CHAPTER-I

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The South Pacific region has increasingly been in the headlines in recent times and has thus become the focus of Australian attention as never before. These countries with small areas of land in a huge expanse of ocean, have diverse cultural and political structures, but until quite recently, the Australian public had a very romanticised view of the region and its people.

Successive Australian governments for many years adopted a benign, paternalistic attitude to the region. However, events since the early 1980's have forced a reappraisal of Australian policy towards the region. Today, Australia is playing a key role in the activities of the South Pacific Island countries bilaterally or through the regional arrangements like the South Pacific Forum (SPF).

The South Pacific region contains some unique environmental treasures, alluring minerals, and host of fishery products and has amongst the highest levels of biodiversity than any region on this planet. The tropical rain-forest of Papua New Guinea (PNG), the beautiful Marovo Lagoon in Solomon Islands, the unique atoll environments of Tuvalu, and Kiribati and many other areas in the region are environmental assets of world standing and value. On the political front, the region has been an arena to all types of political arrangements, ranging from monarchy and parliamentary democracy to military dictatorship. The political affairs management in the South Pacific is very smooth and cordial. Despite divergent political systems, uneven economic development, the Forum Island Countries (FIC) maintain a very informal, friendly and warm relationship with each other.

But the most unfortunate fact is that the region is yet to establish its position in the international fora. Not only that, the Pacific region, with its unique circumstances, find itself ill-

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prepared for the century ahead. As Martin Tiffany, the Senior Writer of the Pacific Island Monthly feels "if one peel away the glossy tourist - brochure image from the Pacific Islands, one will find the island economies in trouble":\(^2\) With problems that are unique to the region, all Pacific Island nations are facing constraints to the path of development of varying magnitudes. On top of this, there is the apparent vulnerability of Pacific Island economies, made worse by the countries relatively small in size where the results of almost every event, good or bad, are quickly transmitted throughout the entire region.

On the other hand, Australia, a metropolitan power along with New Zealand in the South Pacific region has become more enthusiastic and possessive about the South Pacific affairs since the Law of the Sea Convention of 1976. This convention brought a sea change in Australia's outlook and thereafter, the whole region of the South Pacific became strategically, politically and economically important not only for Australia but also for some extra-regional powers.\(^3\) The South Pacific region's geographical proximity and its economic resources particularly attracted the Australian attention. Subsequently, the moves of the major world powers towards the region also reminded Australia of her defence and security interests in the region. Since the Law of the Sea Convention, the Australian relationship with the region are deepening, and gaining in texture. The Australians have already redefined their priorities in the foreign policy making process. The South Pacific region’s resources and geographical location has forced the Australians to keep the regional issues high on their agenda.

For generations, Australia had important economic and trading relationship with the countries in the South Pacific. It has been interested in the South Pacific on grounds of strategic, economic and political reasons. After the conclusion of ANZUS (Australia, New Zealand and the United States), Australia, in partnership with the United States (US), developed a vital interest in securing the long and exposed sea lanes of communication. In the period since 1962, when the first Pacific Island country, Western Samoa achieved

\(^{2}\) Martin Tiffany, "Where are we headed?", *Pacific Islands Monthly* (Suva), January, 1993, pp. 24.

independence from the British colonial bondage, Australia spearheaded a web of political interaction with the island countries.

Australia today, enjoys the benefit of a more fundamental, less formal process of human and social contact. Its foreign policy towards the region is categorically based on certain guidelines. The basic outline, it follows is the strategy to maintain and develop a partnership with the FIC which promoted regional stability through economic development and encouragement of shared perceptions of strategic security and environmental issues.4

The Australians also spearheaded the idea of separate institutional arrangements for the South Pacific to achieve and maintain unique regional identity. In 1947 for the first time, the issue of a regional organisation was floated and Australia eagerly accepted. This led to the formation of the South Pacific Commission (SPC), in which colonial powers (the US, Britain, France) played the role of consultative and advisory body. The SPC's main interest was confined to the creation of a stable regional economic order where political issues were low on its agenda.

The sense of regional identity and the efforts to strive for better political and economic relations with the regional and outside countries became more expressive with the formation of the indigenous SPF in 1971. The island countries, with the intention to foster the feeling of regional cooperation established the SPF. Australia, being the largest and strongest in the SPF, played a leading role to strengthen this organization. At present, the SPF is one of the determining factor which influences the conduct of the Australian foreign policy. If Australia wants to achieve its security, political and economic objectives in the region, it can not undermine the SPF. As Australian Defence Minister, Kim Beazley said in 1988:

we are not in this region as policeman in any shape or form but Australia has fundamental, long-standing and largely unchanging interests in the region which

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describes bi-partisan support. The Australians are also aware of the fact that without proper co-operation and co-ordination with the SPF, their interests can not be attained.

This statement clearly reveals that Australia has clear geo-political, or strategic interests in preserving and promoting peace in the region. Its approach is to promote internal and political stability and peaceful evolution of democratic political system in the island states. It is interested to make the region free from destabilising activity by any external powers or groups, to develop the region economically, in minimising superpower tensions - internal or external and to project the South Pacific region as the focus of the future.

The Region

The Pacific is the greatest of all oceans, with its area exceeding that of all dry land, it is the largest geographic feature in the world. The Pacific covers one third of the planet's surface, more than the Atlantic, Indian and Arctic oceans combined and has more islands than are found in all other oceans and seas of the world put together.\(^5\)

The Pacific Island with its numerousness and widespread distribution has provided a great variety of physical, social and economic environment. It is a large and diverse area of the Western and Central Pacific ocean stretching from the Republic of Palau in the west to Pitcairn Island in the east.

