hoc 300-strong light infantry contingent supported by Australian-donated patrol boats and aircraft, called Kumul Force, deployed with Australian support personnel to Vanuatu. This force backed up a 65-strong Ni Vanuatu police contingent. Results were both impressive and foreboding. Within a

few days key secessionist leaders had been arrested. Kumul Force returned to Port Moresby after six weeks on operations to a warm and triumphal welcome. Unfortunately, PNG troops and patrol boat crews tarnished this good neighbour operation by abusing some detainees, looting and firing weapons carelessly.

There were lessons for Australia. Though Chan and Lini had conferred at a South Pacific Forum meeting, their decision to intervene had been made without consultation with other neighbours. As well, Australia had been instrumental in raising PNG's armed forces, but their behaviour in Vanuatu was a glimpse of a brutal ethos and poor professional standards.

Seven years later another indigenous army gave Australia a more emphatic demonstration of its post-colonial ethos. On 14 May 1987, the Fijian army overthrew a recently-elected government in a bloodless coup, a culmination of many years of tension between Fijians and Indo-Fijian immigrants about political rights. Many ethnic Fijians saw the new government as a threat to their ascendancy. The Alliance Party that had represented the Fijian chiefly class since independence from Britain in 1970 had been defeated. The new government's Cabinet included a number of Indo-Fijians and had the support of a coalition of moderate ethnic Fijians and Indo-Fijians as well as emerging Indo-Fijian dominated unions.

The Australian Prime Minister, Bob Hawke, publicly deplored the coup, but quickly dismissed military intervention to restore democratic governance. The South Pacific Forum and the Commonwealth also regretted the interruption of democratic governance but failed to mediate a solution or mobilise strong neighbourhood condemnation. Australia deployed a navy task force with a 120-strong infantry company aboard to the

waters off Fiji as a contingency for evacuation operations. This force was back in Australia in a few weeks after calm returned to Fiji's capital, Suva, and other urban centres.

The Fijian army conducted a second surprise coup in September 1987 in response to a draft constitution that the army commander, Brigadier Sitiveni Rabuka, did not believe went far enough in guaranteeing indigenous Fijian political dominance. Bob Hawke expressed his disapproval again, but his rhetoric was not matched with either economic sanctions or military intervention to change the outcome. The South Pacific Forum and the Commonwealth again proved ineffectual in a neighbourhood crisis. Depending on one's perspective, either two major neighbourhood crimes had not been prevented and went unpunished, or the Fijian army had boldly protected the political future of ethnic Fijians in their own country.

Within a year Australia had to respond to another neighbourhood disturbance. The Australian Defence Force sent riot equipment and other security supplies to Vanuatu after politically-inspired riots in May 1988 and again after a constitutional crisis erupted unexpectedly in December 1988. Australian troops were on standby in their base in Townsville during both these crises in case of an emergency evacuation of Australian nationals, confirming that Australia's policy towards neighbourhood disturbances was *in extremis* intervention.

Regional neighbourhood watch

In September 1988, Australia's new Foreign Minister, Gareth Evans, deliberately chose the South Pacific region for his first overseas round of visits. He reported back that Australia's relations with its neighbours were 'becoming richer, more interesting and challenging, and less predictable'. He said that:

For Australia, the South Pacific must be the region of the highest foreign policy and security significance: we have fundamental, long-standing and largely unchanging interests there, which deserve strong bipartisan support.

That said, he went on to point out that benign neglect—largely allowing events to take their course and reacting when they threatened Australian interests—was not a realistic option for Australia's engagement with the South Pacific. He said the three choices were; first, strategic denial: keep other powers out of the South Pacific, second, hegemony: control the South Pacific, and third, partnership: work with the neighbours to keep the South Pacific peaceful.

Evans then unveiled a maturing neighbourhood watch policy. He favoured partnership and went on to describe a strategy of constructive commitment that included creating a regional approach to situations, internal or external, which put regional stability at risk. In other words, South Pacific neighbours should have a shared view about how to maintain peace and stability in the neighbourhood. He emphasised that the protection of human rights would be an Australian priority and that Australia would deal with its neighbours on the basis of sovereign equality and mutual respect, not 'crude notions of relative size and power'. There would be no unacceptable interference in a neighbour's internal affairs.

The Bougainville crisis

This consultative but non-interventionist policy would soon be tested in Bougainville, PNG's most eastern island province. Militants closed a large copper mine at Panguna in Bougainville in November 1988. These actions were more than expressions of dissatisfaction by a group of landowners over compensation. They were violent expressions of economic and ethnic nationalism—a threat to PNG

unity—as well as an environmental protest. More trouble was on the way.

Australia denounced the sabotage and declared that the crisis was an internal problem for the PNG Government to solve. The PNG Government deployed riot police and then army units. By this time, both the police and the army had had extensive experience in internal security but were notoriously brutal. After arrival, both the riot police and later the army lived up to this reputation and ignited widespread Bougainvillean outrage and aroused latent support for secession.

By the New Year of 1990 Australian forces were on standby to protect the exodus of expatriates from Bougainville who were caught in the middle of an insurgency. The Australian Government decided to help PNG's security forces by providing contracted helicopter support and additional arms, ammunition and training. The use of these helicopters would curse the Australian–PNG relationship for years to come. The PNG Government had lost control of its armed forces in Bougainville, who, in defiance of the agreement with Australia, used the donated helicopters as platforms to fire on villages and also continued to abuse human rights.

Regional neighbourhood watch was not working. The South Pacific Forum and the Commonwealth had not been effective in preventing neighbourhood disturbances, mediating disputes or mobilising collective action to protect democratic governance in Fiji and Vanuatu or to resolve the worsening Bougainville crisis. Australia had balked at military intervention. Australia's logistical and training support for PNG's security forces contradicted Gareth Evan's emphasis on protecting human rights. Thus, more neighbourhood crimes were not being prevented and were going unpunished.

Neighbourhood peacekeeping

Over the next seven years, a neighbourhood peacekeeping solution to the Bougainville crisis evolved in an *ad hoc*, stop-start manner. New Zealand became involved in 1990 by providing Navy ships as venues for negotiations. In 1994 Sir Julius Chan began his second prime ministership by drawing Australia and then regional neighbours into a military intervention to protect a peace conference he convened in Bougainville after negotiating a truce. Though brief and politically unsuccessful, this peacekeeping operation, called Operation Lagoon, established a number of useful precedents for future neighbourhood peacekeeping efforts. Armed troops had been employed in a deterrent policing role. Australia and PNG worked with regional neighbours, Fiji, New Zealand, Tonga and Vanuatu, to begin a peace process. The Australian Defence Force provided command, communications, mobility, logistic support and training to the 1069-strong combined regional force. The Australian commander worked closely with an Australian diplomat as well as with his Fijian, Tongan and Ni Vanuatu contingent commanders.

The Bougainville crisis dragged on for another three years until revelations that the Chan Government had engaged international mercenaries to find and kill secessionist leaders in Bougainville. The subsequent scandal ended Chan's political career and brought down his government. The New Zealand Foreign Minister, Don Mackinnon, took this opportunity to organise peace talks in New Zealand. The result was a truce declaration in October 1997. At short notice, Australia and New Zealand combined again to deploy a regional peacekeeping force to Bougainville, called the Truce Monitoring Group; this time the force was unarmed and commanded by a New Zealand brigadier with an Australian diplomat at his elbow.

Soldiers and diplomats were working closely together in the field again. Fiji and Vanuatu sent contingents to participate in this group that would rely on good offices, trust, cultural sensitivity and impartiality to succeed. The truce was followed in early 1998 with a ceasefire. An Australian-led unarmed Peace Monitoring Group monitored compliance with the ceasefire over the following years of negotiation. This time Australian-provided helicopters carried peace monitors rather than indigenous troops. A three-person UN political office deployed to Bougainville to provide good offices on the future of Bougainville. The operation concluded successfully on 30 June 2003 after parties to the conflict had signed a final peace agreement in August 2001.

This peacekeeping operation, called Operation Bel Isi, consolidated diplomatic and military connections among regional neighbours, as well as inter-departmental relationships within the Australian Government for regional peacekeeping. For the first time military and civilian peace monitors deployed. They included military personnel from Australia, Fiji, New Zealand and Vanuatu as well as Australian diplomats, police and officials from the Department of Defence and Australia's international aid agency, AusAID. Thus began an operational level partnership between military personnel, diplomats, police and civil servants for good neighbour operations. Operation Bel Isi marked the transition from a non-interventionist neighbourhood watch to multi-agency neighbourhood intervention.

Intervention at community level was one of the strengths of Operation Bel Isi. For the first time there was a sustained effort by regional neighbours to engage communities to reconcile their differences and to rebuild civil society. New Zealanders, Fijians and Ni Vanuatu set the precedents for this engagement in 1997. Australians joined in and followed them for the

next six years. Peace monitoring teams encouraged and mobilised key groups in civil society—Bougainvillean women, the churches and traditional leaders—to support a peace process. Unlike thousands of foreign construction workers and many expatriate Panguna mine employees, they behaved in culturally appropriate ways as guests of the Bougainvillean people. Peace monitors did not consume alcohol, fraternise with local women or lead ostentatious, hedonistic lifestyles. They lived in houses in villages and towns, not in specially-constructed compounds. They learned local languages and attended church services, community events, neighbourhood meetings, reconciliation ceremonies and markets. They did not just drive through villages in air-conditioned cars. They walked and drove to villages and stayed long enough to accept hospitality, listen to stories, discuss issues and build relationships. They were good neighbours; giving people lifts, sharing meals, hosting film nights, playing guitars, singing songs and playing sport.

It was in this manner that sustained community engagement strengthened regional neighbourhood watch. At one level, it was crucial to engage indigenous political elites and facilitate democratic governance, institution building and economic development. Peacekeeping in Bougainville demonstrated that at a lower, 'grassroots' level community commitment to reconciliation and peace was a useful accompaniment to higher level negotiations, and assisted to prevent further outbreaks of violence and to integrate former combatants back into their villages. The legacy from hundreds of Australian, Fijian, New Zealand and Ni Vanuatu military and civilian peace monitors in Bougainville was a neighbourhood peacekeeping model for building secure, confident communities that mobilised in support of peace, reconciliation and a return to civil society.

Operation Bel Isi was another evolution of regional neighbourhood watch. Though unarmed and not charged with law enforcement responsibilities, both the Truce Monitoring Group and the Peace Monitoring Group collaborated with local communities to prevent and report on violence and criminal activities. Though the context was reporting breaches of a ceasefire agreement, most reports referred to violent and criminal behaviour that was not politically motivated, but nonetheless undermined civil society and community confidence in the peace process.

East Timor intervention

Meanwhile, in September 1999 regional neighbourhood watch made a dramatic transition from peacekeeping to peace enforcement. An Indonesian Government request for the international community to assist with the restoration of law and order in East Timor prompted neighbourhood intervention; this time neighbours came from Southeast Asia as well as the South Pacific. Australia took a lead role in the UN-mandated International Force-East Timor. As the most militarily capable neighbour, Australia provided most of the mobility, muscle and logistic support and took most of the risks. Once again the Australian military commander worked closely with an Australian diplomat. After this short notice intervention, a coalition of neighbours supported a UN transitional administration in East Timor with several thousand soldiers, and hundreds of police and scores of seconded government officials until East Timor became independent in May 2002. Australian troops left in 2005.

Good neighbour operations in East Timor consolidated Australia's peace operations partnership with neighbours as well as among Australian government departments and agencies through shared operational experience. There was also sustained community-level engagement by Australian

civil-military liaison teams, UN agencies and government and non-government aid agencies to help resettle thousands of displaced people back in their homes and to rebuild secure, confident East Timorese communities after the trauma of 1999. Thus, the first success was the emergency intervention, but the more enduring achievement was resettlement and giving East Timorese families the confidence to plant crops and to send their children back to school.

Solomon Islands intervention

Meanwhile, democratic governance and law and order were breaking down in Solomon Islands. On 5 June 2000 a local militia group, together with ethnic colleagues from the police force, staged a successful coup in the capital Honiara. The subsequent parliamentary nomination of a new prime minister did not restore stability. Australian good offices resulted in a peace agreement being signed in Townsville in October 2000. Australia sponsored a group called the International Peace Monitoring Team to monitor compliance to this agreement. This team did not have any coercive or policing capabilities. Lawlessness and corruption grew and major enterprises closed, and eventually the Solomon Islands prime minister invited neighbourhood military and police intervention in July 2003.

The Australian Strategic Policy Institute provided the blueprint for this intervention. The ASPI report *Our Failing Neighbour: Australia and the Future of Solomon Islands* recommended a multi-agency Australian response in conjunction with neighbourhood contingents. This time an Australian diplomat led the intervention and an Australian Federal policeman commanded participating personnel and assets. The Australian Defence Force assigned a 1,250-strong joint task force to give the operation the necessary

command and control, muscle, mobility and logistic support to achieve its mission. AusAID officials were closely involved from the beginning, coordinating the expenditure of funds to rebuild democratic governance, judicial, policing and corrective services institutions and the economy. Like the Peace Monitoring Group in Bougainville, the Regional Assistance Mission to Solomon Islands (RAMSI) became another patient good neighbour organisation characterised by community level engagement. Unlike Operation Bel Isi, however, peace monitors did not engage communities to facilitate reconciliation and mobilise civil society to underpin institutional assistance programs. Commendable progress was made, however, in police–community liaison and disarming ethnic militias and arresting those responsible for violence, extortion and corruption.

The Solomon Islands intervention was another evolution of regional neighbourhood watch. Australia had become the regional law enforcement agency by virtue of its military and policing capabilities and ability to project coercive force at short notice to quell outbreaks of violence and lawlessness. At the same time, Australia partnered with neighbours for this regional policing role. This neighbourhood collaboration and shared effort to restore law and order and rebuild secure and confident communities through community level engagement echoed the objectives of domestic neighbourhood watch movements in countries around the world.

Breakdowns in law and order

The first five years of the 21st century set the scene for more neighbourhood disturbances. In 2006, several capitals erupted in violence, looting and arson and the Fijian military conducted another coup. Mobs of young men rampaged through Honiara, Dili, and Nuku'alofa in Tonga. There were complex reasons for all of these breakdowns in law and

order. The triggers for violence were diverse. In Honiara violence erupted after the election of an allegedly corrupt prime minister. In Dili the government sacked an army battalion and a group of disaffected troops attacked police. In Tonga pro-democracy groups rampaged against Tonga's monarchy. Seven people died and 80% of the capital's central business district was destroyed.

Australia, supported by neighbourhood contingents, intervened with military forces and also deployed police contingents in response to all of these neighbourhood disturbances. In Fiji the Fijian army commander forced an elected government from office after weeks of intimidation—a strangulation coup. Australian troops and police did not deploy to Fiji where armed opposition probably awaited them. In a reprise of 1987, Australia sent a navy task force offshore with troops aboard in case there was a need for emergency evacuation. Fiji settled down again and this force sailed home.

Commenting on the intervention into Timor-Leste, Prime Minister John Howard emphasised that Australia had special responsibilities as a major regional power. In August 2006 he announced substantial increases to both ADF and AFP capabilities that would increase Australia's capacity to quell neighbourhood disturbances.

With the prospect of further crises in law and order, problems with democratic governance and declining living standards, Australia and its neighbours maintain troops and police on the ground in Timor-Leste and Solomon Islands as well as capabilities for military and police emergency responses from homelands. Thus, regional neighbourhood watch has begun a new phase in a troubled region.

The way ahead

Almost twenty years ago in 1988 when Gareth Evans unknowingly described the

beginning of regional neighbourhood watch, he did not envisage Australia becoming the neighbourhood policeman. But that has happened and will continue to be so. In 2003 John Howard emphasised that intervention into Solomon Islands was in Australia's national interest because failed states in the neighbourhood could become safe havens for transnational criminals and terrorists. Thus, he updated deep-seated fears of the islands of the South Pacific becoming stepping stones to Australia for hostile forces. The Defence Update 2007 specifies a lasting commitment to help build stability and prosperity in the South Pacific and Timor-Leste. The question is how to do so effectively and reverse the trend towards periodic reactive operations and more neighbourhood garrisons? Australia's recent peacekeeping and peace enforcement experiences provide lessons and some of the options in the areas of reactive capacity and community building.

Reactive capacity

The ADF and the AFP, in conjunction with neighbourhood military and police contingents, can handle both sharp-end peace enforcement and contemporary stabilisation operations. This capacity forms the region's reactive policing response when governments have lost control or are under intense violent pressure from hostile groups. The success of the decisive multi-national intervention in 1999 that dominated Dili in a few days and secured East Timor in a few weeks should not be forgotten. A strong show of force, air mobility and employment of Special Forces were the keys to initial success. The rapport that Australian and neighbourhood troops established with the East Timorese people and their speedy return to their homes and community life were the key features of post-emergency success. In this manner, the ADF can also complement multi-agency peacekeeping and nation-building operations with capabilities such as communications,

mobility and logistic support, as well as liaison through civil–military cooperation teams and military observers. In Solomon Islands Australian and neighbourhood police contingents assist in maintaining law and order supported by a regional military garrison.

The focus for the neighbourhood's reactive capacity for the future needs to be on regional capital cities and major urban centres. The ADF has enforced peace twice in Dili and in Honiara, and once in Nuku'alofa in the past eighty years. Forces have been on standby for operations in Port Vila and Port Moresby several times. The most likely contingencies for emergency intervention in the future will be major outbreaks of violence, looting and arson in regional capital cities. Australia's disciplined forces will need to learn from previous urban operations and train and prepare themselves, as well as neighbourhood partners, to deploy to and secure neighbourhood capitals quickly.

Community building

Regional neighbourhood watch should not depend solely on swift reactive military and policing capacity. It has to encourage a democratic, prosperous neighbourhood supported by contented communities. The challenge for regional preventative diplomacy is to reduce the influence of undemocratic and corrupt elites, sometimes backed by debased security forces, militias or gangs. These elites may sell their country's sovereignty for personal gain to transnational criminals and exploitive and environmentally irresponsible commercial operators in extractive industries, such as mining, fishing and forestry. Concurrently, the 'whole of region' challenge is to lift South Pacific communities from poverty and revitalise civil society. Impoverished, unemployed and divided communities are less likely

to participate in or insist on democratic governance. They too can be sold out cheaply by venal elites and their violent cohorts.

The use of peace monitors in Bougainville from 1997 until 2003 is a useful model for both mobilising community pressure on political elites and ex-combatants as well as encouraging communities to reconcile, re-establish civil society and capitalise on aid programs. The time may have come for including and adapting the Bougainville peace monitor model into AusAID's more community-focused regional aid program. The 2006 AusAID White Paper includes a new Mobilising New Australian Links to the Region Initiative. The paper states that there should be broader community involvement through research and encouraging links between Australian community-based organisations, professional bodies, businesses, local governments and schools and equivalent entities in Timor-Leste and the South Pacific. In addition there is a Building Demand for Better Governance Program that will involve media, civil society and civic education programs, women's groups, churches, Transparency International, business councils and universities. An Australia-Pacific Technical College was established in 2005. A Pacific Leadership Program is giving selected young people, who are showing leadership potential, opportunities for study and personal development. Some of these initiatives are reflected in the Pacific Islands Forum's Pacific Plan released in 2005 and updated annually.

