

Paradise Lost?

CAII • THE CHURCHES' AGENCY ON INTERNATIONAL ISSUES: RESOURCING CHURCHES AND CONGREGATIONS ON GLOBAL CONCERNS

Hot Topic: Economic sustainability in the Pacific

- **Trade and Development** - Does trade offer the Pacific new opportunities?
- **Constraints to Growth** - Can the Pacific develop sustainably and improve the quality of life for its peoples?
- **Sources of Revenue** - Does size and isolation bring economic disadvantage to Pacific nations?
- **Land Reform** - Can Pacific Island nations grow their economies by retaining communal ownership of land?
- **Labour Migration** - Why are temporary labour schemes crucial to the economies of Pacific Island nations?
- **Sending money home** - Does reliance on remittances help or hinder economies?
- **Overseas Aid** - Is aid competition having a detrimental effect in the Pacific? Will foreign aid remain an important part of Pacific Island budgets?

“Are we trying to make Pacific Island countries into something they were never meant to be – poor copies of large nations in the Western world, reliant on an economic model in which we will always be dependent or losers?”

K.J. Barr of Fiji



Introduction

This is the first in a series of three Hot Topics focusing on current issues affecting people of Pacific Island nations. This issue highlights concerns for economic sustainability in the Pacific. A central theme is whether traditional

Pacific Island values surrounding communal ownership of land, village based collective decision making and rural food production methods are being threatened by globalization, free trade and market forces. Can communities in the Pacific sustain the level of migration to New Zealand and Australia and how dependent are they on international development aid funding?

The Regions of the Pacific:

Micronesia: Lying between Hawaii and the Philippines in the north Pacific, thousands of islands make up this region. They are: the Federated States of Micronesia, the Marshall Islands, Kiribati, the Territory of Guam, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Republic of Kiribati and Nauru.

Polynesia: The Polynesian Triangle stretches across the Pacific from New Zealand to Easter Island and north to Hawaii. Islands within Polynesia are: Samoa, American Samoa, the Cooks, Niue, French Polynesia, Tokelau, Tuvalu, Tonga, Pitcairn, Easter, Wallis and Futuna Islands.

Melanesia: Curves down from Papua New Guinea to the Solomon Islands and onto Vanuatu, New Caledonia and Fiji.

Aotearoa/ New Zealand and Australia are both Pacific nations too.

Some facts:

- Over 30 million sq km of ocean
- 22 nations plus French territories
- 8 million population now, ranging from Papua New Guinea having 6 million to Tuvalu with 11,000 and Niue 1,600. It is estimated that by the year 2010, the total population will be 9 million (excluding Australia and New Zealand)
- The UN predicts that by 2050, the population will be 16 million. Four times the population of N.Z. Some islands will be overcrowded and some islands will be abandoned.
- 86% of the Pacific population is in Melanesia, 9% in Polynesia and 3% in Micronesia.
- A third of the world's languages are in the Pacific – Papua New Guinea has more than 700.
- 95% of the population are Christian. A growing number of new religious groups are threatening traditional church support.
- Papua New Guinea has the lowest standard of living in the Pacific.
- In Kiribati 16% of the population will not pass 40 years of age.
- In Vanuatu 66% of the population are illiterate.

*For A full map of the Pacific including NZ and Australia refer to page 8, (back page).

Pacific Focus:

In 2006 the Churches' Agency on International Issues will focus on global political issues in the Pacific.

- Issue 1 - Economic sustainability and the affects of globalisation**
- Issue 2 - Climate change and the environment**
- Issue 3 - Health and HIV/Aids**



Trade and development in Pacific Nations

Trade negotiations for Pacific nations are taking a lot of time and energy. There are negotiations with New Zealand and Australia; there are negotiations with the European Union; there are WTO access negotiations going on as well. New Zealand says that the outcome of any agreement reached will benefit the economies of the Pacific nations. There are many in the Pacific who hold a different view – that agreements will have a detrimental effect on the economic viability of the region. This is mainly because the big powers determine the terms of these agreements and they are looking after their own economic interests.

An example of New Zealand's trade with

Tonga: New Zealand supplies about one third of Tonga's imported foodstuffs. Naturally the Tongan Government collects a tariff on all those imported goods and relies on these and similar tariffs for more than 40% of Government revenue. New Zealand and Tonga have just completed bi-lateral trade negotiations and New Zealand has negotiated a reduction of these tariffs and the Tongan Government will lose about \$6 million per year in revenue. (Our Trade Minister at the time saw this as good news, "saving the N.Z. exporters \$6 million"). So how does Tonga make up the \$6 million shortfall that N.Z. alone has created in their budget? The options suggested by economic advisers are increased user charges or a consumption tax like GST, a tax that affects the poor rather than the rich.

Another example of our meat exports to

the Pacific: If you have been in Nuku'alofa just after a boat has arrived from N.Z. you will have seen the blackboard notice outside the shops advertising fresh mutton flaps from New Zealand (Mutton flaps are the fatty parts of the sheep that butchers cannot easily sell in N.Z. and make up one third of meat exports to the Pacific). They might be cheap but they are bad for you. The World Health Organisation has drawn the link between mutton flaps and diet-related diseases. The Tongan Government urged the New Zealand Government to stop exporting mutton flaps. Fiji did the same and because Fiji is a member of the WTO, N.Z. threatened to take the case to the WTO if Fiji tried to ban mutton flaps.

