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Overview of the Main Political Events in the Pacific Region in 2010

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Summary

This article examines the annual situation of the countries and lands of the Pacific, which are characterised by their cultural, ethnic and political diversity. The first section is dedicated to the two giants of the region: Australia (which saw the exit of its charismatic Prime Minister Kevin Rudd) and New Zealand, where John Key had to weather the financial crisis and give his support to the people affected by the Christchurch earthquake. The author then goes on to offer an in-depth analysis of the political game in Papua New Guinea which, though it appears to be stable, it is (in the writer's opinion) the most ungovernable country in the region. His examination continues to the Solomon Islands, Vanuatu and Fiji, the latter still marked by the sense of rudderlessness that followed the 2006 military coup headed by General Baininarama and the growing pressure on the media. The article then summarises the situation in Tonga (where the monarchy and nobility are gradually giving in to the force of democratic opposition), the region of Bougainville (which is making progress in terms of its autonomy), Tuvalu, Nauru, the Cook Islands, New Caledonia and French Polynesia (the latter being the overseas territories of an extra-regional power – France – which serve to exemplify a kind of common link in the area). By way of conclusion, the author stresses the growing involvement of the People's Republic of China in the "ocean continent" which, after the end of its diplomatic competition with Taiwan, is now aspiring to become the main pole of attraction for governments that are responsible for disperse populations and scarce resources.

Introduction

The Pacific Islands consist of 22 states and territories spread across the vast expanses of the Pacific Ocean, which occupies a third of the world's surface. The Pacific Islands is both a region and a collection of individual countries, each with a distinct tradition, system and political prospects. The main political events in the Pacific Islands in 2010 occurred against a background of diversity among these small island countries in constitutional status, cultural heritage, colonial history, population growth and labour mobility. In order to

understand those events, we must first understand the region's diversity. Culturally, the Pacific is divided into three areas: Melanesia, south of the equator in the south-west, Polynesia, reaching north to Hawai'i, south-west to New Zealand and south-east to Easter Island, and Micronesia mostly north of the equator in the north-west.

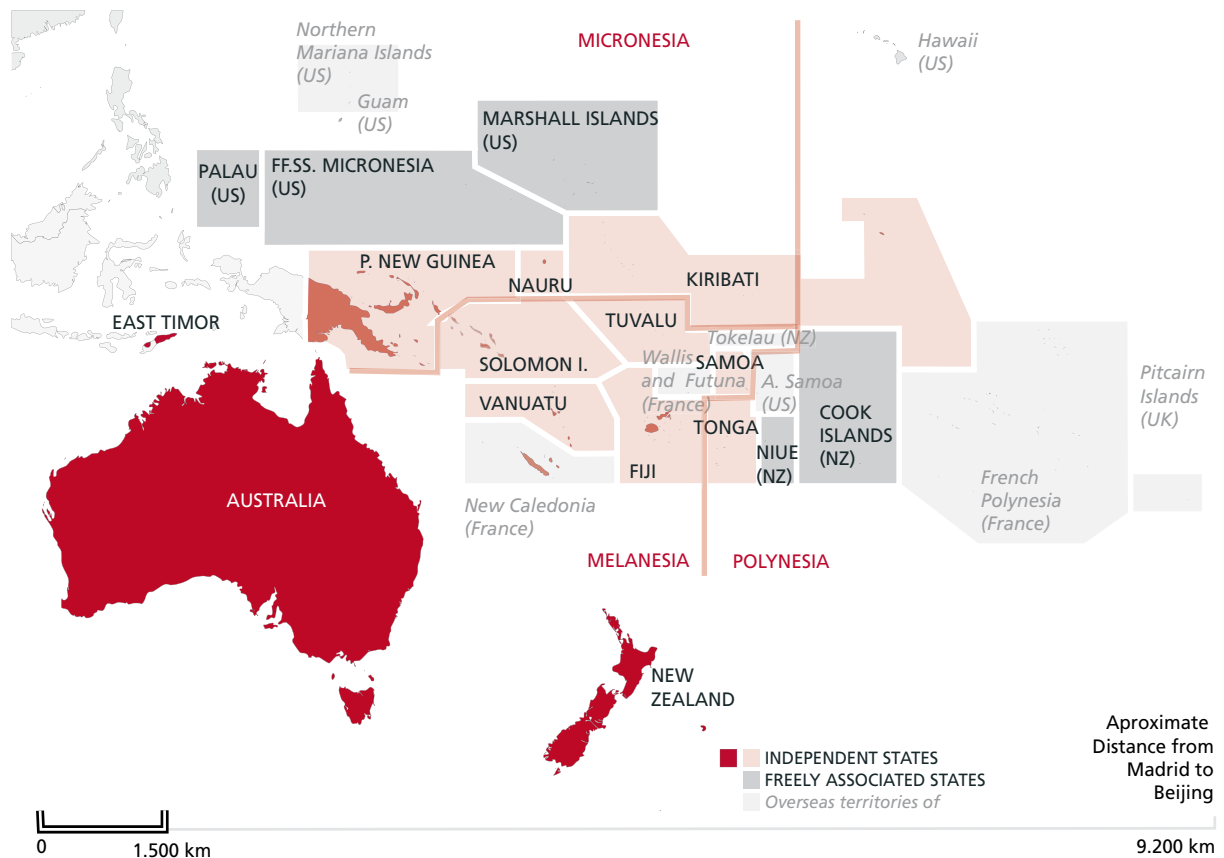
Eight of the 22 Pacific entities are overseas territories belonging to an external state. The external states guarantee the security and stability of their territories and subsidise them generously. France gives annual direct aid of about US\$2 billion each to French Polynesia and to New Caledonia, and it committed a sum of US\$50 million to its tiny territory of Wallis and Futuna for the period 2007–11. The USA subsidizes Guam and American Samoa through a wide variety of federal programmes. New Zealand provides about US\$10 million a year, through the development agency NZAID, for its last remaining Pacific territory, Tokelau. The development and standard of living of the people of the territories are assured.