None of these new programs and initiatives appear to include establishing permanent teams, made up of representatives from neighbouring countries, in towns and villages to engage in and encourage community development. Peace monitors from regional neighbours living, working and building relationships on the ground in communities proved to be a useful and

influential accompaniment to higher level engagement with political elites, peace processes and institutional reform programs in Bougainville. More particularly, monitors encouraged reconciliation and democratic processes at grassroots level and community confidence in the future. Monitors also enabled communities to capitalise on aid programs through assistance with paperwork, justifications, mediation and good offices.

Future community-level engagement should be a regional effort to solve neighbourhood problems. Contributions and participation would be voluntary. This engagement would be another way to address social and economic problems. It would be a means for neighbours to invest goodwill as well as money in regional security and stability. While the level of financial assistance from neighbours would vary, the quality of people will make the difference, as was the case in Bougainville and continues to be the case in Timor-Leste and Solomon Islands.

Regional Neighbourhood Development Program

The next evolution of regional neighbourhood watch should be the inclusion of a Regional Neighbourhood Development Program. This program would be the second tier of regional neighbourhood watch. At the first tier, diplomats would engage political and business elites and government bureaucracies. AusAID officials and officials from the World Bank and other international organisations would manage rehabilitation programs at central government and district levels. At the second tier, Neighbourhood Development Teams (NDT) would engage with communities and encourage self-help, civil society, effective aid delivery and confidence in the future. Members of NDT would mentor indigenous administrative staff, police, community groups and local leaders.

The Pacific Islands Forum should be the mechanisms for developing this neighbourhood program as well as conducting planning, recruitment, training and implementation. NDT would be made up of military, police and civilian representatives from members from the Pacific Islands Forum. Members of NDT could be recruited from the vocational education and training sectors of contributing countries to transfer skills to assist with vocational training in communities. Some monitors might come from local government sectors with the skills to mentor and advise local government officials. Unemployed local youths could be incorporated into teams. The reintegration of unemployed young men back into civil society and useful work is one of the region's major challenges. Membership of NDT in their local areas would give them status, enable them to learn new skills as well as encourage positive contribution to community development.

From an Australian perspective, time and money spent supporting a Regional Neighbourhood Development Program might prove to be a less expensive and a more effective investment in regional stability than time and resources spent on garrisons and reactive capacities in times of crisis. Based on five 25-strong monitoring teams being employed successfully among 180,000 Bougainvilleans for Operation Bel Isi, 12 NDT might be sufficient in Solomon Islands and 24 NDT in Timor-Leste.

Conclusion

The future of regional neighbourhood watch should not be just about neighbourhood garrison troops and police riot squads sallying forth from fortified compounds in armoured vehicles, Range Rovers and lock-up vans in response to violence, looting and arson. More troops, more police, more money and more consultants will not be enough. These measures are reactions to symptoms

that do not attend to the deeper causes of neighbourhood problems.

Sustained higher level intervention is futile unless there is enduring and effective improvement at the community level. Secure and confident communities are the foundations for democratic governance and economic progress. Communities cannot be built or rebuilt unless there is a shared sense of security and optimism. For the time being, garrisons and swift responses to neighbourhood disturbances should remain in place to engender a sense of security. In the future. When civil society has prevailed over lawlessness in the streets and corruption and instability in government there will be no need for these emergency measures.

Neighbourhood Watch began in the 1970s in one suburb, one county, in one city and in one nation. By the mid 1980s, there were tens of thousands of Neighbourhood Watch groups around the world meeting to prevent crime and build community confidence. Today the neighbourhood watch movement in Britain covers six million households. There are some 170,000 neighbourhood watch groups ranging from the smallest schemes covering a dozen or so homes in a single street, to county-wide associations with many thousands of members.

Neighbourhood Watch is a partnership where people come together to make their communities safer. It involves police, local authorities, other voluntary organisations and, above all, individuals and families who want to make their neighbourhoods better places to live. It aims to help people protect themselves and their properties and to reduce the fear of crime through greater vigilance, accurate reporting of suspicious incidents to the police and by fostering a community spirit. Though these characteristics are not an exact formula for building secure and confident communities in Australia's regional

neighbourhood, adapting neighbourhood watch concepts and applying lessons from contemporary neighbourhood peace support operations are useful places to start.

Endnotes

- 1 The objectives of Neighbourhood Watch are: To prevent crime by improving security, increasing vigilance, creating and maintaining a caring community and reducing opportunities for crime by increasing crime prevention awareness; To assist the police in detecting crime by promoting effective communication and the prompt reporting of suspicious and criminal activity; To reduce undue fear of crime by providing accurate information about risks and by promoting a sense of security and community spirit, particularly amongst the more vulnerable members of the community; To improve police/community liaison by providing effective communications through systems, such as warning of local crime trends and information exchange. See <http://www.neighbourhoodwatch.uk.com/> accessed 6 October 2007.
- 2 The term 'keep the peace' is being used generically as it relates to maintaining peaceful regional relations between nations, not in reference to 'peacekeeping' within the context of UN-mandated peacekeeping operations.

THE SOUTH PACIFIC ISLANDS EXCLUSIVE ECONOMIC ZONES (EEZ)



Maritime security

Sam Bateman and Anthony Bergin

Australia is a leading stakeholder in maritime security in the Pacific. Our contribution to regional maritime security has mainly been through the provision of and ongoing support for the Pacific patrol boats (PPBs) supplied to twelve Pacific Island countries (PICs), primarily for fisheries protection work. However, changing concepts of maritime security and threat perceptions mean that more Australian agencies are now involved in the provision of some aspect of maritime security in the Pacific. The Australian Federal Police (AFP) through expanded activity and many initiatives to counter transnational crime has become a major contributor to regional maritime security, broadly defined.¹

These factors, along with the fact that the first of the PPBs will be reaching the end of effective life within the next ten years, mean that it is timely to consider what form Australia's involvement in regional maritime security should take over the next 5–10 years.

Events of 9/11 and subsequent work by the International Maritime Organization (IMO) and other international agencies to make international shipping and seaborne trade more secure against the threat of maritime terrorism have led to a reappraisal of maritime security. It is no longer just about navies and threats of a military nature, but now also involves civil agencies and a range of threats of a non-traditional nature. A closer link has evolved between maritime safety, customarily a civil responsibility, and security, which has primarily been a military responsibility. Cooperation and coordination between the different agencies involved in maritime security at both the national and regional levels have become more important.

Maritime security interests of the PICs

The PICs share a comprehensive view of maritime security. This involves consideration of economic, resource and environmental security, public health and social well-being. None of the PICs face threats of a military nature, although all are concerned with protecting their sovereignty and sovereign rights. Sovereignty is a particular problem for the small but geographically extensive island countries, which have very large areas of maritime jurisdiction (see Table 1). See map opposite showing these areas of jurisdiction.

For most PICs, large exclusive economic zones (EEZs) and the maritime sector are a major source of income. Ocean resources are the mainstay of most island economies. While illegal, unregulated and unreported (IUU) fishing is considered the major maritime security threat, other threats arise from transnational crime, including money laundering, illegal people movement and drug smuggling, climate change and sea level rise, marine pollution, the degradation of marine habitats and the spread of major diseases, such as diabetes, malaria and HIV/AIDs. Some PICs gain considerable economic benefit from the wages of their national seafarers employed in the international shipping industry.

Australia's interests

Australia's interests in regional maritime security are primarily associated with the contribution that this security makes to our own national security. Security and stability in the PICs mean that Australia is more secure. We share many common security interests with the PICs, including those associated with environmental and resources security. The prevention of IUU fishing and other forms

Table 1: Pacific Island countries—land area and size of EEZ			
Country	Land area (sq km)	Size of EEZ (sq km)	Approx. ratio (land/EEZ)
Cook Islands	240	1,989,000	1 : 8,300
FSM	701	2,900,000	1 : 4,150
Fiji	18,272	1,338,000	1 : 73
Kiribati	684	3,540,000	1 : 5,175
Marshall Islands	181	2,131,000	1 : 11,735
Nauru	21	320,000	1 : 15,238
Niue	258	390,000	1 : 1,512
Palau	508	629,000	1 : 1,238
Papua New Guinea	162,243	3,120,000	1 : 19
Samoa	2,935	131,000	1 : 45
Solomon Islands	28,530	1,340,000	1 : 47
Tonga	699	720,000	1 : 1,030
Tuvalu	26	725,000	1 : 27,885
Vanuatu	11,880	680,000	1 : 57

Note: Size of exclusive economic zone (EEZ) includes territorial sea and archipelagic waters.

Sources: Hanns J. Buchholz, *Law of the Sea Zones in the Pacific Ocean*, Institute of Southeast Asian Studies, Singapore, 1987 and AusAID Country Briefs, www.ausaid.gov.au/country/

of illegal activity at sea are vital regional interests.

Transnational crime in the region has consequences for Australia: the PICs provide a possible avenue for the illegal entry of people, drugs and other contraband into Australia. This avenue may be a somewhat easier route for criminal activity than direct entry from South or East Asia.

Operational assistance from the Australian Defence Force (ADF) with maritime security and surveillance in the Pacific has been a low priority in recent years, relative to the ADF’s engagement in the Middle East and border protection. *Solania* patrols by RAAF P3C aircraft have become few and far between and there has been little meaningful contribution from Royal Australian Navy (RAN) patrol boats in recent years.

Nevertheless, Australia remains the largest contributor to regional maritime security in financial terms. Ongoing support for the PPB

program (over \$20 million per annum) and funding assistance for the Forum Fisheries Agency (FFA) (about \$2.5 million per year) are major items of expenditure. The PPB Life Extension Program is also continuing at a cost of approximately \$350 million. In addition to these major items, there has been increased financial assistance for other agencies and activities that support maritime security, such as policing, customs and the Regional Maritime Programme.

Australia has several objectives in promoting regional maritime security. At a strategic level, it’s about regional influence: managing the maritime environment and its resources is a key area where the PICs require assistance. Provision of this assistance promotes influence. A second objective is to assist in building a more stable regional environment that will prevent threats arising from the region that are inimical to Australia’s interests: effective maritime surveillance in the Pacific helps Australia build maritime domain awareness in its maritime surrounds.

Threat analysis

IUU fishing

With the decline in fish stocks around the world, fisheries protection and law enforcement have become major tasks for maritime security forces. For the PICs, it's the principal task for their small sea patrol forces. Illegal fishing is the main transnational crime at sea in the region. Rather than the lack of a licence to fish, illegal fishing in the region is now more a matter of breaches of licensing agreements, such as the unreported transfer of fish catch at sea and under-reported catches. The economic loss to the PICs as a consequence of IUU fishing is estimated by the FFA to be about \$400 million per annum.

There is evidence of a significant increase in illegal fishing ranging throughout the central Pacific through French Polynesia, Cook Islands and Kiribati. The majority of reports concern large purse seiners flagged to Latin American countries. Some are licensed to fish in Kiribati's EEZ. These vessels normally operate in the eastern Pacific, but as fishing conditions for tuna in that region are now depressed there, these vessels are moving west.

Foreign fishing vessels are becoming cleverer at avoiding arrest, and based on the Australian experience, may also be becoming more prepared to use violence against boarding parties. It's very difficult to catch fishing vessels doing something illegal when they get 'smart': using diversionary tactics, monitoring patrol boat movements and listening in on patrol boat communications. Fishing licensing and enforcement is also a major area of corruption in the region, with fisheries officers open to bribes for the issue of licenses or to secure the release of arrested vessels.

Smuggling

With increased security at regional airports and relatively few unmanned or insecure airfields in remote locations, most smuggling of people and contraband goods in the region occurs by sea. Evasion of customs duties on goods landed in regional ports, possibly facilitated by corrupt officials, is a major problem. Anecdotal reports suggest the illegal entry of people into the region from Asia by fishing vessels or fisheries support vessels, as well as of drugs, cigarettes (usually counterfeit) and alcohol. Wildlife and cultural objects may be smuggled out of the PICs.

Some major drug busts have occurred in the region. In 2004, the Transnational Crime Unit in Fiji dismantled a large amphetamine laboratory in Suva that was capable of producing up to 500kgs of methamphetamine per week. More recently, the Samoa Transnational Crimes Unit has been responsible for the seizure of quantities of cocaine, cannabis and firearms.

While foreign fishing vessels may be involved in smuggling or other illegal activity at sea, vessels supporting them such as mother ships, bunkering vessels and fish carriers, may pose even greater risks. These vessels come and go from the region regularly and have larger crews than the fishing vessels. Undocumented crew exchanges are believed to occur. The accuracy of crew identity documentation is a particular problem. Illegal Chinese immigrants are believed to have entered Fiji by fishing vessel.

Fish carriers regularly visit high risk terrorist areas in the southern Philippines. There is a large fish cannery at Zamboanga in Mindanao near the Sulu archipelago where the Abu Sayyaf group is active.

Tracking the movements of cruising yachts in the region is another challenging problem.

Some yachts are possibly involved in illegal activity, particularly smuggling. They don't always clear through designated first ports of entry before visiting remote islands.

Some illegal activity might occur through collaboration between yachts or other recreational craft and fishing vessels.

Human trafficking

Illegal migration, including human trafficking, occurs in the Pacific as well as the use of pleasure craft to circumvent border control. Instances of people smuggling in the region have increased: it's been estimated that the illegal migrant population in the region (excluding Australia and NZ) was approximately 4,500 in 2003 and 9,000 in 2004. The majority are Chinese nationals using states such as Palau and Fiji as transit points for other destinations.

Piracy and sea robbery

A few cases of piracy and sea robbery have been reported in the waters of Papua New Guinea and Solomon Islands over the years. The incidents that do occur mainly involved cruising yachts and other small craft, although one or two larger vessels have been attacked while anchored off Honiara. A higher incidence of piracy and sea robbery is usually associated with a breakdown in law and order onshore: it's possible that a deteriorating internal security in a Pacific state could lead to increased attacks, particularly on vessels in port or at anchor.

Maritime terrorism

The threat of maritime terrorist attack in the region is very low. This is mainly due to the lack of targets and the difficulties of terrorists launching an attack. Their presence in a regional centre would be very evident. However, there remains a credible risk of a terrorist attack against an Australian target being facilitated by the movement of terrorists or their materials through a PIC to

Australia. Cruise liners in the region may be vulnerable to a bomb attack onboard.

Internal security

Any serious insurgency movement in the region, including in the Indonesian province of Papua, New Caledonia or French Polynesia, would likely depend on outside logistic support with arms and ammunition. These items could only be smuggled in any quantity by sea.

Sovereignty

Some PICs face a particular problem in maintaining sovereignty and security in remote islands. Foreign fishing vessels and cruising yachts often make illegal calls to outer islands and are involved in activities such as prostitution and the illegal landing of drugs, alcohol and cigarettes. There's also a risk of people being landed illegally on these islands and then making their way to major centres from where they can travel on elsewhere. Disease could be spread in the region as a result of these unlawful visits.

Environmental threats

The protection and preservation of the marine and coastal environments is of vital importance to the PICs. Marine environmental threats include ship-sourced marine pollution and activities that might cause damage to coral reefs in the region. Climate change and sea level rise are issues of great concern to the PICs, particularly for those that are comprised wholly or partly of atolls.

Maritime natural hazards

The region is vulnerable to maritime natural hazards, especially tsunamis and cyclones. When a severe event occurs somewhere in a PIC, there may not be an airfield available or an existing airfield may be rendered unserviceable. Initial outside assistance can then only be provided by sea.

Search and rescue

While not a threat, search and rescue (SAR) should nevertheless be considered along with maritime security. The capabilities required for SAR (i.e. ships, aircraft and command and control systems) are similar to those required for maritime surveillance and enforcement. Australia, New Zealand, USA and France are the four major countries which provide SAR support to South Pacific countries when needed. SAR has been an important task for the PPBs in most PICs. Australia tends to respond to requests for SAR assistance from PNG, the Solomon Islands and occasionally Vanuatu. Australia has SAR Arrangements with PNG and the Solomon Islands which share search and rescue boundaries with Australia. See the map overleaf. A significant number of Pacific Islanders are lost at sea each year, with most casualties associated with small fishing vessels.

Current arrangements

There are tentative beginnings of a process to provide an international legal umbrella for regional fisheries enforcement (including routine sharing of fisheries enforcement data, cross-vesting of enforcement powers, and clearance for the use of fisheries information for other law enforcement action) as well as work within FFA to boost its vessel monitoring system analytic capability. There is also a start being made to look at an intergovernmental umbrella arrangement to provide a more robust regional mechanism to underpin the Pacific Transnational Crime Network (PTCN) and ensure that it becomes a truly interagency mechanism for exchange of law enforcement data.

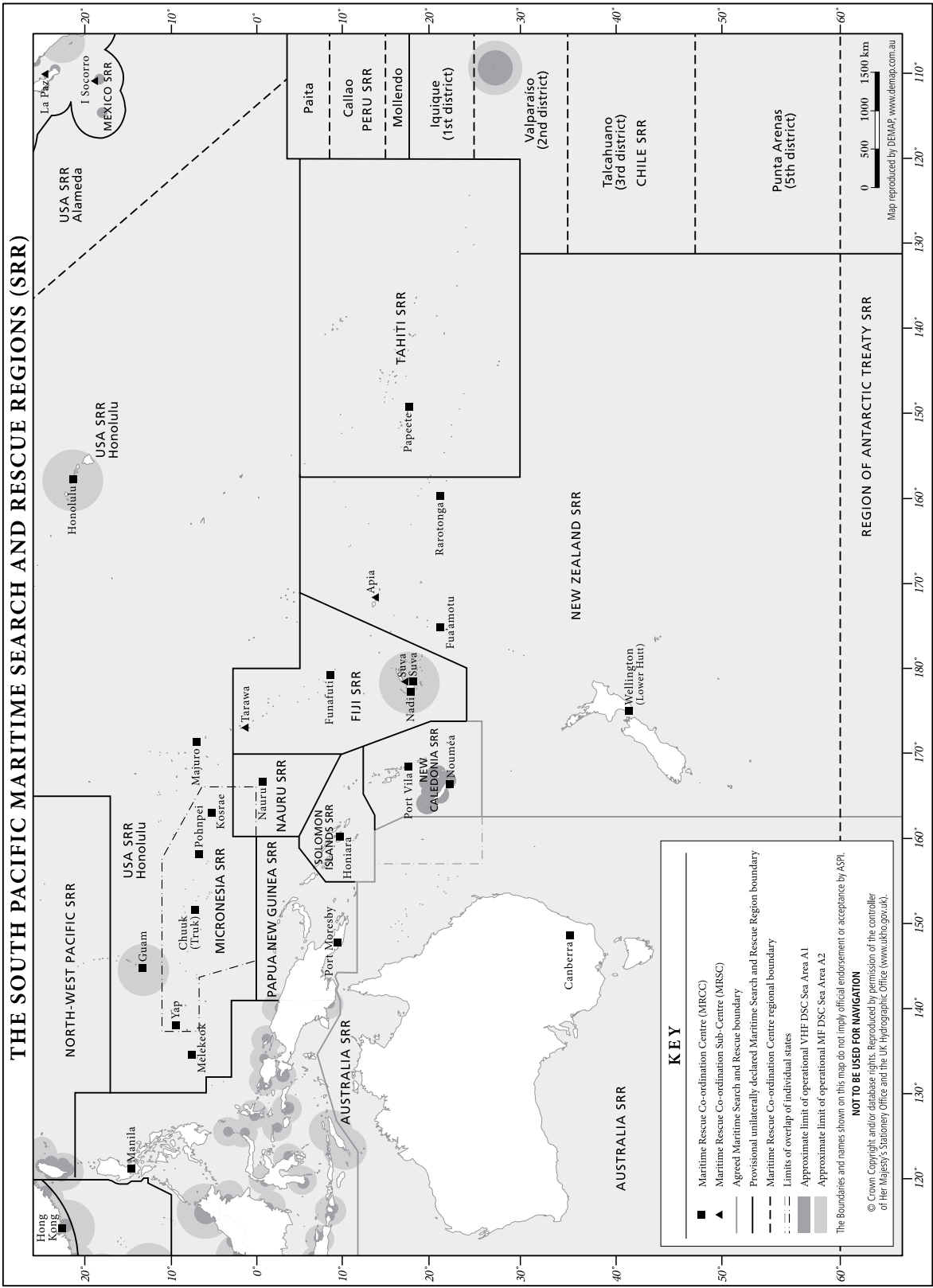
The main regional maritime security regimes relate to IUU fishing, ship and port facility security and transnational crime at sea.