The idea behind the nomenclature of the term, 'South Pacific' could be traced back to the sixteenth century when it began to exist as part of the European imagination. The term 'South Pacific' became prominent in international politics only after the establishment of the South Pacific Commission in 1947.\(^6\) As an institutionalised identity, it dates back to the end of the Second World War when the colonial mentors along with Pacific Island territories - the

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Netherlands, Britain, France, the United States, Australia and New Zealand, established the South Pacific Commission. The line, they drew on the Pacific Map - stretching from Dutch New Guinea in the west to French Polynesia in the east, and from the kingdom of Tonga in the South to the Mariana Islands in the north - has, with minor modification, still continues to be the dominant delineator of the South Pacific.

Many scholars and statesmen feel that the use of the term South Pacific is not entirely accurate. The region includes not only all the tropical South Pacific Islands of Melanesia and Polynesia from PNG to Pitcairn but also extends northward through the islands of Micronesia, most of which lie north of the equator. 7

The term South Pacific is also not universally accepted to all the countries of the world. It is being used in different names by different countries of the world. The US officials and scholars tend to use the term "Pacific Islands". 8 This reflects their post-Second World War preoccupation with the administration and decolonisation of the United States strategic trust territory of the Pacific Islands lying just north to the equator, and their continuing strategic interests in that part of the Pacific. New Zealanders tend to favour "South Pacific", 9 by which they often mean mainly the Polynesian countries to their north. Australians too, use South Pacific, but sometimes employ the term "South-West Pacific" 10 to stress their predominant interests in the Melanesian Island groups nearest to their territory. The Japanese and French analysts and several international agencies tend to use the term "Oceania" 11 because the term sometimes includes or excludes Australia and New Zealand. The Indian academicians prefer to

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7 UNEP Regional Seas Report and Studies (Nairobi), no. 69, 1985, p. 3.
9 ibid, p. 4.
10 ibid.
11 ibid.
use the term "South Pacific" but the government of India has so far given less attention to establish diplomatic ties with all the independent countries in the region.

The Pacific Ocean covers nearly a third of the world's surface and is home to more than five million indigenous islanders. And, for 400 years, people have lived under the flag, of various western nations nominally or otherwise. At first, western interests in the scattered islands were largely economic. At the time of Captain James Cook's discovery of New Caledonia, the voyages were much "motivated by scientific curiosity than the lure of gain".

It was in the 1960's that a fresh political geography began to emerge in the South Pacific. The process of decolonisation was initiated in 1962 when Western Samoa achieved independence from the colonial bondage. In a decolonisation process that was remarkably peaceful, birth of new nations that altered the map, as the last outposts of the European empires were cast adrift. At present, the colonial era may be over, but the tiny island countries are not yet capable of becoming self-reliant. Too much dependance upon regional or the extra-regional powers have led them to be exploited perpetually.

As a matter of convenience, the South Pacific region may be defined as being coterminous with the membership of the pre-eminent regional organizations, the SPF. It stretches into some 17,000 kilometers (10,600 miles) longitudinally from Australia and PNG in the west to South America in the east, and 7,000 km (400 miles) latitudinally from the equator to the Antarctic ocean (60°S). The region, as a whole, covers about 20 million kilometers, about seven times that of the Caribbean, which makes it by far the largest in the area in terms of exclusive economic zone (EEZ) on continental shelf. The land area, on the other hand, is only 551,000 kilometer.

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12 ibid.

A number of broad classifications of the Pacific Islands exist in the geographical map of the world. The islands, for convenience, may be divided into continental islands, high islands, low islands and atolls. Voyagers from Asia, Africa, Europe and North-America discovered and rediscovered, influenced and conquered many of these islands over several thousand years, leading to a seemingly infinite variety of overlapping cultures.

However, simplistically, the South Pacific can be divided into three distinguished groupings Melanesia in the west, Polynesia in the east, and Micronesia in the north. Whether Fiji is located in, Melanesia or Polynesia is debatable, because it lies at the crossroads, and half of its population is ethnically Indian.

Out of these broad three categories of indigenous ethnic population in the South Pacific, the Melanesians are in numerical majority and comprise around 84 percent of the total population. The Polynesians are next, with 10 percent, and Micronesians with only 6 percent of the indigenous population. In terms of land area, taking all the Pacific Island nations and territories (including those not covered by the SPF), Melanesia comprises 97.2 percent, Polynesia 2.5 percent, and Micronesia 0.3 percent of the total land area of 976,047 square kilometers.

While the area and population of the mini-states and micro states of the South Pacific are very small, their geographical location gives them a strategic, political and economic importance transcending their size. In this region, there are 16 independent or self-governing countries and 8 trust territories of France, New Zealand, the UK and the US. Except for PNG,
Solomon Islands, and Fiji, each of the countries and territories consists of a single small island or a group of separately distributed islands.

Almost all the Island countries in the region - (except the two metropolitan powers i.e., Australia and New Zealand) achieved independence from the colonial masters after 1962. Since then, the decolonisation process started and now only few islands like New Caledonia continue to remain under colonial domination. Furthermore, despite the disparities in size and economic development, their relationship with Australia and New Zealand in a political and institutional sense is a relationship of equals. The SPF Island countries have become increasingly assertive in the view that they should not only have the decisive say on issues affecting their own region, rather should express a regional viewpoint on the international issues.

Outside countries have been forced to acknowledge the reality of South Pacific identities and aspirations. They have also focused their attention on issues-to have 200 mile EEZs in the archipelagic nature of the new nations, and the attractiveness of South Pacific Fishing Zones-which have been disputed for long. The Australia's Ambassador to the US, F. Rawdon Dalrymple, had noted how and when the concept of EEZs became important in the mid-1970's in the context of the law of the Sea discussions. It is astonishing to see the changes on the map of the South Pacific. He said:

... from a map in which the great spaces of the ocean were separated or differentiated by tiny pinpoints of land with names attached to them, you suddenly have a map where huge areas of the earth's surface were marked off as areas of claim or potential sovereign.19

It was the most striking transformation and forced to contemplate that the transformation of this was something that was going to change not only the resources and
sovereignty map of the South Pacific but was going to change political and its strategic importance of the region.