"NZ Aid recognises that trade growth and liberalisation, under certain conditions, can deliver sustainable poverty reduction and substantially stimulate development."

Trade liberalisation is being pushed hard by New Zealand and Australia and is seen as the obvious answer to the development challenges facing the Pacific nations. The Australian Government has just produced its policy for the Pacific. It is called "Pacific 2020: Challenges and Opportunities for Growth". The Foreign Minister, Mr Downer, speaking to the new policy in May 2006 said that "*what is needed is good governance and good political leadership*" (meaning they can't govern themselves), "*effective investment*" (meaning aid and investment decided by us), "*trade and access to markets*" (meaning trade liberalisation), "*clear property rights*" (meaning doing away with communal land ownership), and "*a lot of persistence*" (meaning more pressure from us). Pretty strong stuff from a government that has a history of a corrupt police force, whose trade officials made under the table deals to get their wheat into Iraq, and whose politicians told lies about refugees coming into Australia.

Singapore, Taiwan and Korea are held up as examples of the success of trade liberalisation theory. But, says an Asian commentator, Ha-Joon Chang, "*The idea that the successful industrialised countries of today got that way by throwing open their borders is a myth. Not even the Asian tigers achieved their growth in this way.*" Those countries and New Zealand became strong by protecting their own markets and subsidising their own production.

So if trade liberalisation is not the answer what might be some suggestions for a viable economic future?

Some writers, like John Roughan from the Solomon Islands, say quite strongly that it is the rural subsistence economy, the communal ownership of land and the values of a village-based society that will protect the Island nations from the onslaught of globalisation. It is only as we accept that most of the Pacific Island nations will remain village based for a long time to come, and accept that the primary economic direction must be based on subsistence economics with the cash based economy of the town as the secondary player, rather than the other way around.

The main drive for the alienation of land away from communal ownership is to enable investors to borrow from financial institutions for the development of land based projects.

(Financial institutions will not lend money for communal owned land development as they see it as too risky.) But there are other ways of raising finance for village development without alienation of land.

The strength of Pacific Island society is the communal relationships that exist. Many write disparagingly about the financial demands made on the extended family when there is a wedding or a funeral or when some family member is in need. There can be some problems with extended family responsibility, but there is also a strength there that can be used, for ensuring economic viability.

Is John Roughan's view still appropriate?

As one commentator K.J Barr writes: "*As we look at Pacific Island countries we are urged to ask: 'Are we trying to make Pacific Island countries into something they were never meant to be – poor copies of large nations in the Western world, reliant on an economic model in which we will always be dependent or losers?' All our individuality and God-given advantages are being forgotten and we are condemning ourselves to slavery or mediocrity in a system not made for us. The ultimate control of our economy is passing into the hands of others. At the same time, our governments, instead of protecting the interests of their own people are made to provide enabling conditions to protect the interests of foreign investors"*



Hot Topics

Issue 4, October 2006, Paradise Lost?

Hot Topics in the Pacific.

Writer: Geoff Tucker

Layout: Ruth Greenaway

Sources of Revenue for Pacific countries

Common sources of revenue:

Fishing - Income from fishing has been important for a number of years. But, in most cases, it is controlled by companies from outside the Pacific and so is always subject to the whims of overseas shareholders. The Taiyo fishing company that came to the Solomons in 1970 with their fishing fleet and canning factories stayed until about the year 2000, but when there was some instability withdrew fairly quickly. The Forum Fishing agency is starting to do a good job in bringing some stability to the industry, especially in dealing collectively with large multinational fishing companies. But, it is thought by the Asia Development Bank, that fish stocks are at the edge of viability. In fact fish harvests for 2005 were below usual levels.

Timber - A significant earner for many countries. There is a great supply of hard timber, but it has been exploited by Asian timber companies who have ripped the heart out of the forests, particularly in Melanesia. Sustainable timber practices are difficult to enforce and landowners are easily conned.

Tourism - A good earner when it is going well, but a very fickle industry. On the flight path, places like Fiji or Tahiti are okay, but for places like the Solomon Islands or Kiribati there are no cheap package tours or discounted fares. Consequently not many travel companies invest in up-market accommodation.

The UN's Millenium Development Goal #8 is "To develop a global partnership for devleopment"; the New Zealand Government's key responses are to:

- Increase aid volumes and untie aid.
- Promote open markets and reduction of trade barriers taking into account the impacts on the poor.
- Debt relief for heavily indebted poor countries.
- Support efforts to provide more work choices for young people .
- Support efforts to improve access to affordable medicines.
- Address the 'digital divide'.
- Provide for labour market access and remittances.
- Support for a more conducive environment for foreign direct investment.
- Build strong partnerships with NGOs in New Zealand and abroad.
- Strengthen NGOs to build civil societies' ability to engage in policy discussions.

