

**Submission to Joint Standing Committee on Defence foreign Affairs and Trade
A Proposal for Australia to Offer Grand Compact in the Pacific**

By John Blaxland

Professor of International Security and Intelligence Studies

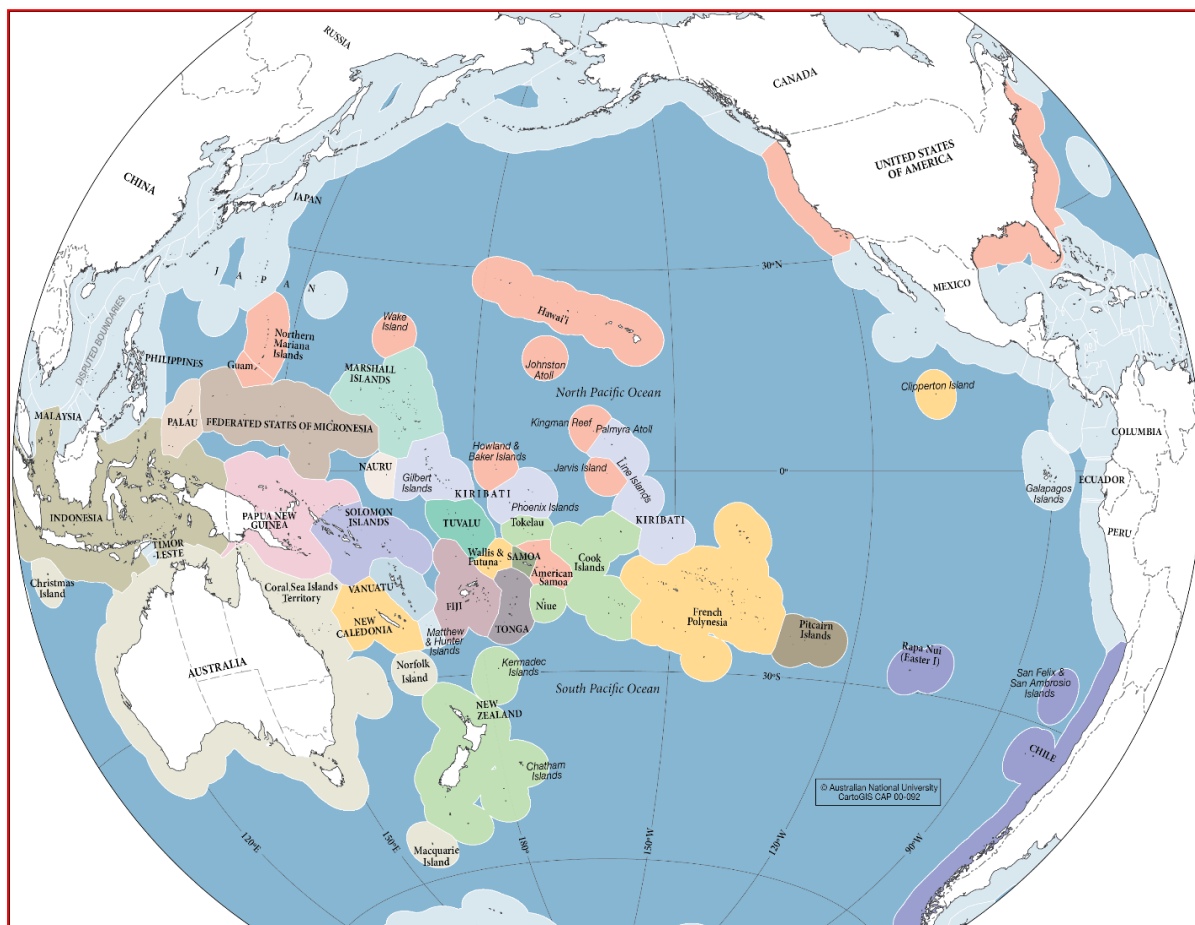
Strategic and Defence Studies Centre

Coral Bell School of Asia Pacific Affairs,

College of Asia and the Pacific

Australian National University

November 2020



A Proposed Grand Compact in the Pacific

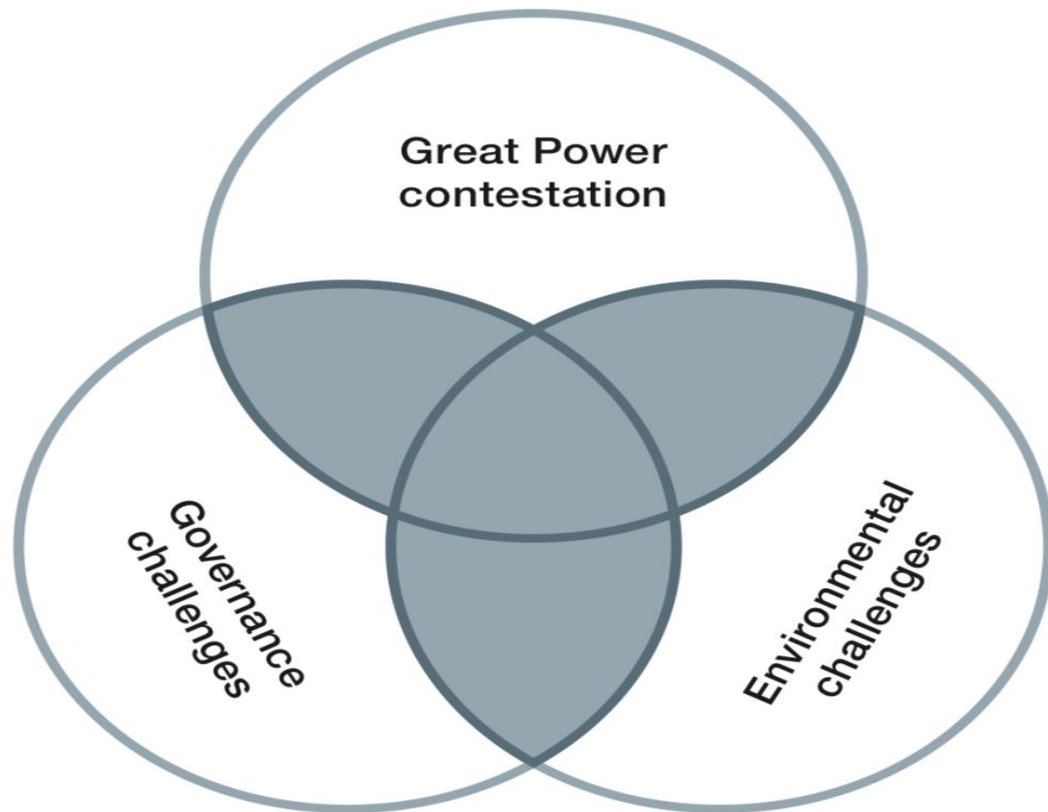
Australia should offer a compact of association with South Pacific countries, allowing for shared governance. This would be akin to the treaty arrangements the United States has in the Pacific with Palau, the Marshall Islands and the Federated States of Micronesia, and New Zealand has with Niue and the Cook Islands.

This proposal is a scale-able one but needs to be seen in context. What follows is an explanation of why it is timely to consider such a proposal, what it includes, and some discussion about possible contrary views

Geography, EEZs and a SWOT analysis

The map featured here highlights the exclusive economic zones of the Pacific Island states. When you look at that map you see that it's really an incredibly important space for Australia and its future. What I have to say is derived from a couple of articles I've written. The articles themselves are derived from a geostrategic SWOT analysis for Australia that I conducted last year—SWOT being a business term for internal strengths

and weaknesses and external opportunities and threats.¹ One of the key so-whats from that was the need for us to engage in an imaginative new way with the Pacific. I proposed a compact for the Pacific. I identified in that SWOT analysis, and then I recapitulated the point in the article in *Australian Foreign Affairs*, that the problem is about three overlapping concerns. (see diagram overleaf) One is looming environmental catastrophe. We are seeing this with floods, cyclones, pandemics, fires and sea level surges. We know that in the digital age computers and water don't mix well. So island states, where maybe once upon a time they could have sustained more dampness than they have in the recent past, it's not sustainable in the modern age.