On studying the South Pacific area, Australia and New Zealand always stand out as being marked different from the South Pacific Island nations, in almost every physical, social and economic aspect. Both are steadfast, virtually self-supporting giants as compared to the smaller island realms. The chiefly European - descended populations of Australia and New Zealand contrast sharply with the indigenous Melanesians, Micronesian, and Polynesian people of the Islands. Geographical and climatic differences are also outstanding; the total land area of New Zealand and all the South Pacific Islands is equal to only around one tenth of Australia, nearly three million square miles. Australia and New Zealand are the only two SPF members to experience the four seasons; the other island groups know only the 'wet' and 'dry' seasons. They do not enjoy the more moderate seasons so characteristic of the more densely populated areas of Australia and New Zealand.

Such differences of race, geography and climate naturally single out Australia and New Zealand from the rest, but in fact, every Pacific country also has unique features too. PNG Highlanders, for instance, live at heights, which tower over Australia's highest alpine peak and mount Kosciusko; most of the people of Tuvalu have probably never been higher than the top of a coconut or palm, such is the lowness of their atolls. There are seven hundred languages and dialects in PNG, and well over one hundred in Vanuatu, whereas the people of Kiribati, Tuvalu and Nauru know only one. Regardless of the presumed similarity of Pacific Island culture, the diverse variety of customs, folkways and commercial lifestyles is such that the traditional religious ideas of the Samoans, for example, or some of the darker Ni-Vanuatu customs, may be considered quite strange and unacceptable by the mild Fijians or Nauruians. Still further considerations reveal contrast among people with in the nations themselves. Except few island countries like Tuvalu, Nauru and Kiribati, the immigration process is very high which led to a diversity of culture, language, and physical appearance.

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As Martin Tiffany wrote in the *Pacific Islands Monthly* that, the people of the South Pacific have long captured the imagination of European writers and poets and fascinated explorers, adventurers, tourists and arm chair readers. Normally seen as kind, friendly and beautiful, living a perfect life in a lush tropical paradise, Pacific people seem to live as close to heaven on earth as one can get.

Martin Tiffany, further argues that there is virtually no absolute poverty in South Pacific island economies and those who still practice a traditional life style have an adequate and enjoyable existence. However, it is the people themselves - or at least their growth - which is predicted to be the single biggest problem the region face.

While population growth has been high in South Pacific countries over the last three decades, the rates of economic growth have been low. Poor human resource management among this growing population has played a key part in the dismal economic growth. As Australian academican, Ken Gannicott, a Professor of Education at Wollongong University explains, "the reason for the low rates of economic growth is complex, but it is clear that deficiencies in human resource development are at least part of the story." In its recent survey of the prospects for higher growth in the region, the *World Bank* remarked that "the acute shortage of qualified and experienced personnel represents a fundamental constraint to development in the South Pacific".

Gannicott, again said, Fiji, Kiribati, Solomon Islands and Vanuatu registered negative growth in per capita income during the 1980's and without large scale migration Tonga and Western Samoa would have shown similar decline. He pointed out that in the Polynesian countries, lifestyles are subsidised by the remittances of those who go to work overseas. In the

21 Martin Tiffany, "The People - Our Hope", *PIM*, January 1993, p. 27.
22 Ibid, p. 27.
23 ibid, p. 28.
region, as a whole, per capita aid level is among the world's highest. Another notable personality, Dennis Miller, the director of the Forum secretariat's Trade and Investment division, in Suva, sees the region's high population growth - averaging 2.2 percent for the region per annum - as arguably the biggest constraint to economic growth.24

The lack of economic development, when combined with high population growth rates, unsustainable exploitation of natural resources and rapidly rising community expectations has led to a growing range of social and economic problems, including environmental degradation in the South Pacific region.25

Even the Australian Government accepted the fact that the South Pacific region is facing innumerable problems. Accepting this, Gordon Bilney, the former minister for Development Cooperation and Pacific Island Affairs stressed that "Australia did not wish to impose its own ideas on Island countries about the solution to their problems".26 The Australian perception was that while some countries in the region faced some immediate difficult and complex political, constitutional, environmental, economic and security issues, there were some broader issues which related directly to their long term consequences that should be addressed with a sense of urgency. These issues are, low rates of economic growth, high population growth rates and random exploitation of natural resources. These phenomena have been widely characterised in a range of studies and reports as the "Pacific Paradox".27 It can be avoided through urgent and sustained action by island governments, with the developmental assistance from neighbouring countries such as Australia, and world agencies

24 ibid, p. 27.
25 Bilney, n. 4, p. 6.
26 Sam Leane, "Great Promise for region it countries work together", Insight (Canberra), 20 June 1994, p. 7.
27 ibid.

The Pacific countries had sovereignty over 20 million square kilometre's of ocean and the resources. The area supplies about 50 percent of the world's canned tuna, with the annual harvest of around one million tonnes, worth around $1.5 billion a year. Not only that, the resources of the South Pacific like minerals have not yet been explored.

**Australia and the South Pacific since World War II**

Australia has been interested in the South-Pacific ever since the first settlement on the east coast. Their geographical proximity and economic resources particularly attracted its attention. The moves of other nations into the South Pacific also reminded Australia of her defence interests in the area. The determination to protect Australians from the island peoples to Christianity reinforced the pressure on the colonial governments to extend Australian control. The Europeans maintained its interests only after the partitioned of the Pacific Islands. In the 1950's, Australian interests necessitated watching both international and local developments with much the same apprehension as in 1883 when the colonial governments declared what amounted to an Australian Monroe Doctrine for the area. Yet, these interests must be placed in the wider context of total Australian foreign policy. In any power sense, this Pacific area has always been weak, its resources and population are also limited in comparison with other areas.

