



State, Society and Governance in Melanesia Project
RESEARCH SCHOOL OF PACIFIC AND ASIAN STUDIES



**SSGM CONFERENCE REPORT ON
'Globalisation, Governance and the Pacific Islands'**

Hosted by the State, Society and Governance in Melanesia Project
Research School of Pacific and Asian Studies
The Australian National University

Date: 25 to 27 October 2005

**Venue: Old Canberra House
The Australian National University**

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1. SSGM CONFERENCE REPORT

The State, Society and Governance in Melanesia Project (SSGM) recently organised a major conference on the topic 'Globalisation, Governance and the Pacific Islands'. The conference took place at Old Canberra House, 25 to 27 October 2005, and brought together 24 Pacific Islands specialists from Papua New Guinea, Solomon Islands, Hawaii, the Federated States of Micronesia, Samoa, Fiji and New Zealand as well as Australia. The principal keynote speaker came from the Mona campus of the University of the West Indies in Jamaica. Those attending the conference included academics, mostly from the ANU, representatives of AusAID (Carol MacLeod and Alopi Latukefu) and other government agencies such as DFAT and the Australian Institute of Police Management, representatives of consulting firms such as ACIL Australia, a Pacific expert from the World Bank, and diplomats including the High Commissioner for Fiji and a representative from the Delegation of the EU to Australia and New Zealand.

AIM

The aim of the conference was to examine globalisation in the Pacific Islands as its impact deepens, and to conduct an audit of the good governance agenda in the region, as well as to explore the interaction between good governance and tradition.

BACKGROUND TO ISSUES ADDRESSED BY THE CONFERENCE

'The need to globalise' is a message Pacific Islanders have been hearing since the mid-1990s, when Australia decided that the highly regulated economies of the Island states with their large public sectors - the legacy of an earlier era of advice - were uncompetitive and should be exposed to the fresh winds of privatisation and free trade. Australia could see 'no realistic alternative to competition and the pursuit of comparative advantage, no matter how daunting these concepts may appear', and introduced a program to help Island governments reduce the number of public servants. This initiative, the Policy and Management Reform Program, was the beginning of a concerted push for globalising reform that has continued ever since. The push has come from every important aid donor, international financial institution and trade partner with which the region has dealings.

For the European Union, the impetus to changing the aid and trade relationship with

the Pacific Islands came when the Uruguay Round of the General Agreement on Tariffs and Trade concluded in 1994 and the World Trade Organization (WTO) was established soon afterwards. Under a policy announced in 1996, but only now being implemented, EU aid would become more conditional, and the key condition would be good governance in aid-recipient states. Free trade would replace preferential trade, and the EU would negotiate free trade agreements separately with different parts of the developing world.

Pacific regional institutions and governments have long since accepted the conventional wisdom that, in order to prosper, Island countries must privatise, deregulate and globalise. Yet only now are the full effects of globalisation beginning to be felt. Free trade in garments is shifting global production decisively to China, and threatens Fiji's garment industry. Free trade in sugar will radically restructure Fiji's sugar industry and may end it within the next decade, with enormous social consequences. At the same time other opportunities are emerging. Pacific Islanders are working in call centres, and Fiji has joined Samoa and Tonga as a remittance economy, with thousands of citizens working overseas, many of them in the Middle East.

Papua New Guinea and Solomon Islands have been grappling since independence with an older, more familiar kind of globalisation, one in which multinational companies exploit mineral and forest resources. Some say PNG and Solomon Islands suffer from a 'resource curse', which, it has been argued, destabilises developing countries in other parts of the world. Others stress that the governance problems of Melanesia arise fundamentally from the awkward fit between the modern, democratic state and traditional ways of doing politics in that part of the world.

Just as Pacific governments accept the need for globalisation, so they agree that good governance is desirable. In one sense 'good governance' is incontestably good: who could be against an approach to public administration that emphasises being efficient, honest, accountable, transparent and responsive to the public? In other senses 'good governance' is more contentious. Good governance is the product of globalisation and a market-oriented economic policy, and, from the point of view of aid donors, has the great advantage of placing responsibility for success squarely in the hands of the governments of developing countries. Then there is the cultural dimension: to some extent, good governance depends upon Western assumptions about individual interests and responsibilities that do not apply to Pacific cultures, yet at the same time Pacific politicians exploit the 'culture card' as a way of avoiding responsibility for corruption.

SESSIONS AND PAPERS

Papers on the first day of the conference centred on two key themes: the origins and character of contemporary neo-liberalism (John Rapley, Warwick Murray and Claire Slatter); and the impact of new trading arrangements on the sugar and garment industries in Fiji (Kate Hannan, Donovan Storey and Padma Lal).