Pacific Islands Territories

- Guam (USA)
- Northern Mariana Islands (USA)
- American Samoa (USA)
- French Polynesia (France)
- New Caledonia (France)
- Wallis & Futuna (France)
- Tokelau (New Zealand)
- Pitcairn Island (United Kingdom)

Five Pacific islands countries enjoy the status of 'free association' with external powers. Palau, the Federated States of Micronesia and the Marshall Islands are in free association with the USA. The Cook Islands and Niue are in free association with New Zealand. These states are also subsidised by external powers. When the annual budget is to be determined in, for example, the Federated States of Micronesia, Micronesian leaders liaise with the US Office of Insular Affairs in the Department of the Interior in Washington, which administers payments under the Compact of Free Association. The freely associated states also benefit from

MAP 1. Regions, countries and territories of the Pacific



Source: Author

their citizens' freedom to enter, work and live in the metropolitan states that are their patrons. The vast majority of Cook Islanders and Niueans now live in New Zealand, and thousands of Marshall Islanders, Micronesians and Palauans live in Guam, Hawai'i and mainland USA. The politics of the freely associated states, therefore, are conducted within the wider framework of the politics of the USA and New Zealand.

Freely Associated States

- Palau (with USA)
- Federated States of Micronesia (with USA)
- Marshall Islands (with USA)
- Cook Islands (with New Zealand)
- Niue (with New Zealand)

The nine remaining Pacific Islands countries are independent states and are home to 90% of the region's population, which is extremely small by East Asian standards. Papua

New Guinea has a land area larger than that of the Philippines and is almost as big as Thailand, but its population is under 8 million compared with Thailand's 64 million. The remaining independent countries are all microstates, small in both area and population.

Independent States

State	Population	Land Area Km ²
Australia	21,293,000	768,230
Fiji	837,000	18,272
Kiribati	98,000	811
Nauru	12,000	21
New Zealand	4,266,000	26,799
Papua New Guinea	6,500,000	462,243
Samoa	185,000	2,934
Solomon Islands	550,000	28,530
Tonga	102,000	699
Tuvalu	10,500	26
Vanuatu	221,000	12,190

Three of the nine independent Pacific countries, Samoa, Tuvalu and Kiribati, are models of stable democracy. Papua New Guinea, Vanuatu, Tonga and Nauru have a consistent record of changing governments constitutionally, but confront problems such as corruption, weak central authority, lack of accountability and social unrest. Fiji and Solomon Islands have experienced coups, and Fiji can be said to have developed a 'coup culture', with five unconstitutional ruptures within 22 years, the most recent in April 2009.