Australia's basic interests in the Pacific have shown little fundamental change since the nineteenth century. It is rather the changed contexts within which these interests operate that need to be traced. These are important for Australian Pacific security because of her changing relationships with the United States since 1941 and, increasing co-operation with New Zealand

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29 Ibid.
since 1944. For Australian Pacific administration, it is necessary to examine the effects of the setting up of the SPC in 1947 and of the introduction of the principle of international accountability for the United Nations (UNs) trust territories of New Guinea and Nauru. The rapid human conquest of Antarctica and increased international interest in its resources has vastly increased Australian territorial and strategic responsibilities. Under such circumstances, Australian concern for developments in the South Pacific becomes important. The task of Australian foreign policy in this context had become accommodating varying interests of the existing forums, i.e., the SPC, the Trusteeship Council and trading groups and missionaries.

Extra-regional Powers in the South Pacific

Even as varying Australian interests have generally been successfully fulfilled, its policy had usually been accommodated with the interests of other nations in the area. Australia works with the United Kingdom, France, the United States, Holland and New Zealand on the SPC, and is strategically linked to Southeast Asia Treaty Organisation (SEATO) of 1954.

France established itself in the Pacific for over a century, has had many clashes with Australia. The main difference lies in the system of the French Union, with reference to their broad objectives of absorbing the island peoples into French culture. Under this centralised system, Paris has kept a hold on much that, under British colonial practice, would be left to local administration. Although there have been post-war trends towards more political representation for the islanders, France has made it clear that it has no intention of relinquishing any of its overseas territories, till date, France, despite strong independence movement, has not allowed independence to the New Caledonia.

Again there was a rivalry between France and Australia over New Hebrides (present Vanuatu) while exercising condominium control. The overtones of earlier rivalry between

French Catholic missions and nationalistic Australian Protestant missions remained in the background. Australia has direct contacts on the official level with French colonial administration through the Australian consul at New Caledonia; unofficial contacts arise from the work of Australian traders and missionaries in the New Hebrides and from the visits of New Caledonian students to Australia.

Traditional Australian policy is greatly influenced by the Britishers. As a trustee after the end of the second World War, it encouraged South Pacific islands to have separate local administration to get co-ordinated under the Australian Department of Territories, paralleling the British Colonial Office, and took due notice of the distinctive features of each islands.

However, Australia has attached enough importance to the American interest in the Pacific in the past few decades. The Pacific world is considered as the "American Lake" and Australia can not ignore this reality. Before the war, American interests lay in Eastern Samoa and Hawaii, areas on the periphery of the South Pacific, but since the Second World War the region became an area of special significance in global strategy of the United States. It is a pattern of South Pacific Commission, Five power Defence Agreement Pact (FPDA), ANZUS and acquired new responsibilities with the assumption of control over the former Japanese mandated territories in the Pacific. The Australia, New Zealand and US are economic and strategic partners. And these three countries maintains a close cooperation among themselves for stability and development of the region.

Closely parallel to Australia in its colonial background is New Zealand. Both have similar strategic, trading and missionary interests in the future of the Pacific, both have British Commonwealth traditions at the root of their colonial policies. These similarities do lead to some rivalries too, particularly in matters of trade. However, New Zealand's interests are

31 The only representative of the Department of External Affairs in this area. Noumea is also the headquarters of the South Pacific Commission.

mainly in farther South (Western Samoa, Cook Islands, Kiribati and Niue). Broadly, New Zealand's territories seem more advanced than those of Australia. This is partly due to the contrast between the Polynesian and Melanesian people (at least in New Guinea), partly due to more emphasis by New Zealand on colonial policies and partly to the domestic experience of governing two races.

Australia and New Zealand combined in the 1944 ANZAC Agreement for security and trade cooperation and were jointly responsible for the formation of the SPC. Since then, there has been much cooperation although the machinery envisaged by the ANZAC Agreement had not been implemented. This is probably to be explained by changes of governments in both countries, their changing relations with the UN since its formation, and the growing importance of the US. The exchange of High Commissioners between members of the Commonwealth had been regarded as a sufficient link. Yet, there were many common interests between the two countries. Reference was made to the existing special relationships and to the spirit of the ANZAC Agreement when arrangements were made in March 1956 for increased trade between the two countries. Both were members of ANZUS and SEATO, and both give importance to the US in regional politics. In the post-war period, there had been a clear increase in the stature of Australia, and New Zealand, hisas basically related to their initiative and assumption of responsibilities in the South Pacific.  

However, following the establishment of the SPC in 1947, the status of the Pacific Island Societies did not change. While regional cooperation among these islands were promoted political control and economic links continued to follow colonial lines - between various islands and former colonial capitals.  

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On the eve of decolonisation, South Pacific regional order was the legacy of an imperial order established in the late nineteenth century. South Pacific societies were a strategic backwater, out of bounds for power politics. Even Australia was not cooperative towards them. It never initiated any move to make the South Pacific free from nuclear race. With Australian consent, the US began testing atomic bombs over Bikini Atoll in the Marshall Islands in 1946. Two years later it began testing in Enewetak, where the first hydrogen bomb was exploded in 1952. Atmospheric testing continued at these sites until 1958 when the US moved its testing site to Johnson Atoll, an American Island South of Hawaii. In 1957, Britain moved its nuclear testing programme from Australia to Christmas Island, and was joined there by the US four years later. In 1963, France initiated its nuclear test programme at Mururoa atoll and continued till recent past. Thus, South Pacific region suffered from more than 163 atmospheric tests conducted in the region before 1975.

Even, the gradual emergence of Independent Island states after 1962 did not bring change instantly. The decolonisation of different islands gradually influenced the formation of independent foreign policies to be asserted in due course. In that endeavour the South Pacific nations felt the need of an indigenous regional Forum and as a result South Pacific Forum (SPF) was born in 1971. Hence, Australian attitude towards the region also started changing. Gradually, it promoted the idea of Nuclear Weapons Free Zone and increased financial assistance and trade relations. The South Pacific countries started getting proper attention and this increased the importance of the SPF in regional cooperation.