Origins and Character of Contemporary Neo-Liberalism and Globalisation

John Rapley opened the conference with a keynote address in which he offered an interpretation of the origins of modern neo-liberalism and its practical expression, globalisation. He argued that the first abandonment of Keynesian economic policy came in Chile in the 1970s, and spread from there to become the accepted economic wisdom in the developed and developing worlds. Warwick Murray offered definitions of globalisation, and Claire Slatter analysed the performance of Pacific NGOs and the anti-globalisation movement in the Pacific Islands.

Sugar, Garments and Remittances in Fiji

Kate Hannan thought rural migrants were likely to flood to urban centres in the wake of the restructure of Fiji's sugar industry, and that EU transitional arrangements for the sugar industry would do little to ameliorate economic and social disruption; and while she argued that the 'growth in remittances is a bright spot on Fiji's economic landscape', she saw it as overshadowed by the global push to regulate and tax the remittance market. Donovan Storey traced Fiji's garment industry through three key phases of development and decline: its origins in regional trade pacts in the 1980s, its heady achievements in the 1990s, and its apparently imminent demise today under the impact of the end of the Multi-Fibre Arrangement. Padma Lal examined the economics of the Fiji sugar industry under free trade conditions, and concluded that the restructuring plan drawn up by experts from the Government of India was unlikely to rescue the industry from collapse.

Keynote Address on Governance in Fiji

The second day opened with a perceptive keynote speech on 'Governance in Fiji: the interplay between indigenous tradition, culture and politics' by the Vice-President of Fiji, Ratu Joni Madraiwiwi, who pointed to the cultural and political origins of the challenge Fiji faces and the damage that would flow from any further divergence from the constitution of 1997.

Two parallel full-day sessions followed, one on globalisation and governance in Papua New Guinea (Glenn Banks, Mel Togolo, Joe Ketan, James Laki and Orovu Sepoe) and the other on labour migration in the region (John Connell, Nic Maclellan, Avelina Rokoduru, Helen Lee and Manoranjan Mohanty).

Papua New Guinea

Mel Togolo thought abundant natural resources were not necessarily a curse in PNG, and argued that the PNG government is managing its resource sector better than in the past because of reforms in the public sector. Joe Kanekane examined the impact of the media in PNG on good governance, pointing to the media's successes in exposing corruption as well as the difficulties faced by underpaid journalists. James Laki spoke on the impact of globalisation on good governance in PNG. Orovu Sepoe argued that many Papua New Guineans are deprived of basic rights during elections

and proposed ways of achieving a people-centred, participatory and more representative democracy in PNG.

Labour Migration

John Connell surveyed Pacific labour migration, and concluded that ‘most Pacific island states are likely to remain weak for the foreseeable future, become increasingly dependent on the wider world and require new forms of external support and intervention. International migration constitutes one increasingly less hesitant solution: an expanding and unsatisfied outward urge.’ Nic Maclellan and Peter Mares argued for Australia to introduce a seasonal employment scheme and to open up its labour market to Pacific Island workers, beginning with small-scale pilot projects. Avelina Rokoduru analysed labour migration within the Island Pacific, using Fijian migration to the Marshall Islands as a case study. Helen Lee warned that second-generation Tongans in Australia and New Zealand are less likely than their parents to remit money, and that the Tongan economy, which is more dependent on remittance income than ever, may suffer as a result. Manoranjan Mohanty examined the new Fijian labour migration in the context of global flows of labour and remittances.

Keynote Address on Governance in Micronesia

Father Francis Hezel, SJ, began the third day with a lucid explanation of challenges to good governance in Micronesia. He thinks Micronesian governments are hindering good governance by failing to share information, partly because of traditional attitudes towards valuable knowledge and partly because they operate in small societies. They must change that attitude if they are to oversee genuine development.

The remaining conference sessions dealt with Solomon Islands (Tarcisius Kabutaulaka, Morgan Wairiu), governance in Fiji and Samoa (Vijay Naidu, Morgan Tuimaleali’ifano and Asafou So’o), and political systems and regional plans (Jon Fraenkel and Elise Huffer).

Solomon Islands

Tarcisius Kabutaulaka traced the history of forestry in Solomon Islands and showed how it has compromised the integrity of national politicians and undermined the state. Morgan Wairiu argued that, despite RAMSI’s success in restoring law and order, people and government in Solomon Islands remain dangerously dependent on ‘destructive resource extraction activities like logging and over harvesting of coastal marine resources’. He could see no ‘evidence of changed thinking or fundamentals about the country’s economic base’, and called for a shift to economic sustainability in order to ensure that RAMSI brings permanent change to the Solomons’ prospects.