Australia and New Zealand

Australia (pop. 22 million) and New Zealand (pop. 4.4 million) are the two largest economies and the two most influential states in the South Pacific region. The key political issue in Australia in 2010 was climate change. Prime Minister Kevin Rudd, elected in 2007, staked his reputation on introducing an emissions trading scheme so as to curb Australia's contribution to global greenhouse gases. But when the Copenhagen climate change conference failed, Rudd deferred action on the issue for three years. The decision undermined his credibility and in June he was overthrown in a party vote as leader of the parliamentary Labour Party by Julia Gillard, who became Australia's first female prime minister. She called an election for 21 August in order to consolidate her position, but with 50.12 per cent of the vote going to left parties and 49.88 per cent to conservative parties, the election produced a hung parliament in which neither side held a majority. After lengthy consultations, Labour attracted promises of support from three independent members of parliament, two of them from rural constituencies, enough to govern with a bare majority of one vote after providing the parliament with a speaker. The government now depended for its survival on the support of the rural independents, and the result was a new emphasis on providing infrastructure and services to rural and regional areas.

A second important political issue was the influx of refugees seeking political asylum in Australia, and arriving in its northern waters by boats from Indonesia. The Rudd and Gillard governments placed asylum seekers in detention centres, including one on Christmas Island, an Australian territory south of Java, so as to ensure that their claims were dealt with offshore. As more and more refugees arrived, the opposition coalition led by Tony Abbott claimed that, if elected to government, he would 'stop the boats', while the Gillard government promised to establish a new refugee processing centre in the independent state of East Timor. The major parties believed refugees were making unreasonable claims on Australia's generosity and threatening the country's borders, whereas the Greens called for them to be processed on the Australian mainland without being detained.

Australia avoided the global recession, in part because of huge and growing demand from China for the country's iron ore, coal and natural gas. By 2010 China was Australia's largest trading partner. In 2010 the growth rate of the economy was 3.3% and unemployment fell to 5.1%.

New Zealand Prime Minister John Key's National Party government remained popular with voters during 2010 after it increased value-added tax while cutting income tax. New Zealand emerged from recession in 2010 with a growth rate of 2.1% and unemployment of 6.5%. John Key proved successful in responding to two disasters – an earthquake in the south island city of Christchurch in September and an explosion in a coal mine at Pike River in November, when 29 men were entombed and could not be rescued. A second earthquake, far worse than the first one, was to destroy much of Christchurch's business district and kill 181 people in February 2011.

The Melanesian states: Papua New Guinea, Solomon Islands, Vanuatu and Fiji

Papua New Guinea, Solomon Islands and Fiji are the most populous Pacific Island countries and also those most subject to political challenges. Vanuatu, with a population of 224,000, has experienced stability and economic growth in recent years.

Papua New Guinea is the least governable of all Pacific countries. When the Australian administration ended in 1975, the country had a few hundred university graduates, an economy based largely on subsistence agriculture, and whole regions where people had known of the outside world for only decades. The state has grown weaker since then, the delivery of services is less reliable, and the operations of government more open to charges of corruption and malfeasance at every level. Most people lack electricity and piped water, and while schools have multiplied since independence, only a small minority of children progress beyond primary level. Roads are in poor repair, and many villagers' access to markets has diminished. The health system is in disarray. For the ordinary Papua New Guinean, development has stalled. At the same time foreign resource companies have invested heavily in mining and extracting gold, copper, nickel, cobalt and natural gas, creating enclaves of development for the few fortunate citizens whose land happens to contain minerals or gas, while delivering riches to the country's elite. As the location of one of the world's last large reserves of tropical forest, Papua New Guinea has also hosted foreign timber companies, especially from Malaysia.

In a formal sense, Papua New Guinea has been politically stable since independence, with regular five-year elections,

peaceful changes of government, no military coups, and a functioning parliament. Yet the PNG political system, while having its origins in Westminster, has been adapted to the Melanesian culture in which it operates. In order to stay in power, governments employ parliamentary stratagems that would never be found in Westminster, and the formal description of “stability” does little to capture the rough-and-tumble reality of politics in PNG.

