

Submission to the
Senate Foreign Affairs, Defence and Trade Committee
on aspects of
Security Challenges and Pacific Islands Regionalism

Richard Herr*

The regional system of the Pacific Islands¹ has been important to modern Australian foreign policy since the ANZAC Pact made the concept an explicit element of the Chiefly Government's post-war reconstruction plans. The 1944 bilateral agreement with New Zealand led to the South Pacific Commission (now the Pacific Community but retaining the familiar SPC acronym) which itself subsequently spawned, directly or indirectly, an amazing array of regional associations. In 1952, the ANZUS Agreement reinforced the perception that the region was essential to Australian security. Over the years since, regionalism itself has become vital not just to Australia's security but even more so to the member states of the region. Decolonisation established this area as the world's largest concentration of microstates.² These especially small states rely on the regional system to supply an extensive range of programs, services and technical support to supplement their limited national capacity. As well, the regional system provides for structure amongst the member states enabling them to engage the extra-regional world on more equal terms. At one level, it might be said that Australia is privileged to be included as of right in this system of political, developmental and technical associations. At another, it would have to be acknowledged that this richly varied configuration of international organizations is unlikely to exist without Australia's support.

This brief supplementary submission seeks to add to some of the contemporary issues regarding Australia's involvement in the Pacific Islands regional system addressed in the principal article previously submitted. In particular, it argues that, in order to fully appreciate the value of the region's associations to Australia, it is necessary to calculate the costs and benefits from a fresh perspective. The standard yardstick for measuring the success of the regional organisations that give form to regionalism, at its most general, is the same for any assessment of effective international relations. This is; how well do these agencies meet the expectations and purposes of their participating states? As I have noted in the principal article for this submission, the stakeholders in Pacific Islands regionalism comprise two very distinct and distinguishable categories - the developed states, mainly Australia and New Zealand,³

* Honorary Research Associate, School of Government, University of Tasmania and Adjunct Professor of Pacific Governance and Diplomacy, Centre for International and Regional Affairs, University of Fiji.

¹ The terms "Pacific Islands" and "Islands" are taken throughout this paper to defer to the 22 island polities that fall within the scope of the Pacific Community. The term Pacific Islands countries (PICs) is synonymous with this usage and is distinguished from the smaller group of 14 island countries that are members of the Pacific Islands Forum (FICs).

² Microstates can be variously defined but I use the 500,000-population benchmark in this and other works, which basically only finds two Forum members as well above microstate status – Fiji and PNG. Another definition, sometimes used by the UN sets the threshold at one million that would include Fiji in the ranks of Pacific Islands microstates.

³ France and the United States participate in the SPC and in SPREP as states parties but are not members of the other regional inter-governmental organisations (IGOs).

and the developing states and territories. This cleavage has created a tension with regard to the costs and benefits of participation in the regional system. There is a tendency amongst the developed members of the Pacific Islands regional system to measure success in terms of economies of scale; that is, how well multilateralism secures savings over individual or bilateral efforts. However, this is an inappropriate measure within a region where the PICs are concerned. Most of these states and territories are incapable of achieving effective economies of scale internally much less in their external relations. A much more useful, if hugely complex, metric would be an indicator assessing how well the regional institutions help the PICs to manage their diseconomies of scale both internally and externally.

One major influence on me in forming this view on the importance of the Pacific Islands regional system was my participation in the 1976 "Two Man Commission to Review of the SPC". During the consultation with state and territories on that work, I realised that a vital role of the SPC (which was then the only regional development assistance implementation agency) was national capacity supplementation especially for the smaller states that could not maintain themselves the range of expertise needed to manage a modern state. This view was strongly endorsed by the subsequent review conference on Nauru and was a significant factor in the smaller states resistance to amalgamating the SPC and the South Pacific Bureau for Economic Cooperation (SPEC). Nothing has really changed my view of this over the years since. Indeed, the end of the Cold War and post-9/11 concerns have only intensified demands for greater state responsibility from small states for their own affairs especially in terms of the security of their neighbours, including Australia.

The international community accepted a large burden of appropriate support when sovereignty was extended to states known to be unable to meet one of the traditional requirements of sovereignty – providing for their own security. In the international hierarchy of states, microstates fall below the category of "small states" for which the definition of external capacity was "only able to look after their own affairs". The inference then must have always been that microstates were unable to meet this minimal standard and thus could expect the international community (broadly defined) to assist them to meet their sovereign obligations both domestically and internationally. In the contemporary international climate where the overt concern for failed, failing state and fragile states obscures the distinction between such states and microstates and their long standing dependence on external support, imposes even more pressure on the Pacific Islands' region in which most states are microstates. The obligations of states like Australia to our microstate neighbours cannot be calibrated today to make them responsible for international standards they were unable to meet at independence. The implications of attempting to do this are clear when one considers that a standard definition of a failed state is a country that is "utterly incapable of sustaining itself as a member of the international community."⁴ Clearly, we would wish to distinguish between responsible microstates legitimately dependent upon the external support and a failed state that is not independently sustainable in meeting its sovereign obligations to its own citizens and to the international community.