IUU fishing

The regional regime for the prevention of illegal fishing activities has in the past been the responsibility of the FFA, but the Commission for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (WCPFC) is now involved. Problems might be expected with the coordination of fisheries enforcement and the overlap of responsibilities between these two agencies and with the collection and sharing of data, including processes to make this data available to other agencies. The FFA has broadened its focus in recent times and recognises it has a wider role to play in maritime security and in working with other agencies to provide maritime security in the region.

The vessel monitoring system (VMS) established by the FFA is an important capability for regional maritime security. Licensed fishing vessels are fitted with an Automatic Location Communicator (ALC), which sends a signal (via satellite) to FFA Headquarters in Honiara, giving the vessel's current location, speed and heading. Currently the VMS is challenged by training, technical and support issues. Future development of the FFA VMS might allow for the correlation of catch data and the targeting of vessels that report catches inconsistent with their tracking information and the catches of other vessels operating in the same area. Any foreign fishing vessel that wishes to apply for a licence to fish in waters of an FFA member country must first be registered on the VMS Register of Foreign Fishing Vessels maintained by the FFA.

VMS data belongs to the individual PIC, but sharing data is now becoming common. The US and France have been seeking data access arrangements. So far the distant water fishing nations have not expressed concern about VMS data being used for wider security purposes.



Ship and port facility security

The Regional Maritime Programme (RMP) of the South Pacific Commission (SPC) has leading responsibility for assisting the PICs with the implementation of IMO measures for the safety and security of shipping. The RMP works with the maritime sector of countries and territories to review and update maritime legislation and facilitate training to ensure that all seafarers meet required qualifications and standards. However, foreign fishing vessels are not captured by the International Ship and Port Security Code and there is a requirement to bring them within domestic maritime security legislation.

Under the transport security component of the Australian Government's Regional Counter Terrorism Strategy, \$4.7 million will be spent over the next four years to expand Australia's role in providing transport security assistance in the Asia-Pacific region. This includes the placement of officers in Manila, Jakarta and Port Moresby. In addition to providing guidance and technical assistance, they will contribute to governance and protective security activities.

Transnational crime at sea

Transnational crime is a major issue for the PICs and is facilitated by weak border security due to the wide maritime areas and lack of resources, the volume of maritime traffic in the region, weak legislation and poor communications. Countering transnational crimes at sea, particularly smuggling of drugs, arms and people, is the responsibility of various regional agencies, including the Oceania Customs Organisation (OCO) and regional policing bodies and networks. The latter include the PTCN, the Pacific Transnational Crime Coordination Centre (PTCCC), the Pacific Islands Chiefs of Police (PICP) and the Transnational Crime Units (TCUs) throughout the Pacific.

The Australian Federal Police (AFP) plays a leading role in countering transnational crime in the PICs. The AFP was instrumental in establishing the PTCN, PTCCC and TCUs and supports the PICP Secretariat with an appointed officer. AFP's Law Enforcement Cooperation Program assists with training regional police officers. The International Deployment Group (IDG) of the AFP was established in February 2004 with a budget in the order of \$1 billion over five years. The IDG was created to manage the deployment of Australian and Pacific Island police overseas for international capacity-building, monitoring and peacekeeping missions.

Border protection is the common interest of all PICs and this requires close coordination between them. This is primarily a matter for the OCO.² Australia supports the Customs administrations of the PICs through the OCO. This organisation focuses on trade facilitation, revenue collection, law enforcement, human resource development and communication. Australia has provided \$7.8 million in 2007-2008 to focus on border security matters with PNG. Australia has several Customs officers in the PICs: three in PNG, two in the Solomons and one in Tonga.

Existing capabilities

Air surveillance

Air surveillance is the most effective method available to the PICs for monitoring a large surface area, including remote and uninhabited islands and reefs. At present, air surveillance of remote areas, EEZs and adjacent areas of high seas is only conducted on a limited basis and relies on Australian and New Zealand with some assistance from the French Navy and the US Coast Guard. But as noted above, Australian assistance with air surveillance in the region has declined markedly in recent years.

The PICs themselves do not have a dedicated aerial surveillance capability. The Tongan Defence Services have a small aircraft, Fiji occasionally charts local aircraft for maritime surveillance and PNG occasionally uses Papua New Guinea Defence Force aircraft for surveillance.

Response

The PICs response capability is mainly provided by the patrol boats supplied by Australia under the PPB Project. This is the largest and most complex defence cooperation project ever funded by Australia and is the centrepiece of Australian defence cooperation in the South Pacific. It commenced in 1985. Twenty-two boats have now been donated by Australia to twelve recipient countries. These vessels have a length of 31.5 metres, a top speed of 21 knots, a range of 2,500 miles (at 12 knots and nil fuel remaining) and a complement of 17. The PPBs will start reaching the end of their life in 2017, and will progressively pay off over the following decade.

The project involves not just the boats, but training for the crews, naval advisers posted to each recipient country, and through-life logistic and technical support through the Follow-On Support Agency.³ The naval advisers usually comprise one officer with patrol boat experience as Maritime Surveillance Adviser, and one or two senior sailors with marine engineering or electrical specialisations as Technical Advisers. The provision of these in-country advisers has brought extra benefits to Australia with regard to their influence at the local level.

For most countries, Australia provides additional funds to cover some of the costs of operating the PPBs and has assisted with the building of a PPB base, wharf, workshops and headquarters as well as married quarters

for the naval advisers. Requirements for this additional funding have increased over the years.

The PPBs can't operate without Australian financial support. The ships themselves are capable of spending 150 days a year at sea, but most are falling well short of that target. The original expectation with the project was that Australian assistance would reduce over the years, but the opposite has proven to be the case. There is now greater reliance on Australian support than was the case in the early years of the project. It's only in PNG and the Cook islands that the national fisheries authority provides some financial support for patrol boat operations. China has already provided funding to build new facilities in some PICs, and Taiwan has offered in some PICs to assist with funding PPB operations, but Australia has been able to persuade the PICs concerned not to accept this assistance.

The provision of a follow-on capability for the PPBs is currently a vexed issue for Australian defence cooperation policy. The costs of supporting PPB operations have become high. The costs to Australia would also be high if the current vessels were replaced by something of similar size and capability. There is thus a strong interest in finding a package of Australian defence assistance for maritime security that offers at least equivalent value, but at less cost.

The Pacific Islands Chiefs of Police (PICP) have agreed to a project to support the PPB Program and to encourage wider multi-agency use of these assets. An important consideration was that policing the EEZ of each country is 'not just about fish'. The role of the patrol boats operated by the police services in most PICs⁴ includes the requirement to deal with all potential illegal activity at sea, including IUU fishing, maritime terrorism, drugs, arms and human trafficking,

illegal immigration and the prevention of ship-sourced marine pollution.

Involvement of other countries

New Zealand

After Australia, New Zealand makes the next most significant contribution to regional maritime security. This is through funding assistance to relevant regional bodies and surveillance patrols by RNZAF P3 aircraft, as well as occasional visits by RNZN vessels.⁵ While in the past, this assistance has been mainly focused in the Polynesian sub-area where New Zealand's influence has traditionally been strong (i.e. to Samoa, Tonga, Niue, Tokelau and the Cook Islands), there has been increased interest in Wellington recently in supporting other PICs. New Zealand provides the Training Advisor for the PPB project in the Cook Islands. New Zealand has a history of providing SAR support to Fiji, Tuvalu and Kiribati. New Zealand is currently providing more operational surveillance assistance than Australia, and is regarded by the PICs and the FFA as being more responsive to requests for assistance than is Australia.

The potential New Zealand contribution to regional maritime security will be enhanced by the entry into service of the new RNZN patrol vessels under Project Protector. These are:

- Two offshore patrol vessels (OPVs) to conduct maritime surveillance, in conjunction with maritime air patrol assets to the limit of New Zealand's EEZ, in the South Pacific and in the Southern Ocean. They will carry a helicopter and displace 1,600 tonnes with a length of 85 metres, a speed of 22 knots and a range of 6,000 nautical miles.
- Four inshore patrol vessels (IPVs) to conduct maritime surveillance in support of civil agencies in areas closer

to New Zealand. They will displace 340 tonnes with a length of 55 metres, a speed of 25 knots and a range of 3,000 nautical miles.

The OPVs in particular will be excellent vessels to provide assistance with regional maritime security. It's understood that they are already programmed for patrols in the South Pacific, with authorised fisheries officers embarked from the PICs in the patrol areas.

United States

The United States is a key stakeholder in maritime security in the Pacific through the Territory of Guam, its Territory of American Samoa and the Commonwealth of the Northern Marianas and its Compacts of Free Association with the former US Trust Territories of Micronesia: Palau, Federated States of Micronesia (FSM) and the Marshall Islands. The existing Compacts of Free Association between the US and the Micronesian countries cover defence and foreign policy but are worded in pre 9/11 terminology and do not reflect current security concerns and broader homeland security considerations.⁶

After some years of relatively low involvement in maritime security for the PICs, the US has recently increased its level of assistance. The US Navy and US Coast Guard (USCG) have provided assistance with air surveillance and occasional visits by USCG cutters have provided the opportunity for training assistance to local maritime security forces. There has been a much higher rate of effort from the USCG over the past year in Micronesia with cutters in the region embarking authorised fisheries offices from Palau, FSM, Marshall Islands and Kiribati and with more aerial surveillance.

The Joint Interagency Task Force West (JIATF West), based in Hawaii, plays an important role in fostering intelligence collection

and maritime security cooperation in the Pacific. While its primary role is countering drug-related transnational threats, JIAFT West is closely aligned with US Pacific Command's Theater Security Cooperation, War on Terrorism, and Maritime Security priorities in planning, developing and implementing counter-drug programs in Asia and the Pacific. It provides US and foreign law enforcement with fused inter-agency information and intelligence analysis, and with counter-drug training and infrastructure development support. The JIATF West staff comprises members of all five military services, as well as representatives from the national intelligence community and US federal law enforcement agencies. The AFP works closely with the JIATF West both directly and through the PTCN.

France

France has the overseas collectivities of New Caledonia, French Polynesia and Wallis and Futuna. The French Navy provides some air surveillance support, especially to Vanuatu and in the southern Solomons, around French Polynesia and a small effort in the Cook Islands. The French navy have a couple of deployments each year from their tier two ships staying within a 1500NM radius (approx) of their operating bases. They also have some larger frigates that deploy into Asia, that spend some time working with the PICs.

The French are keen to participate more actively in maritime surveillance, but they have no deployed liaison officers. Trying to engage within the Pacific from offices in New Caledonia or Tahiti has sometimes proved difficult. The only operational link they have in the region is one to one with FFA's surveillance operations officer. Every few years the French run an exercise that has amphibious and airborne elements that some PICs attend. There is no 'working level'

plan integrating French, Australian and New Zealand surveillance efforts.

China

China is becoming much more actively involved in the PICs, particularly in the two largest regional countries, Papua New Guinea and Fiji. It has wiped out all PIC debt of about US\$700 million over three years and built facilities in Tonga for the Forum Leaders' meeting in October 2007. While much of this activity is 'cheque book' diplomacy to counter Taiwanese influence, China does have growing commercial interests in the region, particularly in the fishing industry. China is a contributor to the WCPFC. Their only blue water naval engagement in the region seems to be national defence-related such as the deployment of a satellite-tracking ship to Fiji and down-range of US facilities.

Japan

Japan is one country with a major stake in the region but so far has not been involved in cooperative arrangements to any great extent despite having significant skills and resources to assist in capacity building for regional maritime security. Largely through the Japan Coast Guard, Japan has been very active in Southeast Asia in assisting to build the capacity of countries in that region to deal with piracy and the threat of maritime terrorism. It may be possible to get Japan involved in a similar way in the Pacific islands region.

Taiwan

Taiwan has diplomatic relations with Kiribati, Marshall Islands, Nauru, Palau, Solomon Islands and Tuvalu. Taiwan holds regular regional naval visits to those recognising it (two frigate/destroyer size vessels and one replenishment vessel). They have had coastguard-type vessels apparently on patrol from time to time in the EEZs of some of the Micronesian states. In recent times there has

been various Taiwanese efforts to try to link themselves to the Australian PPB project, through funding maintenance activities such as slippings, infrastructure development, and maritime law enforcement training. This might precipitate a significantly negative and tangible response from China concerned about the establishment of Taiwanese naval relations with the South Pacific. This would raise the prospects of blue water competition in the region, a competition Taiwan will inevitably lose and which will not leave the region safer.

Regional capacity issues

Capacity for maritime security comprises institutional arrangements, legal frameworks and resources required at both national and regional levels.

Institutional arrangements

National

Some PICs have well established coordination between agencies that contribute to maritime security. In others, coordination is notoriously bad. There is sometimes a breakdown of communications, even between the national fisheries authority and the PPB operating authority, usually the police. Control over VMS data and licensing arrangements unfortunately offers opportunities for corruption.

As stated in the Report on Foreign Fishing Vessels Security Issues in the Pacific Islands Region:

A lack of connectivity and minimal or no communication between regional agencies and between the various arms of national administrations and indeed with the fishing industry itself, was uniformly obvious to and accepted by all those spoken to during the course of this project.

Just as this observation is neither unique nor new, so the reasons for

poor inter-agency communications are well-known. These include staff resourcing issues, a natural tendency to resist sharing information and often a general lack of awareness of the wider impact of decisions in one area upon another.⁷

Regional

The Forum Secretariat is currently working on a review of the Regional Institution Framework (RIF) to streamline the existing multi-agency structure. The overlap between agencies is particularly apparent with fisheries management with three agencies involved in the function. Both the FFA and WCPFC are involved in licensing and enforcement for straddling and highly migratory stocks while the SPC Coastal Fisheries Programme collects data on non-migratory stocks. The relationship between the WCPFC and the FFA on vessel registration and monitoring systems requires development.

Regional cooperative arrangements are sectorally based at present. Regional meetings are focused on a particular activity (i.e. policing, fishing, port and ship security), although the Forum Regional Security Committee provides oversight of maritime security issues of common concern.

The FFA deals with one form of illegal activity at sea i.e. illegal fishing, and consideration needs to be given to how to build on it to deal with other forms of maritime crime. Some mechanism is required which would allow the non-Forum members, France and the US, as well as possibly Japan, to cooperate in the FFA and other maritime security arrangements in the region which are currently limited to Forum members.

The competition between China and Taiwan complicates institutional arrangements involving extra-regional countries. While Taiwan participates in the WCPFC as a 'fishing entity', its participation in other

regional arrangements would be vetoed by China.

Availability of data

There is little integration of maritime security-related data in the region at present and the lack of relevant data is a major problem. With fisheries there is a lack of integration of the different types of data: (1) FFA registrations and licences; (2) SPC observer and stock data; and (3) boarding reports from individual members. The OCO and Pacific Immigration Directors' Conference (PIDC) both collect data; the former on cruising yachts and the latter on foreign fishing vessels. The RMP has been collecting data on all types of vessel movements within the Pacific over recent years.

Although FFA encourages the sharing of VMS data between countries, only limited sharing occurs at present. FFA only releases data to member countries in respect of fishing vessels licensed by that particular country. Reasons for not sharing VMS data are related to sovereign sensitivities and the commercial nature of such data.

Not all data can be shared. For example, policing data on particular operations that might involve undercover work is highly sensitive and could not be shared.

Legal frameworks

Niue Treaty

This treaty operates with the FFA Convention to establish a cooperative regime against illegal fishing in the region. It requires Subsidiary Agreements between parties to permit one Party to extend its fisheries surveillance and law enforcement activities to the territorial sea, EEZ and archipelagic waters of the other Party.

Vessels operating pursuant to the Niue Treaty must fly a 'Regional Fisheries Surveillance and Law Enforcement Flag'

and aircraft must be appropriately marked and identifiable in manner described in the Subsidiary Agreement. Although Tonga and Tuvalu initiated a Subsidiary Agreement, it was never implemented operationally. The first operational implementation of the Niue Treaty commenced in 2002 with agreements between Palau, FSM and the Marshall Islands. A possible reason for the absence of many Subsidiary Agreements may be the complexity of the legal structures to implement such arrangements, as well as some sensitivity to allowing enforcement operations in national jurisdiction by a foreign vessel.

The Niue Treaty is currently being reviewed to investigate the possibilities of it being extended to cover types of illegal activity at sea other than fishing and extending it to include other countries, particularly the US and France.

National legislation

Significant gaps exist in national legal frameworks to deal with the full range of illegal activity at sea, but the ability to deal with drug smuggling has been a particular priority.⁸ This is an important area for possible technical assistance by Australia and the United States.

Maritime boundaries

The lack of agreed maritime boundaries between the PICs inhibits full cooperation with maritime surveillance and law enforcement. Relatively few boundaries have been agreed and there are numerous claims to overlapping jurisdiction.⁹ The situation is complicated by conflicting and controversial claims about sovereignty over various offshore features. It is clearly a very difficult task for a small country to conduct complicated boundary negotiations with its neighbours, sometimes including major powers, such as the US and France. Palau

faces a similar demanding task in negotiating maritime boundaries with its large neighbours, Indonesia and the Philippines.¹⁰

Resources

Capability gaps

There are two major gaps in the capabilities available at present to the PICs for maritime surveillance and enforcement. The first is the lack of dedicated aerial surveillance capabilities. Inevitably the availability of external support will be vulnerable to competing demands of supplying governments, such as commitments to the War on Terrorism.

A sophisticated aircraft such as a P3C is not required: the Coastwatch organisation in Australia has found the de Havilland Dash 8 aircraft suitable for offshore surveillance. It has a range of 1200 nautical miles and can operate from relatively basic airstrips. A civilian contractor could operate such aircraft under a 'wet lease' arrangement.

The second capability gap is surface response at extended range from base. The PPBs are relatively small vessels with limited range, endurance and sea keeping. They don't have a capability to maintain high seas patrols or operations at a distance greater than about four hundred nautical miles from an operating base, yet many areas of high seas and EEZ are well beyond this distance. This gap will become more significant with offshore enforcement in the high seas 'dough-nut' areas under WCPFC.

Personnel

As the scope of maritime security in the region is widened and a more integrated approach to maritime law enforcement is implemented, regional training schemes will need to be reviewed. Authorised fisheries officers from the different countries are currently trained for enforcing regulations

against IUU fishing only and don't know how to deal with other forms of illegal activity at sea. Regional training by SPC/RMP is undertaken for all aspects of International Ship and Port Facility Security (ISPS) Code compliance.