The overlap and interaction of great power contestation, governance and environmental challenges presents difficulties beyond the remit of any one agency, department, discipline or domain.

As the Venn diagram above illustrates, the first issue is looming environmental catastrophe. The second is a spectrum of governance challenges. Here I'm referring to people-smuggling, drug-smuggling, terrorism, corruption, transnational crime, fisheries exploitation and the fact that many of these microstates lack inspector general, audit and accountability mechanisms for effective, reliable and transparent governance.

The third issue is the one we all know about, the issue of great power contestation. Here we're seeing that the Pacific Islands may well in part be in denial over the significance, but it is real, it is palpable and it is not going away.

¹ John Blaxland, *A Geostrategic SWOT Analysis for Australia*, Centre of Gravity series, Paper 49, July 2019, Strategic and defence Studies centre, Australian National University

Historical & the Emergence of a Multicultural Australia

Just to reflect a bit on the history: Australia's engagement in the Pacific has been a bit hot and cold. It's gone in and out of fashion in terms of how important it's been. After the end of the Cold War it went a bit out of vogue. As the Russians were leaving we backed off its significance as well. In the colonial era we left this mostly to the UK. We didn't actually colonise the Pacific; the Brits did. Of course there is a dark history of exploitation there, with labourers in the Queensland cane fields and so on. By and large, however, there is not the image of Australia being the oppressive colonial master that there was with the Dutch legacy in Indonesia.