⁴ Gerald B. Helman & Steven R. Ratner, "Saving Failed States." *Foreign Policy*, Vol 89, Winter 1992, pp 3-20.

It is for these general reasons that I believe this inquiry provides an excellent opportunity for serious consideration to be given to understanding more effectively the diseconomies of scale faced by our neighbours and therefore the importance of the regional system and addressing this region-wide problem. The Pacific Islands regional organisations and programmes help to redress significant areas of state incapacity without the associated problems of imbalances in power that can characterise bilateral aid. Moreover, the regional system is able to provide mechanisms where microstate priorities can be appropriately piggybacked onto other regional development priorities and so maintain a balance with the needs of the larger polities and general regional wishes. On the whole, I believe the regional system has had demonstrated its relevance to meeting the more generalised security needs of the PICs - economic security, environmental security, national security, and the like. In contributing so effectively, the Pacific Islands regional system has greatly assisted in achieving the specific security interests of Australia as well as providing an outlet for good international citizenship in this area.

This is not to say there could not be improvements. The entire institutional architecture of the Pacific Islands regional system has been under substantial and comprehensive review as part of a reform process known as the Pacific Plan. The Plan's broad aim is to advance the regional cooperation and integration along a number of fronts including institutional restructuring. Certainly, I would expect one of the outcomes of an effective Pacific Plan to be a practical network of regional supports for the smaller states in the Pacific Islands area better enabling these states to meet reasonable international expectations regarding the use of their state sovereignty both internally and externally. And, if these developments assist the FICs to maximise their capacity to exercise their sovereignty is achieved, the security of Australia's small island neighbours will be enhanced to the benefit of all including Australia. However, the Pacific Plan cannot be used to impose a model of efficiency on the regional organisations that compromises their ability to deliver these outcomes for the small states. As I have noted in the principal article for this submission, I have some grounds for concern on this score. It is very much in Australia's security interests that the Pacific Islands regional system is effective and that it continues to include Australia as an accepted and integral part of it.

Post-Independence Pacific Islands Regionalism and Physical Security

During the Cold War era, the Western powers with direct territorial interests in the Pacific shared an interest in maintaining the area's pro-Western alignment. This culminated in an approach to which I gave the name "strategic denial" [borrowed from an aspect of the US-Micronesian talks on independence at the time], which placed a great emphasis on regional cooperation. Essentially articulated by the ANZUS Pact allies, close association amongst the FICs was encouraged in an expectation that a collective peer group pressure would discourage political "adventurism", (aberrant diplomatic behaviour) by the large number of Pacific Islands microstates. In effect, the regional system was regarded by its Western sponsors as an effective mechanism for moderating the diplomatic diseconomies of scale in dealing with so many exceptionally small states strategically positioned across the South and Central Pacific. The value of this approach was scarcely tested during the Cold War era, in part at least, because there was little required of the PICs other than

maintaining their traditional alignment to the West.⁵ Thus the Pacific Islands Forum members did not pass significant declarations or enter into treaties designed to deal with alignment related threats to perceived Western security interests. Indeed, in the event, bilateral responses for concerns about possible opportunities for Soviet penetration of the region appeared more productive.

The post-Cold War era with its concern for sovereign state responsibility, the risks of failed states and the “war on terror” has produced a quite different regional security climate. Interestingly, the regional factor has loomed larger in the current period than in the era of strategic denial. In retrospective comparison, the reason is evident enough. During the Cold War period, the perceived security risk was centred on de-alignment due to external state action. Today, the identified risks tend to focus on non-state threats to the Islands and through the Islands to Australia and/or its interests. The nature of these dangers is such that much more sophisticated and comprehensive engagement is needed to achieve national and regional security objectives than older state-to-state relations. As a result there has been a conspicuous change in the apparent importance of the regional system in addressing the new risks from and through the Pacific Islands. Formal regional mechanisms and arrangements have become much more prominent including such measures as the Honiara Declaration (1992), the Niue Treaty (1993), the Aitutaki Declaration on Regional Security Cooperation (1997), the Biketawa Declaration (2000), the Nasonini Declaration on Regional Security (2002), and the Auckland Declaration (2004).