Political parties do not resemble their counterparts in developed countries. There are numerous parties, but they play little part in elections, which are occasions for voters to elect individuals, usually on the basis of kin or clan loyalty. Once members of parliament gather in the capital Port Moresby, the parties are used to attract, cajole, bribe and otherwise bring together enough members to form a government. Ideology and policy play no role in this process, which is a pragmatic pursuit of power.

Until 2001, the weakness of Papua New Guinea parties meant that governments were unstable. No government in the country's first 25 years survived a full five-year term. Parties lacked discipline and ideology, and their members regularly crossed the floor or brought governments down with ‘votes of no confidence’ in accordance with the Westminster tradition. In order to create stability, PNG implemented the Organic Law on the Integrity of Political Parties and Candidates in 2001. This measure forced a reduction in the number of parties, prevented members of parliament from changing parties and created post-election ‘grace periods’ when votes of no confidence were forbidden. The result was that the government elected in 2002, under Sir Michael Somare, ran its full term until 2007, was re-elected and was still in office in 2010.

The most important political event of 2010 was therefore the ruling by the PNG Supreme Court that key sections of the Organic Law were unconstitutional. The ruling meant that PNG would immediately return to the pre-2001 free-for-all, in which governments frequently fell on votes of no confidence. In the immediate aftermath, the Somare government was said to be distributing millions of dollars to its parliamentary supporters in order to maintain their loyalty, and within weeks the government had engineered a four-month suspension of parliament in order to avoid being brought down by a vote of no confidence. The PNG Parliament is constitutionally required to meet 63 days a year, but met for only a handful of days in 2010.

During the year the PNG government enacted two pieces of legislation that pointed to the direction in which the country was headed.

The first was an amendment to the constitution, effectively removing the Ombudsman's power to scrutinise the disbursement of public funds by members of parliament, who receive large amounts of government money each year to distribute among their constituents. In effect, the government gave a green light to more patronage politics. Public protests against the amendment had no effect.

The second piece of legislation prevented landowners from suing either the government or companies over environmental damage created by resource projects. The reason for this legislation lay in the economic boom that was beginning to emerge in PNG in 2010. In a project that would double the size of the economy, the resource company Exxon Mobil and its venture partners Oil Search and Santos were beginning operations on a project to exploit gas reserves in PNG's Southern Highlands and Western Provinces. They intended to build a new town and an international

airport in the Southern Highlands Province, and from 2014 to export the gas to Japan, Taiwan and China from a processing plant to be built near the capital Port Moresby. The massive investment produced a new confidence in PNG Prime Minister Somare, who oversaw the enactment of a record \$US2.2 billion budget and said his country would become a regional leader with its own aid program.

While the PNG government welcomed the LNG project, some observers feared it would intensify inequality and compound the country's development problems.

Towards the end of 2010 Somare stepped aside as prime minister in order to enable the Leadership Tribunal to examine allegations that he failed to lodge annual financial statements in the 1990s. No serious consequences for him were expected, and he returned as prime minister soon afterwards.

The key fact about Solomon Islands during 2010 was the continued presence of the Regional Assistance Mission to Solomon Islands (RAMSI) led by Australia. RAMSI was sent there in 2003 in order to restore political stability to a country which had suffered years of disorder and maladministration. Since then RAMSI has engaged in a state-building exercise, in which 300 members of the Participating Police Force, drawn from across the Pacific and backed by troops from Australia, New Zealand, PNG and Tonga have restored

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order. A 2010 opinion poll of 5,000 Solomon Islanders found that 84% supported the presence of RAMSI in their country.

Like in PNG, in Solomon Islands parties are weak, and ideology absent. When voters cast their ballots, they have no control over what kind of government will emerge. Candidates buy votes with cash, and factions then purchase the support of elected parliamentarians until a government emerges. In April 2010, the Parliament defeated the Political Parties Reform Bill, which, like PNG's Organic Law, was designed to bring greater political stability to the country by limiting the freedom of parliamentarians to change sides. The 2010 elections therefore produced the same political system as before. 50 members of parliament were elected, half of them newcomers to parliament, and factional negotiations produced a government led by a new prime minister, Danny Philip. Defections by parliamentarians from one side to the other, and threats of no-confidence motions, soon followed.