The third point is the significance of the Second World War and the Pacific as a battleground. When it came to that third part of that Venn diagram that I talk about, the great power contestation, the Pacific really featured. Where did it feature more than most? Most people in Australia think it was about Kokoda. I'm sorry, ladies and gentlemen; it was about Guadalcanal. That's where the main Japanese effort was, and it was there, because if you look at that map you can see that if you capture that space and cut off or interfere with the lines between Australia and the United States, you isolate Australia. No-one's talking about that as being repeated any time in the future, but the implications of that event and the circumstances back then echo today.

In the post-colonial era we've seen, despite the fact that we didn't colonise these places, because of the strong connection with the UK, with English language and the common law, there is an Anglo-philic inclination towards Australia and to our language and our legal practices. Most of the elites school their kids in Brisbane, Sydney, Melbourne or Auckland. Yet we've had haughty and episodic engagement with the Pacific. Despite that we're still preferred and we're still trusted. Yet we are seeing increased influence of the People's Republic of China offering increasing numbers of scholarships and financial arrangements which I think present a significant challenge to Australia, if not a threat.

Now Australia's multiculturalism is a strength the likes of which it was not prior to the end of the White Australia policy 53 years ago. Now the geostrategic significance of this space is as important for Australia as it has ever been. I'm very pleased to see over the last 12 to 24 months a very positive development that the government has initiated, the Pacific Stepup, the Office of the Pacific, boosting the Seasonal Worker Program, the Pacific Labour Scheme, the scholarships, the infrastructure investment, the climate disaster relief and resilience funding, the new patrol boat and aerial surveillance programs, the Pacific Fusion Centre, the police cooperation. We're seeing that compatibility manifest itself in the way police and armed forces engage in a fairly relaxed and easy manner, because there is so much in common between them. We've also seen in terms of net migration in the past few years about 200,000. Obviously that has plummeted this year. What I'm proposing in this grand compact is that we allow about 244,000 in the Pacific to come.

The Proposal

What is this proposal? It's a compact of free association, akin to what the United States has with Palau, The Federated States of Micronesia and the Marshall Islands, as well as what New Zealand has with Niue and the Cook Islands. What I'm proposing is probably a hybrid of the two. It's not going to be identical to either, but it will potentially draw on the American and New Zealand experience in coming up with a workable proposition for the space that we're talking about. What I'm talking about is an offer of residency and potential citizenship, particularly if they take up membership of what I've proposed as an Australian universal scheme for national and community service, an incentivised voluntary scheme for employing many people in Australia and beyond. The closer alignment and coordination and management of territory and maritime domains is something that is achievable and important. It's what the Americans do in those compact states, and it's what New Zealand effectively does as well. So what I propose is a tailored offering to four states: Kiribati, Tonga, Tuvalu and Nauru. Each of them has a relatively small population—244,000 cumulatively—but with an exclusive economic zone of over 5 million square kilometres.

Former Prime Minister Kevin Rudd came up with a similar proposal, which was criticised by former Tuvalu Prime Minister Enele Sopoaga, calling it 'imperialist thinking'. Australia is not an imperialist nation, and we should not be threatened by people who try to use rhetoric like that, which is, in my view, superficial and unhelpful to address substantial issues—governance, environmental and great power contestational challenges that potentially are existential. If we do care, then I think we need to buy in. People might say, 'John, this is going to cost a bomb.' Well, I would put to you that the cost would be very well offset by the benefits of peace, security and stability that would accrue from having these states integrally connected with Australia.

The key, of course, is that there's respectful presentation of the proposal, mindful of environmental sensibilities. We know that the felt need in the Pacific is primarily in the environmental space, not the great power contestational space, let alone the governance space, even though the governance space, arguably, should be higher on their list of priorities. It's not because, for some of them, it's convenient. They like that kind of opaque and slightly murky governance—it's convenient for some of them. To make this work we need to listen to the Pacific and, respectfully, we need to lead. This is something that we, as a middle power with small power pretensions, have been reluctant to do in the past. I think we need to get over that reluctance and think about shared governance and a respectful mutually beneficial partnership that's not a gratuitous land grab, but is about respectfully and collegially engaging in the pursuit of shared interests.