**Australia and the South Pacific Since 1970's**

The Islands of the South Pacific started figuring more prominently in Australian foreign policy planning in the years 1971-75 than in any period since Second World War. The Pacific Islands first attracted Australian attention principally at the private level, as an area for economic enterprises and missionary proselytism. Governmental concern later centred on a

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military appreciation of the strategic significance of the myriad specks of land guarding its vital north-eastern approaches. After the conclusion of the ANZUS Pact in 1952, the redrafting of the world's geo-strategic atlas in the 1970's and the development and spread of nuclear weapons since the 1950s, forced Australia to relax some of its military assumptions regarding the Pacific Islands and to look forward to South Pacific for its own as well as Island States' interest.

Contemporary Australian government's interest has tended to enhance humanitarian values more than in the past. Social and economic development issues in the South Pacific have also been highlighted by the changing political circumstances of the islands. The web of decolonisation also started blowing in the air. The colonial masters started leaving the territories for various reasons. Australia realised that as the colonial bonds were broken, it would have to accelerate diplomatic ties and economic investment in the region. Almost automatically, the humanitarian concerns of socio economic aid tended to serve as the raison d'être for Australia's expanding interest in the South Pacific.

Less elevated motives also had their place in justifying the revival of Australian involvement in the South Pacific. The British Government's decision in 1966 to withdraw from east of Suez and the declaration of the Nixon Doctrine in 1969 created a vacuum in Australia's north-eastern environments, which Canberra rather reluctantly decided to fill as a middle-power. A further contributing factor in this period was the importance of the Pacific to Australian trade. Over half of Australia's trade was with Pacific basin countries. While the islands themselves figured only marginally in the trade transformation, from the islands perspective, Australia was the principal source of supply of goods and services to many of the islands and it is expected to enhance its position as more territories achieved independence.

Australia started realising the real individuality of the countries of the South Pacific, which underlined the error of some past Australian perceptions of the region as a group of

friendly, uncomplicated - and indistinguishable – islands. Australians have, recently at least, had not much difficulty in understanding that there are great differences between countries in Asia; no one would these days confuse Malaysia with Vietnam. But too often the very real difference between, for example, even such near Polynesian neighbours as Tonga and Western Samoa, or such near Melanesian ones as Vanuatu and the Solomon Islands, have been overlooked, not to mention romanticised.

A part of that individuality is the increasingly wide-ranging and varied agenda which each relationship entails. The fabric of relations is becoming more complex year by year, if not day by day, in a way which expands both the opportunities for cooperation and the scope for disagreements on both sides. In other words, Australian relationship with the island countries started becoming richer, more interesting and challenging, and less predictable after the formation of SPF.

Since 1972, when the Law of the Sea Convention drew the map of the South Pacific, Australia immediately started looking differently towards the region and demonstrate to make the South Pacific region as their immediate priority. For Australia, it is a region of the highest foreign policy and security significance. Australia has fundamental, long-standing and largely unchanging interests, which deserves strong bipartisan support. It believes that developments that affect the security of the South Pacific will also affect the security of Australia.

Australia has clear geo-political, or strategic interests in preserving and promoting internal peace and political stability and the peaceful evolution of democratic political systems in the island states. It is interested in keeping the region free from destabilising activities by any external powers or groups; and in minimising superpower tension in the region. As Gareth Evans said in 1989 that "Australia can choose not to pursue these interests, but such a choice would leave it unprepared to respond effectively to hostile exploitation of political instability".37

Australia initiated its policy of opposition to those outside powers who are threatening the security of the South Pacific. It has been expressing strong objection to trouble making by any external power. It vigorously tried to encourage positive attitudes in the island states towards Australian security perceptions, and to encourage appreciation for those perceptions as a shared interest. This reflected a definite change in the Australian foreign policy perception.

Australia has been involved in the South Pacific to provide assistance for the economic development of the region as well. Political stability and peaceful evolution on the one hand, and optimum economic development on the other, are inseparable. Since economic development is very much the central preoccupation of the Pacific island countries, the Australian interest on economic development strategies are quiet evident in its attitude and that has been demonstrated not only in the Forum meetings but also in its bilateral relationships with the island countries.

Australia has, of course, responsibilities as the most developed country in the region, which they are discharging, without thinking about the associated benefits. Its aid and trade relations with the island countries, over the years, have grown. Nothing could better illustrate Australian interests in the region than its aid programmes. The South Pacific Aid Programme (SPAP) coordinates the level of distribution of Australian aid instituted since 1965.

Australia also has straightforward economic and trade interests of its own in the region. Leaving aside the economic relationship with New Zealand which is its third biggest trading partner in the region - the island states are considered as a valuable market for a range of Australian products. Therefore, Australia perceive the region as an area of substantial Australian investment (more than $85 million worth in the case of Fiji) and the site of important commercial ventures.38

38 ibid., p. 8.
Furthermore, Australia has a set of interests in the South Pacific, which can best be described as a projection of a good international citizen. It is also committed to vigorous efforts towards the protection of basic human values, as incorporated in the relevant UN conventions, including the Human Rights Covenants. Australia has also an interest in developing the kind of support for the global standing of international agreements in such areas as human rights, environmental protection, decolonisation, peace and disarmament.

All of these interests - and the realities of diversity and change require detailed and sensitive policy responses. In the light of all the resonances, it seems appropriate to try to analyse some expression of the Australian government to the overall shape of its South Pacific policy that has been evolving in recent times.

Australia, following the independence of Nauru in 1968 and PNG in 1975, has no dependencies in the South Pacific. The government of Australia has strong strategic interests in the region but also has substantial economic, humanitarian and environmental concerns.