The prime minister of Vanuatu, Edward Natapei, was also defeated in a parliamentary vote of no confidence. His parliament voted him out just hours after he had left the country for the Cancun climate change conference in December. His successor as prime minister was Sato Kilman.

The military commander who seized power in Fiji in a military coup in 2006, Commodore Frank Bainimarama, maintained his hold on the country in 2010. The previous year he had dismissed the judiciary, abrogated the constitution, abolished municipal councils and declared a state of emergency. In 2010 he continued to harass critics, including two

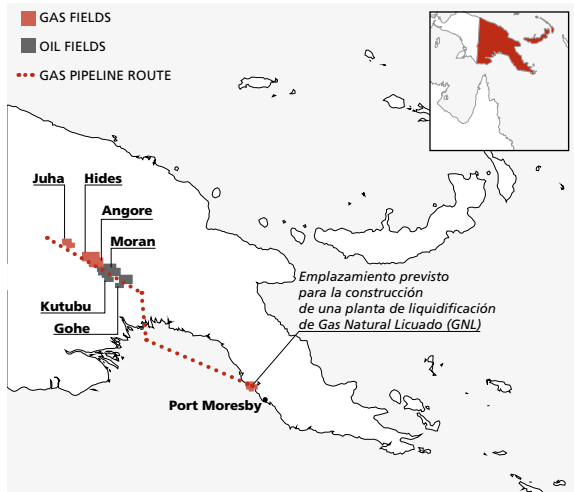
former prime ministers, Laisenia Qarase, who was brought before the courts to face numerous charges, and Mahendra Chaudhry, who was arrested for breaching emergency regulations by holding a meeting of the National Farmers Union. The government's Media Industry Development Decree 2010 established a tribunal with sweeping powers to investigate media offices and seize materials, order retractions, impose fines and send journalists to prison, and was condemned by governments and journalists' organisations around the world. The decree also forced the sale by Rupert Murdoch's News Limited of Fiji's oldest newspaper, The Fiji Times, to one of Fiji's wealthiest businessmen, Mahendra Patel, further ensuring that the media would report only the news that was favourable to the regime. The regime issued numerous decrees, which were unchallengeable in any court and aimed at re-making Fiji as the military leader desired. The leader minister also put himself in control of the Native Land Trust Board and the leasing of Fijian land.

The sugar industry was once the centre of the Fiji economy, but exports declined sharply after the 2006 coup and declined further in 2010, leading to another large loss by the Fiji Sugar Corporation, which is responsible for milling and export. The Fiji government, facing repayment of a large foreign loan in 2011, talked with the International Monetary Fund about a possible loan, but eventually floated a US\$250 million Fiji government bond issue at the expensive rate of 9%. Tourist numbers grew through the year but holiday packages were heavily discounted and the industry was not highly profitable. According to the Fiji Reserve Bank, the growth rate of the economy in 2010 was 0.1%. Inflation affected Fiji following the devaluation of the Fiji dollar in 2009, and was confirmed by an increase of value-added tax in the 2010 budget from 12.5% to 15%. In private many people complained of rising prices for food and other necessities.

Bainimarama continued to promise that elections would take place in 2014 but said none of Fiji's three largest established political parties, including those previously in government, would be permitted to participate. He blamed many of Fiji's problems on Australia and New Zealand. Having expelled both their high commissioners in 2009, he expelled yet another Australian high commissioner in 2010 and said he wanted to break Fiji's traditional ties with Australia, New Zealand and the USA in favour of a closer relationship with China. China remained far less important than Australia and New Zealand as a trading partner for Fiji but its soft loans were financing a number of major projects in Fiji, including a hydro-electric scheme and the construction of low-cost housing.

The Fiji regime showed signs of internal instability in 2010. The prime minister sent his two most senior military officers

MAP 2. Gas fields in Papua New Guinea



Source: Nippon oil Corporation

on extended leave, and his defence minister and police commissioner resigned, as did the Reserve Bank governor. Numerous top public servants were dismissed. While Bainimarama remained in place as Fiji's self-appointed leader, he did not appear to be entirely secure in that position.