Governance in Fiji and Samoa

Vijay Naidu reminded the conference that Fiji’s political stability remains tenuous, and that the only stable future for Fiji is multi-cultural; Morgan Tuimaleali’ifano examined

the persistence of tradition in Samoan governance; and Asofou So'o suggested reasons for Samoa's political stability in the last fifteen years, among them effective political leadership and a skilful blending of modern governance with the *fa'a Samoa*.

Political Systems and Regional Plans

Jon Fraenkel compared the experience of Fiji and New Caledonia with power-sharing; and, in the final paper of the conference, Elise Huffer suggested ways in which the Pacific Plan could incorporate Pacific culture and promote cultural identity.

Publication and Dissemination of Conference Proceedings

Each conference session had a discussant who offered informed appraisal and criticism of the papers delivered, and paper-givers are now engaged in re-writing their papers in the light of these comments. A number of the conference papers, especially those on Fiji sugar, Fiji garments, labour mobility, the Solomons economy and governance in PNG are of policy relevance, and SSGM plans to disseminate them to the policy community by publishing a conference collection.

SSGM plans to publish the collection as a book in the first half of 2006, and is at present engaged in editing the conference papers.

Special Thanks

Special thanks go to AusAID for helping to make this conference possible through its funding of SSGM; to Sue Rider, who played the key role in organising travel, accommodation and reimbursement of conference participants; and to Jean Hardy, who assisted Sue Rider in this and other organisational tasks.

Stewart Firth
(Conference Organiser)
15 December 2005

2. SSGM Conference Program

State, Society and Governance in Melanesia Project

Research School of Pacific and Asian Studies

GLOBALISATION, GOVERNANCE AND THE PACIFIC ISLANDS

Tuesday 25th October - Thursday 27th October 2005

Old Canberra House

The Australian National University, Canberra

The conference will bring participants from PNG, Solomon Islands, Fiji, Samoa, Hawaii and other parts of the Pacific as well as New Zealand. The first aim of the conference is to explore the impact of globalising processes in the South Pacific, in particular free trade and its implications for industries such as sugar and garments, the impact of mining and forestry, and the continuing growth of Pacific labour migration to other parts of the world. The second aim of the conference is to audit the progress of the good governance agenda in regional states, and to revisit key issues in the debate about good governance such as the role played by culture and tradition in regional political systems.



Tuesday 25 October

8.45 **Welcome and Opening – Professor James Fox, Director, RSPAS, ANU**
9:00 -10:00 **Keynote Address: Professor John Rapley, University of the West Indies, Jamaica**
From Neo-Liberalism to the New Medievalism: Threats and Opportunities in the World Economy

10:00 - 10:30 **Break**

Session 1 **GLOBALISATION AND GOVERNANCE IN THE PACIFIC**

Chair: Manu Barcham (Massey University)

10:30 - 12:00 Warwick Murray (Victoria University of Wellington)
Grounding globalisation in the Ocean - geographies of change in the Pacific Islands

Claire Slatter (DAWN)
Economic Globalisation: Challenging NGOs in the Pacific
Discussant: Nicole George (PIR, ANU)

12:00 - 1:30 **Lunch**

Session 2 **GLOBALISATION AND FIJI**

Chair: Greg Fry (IR, ANU)

1:30 - 3:00 Kate Hannan (University of Wollongong)
Globalisation, Free Markets and Small Pacific Island States: Sweatshirts, Sugar and Soldiers

Donovan Storey (Massey University)
End of the line? Fiji's garment industry and 'globalisation
Discussant: Satish Chand (APSEG, ANU)

3:00 - 3:30 Break

Session 3 ***GLOBALISATION AND FIJI***

Chair: Nic Maclellan

3:30 - 5:00 Padma Lal (Forum Secretariat)
Globalisation, the Sugar Industry and Good Governance

Discussant: Stewart Firth (SSGM, ANU)

Wednesday 26 October

Chair: Stewart Firth (SSGM)

9:00 - 10:00 **Plenary Session: Address by H.E. Ratu Joni Madraiwiwi Vice-President, Republic of Fiji**
Governance in Fiji: the interplay between indigenous tradition, culture and politics

10:00 - 10:30 Break

**FIRST STREAM: GLOBALISATION AND GOVERNANCE
IN PAPUA NEW GUINEA
(Old Canberra House Conference Room)**

Session 1 ***THE RESOURCE CURSE IN PAPUA NEW GUINEA?***

Chair: Bryant Allen (Human Geography, ANU)

10:30 -12:00 Glenn Banks (Auckland University)
Mining, social change and corporate social responsibility: drawing lines in the Papua New Guinea mud