Proposed initiatives

In discussing prospective initiatives for enhancing maritime security in the Pacific, including outlining a possible blueprint for Australian involvement, several basic assumptions are warranted:

- The broader concept of maritime security should be implemented in the region.
- Maritime security forces in the region (ships and aircraft) should be authorised to deal with all types of illegal activity at sea and not just IUU fishing.
- The economic outlook for many PICs is likely to continue to be bleak and they will continue to experience great difficulty in funding national capabilities for maritime security.
- Threats to regional maritime security are likely to increase.
- Data collected for one purpose should as far as possible serve a wider purpose.
- The contrasts between the different characteristics and requirements of the various PICs should be recognised in designing a regional maritime security regime: 'One size does not fit all'.
- Non-regional powers, including China and Japan, should be involved in regional maritime security arrangements.

A regional maritime surveillance and enforcement regime is required that reflects a whole of region and a whole of government surveillance concept to overcome the current segmented approach with regional maritime security spread between functions and agencies both regionally and nationally.

A Regional Maritime Coordination Centre (RMCC) would provide the basis of such a regime. A possible model for the RMCC is depicted in the diagram opposite.

Regional Maritime Coordination Centre

The roles of the RMCC would be to:

- collect, fuse and analyse all sources of data
- manage and schedule regional air and surface assets
- receive bids for surveillance time from regional countries
- provide recommendations for action to individual countries
- coordinate response from regional or national assets
- coordinate funding from aid donors plus national contributions
- liaise with national ‘points of contact.’

As shown in the diagram, the Centre would have two main functions: an Operations Centre and a Management Group. The Operations side would provide legal and enforcement support to operations such as brokering information sharing and managing information sharing agreements, and acting as the SAR coordinator for the region and the joint coordination centre for multilateral operations. It would maintain the regional vessel of interest list.

The Management Group would maintain reporting links to Forum Regional Security Committee, develop and maintain the regional maritime surveillance strategy, act as the experts in surveillance training and maintain a register of qualified surveillance operators in the region. It would develop and maintain the architecture for multilateral cooperation—surveillance treaties, information sharing agreements and annual maritime surveillance management meetings. It

would analyse the web of information that links vessel movements to crimes. It would establish and manage projects to trial emerging technologies and provide administrative and IT support to the Operations Centre. It would manage the Regional Maritime Surveillance Trust Account discussed below.

Ideally these two activities should be co-located but at least in the initial years, it may be preferable to build on existing regional arrangements and accept some separation between the two elements. The Operations Centre could be co-located initially with the FFA in Honiara, and the Management Group may be better co-located in Suva with the RMP, OCO, PIDC and PTCCC.

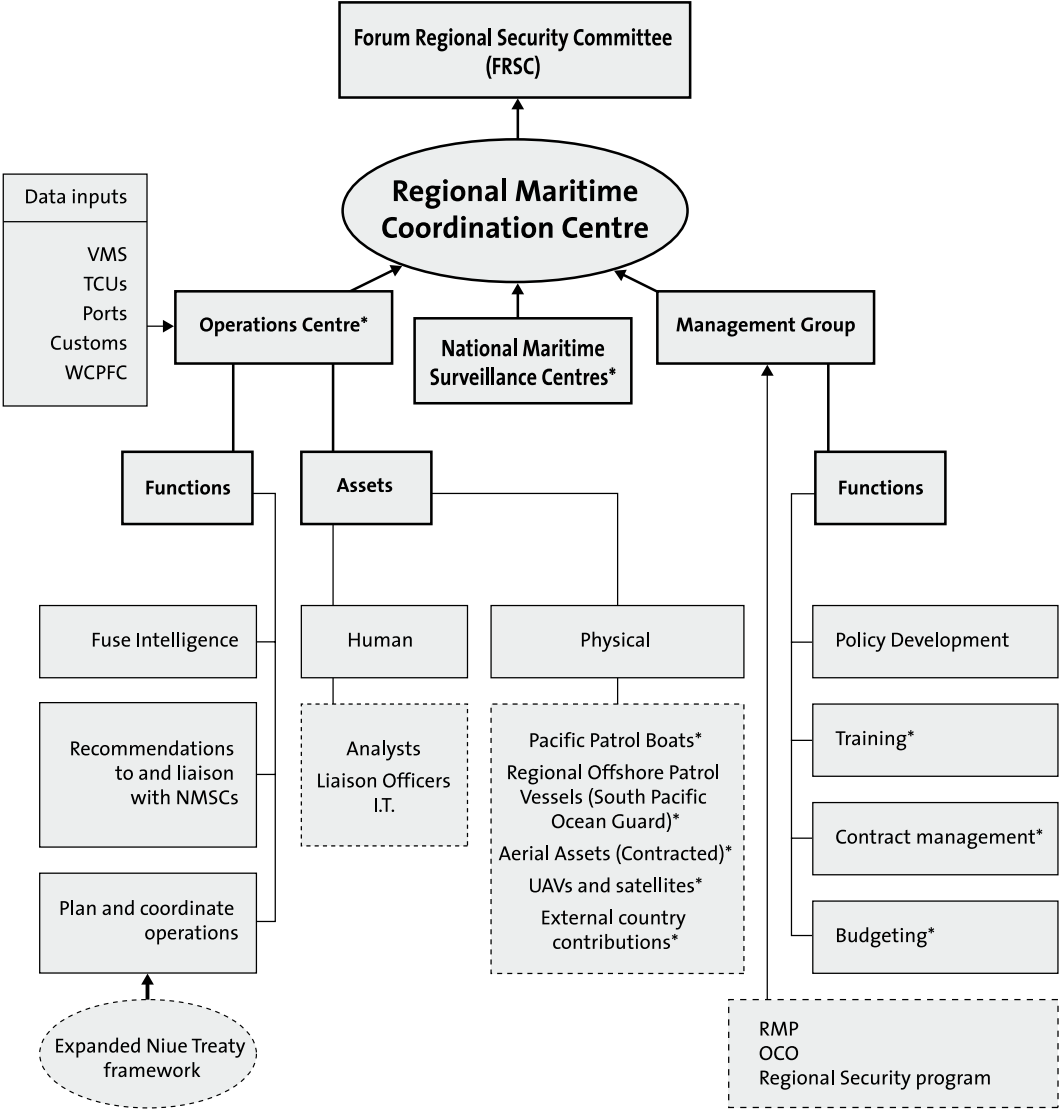
The Director of the RMCC could be located in Suva with an Operations Centre Manager in Honiara. There may be a case for bringing the RMP within the same umbrella organisation as the RMCC under the one Director.

Data

Lack of data is a major problem with the current arrangements for maritime security. Data collection, fusion, analysis and dissemination will be an important function of the RMCC. This function is shown in the diagram opposite as being undertaken at the Operations Centre but there may be a case for having it in Fiji as a function of the Management Group. Most sources of data (with the notable exception of the FFA’s VMS data) are in Suva.”

Sources of data for the RMCC include:

- VMS data from the FFA and WCPFC
- data on other types of illegal activity from the PTCCC, OCO and PIDC
- shipping movement reports from regional port authorities



KEY:

- NMSCs** National Maritime Surveillance Centres
- OCO** Oceania Customs Organisation
- RMP** Regional Maritime Programme of the South Pacific Commission
- TCUs** Transnational Crime Units
- VMS** vessel monitoring systems
- WCPFC** Commission for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean

* = potential Australian contribution

Table 2: Types of Response Vessel—indicative characteristics						
Type	Classification	Displacement	Approx. length	Approx. range	Desirable max speed	Armament/ equipment
A	Ocean Patrol Vessel	1500 tonnes	75 metres	6000 nm at 14 knots	22 knots	Deck gun Helicopter
B	Coastal Patrol Vessel	50 tonnes	10-20 metres	1000 nm at 16 knots	30+ knots	Small arms

- Long Range Identification and Tracking Systems (LRIT) and Automatic Identification Systems (AIS) data as available
- information on cruising yachts from the OCO.

Resources

Recognising that one size does not fit all and that some PICs are having increasing difficulty in funding their own national security capabilities, a tiered approach to capabilities is envisaged. Some assets would remain under national control but air surveillance and offshore response capabilities should be provided regionally under the management and coordination of the RMCC.

Patrol vessels

Two types of patrol vessel are envisaged with the indicative characteristics shown in Table 2. The fundamental importance of the surface response capability needs to be acknowledged.

The Coastal Patrol Vessels (CPVs) would be operated by the PICs at a national level. Two or more might be required by PICs with larger EEZs and they would be strategically based around the islands. Their role would not be to undertake patrols as such, but to respond to particular incidents as reported through the RMCC. However, their operations within national EEZs would be managed by national maritime surveillance centres.

The Ocean Patrol Vessels (OPVs) would fill the capability gap mentioned earlier. They should

be at least 70 metres in length with a range of about 5,000 nautical miles and desirably, be capable of operating a helicopter. Up to three or four such vessels would be required and there could be some commonality with the patrol vessels being acquired by the RNZN or, they could be similar to the offshore patrol vessels that might possibly be acquired by Australia to fill Australia’s own capability gap between frigates and patrol vessels. This commonality would offer considerable benefits with reduced building costs and ongoing support.¹² They would be civilian manned with law enforcement teams embarked from relevant PICs. Their role would be to undertake regular patrols through the high seas and EEZs of the PIC area often in conjunction with scheduled air patrols.

Contractual arrangements might be similar to those for the chartered vessels operated by the Australian Customs Service. Contracts would be managed by the RMCC and the vessels would be programmed in response to bids from individual PICs. Their operations would be conducted under a Treaty of Niue type arrangement.

A mix of patrol and response vessels is necessary for the PICs. It is clear that ‘one size does not fit all’. Small Type B response vessels will suffice for some PICs but not for others. Some PICs have very large EEZs (see Table 1) for which the PPBs have proven to have inadequate range and seakeeping qualities let alone for the wider high seas areas where patrolling will be required in the future. Yet most PICs would find it difficult to operate and maintain a vessel larger than a PPB. Hence

a regional mix of patrol and response vessels is proposed with the larger vessels operated as a regional asset.

Some PICs may seek to retain their PPBs beyond the end of their effective life. In which case, Australia would need to declare a final date from when Australian support would cease.

Aircraft

Aerial surveillance would be mainly provided by aircraft working under a contractual arrangement, similar to that used by Coastwatch in Australia. These aircraft would be managed and programmed by the RMCC. Where possible, authorised law enforcement officers from the PICs should fly on patrols.

Funding

The proposed regional maritime surveillance and enforcement regime would be funded by a Regional Maritime Surveillance Trust Account. Sources of funds might include developed countries in the Asia–Pacific region, international aid agencies and financial institutions, including the Global Environment Facility, the World Bank and the Asian Development Bank.¹³

Financial assistance might be available to acquire search and rescue or fisheries protection vessels whereas it would not be available to purchase patrol vessels for a more conventional military role. A formula would also be required to determine the contributions to be made by individual PICs.

Governance

Policy direction for the RMCC should come from the Forum Leaders through the Forum Secretariat and the Forum Regional Security Committee. A separate RMCC Advisory Committee would be required at which the key stakeholders and donor countries would be represented. Giving the Forum Secretariat the supra-national enforcement responsibility

which we suggest is no doubt a big step for sovereignty-protective PICs.

Legal frameworks

The legal frameworks for maritime law enforcement must be widened to include all possible crimes at sea and not just be focused on illegal fishing as they are at present. This will require changes to regional legal frameworks. At a national level, the legal mandate of patrol boat crews needs to be extended to deal with more than just illegal fishing. Actions required should include cooperative law enforcement training and improved capacity in investigations and evidence gathering.

Options for Australia

As mentioned earlier, the level of operational assistance by Australia to maritime surveillance and enforcement has fallen in recent years. This situation should be reversed as soon as possible.¹⁴

RAN patrol boats should resume regular visits to the PIC area and show a greater preparedness to assist local efforts through time allowed for worthwhile patrols in PIC EEZs. Where possible they should embark authorised law enforcement officers from the PICs along the lines of the model used by the US Navy and USCG in the Caribbean.

As an interim measure for air surveillance, consideration should be given to scheduling air patrols in the PIC area using the larger aircraft under contract to Coastwatch. It's understood that this arrangement would be permitted within the terms of existing Coastwatch contracts: local enforcement officers should fly in these aircraft where possible.

For the longer term, Australian assistance should be at two levels. First, provision to individual PICs of the CPVs and ongoing support for their operations, including

in-country advisers. Second, financial assistance and in-kind support with personnel and training for the RMCC, the OPVs and contracted aircraft.

It's essential that the PICs are consulted on the nature of assistance. There remain perceptions in some PICs that the PPB Program, and more recently, the PTCN were imposed without adequate consultation. Working largely through the RMCC, and its associated elements, would help overcome some of these concerns.

In addition to Australia and New Zealand, the United States, France, Japan and China should all be invited to participate in the proposed organisation. As well as assistance with funding, this participation could include training assistance and even some staffing for the RMCC. If they are forthcoming here, they should be included as members of the RMCC Advisory Committee.

Conclusions

Basic requirements of enhanced maritime security in the Pacific relate to institutional arrangements and information management: A more integrated approach is required to policy, management and the conduct of operations, including the collection, analysis and dissemination of data related to maritime security. This might be achieved through the introduction of the regional maritime surveillance and enforcement regime proposed in this paper, particularly through its RMCC.

To achieve this, we need to bring together a number of separate 'empires', create new structures, and overcome some significant national sovereignty instincts. Separate regional agencies might retain their sectoral responsibilities for functions such as countering IUU fishing and other illegal activity at sea, and ship and port security, but this sectoral activity needs to be overlaid with

a better process of coordination than exists at present.

It has become clear that the provision of a national maritime surveillance and enforcement capability to cover the wide expanses of EEZ in the region is beyond the capacity of many of the PICs. For these reasons, we have suggested a layered approach to the provision of resources (ships, aircraft and systems) for regional maritime security. This involves at the national level, a modest surface response capability of patrol vessels available, while air surveillance and offshore patrol and response should be provided regionally under the control and management of the proposed RMCC.

However, one size doesn't fit all: the nature of the proposed national response capability may vary between the PICs. Those with very large EEZs may still require a better national capability than the proposed CPVs. And the larger PICs, PNG and Fiji, may still prefer to maintain their own independent maritime defence capability. That should, however, be their responsibility. A range of options for funding should be considered.

Where does Australia fit in all this? What should be our contribution to maritime security in the Pacific? We should continue our funding and training support for the sectoral agencies on a case-by-case basis, but we should also be a leading stakeholder and supporter for the regional assets (patrol vessels and air surveillance) and the RMCC. This should be considered as a separate matter to the provision of assistance to individual PICs at the national level. The MSAs should be retained in-country with probably a reduced number of technical advisers: Australia would lose influence and leverage in the region without these advisers.

At a policy level, maritime security should now be seen in whole of government terms. Maritime security is not an abstract notion

but a clear regional requirement that has much wider dimensions now than it had in the past. Defence has previously taken the lead with security assistance to the PICs, but other agencies are now extensively involved and this could lead to a relatively lower commitment by Defence.

Australia needs to seek maximum regional strategic influence, but it would be naive to think that we can continue as the major stakeholder and donor country. There is an increased need for Australia to work cooperatively with other major stakeholder countries. Apart from France, New Zealand and the United States, these now include China and Japan. In many ways, maritime security cooperation is at the forefront of moves for wider regional cooperation.

The ultimate objective should be a regional maritime security and safety regime that provides for law and order at sea, the free and safe movement of shipping and seaborne trade, and countries able to pursue their maritime interests and use their marine resources in accordance with agreed principles of international law.

Endnotes

- 1 The AFP recently donated three 13-metre patrol vessels, worth over \$2 million, to the Royal Solomon Islands Police (RSIP). This was in addition to 20 six-metre rigid hull inflatable boats already given to the RSIP by the AFP.
- 2 <http://www.ocossec.org/>
- 3 The Follow-On Support Agency is established under a contract between the Department of Defence and Tenix Shipbuilding WA to provide procurement services for spare parts and technical assistance to PPB recipient countries.
- 4 The PPBs are operated by the Defence Forces in Fiji, PNG and Tonga.
- 5 The availability of the NZ P3s regionally is part of an ANZ agreement, covering for the fact that Australia assets are deployed in other theatres at present, on high tempo.
- 6 The Compact of Association arrangements are being revised. This may place a considerable burden on the PICs financial capacity.
- 7 Secretariat of the Pacific Community. 2005. Report on Foreign Fishing Vessel Security Issues in the Pacific Islands Region (November 2005 : Suva, Fiji Islands / Secretariat of the Pacific Community).
- 8 While fisheries legislation might generally be considered adequate, in many cases the same cannot be said of customs, immigration, environmental and quarantine legislation. In some cases PICs have not declared a contiguous zone and therefore, apart from fisheries, enforcement operations are limited to 12nm from the coast.
- 9 See Victor Prescott and Clive Schofield, *The Maritime Political Boundaries of the World*, 2nd ed., Leiden: Martinus Nijhoff Publishers, 2005, pp. 398–418.
- 10 Samoa has the smallest EEZ of all PICs. It is 'sealocked' and is preparing to negotiate boundaries with France (Wallis and Futuna) on the western border, NZ (Tokelau) in the north, U.S (American Samoa) in the east and Tonga for the southern border.
- 11 The creation of a central database to manage surveillance data will be essential. This will need to be accessed by nationals from their national surveillance centres.
- 12 Hardware costs per unit for the New Zealand Offshore Patrol Vessels were NZ\$85 million and NZ\$26 million for the inshore patrol vessels. A cheaper option, but not necessarily the best in the longer term, would be to rely on having one or two existing foreign vessels (RAN, RNZN, USCG, and French navy) moving around the region with national boarding parties.
- 13 'Start up' funding from the Asian Development Bank was provided to the Pacific Aviation Safety Authority.
- 14 Australia recently announced that it will provide incentive funding for Pacific Island countries to combat IUU fishing. Australia will provide \$500,000 to strengthen the regional monitoring, control and surveillance of key Pacific fisheries. Funding will be provided under the aid program. See 'Australia to help protect fish stocks in the Pacific', Media Release, Minister for Foreign Affairs and Trade, Alexander Downer, 17 October 2007.

Pacific power plays

Graeme Dobell

I wish I could tell you about the South Pacific. The way it actually was. The endless ocean. The infinite specks of coral we called islands. Coconut palms nodding gracefully towards the ocean. Reefs upon which waves broke into spray, and inner lagoons, lovely beyond description. I wish I could tell you about the sweating jungle, the full moon rising beyond the volcanoes, and the waiting. The waiting. The timeless, repetitive waiting.

James A. Michener¹

These words started Michener's vivid description of the Pacific war, another of the destructive power plays that have crashed over the Islands for nearly 250 years.

The European invasion of the Islands can be dated from April, 1769, the day that Cook sailed the *Endeavour* into Matavai Bay in Tahiti. The great Australian journalist Alan Moorehead called it the start of 'The Fatal Impact', titling his book, 'An account of the Invasion of the South Pacific'.

Moorehead commented that, 'with the *Endeavour*'s arrival the penetration of the Pacific was only just beginning'.² A writer as skilled as Moorehead would have chosen that word 'penetration' with an eye to the European invasion, but also to the activities of Cook's sailors during their three months ashore.