The Microstates and other territories: Tonga, Bougainville, Tuvalu, Nauru, Cook Islands, New Caledonia, French Polynesia

The Kingdom of Tonga is unique in the Pacific. Never fully colonised by a foreign power, Tonga was ruled until 2010 under a nineteenth-century constitution that gave full powers to the monarch to govern the country. Elections took place regularly but commoners could elect only about one third of the parliament. A pro-democracy movement has been active since the 1990s, and the new monarch who succeeded to the throne in 2006, King George Tupou V, voluntarily surrendered some of his powers. In April Tonga's Parliament passed historic legislation, welcomed by pro-democracy advocates, to increase the number of commoner seats to 17 out of 26 and to change electoral boundaries, and about 40,000 Tongan voters went to the polls on this newly democratic basis in November. The pro-democracy party led by 'Akilisi Pohiva won 12 of the 17 commoner seats but was unable to form government. The new prime minister is a Tongan aristocrat, Siale'Ataongo, Lord Tu'ivakano.

Elections elsewhere in the Pacific were a reminder that democratic forms of government, adapted to local cultures, have characterised most of the region since independence in the 1960s and 1970s.

Bougainville has been an autonomous province of Papua New Guinea since a secessionist war in the 1990s. Voters cast their ballots in elections for the Autonomous Bougainville Government in May and elected a new President, John Momis, a long-time Bougainvillean politician, who promised to prepare the province for its referendum on independence in 2015 and to initiate a program of weapons disposal, a key issue in a part of Papua New Guinea where many people still hold guns.

In Tuvalu, one of the smallest independent countries in the world, 6,000 citizens went to the polls in September in an election that returned no political parties, only independent members of parliament, 15 in all. Parties do not exist in Tuvalu. Maatia Toafa became prime minister in September

but was defeated in a vote of no-confidence a few months later and replaced by Willie Telavi.

In Nauru, another tiny country, politics was deadlocked for months. When a general election was held in April, voters returned 18 members, nine each side, with neither side willing to elect a speaker and therefore permit the other side to form the government. Weeks of stalemate followed until a state of emergency was declared and another election held in June. This time a speaker emerged, but parliamentarians could not agree on who would be President. The deadlock was not resolved until November, when a speaker was finally appointed, Marcus Stephen was re-elected President, the state of emergency was lifted and the parliament finally passed the country's budget.

Cook Islands, a small country freely associated with New Zealand, went to the polls in November to elect 24 members of parliament. The winners were the Cook Islands Party, led by Henry Puna, who became prime minister.

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New Caledonia is a French overseas territory, which elects representatives to the National Assembly in Paris, but under the 1998 Noumea Accord the local

government is gradually being granted authority in different spheres of government. Under a 2010 agreement, the elected New Caledonian government will assume control of primary education, air traffic and maritime transport and security. The other large French Pacific territory is French Polynesia, where political instability is common. There have been nine territorial governments since 2004, and in 2010 France proposed reform through an organic law that would restrict votes of no confidence (*motions de défiance*) in the territorial assembly in order to give governments greater security of tenure.

External Forces

Development assistance is the currency of influence in the Pacific Islands, and the largest donor is Australia, which budgeted about US\$1.1 billion in aid to Papua New Guinea and the Pacific in 2010. Spain's small aid program to the Pacific Islands included the construction of a building for the College of Our Lady of Mercy Professional School for Women in Palau. Australia, New Zealand, France, Japan and the USA remained the most influential external states in the Pacific Islands in 2010, but China's influence was rising fast. China's position in the Pacific was strengthened by its truce over competitive aid-giving with Taiwan. Taiwan President

Ma Ying-jeou told the Solomon Islands parliament in 2010 that his country and China had agreed to cease competing for recognition as the true China on the world stage. Six Pacific countries –Solomon Islands, Marshall Islands, Palau, Kiribati, Nauru and Tuvalu–recognised Taiwan in 2010, and the Taiwanese announcement reduced their diplomatic leverage. They would no longer be able to play one China off against the other in the quest for aid, and the People's Republic of China would be the beneficiary of the change. In response to Chinese interest in the region, the Obama administration re-established its development agency USAID in the Pacific after a break of 16 years, and chose Fiji as the location for its new regional office, which was to operate from the newly-built American embassy.

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