The current policy, as enunciated by the former Minister for Foreign Affairs and Trade, Senator Gareth Evans in 1988, called for the need of Constructive Commitment and contains the following elements:

(a) Promotion of close, confident and broad-based relations with all Pacific islands countries on a basis that recognises their individual differences;
(b) Fostering of effective regional cooperation through the South Pacific Forum and its agencies, and the South Pacific Commission;
(C) Recognition that, for the island countries, security hinges on economic and social development, and offering assistance to help them achieve both;
(d) Respect for full sovereignty of the island states in relation to both their interests and their external affairs; but at the same time;
Promotion of shared perceptions of the region's strategic and security interests, laying the basis for the regional approach to situations, either internal or external, that put regional stability at risk.\(^{39}\)

The idea of constructive commitment was mooted in 1988 because of certain factors. To allow events to take their course and reacting when they threaten Australian interests was not a realistic option, the conceivable choices were:

(a) to act as the custodian of perceived alliance interests;

(b) projection of independent position;

(c) to maintain and develop a partnership with Pacific Island countries which promotes regional stability through economic development and the encouragement of shared perceptions of strategic and security interests.

In the past, the Australian approach had elements of aforementioned options. The logic of geography, of principle and of events forced the Australian policy makers to compromise on certain issues. Senator Gareth Evans has pointed out about strategy of Constructive Commitment, which help Australia to project itself as an integral part of the region and strengthen its capacity to promote national interest. Constructive commitment is based on respect for the full sovereignty of Pacific Island countries and of shared preception of the region's strategic and security interests.\(^{40}\)

The South Pacific, especially, is an area of fundamental importance to Australia. The former minister for Foreign Affairs and Trade, Gareth Evans, in his address to the Foreign

\(^{39}\) ibid, p. 8-9.

\(^{40}\) ibid, pp. 9-10.
Correspondent's Association in Sydney on 23 September 1992, said, Australia's relationship with the South Pacific is the immediate priority and it has important contribution to the final shaping of a new thought- Australian foreign policy.

Contemporary foreign policy priorities, as the Australian officials felt would adjust to the necessary changes in the changing world. Gough Whitlam, has remarked that a sound foreign policy is the intelligent anticipation of change and Australia is giving due attention to this aspect.

The Australians have based their strategies on the perceived notions of change. To them, the globe is becoming more pragmatic, less ideological, increasingly interdependent and, in some respects, multipolar. There are four features of that landscape, some of them are of quiet recent origin, viz., the changing east-west environment, the move towards globalism, the continuity of North-South division and the economic dynamism of the Asia-Pacific.

The 1980's and 1990's have been the periods of considerable challenge for Australia. Like others, Australia had to adjust to the realities of the transformation from Cold War to Post Cold War era and to the emergence of globalisation of world economy. Therefore, Australia was forced to respond to the challenges for substantially modernising its economy and grasping the opportunities provided by the dynamic growth of the Asia-Pacific rim by opening it to competition after decades of what had proved to be a satisfying regime of protection behind high tariff walls.

Australia, in order to, reform its policy also faces several challenges in the South Pacific. To quote Gordon Bilney, "If one rehearse this history, and outline the challenges facing Australia, two wider points will come to the forefront. These are: first, Australia is not alone in the region, any more than it is alone in the world, in having to face the challenges of the new international and regional agenda. Secondly, Australia in its policies of constructive commitment has mentioned two key interests in the region; (i) keeping the region free from
destabilising activity by an external power or group, and (ii) in minimising great power tension in the region". Regarding the second premise, it can be stated that influence of great powers can not always be assumed to be benign. 41

In the early 1990s, it was expected that the Pacific Islands region would fall off the Australian policy maker's map. 42 This seemed plausible given Canberra's preoccupation with Asia and the end of the perceived security problem in the South Pacific. Instead, Australian decision-makers embarked on a campaign to radically transform the regional economic order. The region was almost seen as a part of Australia's "backyard" which needed to be brought into the line with its push into Asia and through its reform agenda in the face of new global economic pressures. This move has been influenced by an organisational initiative, taken after the March 1993 elections, to place Pacific islands affairs and development assistance under a junior Minister. While some interpreted this as a downgrading of the area in Canberra's foreign policy priorities but, at the same time, it had the effect of bringing more attention and energy to the relations with the Pacific islands than exclusively in the Foreign Minister's hand. Under the leadership of Gordon Bilney, whose South Pacific credentials had already been established in his chairmanship of the inquiry into Australia's relations with the region, the South Pacific returned to the priority list in Canberra, even engaging the Prime Minister from time to time.

The broad conceptual frame of Australia's post-Cold War approach was made clear in Bilney's landmark address in July 1994 to the Foreign Correspondents' Association in Sydney, beamed by satellite in the island capitals. While presenting as a continuation of the 'constructive commitment' doctrine of his predecessor, Bilney said, that the new approach involved an intended level of intervention in Pacific island societies and states not contemplated since the colonial period. The purpose was not only to transform the development model and to reform government procedures, but also to effect change in cultural structures and

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41 Bilney, n. 4, p. 3

traditional practices, such as customary land tenure. This seemed to mark a departure from the answer that Evans gave to the question 'what is an appropriate role for Australia in the islands region?' At least at a rhetorical level, Evans had opted for an eschewal of hegemony, a respect for sovereignty, and promotion of partnership. And in its generalised account of island life and assumption of a typical island state and leader, the new approach appeared to contrast rather dramatically with the careful attempt by Evans to move Australian policy away from a reliance on the caricature and stereotype of past approaches. 43

The 1987 Defence White Paper identified Australia's area of primary strategic concern and direct military interest as an area from PNG to New Zealand including all the nearby countries of the South Pacific. The Department of Defence's report submitted to a 1989 parliamentary inquiry committee stated that Australia had a direct interest in:

(a) Limiting the extent and nature of major external military-power involvement in the region;

(b) fostering a strategic outlook that is in tune with Australia's strategic concerns;

(c) encouraging Pacific island countries to look to Australia for guidance on strategic and defence issues; and

(d) facilitating Australian Defence Force operations in the region. 44

In early 1988, after reviewing the evidence received at that time, it became apparent that Australia had given little attention to a South Pacific perspective on the relationship. A

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43 ibid, p. 292.