From that time, the Pacific has always been a stage for plays by great powers. Following Cook, 'British activities in the Pacific stemmed from imperial ambitions that at one time or another brought them into conflict with every other nation that sought a place in the sun,' Grattan wrote in his account of the 18th and 19th century colonial contests in the Pacific that variously involved Britain, Spain, France, Holland, Germany, Russia and the United States.³

Britain and all of the European players, apart from France, have departed from the Pacific—but their place has been taken by a supranational European body. Other powers have arrived from Asia, and the Pacific stage still holds a crowded array of external players.

The colonial experience closed quietly for the Pacific in the second half of the last century. Setting out into the 21st century, though, the external power plays are still potent. In the 19th century, the fight was for power and presence. Now the contest is for influence and access.

External players

The 'summitry' (the rash of summits) that has burst upon the South Pacific is a self-selecting indicator of the key external players in the region. Australia and New Zealand are on the summit list because their Prime Ministers go each year to the Pacific Islands Forum. But five other countries have each staged their own versions of a Pacific summit: China, Taiwan, the United States, France and Japan.

China had its Pacific summit in Nadi in April, 2006; Japan's summit with the Islands was in Okinawa in May, 2006; France convened its summit with the Pacific Forum leaders in Paris in June, 2006; in September, 2006, Taiwan's President held his Pacific summit in Palau; and completing the trend, the United States held its Pacific leaders' conference in Washington in May, 2007.

Beyond the summiteers, the list of external players can be extended to all twelve countries that are formal dialogue partners with the Pacific Islands Forum. (Taiwan has its own, separate dialogue with the Forum.) The dialogue partners include the European Union (important because of its role as an aid giver and also the EU's efforts to impose governance standards on its Island partners), Malaysia (with important business and even political links in Melanesia, especially Papua

New Guinea) and India (vitaly interested in Fiji because of the population of Indo-Fijians, but able to exert little influence on Fiji's politics).⁴

The South Pacific both suffers and gains from the number of external powers that act to claim a stake in the region. The range of suitors means the Pacific has a secure hold on the aid prize—the people of the Islands get more aid, per head of population, than anywhere else in the world. But small size and economic weakness mean that South Pacific states must battle to be heard, much less assert their interests. While the power plays are not as blunt as when Cook arrived nearly 250 years ago, the outsiders are still stronger and richer.

Australia and New Zealand

New Zealand is our closest partner. We develop [Pacific] policy responses together...We share the same basic view that our role is to help the Pacific countries develop themselves. We both recognise that together we achieve more than either of us ever could acting alone or, perhaps, if we were in competition with each other.

Alexander Downer⁵

Australia and New Zealand have become the lenders-of-last-resort for security in the Islands. In 2006, Australia and New Zealand sent out their forces to restore order in East Timor, Solomon Islands and Tonga. Australian Navy ships patrolled just outside Fiji's waters after the coup, in what the Suva military regime dismissed as ineffectual gunboat diplomacy.

Australia—with the backing of New Zealand—is extending its strength into the void of weak states in its region. This may be a burden eagerly embraced or reluctantly accepted. Either way, Australia is acting to enforce order: 'Australia has acquired an accidental empire. Quite inadvertently, we find ourselves providing a de facto guarantee of stability, enforced at gunpoint, to the small

states of the South Pacific'.⁶ This thankless role fell to Australia and New Zealand in 2006 because nobody else seemed interested in acting; other powers such as ASEAN or the United States were either incapable or unwilling.

Acting as a security lender-of-last resort has many hazards, beyond the obvious one of being accused of hegemonist or neo-colonial instincts. Being the security guarantor is obviously costly, but it also produces the problem of what economists call 'moral hazard'. A moral hazard exists when people or institutions believe they can be more reckless in their behaviour because of the existence of an ultimate guarantee or guarantor to save them from any mishaps. An Australia that pledges always to be on hand to help can find itself being taken for granted or even abused.

Recent experience in both Solomon Islands and East Timor demonstrates the moral hazard dimensions of Australia having taken on a guarantor role.

The confrontation between the Sogavare Government and Australia showed the conundrum. The Howard Government repeatedly warned Prime Minister Sogavare that he could not 'cherry pick' the Regional Assistance Mission to Solomon Islands, keeping some elements of the mission and discarding others. But Sogavare, indeed, sought to treat RAMSI like a 'buffet', retaining the valuable aid and assistance elements but doing away with the governance and policing dimensions which impinged on his power.

Sogavare's brinkmanship was based on a belief that Australia will put up with a great deal of pain—and make compromises—to stay engaged in Solomons. The Australian promise to help means that threats to restrict or withdraw aid do not carry much weight. Sogavare acted with some confidence on the basis that he should be able to hang on

to Australia's cash, while getting rid of the Australians.

Sogavare's loss of the Prime Ministership was due to the shifting alignments of Solomons politics rather than direct blowback from his confrontation with Canberra. Impudence towards the regional giant eventually became one of the negatives that contributed to Sogavare's downfall. For quite a time, though, Sogavare had been able to burnish his 'big man' credentials by kicking against Australia for violating the sovereignty of Solomon Islands. If you are judged by the size of your opponent, then going up against Australia puts any Pacific politician in the top league.

East Timor illustrates the other side of the moral hazard problem—political actors may seek to shape events to invite or force an Australian intervention. One account of the turmoil in East Timor in May 2006 said that the likelihood of Australian intervention meant that rebel troops were more provocative in their attacks on the East Timor Army. One defence attaché based in Dili argued that the rebel groups sought clashes with the Timor Army, 'in order to bring about foreign intervention'⁷.

Recent joint work by Canberra and Wellington shows the closeness that often marks the *actions* of the two states in the Pacific. The language they use to describe their policy positions, by contrast, can involve drawing distinctions from small differences.

The gaps that do exist between Australia and New Zealand rest on geography and economic size, the past orientations to Melanesia or Polynesia and the differing world views demonstrated by the collapse of ANZUS more than two decades ago.

Australia's geopolitical obsessions in the Pacific have always been in Melanesia. New Zealand has always looked first to Polynesia, based on its direct ties with Samoa and

Tokelau and the associated states, Cook Islands and Niue. Maori and Polynesian populations in New Zealand deliver seats in Parliament, especially in the Islander seats around Auckland. Polynesia matters in New Zealand politics; Melanesia hardly changes a vote in Australia.

A staple of New Zealand diplomacy is that it has a natural advantage over Australia in working in the Pacific. The tart response from Canberra has been: The Kiwis like to do the talking as long as we do the paying. But New Zealand proved its abilities with one crucial success—arranging and hosting the intricate negotiations that led to the Bougainville peace agreement. New Zealand was able to perform the honest-broker role. By contrast, the rebels distrusted Australia both as a supporter of Port Moresby and as the creator of the giant copper mine at the centre of the conflict.

The long Bougainville peace process from 1997 did involve New Zealand talking and Australia paying, and eventually, after the agreement was signed and implemented, Australia took over New Zealand's leadership on the island. New Zealand commanded the truce monitors; Australia then commanded the peace monitors.

Bougainville marked the start of a decade of practical cooperation between Australia and New Zealand that may set the pattern for decades to come. The immediacy of Island issues gave some perspective to the still smoldering wreckage of the ANZUS alliance. The splintering of ANZUS in 1986, when the United States ejected New Zealand, damaged Australia's military view of New Zealand.

The ANZUS breach was caused by the US, as a global power, deciding that it could not afford the precedent of allowing an ally to become a non-nuclear free rider. The Australia–New Zealand alliance, formalised during World War II has continued and even prospered

in recent years because of its Pacific, not global reach. ANZAC has been kept afloat even as ANZUS sunk. To maintain the ANZAC alliance with New Zealand, Australia has had to adjust its understanding of that alliance to fit Wellington's views about the size of its military and Pacific interests.

The bitterness in the Canberra defence establishment about the death of ANZUS took a long time to pass (if it ever has). Canberra directed its anger at New Zealand for bringing on a confrontation over nuclear principles, not at the US for casting New Zealand into the darkness.

Canberra decided it would have to live with New Zealand's position. But Australia never ceased to despair at the Kiwi clumsiness that caused the ANZUS rupture. The basic difference across the Tasman is little changed after two decades. What has altered is the extraordinary tempo of security activity in the arc from East Timor into the South Pacific.

Australia and New Zealand have worked together to confront security conundrums and crises in Bougainville, East Timor, Fiji, Solomon Islands and Tonga. The experience has built a solid floor of cooperation that sits above the old ANZUS schism. As so often in relations between governments, confronting practical problems takes up far more time and energy than picking over old policy differences where no movement is possible.

Australia has had a series of tough jobs in the region where New Zealand has turned up to do a lot of the lifting. The trans-Tasman military relationship is stronger today than looked possible in 1986, when an ANZUS meeting in San Francisco banished New Zealand from the San Francisco alliance system created after World War II.

The Australian–New Zealand partnership in the Pacific will rest on a long common history, with an edge of humour. That would explain

the Australian Army view of serving alongside the Kiwis in the past decade, from Timor to Tonga: 'The Maori Army – they're better than Gurkhas. They bring their own officers and you don't have to pay 'em!'

United States

I'll freely admit that no Americans understand the South Pacific. And we leave that to you. Be glad to help you in any way you see fit. But we just don't understand it. Perhaps it's a good thing we don't understand it – we keep our meddling hands off it and leave it to you.

Richard Armitage⁸

The former US Deputy Secretary of State often conveys serious thoughts in a jocular tone. Armitage's self-deprecation in talking to a Canberra audience should not detract from the intrinsic truth of his words. That message from Washington to Canberra (and Wellington) translates to something like this: We are busy on more important business elsewhere. It's your backyard. Give us a call on anything specific.

The US has a clear hierarchy of concerns in the Pacific. Northeast Asia—China, Japan, Russia and Korea—will always rank at the top, as the crucial theatre where vital interests are always at stake. Southeast Asia is important in many issues, but as a region must still rank lower down in the US hierarchy. And compared to Northeast or Southeast Asia, the South Pacific is almost off the Washington radar.

The validity of that US hierarchy is reflected in the reality that Canberra's own geostrategic or economic rankings would look similar. For Australia, Indonesia would have a special position in the scale, and the South Pacific would be much closer to Southeast Asia in importance. But ultimately, Australia is most unlikely to allow South Pacific concerns to jeopardise its larger interests in relations with a China, a Japan or even a Malaysia. This matrix of Australian interests beyond

the Pacific will always impact on Australian actions in the Islands. Often, these Australian interests can clash, just as Australia itself sometimes has problems aligning its interests with its values in dealing with the South Pacific.

The Armitage expression of US strategy in the South Pacific—‘we leave that to you’—is an accurate reflection of the position to be found in more formal US language. As one example, the Bureau of East Asia Pacific Affairs in the US State Department told Congress in 2002 that other countries had ‘a more active presence in the Pacific.’ And in the view of the US State Department: ‘Australia and New Zealand are the region’s major powers.’⁹ The US sees Australia and New Zealand—the ‘major powers’—as carrying immediate responsibility for guarding Western interests in the South Pacific and maintaining stability. The US speaks of its continuing involvement in the Islands, but acknowledges the region is ‘neglected because of its great distance from the US, infrequent flights, and because the countries in this part of the world rarely generate news headlines’.¹⁰

Out of sight might mean out of mind, but the US has a considerable geographic footprint across the region: territories in American Samoa, Guam and the Northern Mariana Islands; freely associated states in Marshall Islands, Micronesia and Palau; and the military bases which guarantee the US will continue as the dominant military presence—Hawaii, Kwajalein atoll in Marshall Islands, and Guam. The billions of dollars the US military is pouring into new and upgraded facilities on Guam will make it an even more important base in coming decades.

When the Soviet Union imploded, the US started to downgrade the attention it previously gave the South Pacific as one of the most minor theatres of the Cold War. During the 1990s, a small part of the peace dividend

involved the US closing down its Public Diplomacy offices in the South Pacific and withdrawing USAID missions, leaving much of the aid work to the Peace Corps. The factor that has caused the US to rethink this quiet withdrawal is the arrival of China as a new player in the South Pacific.

The Bush Administration declared 2007 the ‘Year of the Pacific’ and pledged to re-engage with the Islands. More aid and diplomatic resources will flow from this re-engagement. In May 2007, the triennial Pacific Islands Conference of leaders (run by the East-West Centre in Hawaii since 1980) met for the first time in Washington. The US Pacific power hierarchy was clear, however, even as the Pacific summit was staged in Washington. The top US leader to attend the summit was not America’s President, but the Secretary of State, Condoleezza Rice.

China and Taiwan¹¹

China is an increasing presence in the region and its role as a donor is growing. Taiwan is also a donor to the region. It would be a mistake for either side to see its relations with the Pacific countries through the prism of cross-Strait rivalry. We do not want to see competition between donors undermining our efforts to improve governance and eliminate corruption.

Alexander Downer¹²

Australia’s former Foreign Minister had publicly and privately warned China and Taiwan about the dangers of ‘chequebook diplomacy’ unhinging Island governments and promoting corruption among political elites. Downer pointed to the way the China–Taiwan fight could promote ‘corrosive behaviour’ by Island leaders and bureaucrats.

The competition between China and Taiwan for diplomatic recognition can destabilise a small island state. The violence that ripped through Solomon Islands in April, 2006, was

fed by a belief that Taiwanese funds played a big role in the conduct of the election campaign, and Asian bribes had determined the choice of Prime Minister when MPs met. Chinese businesses were targeted during the riot in Honiara. The riot and arson in Tonga in November, 2006, had a completely different political setting, but again Chinese businesses in Nuku'alofa were attacked. The China–Taiwan contest is cutting across the governance issues being pursued by other players such as Australia, New Zealand, the United States and the European Union.

Three different trends—the dynamic of the China–Taiwan struggle, the new Chinese diaspora in the South Pacific, and China's growing power—are being felt in the South Pacific. There may be no Chinese grand strategy at work, but the impact is real.

The rising East Asian power feels compelled to directly confront its nemesis, Taiwan, on the small Island stage. Taiwan has diplomatic relations with six South Pacific states—Kiribati, Marshall Islands, Nauru, Palau, Solomon Islands and Tuvalu. This means China faces a challenge in the South Pacific that no longer exists in East Asia. In Asia, the 'one China' policy holds complete sway. No Asian state would today even flirt with the idea of diplomatic ties with Taiwan. China seeks the same level of compliance in the South Pacific.

Beijing is asserting its rights as a key actor in the Islands, producing a replay of the Chinese diplomatic activism that is getting so much attention from East Asia to Africa to outer space. The China factor in the Pacific is new. As little as five years ago, China did not weigh so heavily in the Islands. The change can be explained as just one more sign of the rise of China. But the China factor also draws strength from the regional perception of a diminished United States role in the South Pacific (exactly the same complaint comes from ASEAN leaders).

The lament of declining US interest is familiar; it was a constant in the South Pacific through much of the Cold War. The difference is that the Soviet Union never did arrive in the South Pacific, despite a few scares that drove up the flow of Western aid. China, by contrast, has achieved a leading position in a surprisingly short time. Beijing has bought its way in with an array of relatively cheap goodies—official visits to China for politicians, a willingness to construct buildings and sporting facilities, and no overt interest at all in 'governance' apart from the crucial issue of diplomatic status. The movement of ethnic Chinese into the South Pacific, the development of Chinese tourism and extension of trade are endowing Beijing with the right to be heard and heeded.

The arrival of China is being proclaimed in the public buildings of the Pacific (the parliamentary complex in Vanuatu, government offices in Samoa, the foreign ministry in PNG), sports complexes to host the Pacific Games (Fiji, Samoa, Kiribati) and fleets of Chinese-made cars to drive around the VIPs.

The Chinese approach to aid in the Islands follows the example set in previous decades by Japan. Like Tokyo, Beijing is keen on showpieces that can be locked and left. Large public buildings and sports stadiums are examples of 'key' aid: the donor builds the project, hands over the key and leaves after the opening ceremony, with no responsibility for future maintenance or operation of the facility.

Australia estimates that China has more diplomats in the South Pacific than any other country (although Australia has more diplomatic missions). Over 3,000 Chinese state-owned and private enterprises have been registered in the Pacific region with investments of about A\$800 million.¹³

The influx of Chinese diplomats has been matched by the arrival of a new diaspora. The

Chinese citizens who settled in the Islands in earlier eras had fled the chaos and poverty of their homeland. The latest Chinese arrivals are proud sons and daughters of the new China, and they can look to the Motherland in ways not available or likely in previous generations. Chinese diplomats called up planes to evacuate 300 Chinese nationals from Honiara after the April, 2006, riots. Beijing is now able to reach out and support its diaspora.

Estimates of the ethnic Chinese population in the Pacific (including French Polynesia and the US territories) range from 80,000 to 200,000 people, or between 1 and 3% of the region's population.¹⁴

The presence of the new Chinese is evident on the streets of the main cities of Melanesia. The shops and stores are full of Chinese products, often with only Chinese language labeling. Some of the new Chinese bring little credit on their homeland, venturing into forms of crime from passport scams to the smuggling of both people and drugs. The threats of Chinese criminal gangs and the flow of Chinese 'illegals' into Papua New Guinea have caused several worried but inconclusive debates around Port Moresby's Cabinet table.

The new Chinese present both social and geo-economic questions to the region. The Islands are experiencing a minor version of the creeping Sinification that is taking place in the areas of Indo-China bordering China and in the Russian Far East. The movement of Chinese citizens into the South Pacific probably complicates rather than enhances China's power plays. What China seeks in the South Pacific, though, is both simple and significant. As with Southeast Asia, China wants to be a factor that must be considered and consulted when regional decisions are being made. China is asserting the same right it has already achieved in East Asia: on strategic, diplomatic or economic questions, China's interests must be respected.

Yongjin Zhang argues that China is achieving these aims in return for a relatively small investment of cash and attention: 'Chinese power, derived from its modest political, diplomatic and financial investment, has become significant only in the context of the withdrawal and decline of other traditional powers in the Pacific, most notably the US and Great Britain. In other words, China has become a regional power in the Pacific by default'.¹⁵

The way China talks to the Islands is a clear contrast to Australia's language. Canberra's emphasis on good governance, economic reform and anti-corruption policies has no counterpart when Beijing comes calling. Apart from the issue of Taiwan, China runs a value-free foreign policy. No conditions apply to China's offer of help. Australia arrives carrying a complex list of demands in its dealings with the Islands, asking for action on everything from patterns of healthcare to regional integration. There is no overt ideological struggle between Australia and China, because only Canberra is pushing a value system.

Australia's stated aim is good governance in the Pacific. China and Taiwan are more interested in just buying governments. Australia's aims are complex; China and Taiwan are in a straight win or lose contest. (Although that contest can be played many times over—diplomatic recognition in the South Pacific is a commodity that can be auctioned at regular intervals.) Australia's multiple aims can be at odds with the simple calculus being used by Taipei and Beijing.

The argument Canberra mounts to Taipei can speak to Taiwan's own experience. Taiwan is a democracy that has sought to erase corruption from its own domestic politics. Taipei should live by its own standards in the South Pacific, acting as a responsible democracy, not undermine Island

democracies through bribery and interference in domestic politics. Australia has sought to increase its behind-the-scenes cooperation with Taiwan on aid policy in the region. These contacts are kept secret for fear of the inevitable Chinese outrage at any contact with Taiwan.