Although these have become important symbols of regional security cooperation in the post-Cold War era, not all have proved fully effective for meeting the new challenges as these have arisen. Indeed, the then Justice and Customs Minister, Chris Ellison, went so far as to admit in 2005 that Pacific Islands regional cooperative security arrangements against organised crime and terrorism were not as well advanced as in other regions such as Southeast Asia. He said, “the Pacific Islands are isolated and they don’t have the infrastructure” to resist transnational criminal organisations.⁶ Sinclair Dinnen, writing about the same time, blamed the regional decision-making process, at least in part, when he noted that, “key decisions are increasingly being made by those lacking extensive regional and development experience.”⁷

As noted above, the Pacific Plan is intended to resolve some of these security concerns by achieving a higher level of policy and institutional integration. However, the Plan, now three years old, has experienced some teething difficulties in implementation. As described in the principal article for this submission, the motives and objectives of the participating members have emerged as complicating factors. There is continuing disquiet over the putative economic advantages of closer integration especially from critics who see these as favouring the developed over the

⁵ Short-lived fishing agreements between the USSR and Kiribati and between the USSR and Vanuatu came at the very end of the Cold War era and, despite some alarmism at the time, did not really challenge strategic denial principles since it did not alter attitudes of other FICs. The only other test was the 1983 CCOP/SOPAC affair, which tended to underscore the basic tenets of this approach.

⁶ Chris Johnson, “Pacific states snub crime pact”, *The West Australian*, 6 July 2005, p 11.

⁷ Sinclair Dinnen, “Lending a fist? Australia's new interventionism in the Southwest Pacific”. Technical Report Discussion paper no. 2004/5, State Society and Governance in Melanesia Project, RSPAS, ANU, 2004, p. 4.

developing economies. Moreover, the evident desire of some to use the Pacific Plan to address the internal weaknesses of certain FICs, which they regard as a threat to stability in the Pacific Islands region, has engendered further suspicion about the process. Again, critics have questioned whether the physical security elements of the Plan are more for the security of external interests than to meet the internal needs of the PICs. On the other side of the ledger, donors and non-Islands participants have an apprehension that the inefficiencies in the institutional architecture of the regional system is not as much a concern to the PICs as these should be because the FICs and PICs do not meet the largest share of the financial burden of these institutions. I do not accept that there should be tension between the physical security (or “external” aspects of security) needs of the donors and the largely economic/environmental/social/etc security (essentially “internal” needs) of the developing members of the regional system. It is to be hoped that the full extent and nature of these impediments will become clear in the forthcoming three year review of the Pacific Plan.

Concluding Thoughts

The regional system of the Pacific Islands is, and has long been, important both to the economic and security challenges facing Australia’s Pacific Islands neighbours. As a vital and privileged member of this system, it is valuable also to Australia’s national interests in this area. Determining the level of cost and benefit to the various stakeholders in this system has been controversial virtually from its origins. However, since the World Bank coined the phrase “the Pacific Paradox” in 1993 the identification of return from effort has tended to focus on rather narrow financial interpretation of economies of scale. I do not mean this to be taken as baldly as it reads but the emphasis on financial restraint does appear to me to have become such a high priority that it has overshadowed other, equally important, aspects of managing an effective regional system.

Capacity supplementation is an essential, but less explicitly recognised, role of the Pacific Islands regional system for its smaller members. The difficulties with expressing this value stem from more than donor resistance, however. Internal divisions between and amongst PICs and FICs sometimes complicate the concentration of regional resources on capacity supplementation. Larger island states within the region have been reluctant to lose development assistance through the regional organisations in order to allow these agencies to better meet the needs of the system’s smallest and least resourced members. The emergence of a smaller island states’ caucus within several of the CROP agencies is, perhaps, the closest thing to a priority-setting solution to this difficulty at this time. Nevertheless, a greater donor emphasis on capacity supplementation would help to legitimate appropriate IGO support for the special needs of this group for meeting the unequal pressure of sovereignty on these particularly small states.

Finally, Australia, as the largest member of the Pacific Islands Forum and the chief beneficiary of the physical security outputs of the regional system, has an obligation to ensure that the FICs do not subsidise Australian security through the regional system. When the implementation of regional security measures require expenditure by the FICs to upgrade passport designs, port facilities, airport security and the like in order to comply with national and/or international requirements, the burden becomes

a subsidy for the perceived security needs of these extra-regional states or for the international community at large. Rarely are such measures for the security of the FICs who bear this financial burden. Such demands appear destined only to increase. Any review of Australia's engagement with the Pacific Islands regional system needs to consider how best to avoid cost-shifting these security imposts onto the FICs either directly through their participation in regional agencies or as opportunity costs through the aid these bodies deliver.