Some have come back and said, 'John, why don't we just offer them a smaller deal?' I put to you, ladies and gentlemen, that a smaller deal isn't going to cut it, for a couple of reasons. One is it would be costly for Australia and you, as members of parliament, have a legitimate and understandable obligation to your constituents to deliver value for money in Australia's expenditure. So there has to be, in my view, something in it for Australia. What is in it for Australia is what is in it for New Zealand and the US with their grand compacts, and that is, peace, security and stability—and the prosperity that emerges from stability is in our interests to pursue. Anote Tong, a former president of Kiribati, told the ABC in February that a 'grand compact of association would be difficult for small island countries to turn down'. We should listen to him. He's right. We should not let the naysayers scare us away, out of our fear of being seen as being too pushy and too neo-colonialist. That is unhelpful, unconstructive language. It's not going to get us where we need to be, which is addressing the felt needs and the real existential challenges of our neighbourhood and of ourselves.

We have deep personal, historical and cultural ties. We have many common values and cultural affinities, and a huge overlap in our national interests. People talk about values; I talk about values and interests. And, in this case, this grand compact proposal addresses both sides of the coin—the realists and the idealists. As great power contestational challenges increase, and there's an overlap with governance and environmental challenges, the need for a visionary sense of mutual obligation is required, not just for now but for our children and our grandchildren and their children and their grandchildren.

So, ladies and gentlemen, that's the idea of a compact of association. I hope that the map provided up front is visually compelling as a signpost of the importance of this space, the vulnerability of these microstates and the role that Australia can play beyond the Pacific step-up. Let's step up more. Let's step up further. Thank you very much.

Comparing and contrasting with similar Pacific models

In terms of the status of the states that might consider joining in a compact of association with Australia, it is important to remember that they have separate international identities and these would have to be treated with great respect. Understandably, they will not want to give that up. But there's a discussion to be had. It's a line. It's a spectrum. It's somewhere along the continuum that we need to come up with something between us that may well vary between the microstates. I've mentioned the four—Kiribati, Tonga, Tuvalu, Nauru—but there are also relations with Vanuatu, Solomons, Fiji and Papua New Guinea that I think we can double down on without necessarily offering them quite the same deal we'd offer the four microstates. That could perhaps go along that continuum in terms of further engagement, further collaboration and further integration as economies and as societies. Many of them are like the other microstates: Anglophile, they have English language as a principal language that they communicate with, and they're common-law based societies. There's an enormous amount of connectivity. Many Australians go there on secondments to take up senior appointments, judicial police appointments and so on. There's huge space there for us to work together.

As to exactly where they fit, I would imagine that each one of them will probably want to retain their sovereign independence. Here's a thought: at one end of the spectrum, we could say, 'If you want, you can have residency and you can have citizenship and voting rights.' This is something that we'd need to explore. 'Maybe we can make you an electorate of the Australian parliament and give you voting rights in Australia.' But with that would come reciprocal rights and obligations. They might maintain a degree of independence. This is something that's not invented yet. This is something that we can imaginatively come up with that is of mutual benefit and meets their needs and ours. Let's think about this for a moment. If the scary pundits are correct, if we do see the sea level rise, what we're proposing is actually a really good idea. If you're on a low-lying island and Australia is saying, 'Come and live with us. Just come over here and we'll help you manage the space,' that's a good deal. That's about mutual interests being pursued. This plan is trying to kill a few birds with one stone, if you like. Essentially, I'm trying to address the real concerns about Australia's

national interests and humanitarian concerns about the welfare and the wellbeing and the future prospects of the children and grandchildren of Pacific islanders. We talk about the Pacific family. I think there's a way we can go considerably further in delivering on that and getting beyond the bogeyman, kneejerk racist dismissal of Australia's entreaties that we've seen in the past, and we can, as a nation, rise to it. We've done enormous things since the removal of the white Australia policy 53 years ago. We've transformed the nation into a multicultural state, an open state, a state that welcomes people in hardship and people who've got something to offer. These are our neighbours and our friends. I like the metaphor of being family and I think we should double down on it and offer something a bit more

How serious is the environmental threat?

There is a debate at the moment about how palpable is this sense of fear of environmental catastrophe. If you go to some of them, there is no sense of fear. She'll be right, everything's fine. In others there is a real sense that the pace of these cyclones, the storms, the sea level surges is uncomfortably frequent. The awareness of the stakes is greater now because of us being so connected and so dependent on electricity. Many of these societies lived for generations without electricity. They've now come to be dependent on electricity and aware of their environment and developments in their neighbourhood in a way that we see this emergence of the blue Pacific as an idea. It's a very recent term, but it taps into something that is only made feasible by the connections that we see, the greater consciousness of the space by being connected through the internet and through greater communications.