The Australian interaction with China in the Pacific has elements of contest, but it is a muted, carefully limited competition. The matrix or hierarchy of Australia's international interests means that Canberra would never risk its broad relationship with China over differences in the South Pacific.

As John Howard noted when welcoming China's Premier to Canberra in 2006: 'We do not see any merit at all in any policy of containment towards China.' The oft-repeated disavowal of containment was routinely accompanied by the Prime Minister offering an acceptance of China's prerogatives: 'China is asserting her legitimate interest as a significant power; now the third most powerful economy in the world. And in the process of asserting those legitimate interests, of course, carry as part of the international community and a leading player in the international community, the responsibilities of that authority and that position'.¹⁶

Beyond the diplomatic niceties, Canberra has acknowledged China's power and rights. The Pacific, though, is upsetting Canberra's argument that it can always concentrate on mutual interests with Beijing, not areas of difference. For Australia, the South Pacific will be a regional measure of what sort of great power China will become.

Japan

As in Southeast Asia, Japan has had a lot of history to live down in the South Pacific. In both ASEAN and the South Pacific, Tokyo has had problems translating its aid generosity

and central economic role into diplomatic power. Partly, this is a function of the opaque and constipated nature of the Japanese bureaucracy. An added factor in the Islands is that Tokyo's aid program has always taken second place to Japan's fishery interests. Indeed, Japan has used promises of aid to secure access to the Islands 200 nautical mile exclusive economic zones.

From the 1980s, Japan could boast that it was the single biggest aid donor to many Island states. Despite aid generosity, the dominant Japanese figures in the minds of Pacific officials were usually the Japanese fishery negotiators, not the aid officials. Indeed, aid discussions and fishery negotiations were closely related.

Japan's traditional approach to Pacific fisheries has been to divide and conquer, by playing off Island governments against each other. Tokyo has been determined to negotiate with individual governments rather than with the Pacific Forum. By contrast, the United States agreed to a multilateral fishing treaty with the Island nations in 1987. Tokyo's refusal to do a region-wide deal has been a recurring issue for twenty years.

Japan prefers to negotiate a 'head' agreement with each Island state—a government-to-government deal—securing fishing rights. This directly identifies the Japanese Government as the patron of its distant-water fleet. (Taiwan and South Korea don't usually do 'head' agreements, leaving this negotiation to individual fishing companies.) The Japanese approach means aid can be explicitly linked to the terms agreed for fisheries access.

Japan's dominant position as the major distant-water fishing nation in the South Pacific has been eroded by Taiwan and South Korea. In the 1980s, Japan harvested about three quarters of the tuna taken in the South Pacific. By the mid-1990s, Taiwan and South

Korea were on par with Japan in their tuna catch in the national waters of Forum Island countries. And by the middle of this decade, Korea and Taiwan had far outstripped Japan in their activity in Forum waters. In 2005, Japanese boats took 72,000 tonnes of tuna in Pacific Forum waters, whereas South Korea took 178,000 tonnes and Taiwan took 184,000 tonnes.¹⁷ Despite the change in Forum waters, the Japanese fleet maintains its traditional position at the top of the international table, taking a larger total tuna catch than any other national fishing fleet.

The questionable worth of the catch statistics offered by the foreign fishing fleets was dramatically illustrated by a forensic audit that Australia conducted on the Japanese catch of Southern Bluefin Tuna.

The comparison of what went to market, against what was claimed to have been caught at sea over two decades, showed what Australia called, 'systematic under-reporting' of the catch. The comparison revealed Japan was selling an amount of Southern Bluefin sashimi which was twice the amount it claimed to have caught.

The estimate that Australia put to the Commission for the Conservation of Southern Bluefin Tuna at its annual meeting in 2006 was that Japan had caught nearly 178,000 tonnes of Bluefin more than it reported, an illegal catch worth about US\$6 billion.¹⁸

Australia said 'very large discrepancies' were revealed by comparing Catch Data with the public records of Japanese Auction Sales of Frozen Southern Bluefin Tuna: 'The amount of Southern Bluefin tuna available on the Japanese market greatly exceeds the reported Japanese catch as presented in Japan's national report. The report suggests that in the years 2002, 2003 and 2004 that the amount of Southern Bluefin Tuna available on the Japanese market was of the order of 8,696 – 11,260 tonnes higher per year than

expected based on the reported Japanese catch.'¹⁹

It obviously has implications for conservation if Japan has been taking double the catch that it reports. If the Japanese data on Southern Bluefin tuna are essentially fictional—and the word 'fictional' is one that's been used by Australian officials—then can any other Japanese figures be believed? If Japan has systematically under-reported its catch of tuna in the waters south of Australia, then it is reasonable to question the accuracy of the reporting data for Japan's fishing fleet in the South Pacific.

The quiet tensions over tuna are brought out in the open on the issue of whaling. Australia and New Zealand have repeatedly clashed with Japan at the International Whaling Commission. For nearly a decade, the two sides have waged a battle over the effort to create a South Pacific Whale Sanctuary. Japan has used its numbers in the Commission to block the sanctuary. The weighting of Australia's interests beyond the South Pacific means that the fight with Japan over whaling has never been allowed to infect the broader (and more important) interests between Tokyo and Canberra. (The Rudd Government has been more overt in its actions against the Japanese whalers, but Labor has the same interest as the Howard Government displayed in not unbalancing the relationship with Tokyo.)

The challenge for Australia is to crack the various stovepipes of Japanese bureaucracy to try to get Tokyo to relate Pacific policy to other elements of its international vision. Avenues for this are the security partnership Australia and Japan signed in March and the evolution of the new three-way security dialogue between Japan, Australia and the United States. In his August, 2007, speech on Australian diplomacy in the Pacific, Alexander Downer made that policy interest explicit:

‘We already work closely with Japan and the United States in the Pacific, including through the Trilateral Strategic Dialogue process.’

France

Australia inherited British suspicions of French intentions in the South Pacific. The first Australian spy, shortly after federation in 1901, was an Australian businessman who spoke French, dispatched to check French intentions in the Anglo-French condominium of the New Hebrides. France reciprocated the suspicion, and was still looking for Australian plots nearly 80 years later in the difficult breech birth that turned the condominium into the independent nation of Vanuatu.

The older residents of Noumea used to recall Australia’s naval show-of-force in World War II, to ensure that New Caledonia sided with the Allies, not Vichy France. In the South Pacific, Gallic-Oz suspicion has tended to flare into antagonism, with occasional moments of culinary caricature (Australians refusing French mustard over French nuclear tests; New Caledonia in 1992 finally lifting stiff tariffs on Australian cheese).

Australia’s dealings with France were strained by the traumatic birth of Vanuatu, Kanak unrest in New Caledonia in the 1980s, and thirty years of acrimony caused by French nuclear tests in Polynesia. The twin issues of Kanak independence and French nuclear tests provided the Pacific Forum with high profile, emotional issues that united all Island leaders. France, inadvertently, provided the Forum with a convenient ‘hate figure’. The foreign foe is always useful in politics.

One of the regional achievements of the Forum—the 1985 South Pacific Nuclear Free Zone Treaty—was made possible, and necessary, by anger at France. And France’s signing of the protocol of the Treaty, in 1996, enshrining the end to its nuclear tests, marked

the moment when rapprochement between Paris and the Pacific could begin.

New Zealand, Australia and France had agreed in the early ‘90s to coordinate their relief efforts when cyclones strike the South Pacific. That disaster cooperation has slowly been extended to joint protection of French and Australian territories and fisheries in the Southern Ocean and then a trilateral approach to fisheries patrols in the South Pacific.

In 2006, France, Australia and New Zealand signed an agreement on maritime surveillance to combat unregulated fishing in the Pacific. The joint surveillance will go beyond sharing data from naval and air patrols. The three countries also promised to use satellite-tracking technology to monitor and catch boats fishing illegally in the western and central Pacific.

The region’s acceptance of France’s right to a continuing role is signified by the way the Pacific Islands Forum is opening its door to give special associate status to New Caledonia and Polynesia. As the French Minister for Overseas Territories, Francois Baroin, commented in 2006, France now has a relationship with the Forum that focuses on ‘future stability, not past differences.’

Australia’s comfort with a continuing French role in the Pacific is on display in the arcane negotiations over restructuring (and simplifying) regional organisations. Canberra has lined up against important Island opinion in pushing to have many technical functions assigned to the Pacific Community (the original colonial club, the Pacific Commission) which is based in Noumea.

European Union

Small is not beautiful. Small is ridiculous.

Poul Nielson²⁰

The European Union’s Aid Commissioner journeyed through Tonga, Samoa, Fiji, Papua

New Guinea and Micronesia giving the South Pacific the Brussels version of tough love.

The gospel from the EU was that, on their own, individual islands states didn't have the economic weight to be taken seriously. Nielson told the Pacific: 'Small is ridiculous. The problem being that to attain any sort of critical mass, to stimulate entrepreneurship, and let the best competitor win, is hampered by having very small enclaves of economic activity...We are advocating regional integration, regional liberalization, in order to stimulate organic growth, or normal creation of opportunities'.²¹

Nielson was being blunter than the usual Eurocrat, but he was honest about the way that Europe has sought to replicate its economic values in the South Pacific. The EU wants to look into the South Pacific mirror and see elements of its own regionalism. Europe wants to be able to talk to a transnational version of the South Pacific. The surprising thing is how successful Europe has been in forcing the Islands to alter to suit European tastes.

When the Pacific Forum was created in 1971, one of its core missions was to be the creation of a South Pacific free trade area. But for thirty years, the Islands showed no enthusiasm for the idea and nothing happened. The change was forced on the Islands by the European Union, as Brussels wound down the Lome agreement, the giant trade and aid agreement Europe had with the seventy ACP nations (the former European colonies in Africa, the Caribbean and the Pacific). Eight Pacific states were members of Lome.

As the preferential favours offered by Lome were brought to an end, Brussels told the Pacific that it was time to get serious about a Pacific free trade area.

With aid and trade privileges on the line, Europe was able to enforce its 'small is

ridiculous' sentiment. Because of those European pressures, the Island members of the Forum (excluding Australia and New Zealand) signed up in August, 2001, to PICTA, the Pacific Island Countries Trade Agreement. At the same meeting in Nauru, though, all Forum members (including Australia and New Zealand) signed up to PACER, the Pacific Agreement on Closer Economic Relations. The explicit purpose of PACER was to ensure that Australia and New Zealand would be able to negotiate a free trade deal with the Islands equal to anything achieved by Europe with PICTA.

Having gone through several post-Lome phases, Europe is negotiating with the Pacific Islands to create an EU–Pacific Economic Partnership Agreement. EU law says this Agreement must enter into force in January, 2008. The EU states that trade relations and aid to the Pacific must be linked as Europe seeks to foster regional integration in the Islands.

The linkages that look natural enough to a Eurocrat in Brussels can seem like threats on the other side of the world. At a meeting in Vanuatu, in August, 2007, Island Trade Ministers threatened to halt all negotiations with the EU on the proposed Economic Partnership. The Forum Minister said the EU was making future aid funds conditional on the signing of the Partnership Agreement. The wrangle was smoothed over with European officials claiming they'd been misunderstood. The history of EU negotiations suggests that the golden rule will apply (he who has the gold makes the rules!). The EU, as the donor, will get most of what it wants.

As with Australia and New Zealand, the EU is interested in more than just a stable South Pacific. The EU wants to serve its values as well as its interests in its interactions with the region. The EU, for instance, has been as vocal as Australia and New Zealand in attacking the

military coup in Fiji in December, 2006. And even more explicitly than Canberra, Brussels has threatened to match its condemnation of the Bainimarama regime with action on trade and aid privileges.

Conclusion

The range of external players and their different interests point to the complexity of the Pacific power plays. The US is a Pacific player that puts its attention elsewhere; China has become a regional influence, almost by default, but that power is still real and growing; Taiwan sees the South Pacific as important not for any geopolitical or economic reasons, but purely as a set of flags in the all-consuming contest for 'international space' (or perhaps, more accurately, 'diplomatic face'); France is the colonial power that stayed, and offers a continuing dash of *realpolitik* in the regional calculus; the European Union has the economic reach to make its wishes matter; Japan will increasingly see the region through the lens of its relations with China and the new trilateral dialogue with the US and Australia.

The number of players shows that Australia has no real chance of denying a role to external influence. The instinct to reach for a policy of strategic denial in the South Pacific has deep roots in Australia's history, dating well back into the 19th century. (The fact that Australia has never been able to crowd out the influence of other nations has not lessened the strength of the response.) Accepting that the contest for influence and access will continue, Australia has some opportunity to put together a series of alignments of interest in concert with New Zealand, linking to the US, Japan, France and the European Union. The complexity of such linkages hints at the problem of getting effective cooperation beyond rhetorical endorsements of democracy and freedom of trade. For instance, how far would any of

the players go to coordinate or restrict aid in pursuit of such goals as good governance and the fight against corruption?

If China and Taiwan would pay as much attention to their impact on Island stability as to their diplomatic struggle, a *modus vivendi* is possible. Such a practical compromise will certainly have to wait on a broader truce between Taipei and Beijing. There is abundant evidence to show that the political systems of the Islands are too fragile to cope with the struggle over diplomatic recognition. The damage done to Solomon Islands is a powerful argument about the need for care. The Australian argument to China starts with an acknowledgement of Beijing's legitimate prerogatives as a rising power, but quickly moves to the responsibilities involved with that authority.

The galaxy of external players demonstrates why Australia's sphere of interest is not always its sphere of influence. Certainly, beyond the ability to deploy military and police power, Australia is having some trouble achieving its aims in the region. Australia's interest in this sphere is demonstrated by its promise of leadership and aid; the limits of influence are revealed by the difficulty in getting Island states to follow where Australia wants to lead.

The offer of leadership always presupposes some ability to get some followers. The challenge for Australia is to focus not just on its interests, but also on issues of values and norms in the South Pacific. The real contest is taking place inside the small polities of the South Pacific, rather than with external powers.

Much of the heat in recent arguments between Australia and states such as Papua New Guinea and Solomon Islands has been about what is legitimate. The governance argument is a discussion of how Pacific leaders use their power. Democracy can

encourage corruption because the rewards of winning an election are so great. The winner has the chance to grab the state and make a big profit for his backers (and in the Pacific it is almost always a 'he'—this is a process dominated by 'big men'). The Pacific paradox is that 'good governance' seems to have to fight the outcomes thrown up by 'democracy'. The growth of 'good governance' as the key objective sought by donors such as Australia, New Zealand and the European Union is a response to the policy failures created by elected Pacific leaders.

In thinking about the Pacific power plays, Australia needs to give most of its attention to winning commitment from Island leaders. Canberra can offer leadership to the Islands, but to be followed, Australia will have to prove that it can be a leader that can listen.

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Regionalism and institutional reform

Richard Herr

The Pacific Islands¹ have developed one of the most robust and varied regional systems of any on the planet for a developing area. That this has been achieved in the face of some especially uncongenial circumstances make their success even more remarkable. Moreover, sustaining these arrangements has tested the participants regularly given the range of interests involved in this diverse system. Indeed, Pacific Islands regionalism has so many oddities, in contrast with regionalism elsewhere, that it might fairly be described as *sui generis*. Membership, financial commitments and even the very definition of the region, have often challenged the coherence of the system but, to date, have not broken it. A significant strength of the Pacific Islands' regional system appears to be its continuing importance to non-Island interests as well as to its Pacific Islands membership. The system is so heavily sponsored from outside the Islands that it is problematic this complex of organisations could exist without this non-Island support.

Currently, the institutional structure of the Pacific Islands regional system is under substantial and comprehensive review as part of a reform process known as the Pacific Plan. The Plan's broad aim is to advance the regional cooperation and integration along a number of fronts including institutional restructuring. The focus on organisational reform has been sharpened through the Regional Institutional Framework (RIF) process under the Pacific Plan. However, the RIF has had to thread its way through a historically charged minefield of organisational temporisations. As the current RIF reappraisal has progressed, it has exposed an increasingly prickly tension between two critical aspirations for the regional system—service

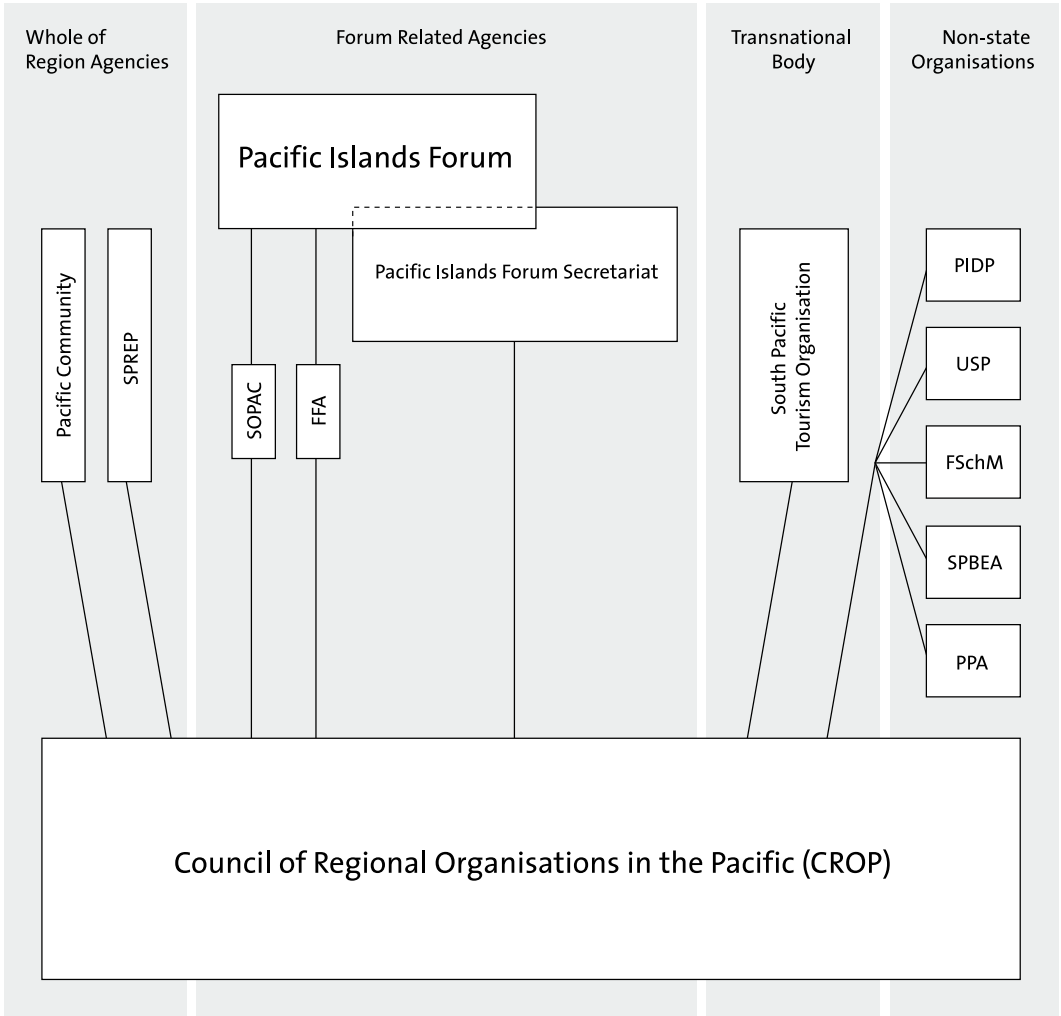
provision and institutional efficiency. These two objectives are not necessarily at odds; indeed, arguably one point of the Pacific Plan has been to extend service provision by securing greater institutional efficiencies. Nevertheless, the 2007 meeting of the Pacific Islands Forum in Nuku'alofa demonstrated that there is a fundamental division how to bridge this rift within the Forum membership.