44 ibid, pp. 295-96.
committee thus was formed which has reviewed the Australian policies and submitted its report to the Australian government.\textsuperscript{45}

Accordingly, Australia's relation with the South Pacific is divided into two main sections: (i) economic issues and (ii) security and political issues.

The first, dealing with economic issues, provides an overview of the economic situation of the South Pacific States and their economic relationship with Australia. There is also a section on Australian development assistance to the region, currently some $338 million per year, including Papua New Guinea, and identification of a number of areas where Australia has the expertise and experience to assist - in particular in the fields of infrastructure of education, communications, transport, and health. The second section of the report deals with political and security issues and examined areas such as the strategic environment of the region, regional defence and security interests and capabilities, the possible role Australia might take in the region, a number of developments and trends in the region, including the activities of non-South Pacific nations; and recent problems in Melanesian States.

The report made 46 specific recommendations across the whole range of Australia-South-Pacific relations. These, together with a summary of the major conclusions reached by the committee, are in a separate section at the front of the report.

The specific areas that received special mention are as follows:

Economic security is predominant in the concerns of the countries of the region, reflecting their awareness of the fragility of their economies and vulnerability to outside influences. Economic independence - that is, dependence from development assistance - may never be achieved by some of these countries. The region has experienced a decline in general standards of living since the early 1970s, despite high aid flows and privileged access to

\textsuperscript{45} Charles, n. 1, p. 160.
industrial country markets. Although, the South Pacific people are not poor by international standards, they are unable to achieve and maintain a standard of living comparable to many Western countries. Most have a poor trade balance and rely on remittances from citizens working overseas and foreign aid as sources of foreign exchange.

The South Pacific nations, to varying degrees, all face constraints to development arising from their geography. With limited resource bases, they rely on a small number of agricultural products for export earnings. A lack of sufficiently trained personnel in both the public and private sectors is one of the region's most pressing problems, and is an area where Australia wants to make valuable contribution.

However, much remains to be done. There are deficiencies not only in the technical and vocational levels of education, both for the public and private sector, but also at the primary and secondary levels of education. Common difficulties in the region include acute shortage of textbooks and other learning materials, a shortage of schools and under-qualified teachers.

The committee makes a number of specific recommendations in the field of education, including a separate training allocation for technical education aimed exclusively at the private sectors of these countries, and the introduction of an Australian teacher volunteer programme. A number of large infra structural projects, some in the educational field, have been undertaken under Australian development assistance.

**Developments in the Post-Cold War Era**

Throughout the 1980s, Australia's South Pacific policy had been dominated by security concerns. Australia had been the main architect of the idea of 'regional security' and concerned about its contents. However, increasingly, there are other competing objectives for consideration.

Following the Fiji coups of 1987, for example, and the Bougainville troubles from 1988, there were humanitarian and democratic principles competing with 'regional
security objectives. In the context of New Caledonia freedom movement and French nuclear testing, there were anti-colonial and anti-nuclear sentiments in the background to influence the policy. With the end of the Cold War these competing voices had become muted. They ultimately gave way to real politik concerns with inter state order and regional stability. The new order started providing importance to economic consideration and initiated an economic rationalist agenda. Its influence was first felt in the aid debate about PNG New, a debate begun in earnest with the Jackson report in 1984. While this approach did influence in certain sectors of the bureaucracy, and particularly, Australian International Development Assistance Bureau (AIDAB). It too influenced approaches to Papua New Guinea. Aid policy had become attached to a security paradigm.

In the early 1990s, these contending policy objectives disappeared. Now, Australia’s South Pacific policy was built on an economic-rationalist framework, and this seemed to be unanimously supported by all government agencies. The main preoccupation now is concentrated on the economy.

The Secretary, Department of Foreign Affairs and Trade, Michael Costello in 1995 told the Australian Institute of International Affairs that the South Pacific region is facing tremendous economic and social pressures. In the last decade the GDP per capita growth rates had averaged less than one percent per annum. Population growth rates were soaring and if those trends continued, the result would be a steady decline in the standard of living in many island countries. Therefore, it is essential that these governments put into place rigorous national policies to enhance economic and social development and to curb the unsustainable exploitation of natural resources. These tiny island countries also should interact with the metropolitan and extra-regional powers for economic assistance and financial aid to have a self-sufficient economy. Here also, the tiny island states are facing problems. The domestic policy

46 Fry, n. 36, p. 251.
settings of the FIC failed continuously to address domestic challenges. On the other hand, Australia has shown its eagerness to provide assistance to them but in the absence of a long-term domestic economic policy, such assistance would not be fruitful and only will have a short-term effect.

The end of the Cold War was clearly the key factor in explaining the shift away from an emphasis on security. But this should not be regarded as self-evident. The end of the Cold War did not, for example, spell the end of security concerns in Australia's approach to Southeast Asia: it remained an important agenda alongside the economic thrust of policy. Nor did Australia's defence planners see a more benign strategic environment in the wider Asia-Pacific region. On the contrary, they are concerned about the uncertainty of the new situation and about the commitment of the United States to remain significantly involved. In the post-cold war era, the Australian Government remained plugged to a security-oriented approach in the South Pacific. It seemed to continue the superstructure of the Cold War framework - with state stability linked to regional order, the possibility of intervention, and of external threat, as organising ideas - even though the perception of Soviet threat, had gone. And the main security problem in the South Pacific as seen by Australian defence planners, that of PNG, was unaffected by the Cold War, or its ending. In such circumstances, policy makers might have decided not to continue a security-oriented approach further into the 1990s. The shift to an economic framework, also, requires some explanation.