For people from Kiribati, Tonga, Tuvalu or Nauru, this proposal offers them the opportunity to reside and live as an Australian, much like a New Zealander can. If things get worse and storms surges occur more frequently and sea level rise presents existential challenges, then it becomes all the more an attractive option. If their circumstances deteriorate, if their circumstances become untenable, Australia would act as a kind of guarantor.

Governance constraints

So there are huge variation between players. In addition, there are huge variations in the stakes and who's got a vested interest in supporting and/or opposing. Those people who like the murky governance, the brown paper bags, the shady deals, won't support this, because this is about shedding light. This is about ensuring that there is appropriate governance. Here in Australia, in Canberra and the states, we talk about commissions against corruption. We have inspectors-general. We have audit offices. These are powerful tools. In Australia we laugh them off because we take them for granted. Many of these states don't have them. Us being in a position to bring them as part of the equation, as offering transparent governance and accountability, the spotlight—improved governance is really fundamentally important, and I would put to you that it is probably the most contested space, because there will be activists out there, some of whom will be very keen for it and others, some of them quite powerful, who will be dead against it.

Getting to 'Yes'

In order for the grand compact to become a reality will require deft diplomacy. It will require a doubling down on relationship-building and on working collaboratively with the powers that be in these nations to explore a workable proposition that is tailored to their individual felt and perceived needs.

This can't be dictated. This has to be something that the Pacific Island states buy in on, and it has to be sufficiently compelling. It has to be attractive. This is why the idea of being treated like a New Zealander in Australia is a very attractive proposition. You can come here, you can live here, you can buy property here and you can have the rights of a citizen exercised here. And, if you want to, you can join military service. These are all pie in the sky because they're not yet invented, but we could have, for example, a national scheme for national and community service where you do your two years and you get automatic citizenship. I know that there are many in the Pacific who are very interested in doing this. One of the constraints we've got at the moment is that we think about this in old-fashioned terms like, "Oh, well, the Army doesn't want them.' But we're not thinking the Army; we've got enormous needs outside of the Army—the SES, the Rural Fire Service, the paramedics, the National Parks and Wildlife services. These are bodies that are screaming out for help, that need additional resources, and there are people who'd happily do it.

Differentiating from New Zealand's arrangements

While the model proposed has some similarities with the arrangements New Zealand has with Cook Islands and Niue. There would be a substantial difference in the Australian version. The Cook Islands and Niue have been dependencies of New Zealand for a long time—not forever, but going back to well before the 20th century. So there are different circumstances. They're not former British colonies that gained independence and who then are looking to come in with a new compact. That's more like what we see with the US arrangement in the northern Pacific. So the Niue and Cook Islands one is different. What we would have to do is come up with a hybrid one. It would not be identical to the New Zealand model. It can't be, because Niue and the Cook Islands have never been in the space that Kiribati, Tonga, Tuvalu and Nauru have been. They've got different legal identity histories. So we have to acknowledge those idiosyncrasies.

Governance Impost on Australia

There would be a considerable impost on Australia in buying in on this space and in assisting in governance in their exclusive economic zone with fisheries, with policing and with defence issues—akin to the arrangement that the United States has with the northern Pacific islands as well. This is part of the point. When I talk about great power contestation, we're talking about asserting Australia's interests in this space and ensuring that the peace, security and prosperity of this space is one that is well disposed to Australia and one that is consistent with Australia's interests. As I say, it requires a blend of realism and idealism. We have to be hard-nosed about Australia's interests and yet we have to be acutely attuned to the sensitivities and the felt needs of the Pacific Islanders.

Australia can't manage the tasks the way it is postured at the moment, but there is a feasible way of building on the already considerable investment as part of the Pacific Step-up. There will be a cost. I have not been in a position to undertake that analysis. But there's a potential enormous benefit from the security, the stability and the prosperity fostered by that stability and security that we are going to be able to help generate—and, conversely, to prevent it from deteriorating and generating enormous knock on. We're already considerably adding many of these small states in the Pacific with aid—and I listed the range of programs. It's really commendable what the government's already doing, but there's a lot more to do. We can't see it just in terms of a transaction—'It's going to cost us more; so let's not do it.' We need to be thinking intergenerational. We need to be thinking about what the effect will be in 20, in 40 and in 50 years. When you do the sums on that, you see that this is potentially of enormous benefit to all of us—a shared benefit.

Stepping Up as a Regional Power & Responsible Neighbour

The momentum for this proposal may come from the Pacific states or from Australia but Australia has to take the initiative to create the space for this to happen. We need to invent this. We need to build this, and they will come.