Motive is a complicating factor both in terms of the Pacific Plan itself and in the specific proposals that have emerged from the RIF. The economic advantages of closer integration have been disputed as favouring the developed over the developing economies. Moreover, the evident desire of some to use the Pacific Plan to address the internal weaknesses of certain Forum Island countries (FICs), which they regard as a threat to stability in the Pacific Islands region, has engendered further suspicion about the process. Critics have questioned whether elements of the Plan are more for the security of external interests than to meet the internal needs of the PICs. On the other side of the ledger, donors and non-Islands participants have an apprehension that the inefficiencies in the institutional structure of the regional system is not as much a concern to the PICs as these should be because they do not meet the largest share of the financial burden of these institutions. While it could not be described as a stand-off, these differing perspectives have slowed progress on institutional reform at the regional level as demonstrated at the recent 38th Pacific Islands Forum in Nuku'alofa.

The contemporary Pacific Islands regional system

The Pacific Islands have constituted an increasingly self-conscious region for nearly two generations. This identity has expressed itself formally and informally over many decades in ways that have achieved important multilateral outcomes

Pacific Island Regional System



- KEY:
- FFA** Forum Fisheries Agency
 - FSchM** Fiji School of Medicine
 - PPA** Pacific Power Association
 - SOPAC** South Pacific Applied Geoscience Commission
 - SPBEA** South Pacific Board of Educational Assessment
 - SPREP** South Pacific Regional Environment Programme
 - PIDP** Pacific Islands Development Program
 - USP** University of the South Pacific

internally and externally. The development of inter-governmental organisations to express this identity has contributed significantly to the success and robustness of the contemporary Pacific Islands regional system. Indeed, regional associations have provided the primary means developing regional policy across the Pacific Islands for 60 years

from the establishment of the South Pacific Commission (SPC) in 1947. One indicator of the importance of these multilateral networks is the almost complete absence of bilateral relations amongst the FICs. Only Papua New Guinea has reciprocal bilateral relations with two other FICs—Fiji and Solomon Islands;

while each of these only has reciprocal relations with one other FIC, PNG. Thus, the crafting and implementation of regional policy has not been buttressed in this region by a reinforcing and strong network of bilateral ties. Insofar as a supportive bilateral framework exists at all it is provided by the extensive Australian and New Zealand missions that together blanket all the FICs except Tuvalu.

The Pacific Islands Forum has long been the central organ of the contemporary regional system. The Forum's authority derives from the fact that, like the Commonwealth Heads of Government meetings, it is a summit meeting of the region's prime ministers and presidents. Australia and New Zealand have been members of the Forum by right from its establishment in 1971 as the South Pacific Forum and remain its only developed members. In the meanwhile, the number of FICs has grown from the original five to the present fourteen as decolonisation swelled the range of the independent states eligible for inclusion. In 2005, an *Agreement Establishing the Pacific Islands Forum* was drafted to give the Forum legal personality more than thirty years after it was founded. The Forum's annual Heads of Government meetings are critical for setting the regional agenda as well as directing and overseeing the activities of a significant family of agencies, which operate under the aegis of the Forum or report to it.

The Forum Secretariat (ForSec) was the first of the Forum's family of agencies. It was established in 1972 as the South Pacific Bureau for Economic Cooperation (SPEC) to serve as a regional OECD to support the development aims of its members. SPEC's administrative responsibility for the Forum gradually developed and was ultimately recognised in 1988 with a change in the organisation's name. The Forum wanted to take advantage of the progress made by the United Nations

Third Conference on the Law of the Sea (UNCLOS III) but rather than put SPEC at risk in this speculative international environment, it established the South Pacific Forum Fisheries Agency (FFA) as a wholly independent inter-governmental organisation (IGO), which, reported to the Forum. The South Pacific Applied Geoscience Commission (SOPAC) was added to cover non-living marine resources in 1984 but not directly as a Forum-related agency initially although it has become closer through reporting mechanisms. Whether the South Pacific Tourism Organisation (SPTO), is genuinely an IGO has been open to some question. It claims a hybrid membership of member states and tourism organisations and might better be described as a trans-national association. It has a similarly somewhat indirect linkage to the Forum as that of SOPAC.

The Pacific Community (SPC)³, known as the South Pacific Commission until late 1997, was founded as a purely technical organisation by the colonial powers that established it in 1947 as part of a post-war reconstruction plan for the Pacific Islands. The SPC played a central role in establishing the scope of the region and in developing its identity. Reform of the SPC, both successes and failures, in the early years of decolonisation were critical to the formation of the contemporary regional system. The SPC's survival as an effective regional organisation has always depended on some critical institutional resources that it enjoyed uniquely. The SPC delineated the extent of the authentic region. The FICs have never been willing to modify this definition. After the Forum was established, the SPC enabled the dependent territories, three permanent members of the UN Security Council who were SPC founding members (Britain, France and the US), and interested non-regional observers to continue to meet together to contribute to the regional agenda. In the early years, the SPC also served as a

lightening rod for the nascent Forum drawing away much of the political jealousy that frequently attaches itself to the multilateral delivery of development services. Although not now connected with the SPC, the South Pacific Regional Environment Programme (SPREP) has a membership (through the inclusion of dependent territories) and a functional work programme much closer to that of the SPC than to the Forum.

The FICs forced the issue of SPREP as an autonomous programme within the SPC to give it independent legal personality but were unwilling to reduce its membership to bring it within the Forum family of agencies.

This relatively disordered expansion of regional organisations over four decades was driven by a range of factors including economic opportunity, political aspirations, historical accident and the like. Nevertheless, the unstructured nature of the growth raised fears virtually from the outset of duplication and unsustainable redundancies that, in turn, produced a fruitless quest by some FICs for a single regional organisation (SRO). This would have seen Britain, France and the US expelled from the regional system with the loss of their assessed institutional contributions and the equal participation of their territories in the SRO. As the twelve year intra-regional contest ground to a realisation that the FICs did not really want the consequences of an SRO themselves, other avenues began to be considered. Reform of the Forum could not surmount this impasse but it did yield one important diplomatic development. A 1987 report tabled by the Forum's Committee on Regional Institutional Arrangements (CRIA) borrowed the concept of 'dialogue partnerships' from ASEAN to enable interested extra-regional states to engage the Forum as a body. Dialogue partners were to be invited to attend post-Forum meetings with elements of the Forum from 1989 to discuss issues of mutual relevance. Initially

six governments—Canada, China, France, Great Britain, Japan and the US—were so designated. This gave the Forum an enhanced version of the SPC's observer corps and significantly enhanced the diplomatic reach of the Forum as a regional actor.

The second significant CRIA proposal, implemented in 1988 by the Forum after approval by other regional bodies, effectively ended the long running SRO campaign. It established a South Pacific Organisations Coordinating Committee (SPOCC) to rationalise the relations amongst the regional bodies and so insure less competitiveness and greater efficiencies. By consensus, from 1996, ForSec chaired SPOCC's annual meetings so adding substantially to the Forum's coordinating role in the region. It was renamed the Council of Regional Organisations in the Pacific (CROP) in 1999. An extraordinary feature of SPOCC/CROP, and undoubtedly a holdover from the temporising of the SRO issue, was the inclusion of a range of agencies that were not formally the equal in legal status with the regional IGOs. These now include the Fiji School of Medicine (FSchM), Pacific Island Development Program (PIDP), Pacific Power Association (PPA), the South Pacific Board for Educational Assessment (SPBEA) and the University of the South Pacific (USP) as CROP agencies. They are not formally IGOs and yet have enjoyed a form of equality within SPOCC/CROP that complicates the current efforts to reconfigure the institutional architecture of the Pacific Islands regional system. The inclusion of these bodies is symptomatic of the internal ambiguity of the regional states on the issue of sovereignty. They highly value their own sovereignty and seek to protect it but have proved diplomatically phlegmatic on this subject at the multilateral level despite the complications this insouciance creates.

Who benefits?

There can be little doubt that the regional system is mutually beneficial to both the Islands and to their external sponsors. Non-Island participants heavily fund the regional system with something on the order of 90 to 95% of all expenditure by this system arising from sources outside the region. However, it would be quite erroneous to say these funds are from 'non-regional' sources. Australia and New Zealand contribute the larger share of 'non-Island' funding to the regional inter-governmental organisations but much of this arises as an obligation by membership. Nevertheless, there is a noteworthy difference between the role of non-Island members and the Island membership of the regional organisations. The Islands are the primary intended beneficiaries of the programme activities of these associations while often the two donor members are deliberately excluded from the programme and project outcomes. Thus, the mutual endorsement of the contemporary regional system is not based on an identity of perceived benefits amongst all parties.

In reality, while both sides benefit from the existence of a robust regional system, their perception of value derives from quite different assessments of 'benefit'. The primary advantage for the Islands has been calculated in terms of meeting national development aspirations. This is not to say that the regional system is regarded by the Island membership as their principal path to economic growth. Bilateral arrangements are vastly more important to these states and territories for this purpose. The regional arrangements are a useful additional avenue for development assistance but they serve a range of other purposes that may be of equal or greater importance to the Islands. Regional fora help to level some of the asymmetries of power that these states encounter internationally. The collective

strength these institutions afford has proved useful in fisheries access negotiations; resource security; environmental protection; arms control and many other areas of policy concern to the Islands. Given the limited financial cost to the Island members, such gains are easily substantial enough to justify the commitment the Islands have made to the regional system.

Australia and New Zealand are in the unusual situation of not being direct beneficiaries of regional programmes and yet are principal financial backers of the Pacific Islands' regional system. Thus, it is clear that the two ANZAC states look to different criteria to explain the very substantial involvement of the two developed economies in these organisations. Perhaps the principal return for Australia and New Zealand is a sympathetic, coherent and effective regional policy-making process. Critics have imputed from this a somewhat cynical, strategic motive for their support for regionalism. From the advent of European settlement of Australia, there has been an element of anxiety about security threats that might come through the Islands (rather than from them). Australasian demands that Britain claim all the Islands to prevent other powers from gaining a foothold in the region began early after settlement. The establishment of the Western Pacific High Commission in the latter third of the nineteenth century helped to promote a sense of internal stability through an extension of British law in the southwestern Pacific while its enforcement by the Royal Navy offered some protection against external threat. The 1944 ANZAC Pact proposed arrangements for both internal and external regional security but the latter failed. Australia's concern for a guarantee for regional protection against threats through the Islands then was delivered in the 1952 ANZUS Treaty. It was not until decolonisation in the 1960s

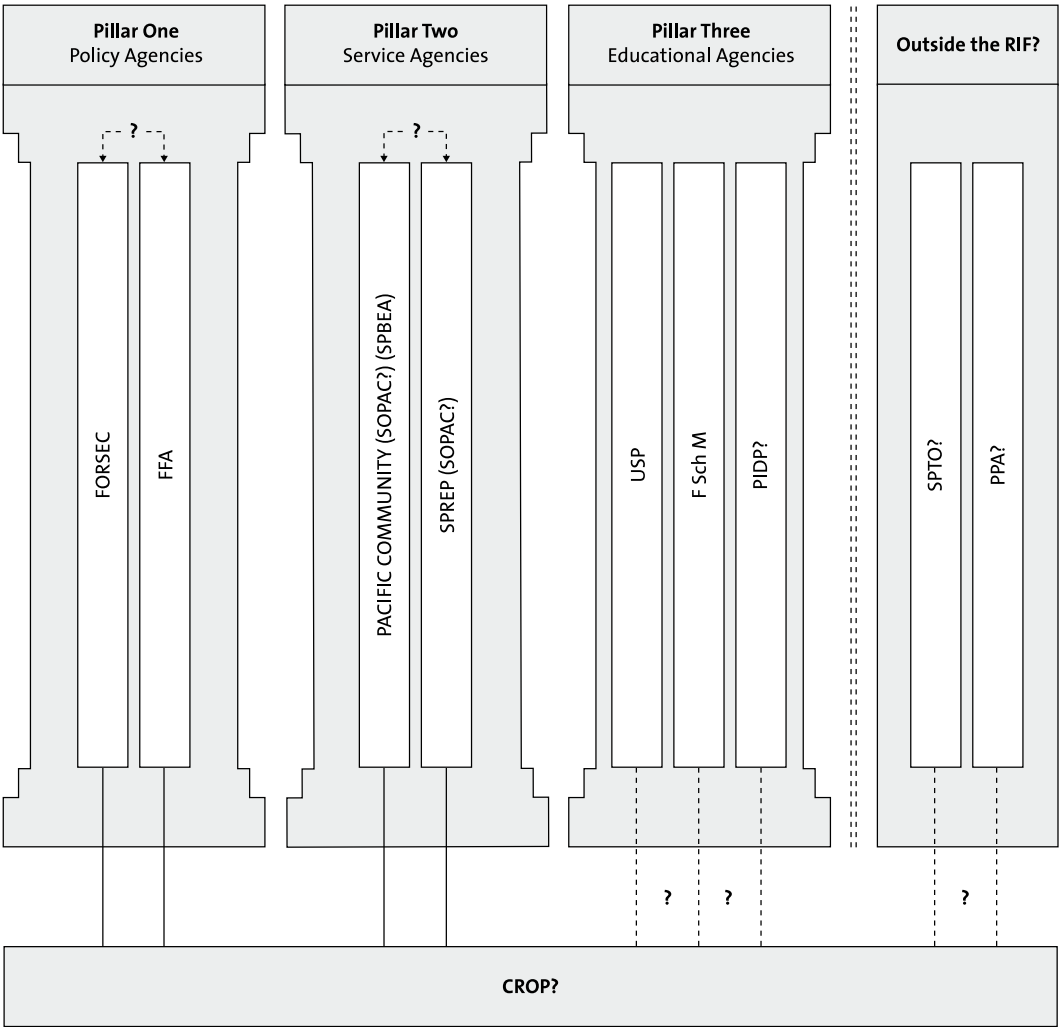
and early 1970s that the external threat was again linked to regionalism through the concept of 'strategic denial' only to be reinvented after the Cold War as a non-state threat through the risks posed by 'failing states'.

Despite the cynical tunnel vision of such security analysts, however, the regional system that exists today was not constructed to create a quarantine zone for the protection of Australia and New Zealand. It is true that successive governments in Canberra have generally found a strand of security running through their defence of financial support for Pacific Islands' regionalism before parliamentary estimates committees. The logic for this has varied depending on the nature of the international environment but commonly has been located in the outcomes of effective national development and continuing friendship. Until recently the security advantage in the regional system seemed to derive from the collective resistance to 'adventurism', that is, discouraging the sorts of international contacts that would be prejudicial to Australian interests. Broadly, it was argued, an effective regional system would promote the common interests amongst its participants such that the gossamer threads of peer pressure would dampen maverick behaviour. There have been other important considerations as well throughout the modern period to explain external support of the Pacific Island regionalism. The system, particularly the multiplicity of organisations, offers more precise points of access for making regional policy, offering aid, providing political support, containing undesired spill-over consequences and the like for both the Islands and external donors. Thus, for all the unruliness of the contemporary regional system, it was never disciplined, or even intended, to meet direct, overt security concerns as

its primary purpose even from a donor member perspective.

Perhaps the overwhelming impression of the benefits of the regional system is the extraordinary asymmetrical nature of 'benefit' as calculated against inputs and outputs. Unlike other regional systems elsewhere, national interest in the Pacific Islands regional system is not the same for all participants. The Islands' direct inputs are difficult to calculate since their financial contributions are relatively minor but the hidden costs are substantial. The amount of time and salary contributions made by the PICs in servicing regional meetings is real if rarely computed. Their putative national interest is assessed against the return to the Island members from programmes, staff salaries, headquarter expenditures and the range of multiplier effects that flowed from the regional organisations and their activities not to mention the savings to the national exchequer of not having to pay for programme activities offered by the regional institutions. Clearly, regionalism confers output benefits that are heavily in favour of the PICs relative to their direct inputs. Due to the vagaries of programme activities, project scope and headquarter location, these benefits are not spread evenly across the PICs but there is a certain tolerance for the effects of swings and roundabouts over time. The donor participants, on the other hand, generally do not expect to be the direct beneficiaries of the programmes and institutions they sponsor. Rather they seek the indirect returns of a congenial, stable and effective regional environment to secure their national interests. Here then the non-Island participants such as Australia confront the inherent schizophrenia of the modern regional system. Their financial inputs are critical to making the regional system viable yet the value of the regional system depends, in large measure, on

Pacific Island Regional System Post–2007 Tonga Forum



Questions:

1. Where is the Pacific Islands Forum in proposed system especially if the Forum Treaty enters into force?
2. What mechanisms will insure 'intra-pillar' coordination within Pillars One and Two?
3. What will be membership of CROP if it is retained?
4. What mechanism will link Pillar Three agencies to Pillars One and Two agencies (or to Pacific Island Forum)?
5. Is PIDP a Pillar Three agency?
6. Where does PPA fit in the new system?

KEY:

- FFA** Forum Fisheries Agency
- FORSEC** Forum Secretariat
- FSchM** Fiji School of Medicine
- PIDP** Pacific Islands Development Program
- PPA** Pacific Power Association
- RIF** Regional Institutional Framework
- SOPAC** South Pacific Applied Geoscience Commission
- SPBEA** South Pacific Board of Educational Assessment
- SPREP** South Pacific Regional Environment Programme
- SPTO** South Pacific Tourism Organisation
- USP** University of the South Pacific

how well this system achieves the Islands' aspirations even when these do not coincide with those of the two principal donor members.

Regional reform

There has been pressure to look at relations with the Pacific Islands from a new geo-political perspective since the collapse of the Cold War and some further energy has been added since 9/11. These re-evaluations have produced more sceptical appraisals such as the World Bank's 'Pacific Paradox' interpretations of the impact of official development assistance in the Islands. More recently the region's perceived leitmotif seems to be that of 'our failing neighbours'. The Pacific Paradox emphasised economic efficiencies that impractically understated the intractable diseconomies of scale that virtually all the FICs must face in providing services to their citizens. The concern for fragile states is not without merit but it too is rather a broad brush to be an acceptable guide for policy. Foreign aid accounts for more than 20% of the GDP for half the FICs. Thus, dependence on external support is essential for the provision of governmental services in these countries putting them at risk of being identified technically as 'fragile' or at risk. Yet this situation has long been recognised as an enduring condition for the smaller states of the region. By definition, microstates are dependent on a congenial international system for their survival.

The strength and range of the regional system has emerged as being of critical importance in recent years as a means to address an increasing focus for extra-regional concern for the Pacific Islands. Strengthening the capacity of many regional states to meet the ramping up of international expectations for heightened state responsibility in the post-9/11 environment, the Forum has taken the lead

on this issue by using its privileged position in CROP to direct a renewed effort to deepen regional integration through what is known as the 'Pacific Plan'. This was proposed in 2004 and endorsed by the Forum at its 2005 annual meeting. In its ambitious essence, the Pacific Plan is intended to build on the expertise of regional institutions and their members to play a more substantial role in assisting the weaker FICs to cope with the greater demands in the exercise of sovereignty. The Plan thus is intended to help the FICs to better meet their international obligations and exploit better their opportunities through what former Prime Minister John Howard called 'pooled regional governance' but sometimes has been portrayed as 'pooled sovereignty' or 'shared sovereignty'.