Mel Togolo (Placer Dome)
The Resource Curse and Good Governance: a PNG Perspective

Discussant: Anthony Regan (SSGM, ANU)

12:00 - 1:30 Lunch

Session 2 ***GOVERNANCE IN PNG***

Chair: Hank Nelson (PAH, ANU)

1:30 - 3:00 Joe Kanekane (Law and Justice Sector Program, Port Moresby)

PNG Media, Globalisation and Governance

James Laki (NRI, PNG)
Globalisation and Governance in PNG
Discussant: Sinclair Dinnen (SSGM, ANU)

3:00-3:30 **Break**

Session 3 ***GOVERNANCE IN PNG***

Chair: Katherine Lepani (Gender Relations Centre, ANU)

3:30 - 5:00 Orovu Sepoe (UPNG)

Democracy in Papua New Guinea: Challenges from a Rights-based approach.

Discussant: Abby McLeod (SSGM, ANU)

Wednesday 26 October

SECOND STREAM: LABOUR MIGRATION
(Old Canberra House Theatre)

Session 1 ***LABOUR MIGRATION AND THE REGION***

Chair: Kate Hannan (Wollongong University)

10:30 - 12:00 John Connell (University of Sydney)

Migration, Dependency and Inequality in the South Pacific: Old Wine in Bigger Bottles?

Nic Maclellan and Peter Mares (Swinburne University)

Presented by Nic Maclellan

Labour mobility in the Pacific: creating seasonal work programs in Australia

Discussant: Dave Peebles (Advisor to Shadow Minister, Pacific Island Affairs)

12:00 - 1:30 **Lunch**

Session 2 ***LABOUR MIGRATION: FIJI AND TONGA***

Chair: Karin von Strokich (University of New England)

1:30 - 3:00 Avelina Rokoduru (USP)

Contemporary Migration within the Pacific Islands: the case of Fiji skilled workers in the Republics of Kiribati and Marshall Islands

Helen Lee (La Trobe University)

The Children of Tongan Migrants and the Future of the Homeland

Discussant: Donovan Storey (Massey University)

3:00 - 3:30 **Break**

Session 3 ***LABOUR MIGRATION: FIJI***

Chair: Brij Lal (PAH, ANU)

3:30 - 5:00 Manoranjan Mohanty (USP)

**Globalisation, New Labour Migration and Development in
Fiji Islands**

Discussant: Manu Barcham (Massey University, New Zealand)

Thursday 27 October

Chair: David Hegarty (SSGM, ANU)

9:00 - 10:00

Plenary Session: Address by Francis Hezel, SJ

*Keeping The Information Flow Open: A Key Condition for Good
Government in Micronesia*

10:00 - 10:30

Break

Session 1

SOLOMON ISLANDS

Chair: Sinclair Dinnen (SSGM, ANU)

10:30 - 12:00

Tarcisius Kabutaulaka (PIDP, East West Center)

**Global Capital, Local Ownership and Contesting Interests in
Solomon Islands Forests**

Morgan Wairiu (Environmental Concerns Action Network of Solomon
Islands, Honiara)

Governance and Livelihood Realities in Solomon Islands

Discussant: Iris Wielders (PIR, ANU)

12:00 - 1:30

Lunch

Session 2

GOVERNANCE IN FIJI AND SAMOA

Chair: Anthony Regan (SSGM, ANU)

1:30 - 3:00

Vijay Naidu (Victoria University of Wellington)

The State of the State in Fiji: some failings in the periphery

Morgan Tuimaleali'ifano (USP)

**Customary Roots/Routes of Modern Corruption – The Installation
Process and Expectation of Modern Titular Chiefs**

Lau Leapai Dr Asofou So'o (National University of Samoa)

**Political stability in Samoa despite the dominance of the Human
Rights Protection Party**

Discussant: Scott McWilliam (APSEG, ANU)

3:00 - 3:15

Break

Session 3 ***POLITICAL SYSTEMS AND REGIONAL PLANS***

Chair: Ron May (SSGM, ANU)

3:15 - 4:30 Jon Fraenkel (PIAS-DG, USP)

Power Sharing in Fiji and New Caledonia

Elise Huffer

Regionalism & Cultural Identity: Putting the Pacific back into the Plan

Discussant: Michael Morgan (CDI, ANU)

4:30 - 5:00 ***CONCLUDING SESSION***

State Society and Government in Melanesia Project gratefully acknowledge the support of this conference by the Australian Government, through AusAID, and The Australian National University





SSGM Conference Photo : "Globalisation, Governance and Pacific Islands Conference held at Old Canberra House October 2005
Keynote Speaker His Excellency Ratu Joni Madraiwiwi, Vice-President, Republic of Fiji.