The shift has been encouraged to facilitate playing a meaningful role in resolving the main security problem of the region. The Bougainville crisis, the independence movements in New Caledonia are some issues on which Australia has changed its perception. Australian policy to accept France's right to stay in the South Pacific as a colonial power shows how it is changing. Though Australia played a key role in 1986 to have New Caledonia on the UN's Decolonisation Committee's list of territories, it is not so vocal now. The realisation of the Australian policy makers is that security and appropriate development are linked. The old

argument that national unity was best achieved by continuing unconditional budgetary support to the political elite looked less convincing as the survival of the state itself seemed increasingly threatened by its poor performance in delivering services, managing resource development and maintaining public order.\textsuperscript{50} The need for a more interventionist policy to promote radical structural adjustment became accepted both for security and development reasons.

While these factors might contribute to an explanation of the shift in emphasis from a security to an economic orientation (or from military security to economic security), it does not foresee the choice of a particular type of economic framework, that of the neo-classical model, or "economic rationalism." The primary importance on economy was considered desirable in Australia since the mid-eighties. Subsequently, increasing ideological commitment to more radical structural adjustment was undertaken under the stewardship of Prime Minister Paul Keating from 1993 to 1995. The Western countries and international financing institutions have reinforced it. Speaking on the aid approach towards the Pacific Islands, Paul Keating said:

adjustment task is one which Australia has worn and Australians have worn and succeeded in. And it is a similar message, for the countries to which Australia is giving support.\textsuperscript{51}

In short, Australia is striking for a rationalist framework which can be divided into five constitutive images. The first is that the end of the Cold War has reduced the interests of great powers in the South Pacific. The idea was since there is no cold war, therefore, no need to invest to keep adversaries at a bay. The island countries have to realise this reality.

The great powers economic management during the cold war in the South Pacific is not uniform in the 1990s. And subsequently Japan, the United States, the Soviet Union and France were not 'traditional' donors to the South Pacific. The Soviet Union had never given


\textsuperscript{51} ibid, p. 78.
any economic assistance to a Pacific island country, and the United States, France and Japan only became significant regional donors from 1987. The United States has already reduced its economic assistance, whose contribution in the past was also modest. All major aid givers like the European Community (EC), France, Australia, Japan and New Zealand - have marginally increased their economic assistance for the South Pacific. The UN's assistance have also increased in the name of sustainable development, environmental and population agendas. Taiwan, China, Malaysia and South Korea - are also interested to invest capital in the South Pacific.

A second aspect of rationalist approach is that the South Pacific nations are doing very poorly in economic development. The policy makers draw attention on the World Bank's notion of a 'Pacific Paradox'. As interpreted by Bilney, the paradox was 'that, over the past decade most of the FIC have achieved only slow growth in real per capita incomes despite a generally favourable natural and human resource endowment, high levels of external assistance and generally sound economic management'. As further evidence of failure, the Minister drew on what was claimed to be a World Bank estimate 'that real gross national product in Pacific island countries grew by an average rate of only about 0.1% annually over the previous ten years.' In contrast to this experience, the World Bank noted encouraging trends in the Indian Ocean region and Caribbean countries.

Compared to the World Bank reports of the South Pacific, the Australian position is a qualitative one. The claimed average growth rate of the period of 0.1 per cent was in fact a per capita figure for members of the Bank (six of the fourteen, excluding Papua New Guinea). The figures were also well out of date as an indicator of island economies in 1994-95. The World Bank Report of 1995, for example, noted that there had been a substantial improvement in average growth performance of the Pacific Member Countries in the early 1990s, overtaking the Caribbean countries whose comparative rates had earlier been seen as evidence of Pacific failure.
Following conceptual shifts within World Bank thinking, Australia has given emphasis to promote sustainability, biodiversity and environmental consciousness. With regard to resource management, there is also dismal picture. Although presented as a region-wide characteristic, the perception of failure in forest management has driven PNG and the Solomon Islands, in particular, to review their policies to control highly unsustainable logging practices. In relation to fisheries management, Australian policy makers promoted a strong image of Forum island leaders by allowing their $2 billion a year resource to be taken out by Asian fishing boats.

The perception of development failure was set in the context of a fourth element in the new picture, a 'Malthusian Image' of a region that was experiencing 'soaring' population growth that would lead to a 'doomsday scenario' where population would severely outstrip income and resources. It was an image that relied, for its intellectual underpinning, on the AIDAB-funded 'Pacific 2010 Project' at the Australian National University's National Centre for Development Studies. The government accepted the proposition that on present trends, South Pacific societies were heading for 'doomsday'. But like the Pacific 2010 project, they suggested it could be avoided if appropriate policies were put in place. While the basis of the Pacific 2010 demographic projections, and the conclusions drawn from them, were challenged by other demographers based at the University of Papua New Guinea and the University of Hawaii, the doomsday image remained a powerful influence on the Australian policy position.

Finally, there is a new prospective concerning the place of the Pacific islands in the changing global economy. This is a region that is marginalised in a post-Uruguay Round, and by trade liberalisation. The picture is one of a region that would not be in a position either to take up the opportunities afforded by a liberalised order or to fend off the threats to its own economy of the competition provided by more efficient potential producers.

The post-Cold War period has seen Australia's approach to the region changing decisively, to be more friendly and helpful but essentially reactive. It has striven to undertake construction of a community of interests with the island neighbours in which the
advancement of their welfare and their prosperity is explicitly seen as essential. Australia was in 1985, and remains in 1997, the largest aid donor, the largest commercial centre and a major contributor to the SPF and at the same time, remained as a major political force in the South Pacific.