These latter phrases may be rather unhappy ones when used in the context of the Pacific Plan, however. These descriptors are most commonly used in conjunction with the European Union and thus imply a degree of integration unlikely to be achieved amongst the Pacific Islands without a massive infusion of external resources to ratchet up the administrative machinery to support more extensive levels of multilateral cooperation. Moreover, they suggest a challenge to the sovereignty of the region's independent states that they appeared unwilling to accept. There are some indicators that the difficulty may not be entirely semantic in nature. The same October 2005 Port Moresby meeting of the Forum that endorsed the Pacific Plan opened an Agreement Establishing The Pacific Islands Forum for signature to give the Forum legal personality. To date, although all Forum members have signed this treaty, only Australia and New Zealand have ratified it. The hesitancy of the FICs to ratify a document that would give legal authority to their principal organ for regional cooperation is difficult to fathom apart from concerns

at the highest political level for too rapid an institutionalisation of the Pacific Plan.

This straw in the wind has to be balanced against the repeated rhetorical support for the Pacific Plan and apparent support for progressing the Regional Institutional Framework (RIF) reforms being developed under the Plan to redesign the region's organisational architecture. The importance of the RIF to the Plan is a point of some controversy since to many involved it appears to be central. The points at issue revolve around the extent of the architectural redesign and the influence of the regional bureaucracy through a new RIF. A 2005 review of CROP has influenced the way critics in the Islands have viewed the institutional aims of the Pacific Plan. The author of this report, Tony Hughes, proposed that the number of CROP members be reduced to five IGOs but that their activities be merged into, or coordinated through, a central organisation—a Pacific Commission. This, in effect, revived the old SRO issue. As with the earlier SRO proposal, this had strong managerial and economic rationalist arguments to support it but immediately was found to lack the political and institutional underpinnings needed to gain acceptance at the governmental level, at least amongst the FICs.

Consequently, the Hughes report was referred by the Forum's Pacific Plan Action Committee (PPAC) for review to a small group of officials for assessment and reporting to the 2006 Forum meeting. The subsequent report, *Reforming the Pacific Regional Institutional Framework*, took a somewhat less centralised approach but suggested more drastic institutional restructuring of the existing IGOs. Instead of the Hughes' SRO, the RIF study proposed a functional duopoly; an objective raised informally in 1997 by Australia's Foreign Minister Alexander Downer. The study's recommendation actually called for the existing CROP

organisations to be reorganised into 'three pillars'

- political and general policy institution, the Pacific Islands Forum and its secretariat
- sector-focused technical institution, the Pacific Community and its secretariat
- academic and training organisations, namely as the Fiji School of Medicine, the Pacific Islands Development Program and the University of the South Pacific.

Although this arrangement appeared to involve more continuity, it actually was perhaps a more rapid and equally extensive set of changes to those envisioned in the Hughes report. Leaving aside the third pillar organisations, which appeared to be entirely sidelined by the RIF proposal as far as decision-making influence is concerned, it is clear that the RIF sought to move quickly to reducing the CROP member IGOs to just two bodies—ForSec (or, one presumes, the Forum if its treaty comes into force) and the SPC.

The RIF study would make the SPC the key winner in institutional terms since it absorbed the work programmes of SOPAC, SPREP and the FFA's technical functions, in particular its fishery development work. In addition it would pick up the work of the SPBEA and possibly SPTO when its unusual membership issues were resolved. The Forum Secretariat is projected only to 'assimilate the current functions of the Forum Fisheries Agency that relate to political and international legal issues and negotiations.' If these proposals were implemented, the regional system would consist of just two IGOs and a handful of non-state agencies that will manage their relationships through a downgraded, more relaxed CROP-style meeting of the surviving organisations' CEOs.

The RIF study was not blind to the fact that there are difficulties with its proposals acknowledging some important issues

but nonetheless recommending a short transition period of two years to complete the key reforms. The RIF assessment and its recommendations were discussed at the 2006 Nadi meeting of the Forum where a Taskforce was established to work through the issues raised and report to the Forum's October 2007 meeting in Nuku'alofa. Anecdotal comments from the Islands suggesting that this report would prove controversial were realised at the Tongan Forum. The principal organised opposition came from those institutions that would lose out to the SPC in the proposed take-over; most publicly from the FFA. The strong representation of the former SPC staff on the Taskforce, with two ex-Directors-General on this committee, attracted adverse comment reinforcing a view that the SPC has engineered its own aggrandisement at the expense of other regional bodies.

While the RIF proposals that went forward to Nuku'alofa were solidly behind the rationalisation of regional organisations, there was a significant difference between them and the earlier proposals. A 2005 ADB–Commonwealth Secretariat joint report to the Forum Secretariat, *Toward a New Pacific Regionalism*, observed that, 'diseconomies of isolation are particularly high in the Pacific.' It drew the conclusion from this premise that 'only regional initiatives with large-scale benefits will be sustainable.' In fact, it went on to assert some general principles for regionalism:

- Intervene regionally only where there are significant economies of scale. Avoid interventions where there are significant costs associated with isolation.
- Intervene regionally only where the market cannot provide the good or service, and where there are significant net benefits over and above national provision.

- Subregional provision may prove optimal in the face of high isolation costs.

Nevertheless, this report did not dismiss the diseconomies issue altogether acknowledging that, 'specific initiatives are essential in many cases to assure services are provided to the smallest and poorest states.' This muted the case for institutional efficiency over service delivery but only very slightly. The Hughes report basically took a similar line with its emphasis on institutional efficiency.

This line has been subtly challenged by the RIF study in trying to steer a more conciliatory line between the donor interests (which extend well beyond just the donor states) and the FICs. The RIF recommendations have shifted the emphasis more to development assistance delivery with management control over the service provision concentrated into fewer hands. Thus, the RIF did not pursue an SRO as Hughes recommended or an apparently substantial reduction of regional services as the ADB–Commonwealth Secretariat report suggested. Indeed, the RIF study has implied many services would continue under more efficient management. It would even allow for the delivery of development assistance retention of multiple campuses across the region and, it seems, some autonomy for the merged programmes. The fundamental difficulty it cannot sidestep, however, is the aspiration expressed by the Forum Leaders for 'a regional institutions framework that is appropriate to the development of the Pacific Plan'. As long as there are doubts over the precise content of the Pacific Plan, it will be difficult for any institutional reform to enjoy unqualified support from the FICs. This impediment is exacerbated amongst the FICs themselves along a large FIC/small FIC cleavage that has been a political factor in regional affairs virtually since the origins of the Forum.

The fear that donors may coordinate their assistance to the Islands in a way that leaves the donors in control of the agenda for their national development is a long standing concern amongst the FICs. A 1976 SPEC report, *More Effective Aid*, which began the pursuit of a Pacific Islands SRO failed to win FIC support essentially because of its attempt to develop a system of aid coordination that the FICs saw as a threat to their exercise of sovereignty. The 2001 joint study into aid harmonisation by Australia and New Zealand reinforced concerns in some minds that this was still on the development assistance agenda for the FICs most important regional aid partners. Thus, the RIF proposals are being assessed in a climate of uncertainty as to the full reach of the Pacific Plan and against some significant historical baggage. The apparent urgency behind early and radical institutional reform is provoking further suspicion as is the concentration of technical activities and control in a non-Forum agency—the SPC. Any donor concerns regarding a consolidation of technical services primarily through the SPC has yet to appear as a factor but in earlier years there have been expressions of concern that the efficiency of the region's oldest and most comprehensive organisation could be compromised by lumbering the SPC with all the tasks unwanted by other agencies.

The way forward

The RIF recommendations for a quick and fundamental institutional change provoked a strong reaction amongst the FICs at the Nuku'alofa Forum. The tactical error of undermining the FFA, one of the genuine success stories of Pacific Islands' regionalism, had clearly jeopardised the RIF despite the equally evident need to renovate and redirect the FFA's mission in the post-Western and Central Pacific Fisheries Commission era.

Something like the FFA is genuinely essential to provide coherence and leverage for the FICs in the two-chambered voting system of the Western and Central Pacific Fisheries Commission despite the failure of the FFA members to give it the modern mandate it needs to deal with the changing realities of Pacific fisheries. The substantial effort by Australia and New Zealand to secure a separate and autonomous regional fisheries management organisation (RFMO) to deal with non-tuna issues demonstrates that modern fisheries management requires an effective and specialist organisation with recognised international legal personality. Thus, the Forum Leaders agreed to retain the FFA as a 'Pillar 1' agency in the RIF model.

With the FFA remaining an autonomous agency, the duopoly option looks less sustainable. The Leaders also agreed that the SPC and SPREP should 'rationalise' the work program of SOPAC between them 'with the view to absorbing those functions of SOPAC into SPC and SPREP'. SOPAC has occasionally struggled financially and to secure its organisational mission but, looking at the importance of mineral resources in the twenty-first century, it is impossible to imagine the FICs without a non-living marine resource capacity as interest in the exploitation of these resources grows. This is not to mention also the value of technical and administrative advice on managing sea level change issues. Still, growth in the resource development area has been slower than expected in the 1980s, not to mention programme funding, so its independence as an agency has appeared problematic in recent years. Putting SOPAC into the 'Pillar 2' category may make sense today but if significant offshore mineral exploitation occurs its role would fit more comfortably into the 'Pillar 1' policy stream. Provision for a future revival would be a prudent inclusion in any amalgamation agreement given the

likely growth in SOPAC's future work, which can be expected to expand with greater global focus on the exploitation of marine non-living resources and managing the impact of rising sea levels.

At best, at some point in the future, the RIF proposals that emerged from Nuku'alofa will see a reduction of only one IGO amongst the CROP agencies. Thus, inter-agency cooperation is back on the regional agenda. What now for CROP? The Hughes review would have hardened CROP into an SRO while the RIF recommendation would have obviated the need for it almost altogether. Few doubt that CROP has tended to concentrate power in the hands of the regional bureaucrats at the expense of the various agencies' plenums. The RIF study's recommendation that the agencies lacking full international legal personality should have a diminished influence on setting the regional agenda is long overdue. Precisely what role the bodies like the FSchM, PIDP, SPBEA, and the USP should have was not made clear by the RIF process other than to isolate and marginalise them from decision-making. The Nuku'alofa Forum decided that SPBEA should be absorbed into SPC while the University of the South Pacific and the Fiji School of Medicine should form 'part of Pillar 3 (Education)'. However, they do not appear to settle what is to be done with PIDP.

A significant indicator that not all members of the regional system were not singing from the same hymnal appeared only weeks before the Forum met. In late September 2007, the Pacific Power Association, an association of energy utilities, was authorised by the Forum Secretariat Officials' Meeting to become the eleventh CROP agency. This private sector organisation did not fit within the RIF proposals and only threw another spanner in the works as far as meeting the RIF aims were concerned. It is difficult to see how this body fits within

the CROP system even before the RIF review began. To add it at a time when the efforts are being made to rationalise the number of agencies seems inexplicable if all parties were genuinely pursuing the RIF aims. This contradiction appears even more compelling as there was a clear intention that inter-agency cooperation in the post-RIF regional system should revert to a more informal and consultative process. This pre-review consensus had reflected the wide concerns that CROP had become overly bureaucratic and formalised.

The way forward for regional institutional reform is almost as murky today as when the process began more than three years ago. The proposals for change have been more revolutionary than evolutionary and this, in itself, may slow the process as sceptics in the Islands suspect motives for change, doubt the practicalities of implementation and focus more on their objections than on the aspects they can accept. A slower process more closely linked to the specifics of the regional needs on agreed aspects of the Pacific Plan will meet with less resistance and, arguably, will promote the broader execution of the Plan itself. The separate and parallel approach to institutional renovation in the region seems to be slightly in front of where the Plan is itself and so adding unnecessary complications to both.

Bringing the two into alignment may be more essential than just a tactical manoeuvre to secure institutional reform. The Forum Treaty has changed the nature of the regional system in a potentially fundamental way. The *Agreement Establishing the Pacific Islands Forum 2005* provides for the same accession for membership that appears in the *Agreement Establishing the Pacific Islands Forum Secretariat 2000*. Yet there is a significant difference in the implications of the new treaty if it enters into force. Previously there

was never any doubt that the membership of the Forum family of agencies would reflect the membership of the Forum itself. Under the Forum Treaty, there is a technical opportunity, and perhaps an incentive, for countries such as France, the US, Japan and China to seek accession to the treaty and, by this mechanism to become eligible for membership in any coordinate agency linked to the Forum. It is difficult to see such an approach succeeding as historically, wider membership from outside the region has been a source of tension. Island opposition to granting France and the US the same membership rights in the regional system that Australia and New Zealand have enjoyed since 1971 is the most prominent example but other extra-regional interests such as Japan and Chile have made enquiries from time to time, which have been rejected. Nevertheless, all the Melanesian Spearhead Group states have expressed a desire to see China play a larger role in the region.

The place of external powers in the regional system is not limited to the remote prospect that new interests could be invited to join to re-balance this system. It may well be apposite for all parties to the current process to recall one of the fundamental principles of physics. The leverage that can be exerted by any application of energy depends on where the fulcrum is. A more coherent regional system may not secure all the advantages its proponents expect. Those who support the process believe it will concentrate the power of the Islands to better influence the extra-regional environment. Others, especially some sceptical FICs, have expressed concern that reform of the regional system will allow the developed economies to apply more pressure on them and their own view of national development. They fear that the fulcrum is more toward their end of the policy-making process thus allowing pressure exerted through the

reformed regional system to work against them. In the end, the risk that the regional system might be so easy to access and to use that non-Island states greater resources will be able to move the fulcrum in their favour cannot be ignored. This risk is not an argument against reform merely a caution against tunnel vision.

Where does this leave regional institutional reform in the wake of the face-saving retreat from the RIF recommendations at the recent 38th Pacific Islands Forum in Nuku'alofa? The number of agencies has not changed yet although, unless SOPAC is able to mount a defence similar to that of the FFA, the number of formal inter-governmental organisations may be reduced by one in the not too distant future. The three pillars approach may have some impact beyond merely categorising CROP members but precisely what is rather obscure. It appears intended to rationalise aid service delivery through the SPC but the extent of this remains problematic until further developments are agreed. The evidence to date does not guarantee that these steps will be taken. The one genuinely positive development from the three pillars approach advocated by the RIF review should be retained; this is the removal of the non-state agencies from a deliberative role in CROP. However, even this minor reform begs the question of why the PPA was brought into the coordinating committee at this late point in the RIF process.

If anything, the past three years of attempting to find a way to consolidate and rationalise the regional system in the Pacific Islands have demonstrated that the perceived institutional difficulties that have absorbed so much political energy and consultants' time over the past thirty years involve truly intractable issues. There is no simple way of cutting through the Gordian knot. If there is to be a solution, it

will not involve the essentially bureaucratic focus of the RIF process to date. The Forum member states have the numbers, resources and influence to resolve intra-regional demarcation disputes and to secure the desired efficiencies by agreement amongst themselves if they mustered the political will. The RIF process does not have the capacity to confect a consensus and so will have to follow rather than manufacture a political accord to achieve its substantive aims. A streamlined version of CROP limited to the agencies directly responsible to member Governments would be the first step to giving CROP a greater policy focus. The next step would be the inclusion of the new version of CROP agencies in a combined meeting of the full Forum and Dialogue Partners to give authoritative political direction to the regional agencies. This would scarcely resolve all the concerns of the FICs, the donors and the extra-regional contributors but it would engage them in the type of consultation more likely to lead to the necessary political consensus to allow further organisational refinement should this prove desirable.

Pacific Community with an unfortunate administrative/legal imprecision regarding the subordinate status of the organisation's administrative arm, which is the secretariat.

Endnotes

- 1 The terms 'Pacific Islands' and 'Islands' are taken throughout this paper to defer to the 22 islands that fall within the scope of the Pacific Community. The term Pacific Islands countries (PICs) is synonymous with this usage and is distinguished from the smaller group of 14 countries that are members of the Pacific Islands Forum. The Forum Island countries (FICs) comprise: Cook Islands, Fiji, Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The additional eight territories that make up the PICs include: American Samoa, French Polynesia, Guam, Northern Mariana Islands, New Caledonia, Pitcairn Islands, Tokelau, Wallis and Futuna.
- 2 The Pacific Community retained the familiar acronym 'SPC' after the name change. This has led to an increasingly common mislabelling of the organisation as the Secretariat of the

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Acronyms and abbreviations

ADF	Australian Defence Force	PTCN	Pacific Transnational Crime Network
AFP	Australian Federal Police	RAMSI	Regional Assistance Mission to Solomon Islands
ALC	Automatic Location Communicator	RAN	Royal Australian Navy
ASEAN	Association of Southeast Asian Nations	RFMF	Republic of Fiji Military Forces
CPV	Coastal Patrol Vessel	RIF	Regional Institutional Framework
CRIA	Committee on Regional Institutional Arrangements	RMCC	Regional Maritime Coordination Centre
CROP	Council of Regional Organisations in the Pacific	RMI	Republic of the Marshall Islands
DCP	Defence Cooperation Program	RMP	Regional Maritime Programme of the South Pacific Commission
ECP	Enhanced Cooperation Program in PNG	RNDP	Regional Neighbourhood Development Program
EEZ	exclusive economic zone	RNZN	Royal New Zealand Navy
EU	European Union	RSIP	Royal Solomon Islands Police
FFA	Forum Fisheries Agency	SAR	search and rescue
FIC	Forum Island country	SOPAC	South Pacific Applied Geoscience Commission
ForSec	Forum Secretariat	SPBEA	South Pacific Board of Educational Assessment
FSchM	Fiji School of Medicine	SPC	South Pacific Commission
FSM	Federated States of Micronesia	SPEC	South Pacific Bureau for Economic Cooperation
GAO	US Government Accountability Office	SPOCC	South Pacific Organisations Coordinating Committee
IDG	International Deployment Group	SPREP	South Pacific Regional Environment Programme
IGO	inter-governmental organisation	SPTO	South Pacific Tourism Organisation
IMO	International Maritime Organization	SRO	single regional organisation
IPV	inshore patrol vessel	SSR	security sector reform
IUU	illegal, unregulated and unreported	TCU	Transnational Crime Unit
JIATF West	Joint Interagency Task Force West	TDS	Tonga Defence Service
MFO	Multinational Force and Observers	UNIFIL	United Nations Interim Force in Lebanon
NDT	Neighbourhood Development Teams	USCG	US Coast Guard
OCO	Oceania Customs Organisation	USP	University of the South Pacific
OPV	Ocean Patrol Vessel	VMF	Vanuatu Mobile Force
ORG	Operational Response Group	VMS	vessel monitoring system
PIC	Pacific Island country	VPF	Vanuatu Police Force
PICP	Pacific Islands Chiefs of Police	VPS	Vanuatu Police Service
PIDC	Pacific Immigration Directors' Conference	WCPFC	Commission for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean
PIDP	Pacific Islands Development Program		
PNG	Papua New Guinea		
PNGDF	Papua New Guinea Defence Force		
PPA	Pacific Power Association		
PPB	Pacific patrol boat		
PPF	Participating Police Force		
PTCCC	Pacific Transnational Crime Coordination Centre		

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