Most Pacific nations do have resources of their own from which to earn some revenue – some a lot more than others. Papua New Guinea is resource rich particularly in minerals; New Caledonia has nickel deposits; and Timor Leste now has access to some (but not all), of its oil and gas reserves. Countries like Kiribati and Tuvalu have nothing on land, only the fish in the sea. The majority of Pacific nations rely on timber, fishing royalties and tourism.

For a minority of Pacific countries the agricultural sector is a source of revenue. In Papua New Guinea coffee has been a valuable commodity, as has sugar in Fiji. Both are under pressure. Fiji's European Union subsidies are being phased out and coffee is not a great earner in today's market place. Other countries have little arable land that can be developed for anything but subsistence farming. Papua New Guinea has found that its minerals have brought social disaster – e.g. the copper mine on Bougainville. The World Bank says that small states have big problems. *"The cost disadvantages of size and isolation are huge. Natural resources have become a "curse", not a blessing."*

Constraints to Growth

The Pacific Plan approved by the meeting of the Pacific Islands Forum in Auckland 2005, notes that economic growth has been below expectations, despite strong development assistance and remittance inflows. The Plan also notes that constraints on economic growth are:

- Remote and dispersed geographic location and associated high transport costs.
- Small populations, limited natural resources.
- Frequent natural disasters. (refer to: www.pacificplan.org)

Examples of economic restraints in Tuvalu and Kiribati

- Remote and dispersed geographical locations. There is a lot of water in the Pacific Ocean. When you fly from Fiji north to Tuvalu and then on to Kiribati you marvel at how the initial explorers found these Islands. These days, to fly between them is hugely expensive; sea travel is unpredictable and costly. This is repeated all around the Pacific.
- Small populations. Arriving in Tuvalu after leaving Fiji you land at Funafuti airport, an airstrip that was carved out of coral in World War II. The population is 11,800, which makes it one of the smallest independent nations in the world. Most of the people live on the main atoll, Funafuti. Leaving Tuvalu you fly north another couple of hours to Kiribati, a group of about 30 atolls with most people living on the main atoll, Tarawa. The total population is 100,000.
- Limited natural resources. For Tuvalu and Kiribati it's about fish, and that's all.
- Natural disasters. There are not many cyclones in these two countries, but severe storms can quickly contaminate water supplies. Global warming and the rising of the ocean are constant concerns.

Because the Pacific is such a diverse area, Tuvalu and Kiribati may not be typical. For example: **Papua New Guinea** - has a population of nearly 6 million and it is close to Australia and Asia with large natural resources. **Fiji** - has a population of 900,000, is on the tourist route and attracts about 400,000 people each year. **Rarotonga** - is a fast growing destination for New Zealand holiday-makers.

A further serious constraint to future economic viability is the personal ambition and questionable behaviour of some in positions of power who have had access to the opportunities of development assistance. Some say that corruption is endemic throughout the Pacific, others say it is no worse than other areas, but just more easily seen. Whatever your view, it is a serious problem. When ordinary people suspect that there are people in power benefiting by manipulating the system in their favour then there will be unrest, as we saw in the Solomon Islands, Fiji and, more recently, in Tonga. Governments and civil society cannot ignore what can become a cancer in society.

The Pacific Plan sets out strategies to overcome the constraints. It says, "that with liberalisation of trade, increased private investment, land reform, making the resource base more productive, and improving the transport infrastructure economic growth can occur". Good governance is also emphasised throughout the Pacific Plan. However there are serious questions about the structural adjustment options, and unrealistic expectations about other possibilities like improved transport and communication.

Are the constraints to be accepted and worked within, or can they be changed?

Land Reform

There is considerable pressure from Australia, supported by New Zealand, for land reform in the Pacific particularly in Melanesia. The crux of the argument is that Pacific nations will not grow their economies unless they move from communal ownership to individual ownership of land. Their advisers say investors will not invest unless there is security of land tenure, and that cannot occur with communal land ownership. The suggestions for such a change have come from many consultants who have prepared papers for the Australian and New Zealand Governments on the economic viability of the Pacific.

Does communal ownership of land mean economic stagnation?

Professor Helen Hughes of the Australian Centre for Independent Studies has been quite strong. She writes *“No country in the world has developed without individual property rights... the land ownership debate has been stalled by expatriates involved in land policy formulation, who are so convinced of the benefits of communal land ownership that they deny its costs.continuing communal ownership of land means continuing stagnation.”*

Will land reforms lead to social upheaval?

While economists argue for the alienation of land title to enhance privatisation and economic activity, there is an equally strong counter argument that says the social upheaval from such reform would cancel out any economic advantage. Communal ownership is central to most of Pacific countries and it is central to their sense of identity and belonging.

We in New Zealand should know how important it is for Maori to be able to claim their identity through their land and how land alienation in this country decimated the health and well being. Fortunately there are some academics disagreeing with the advice being offered by New Zealand and Australia.

The Pacific Plan

“Land tenure constraints need to be urgently addressed at the national level to allow for greater confidence in private sector investment.”

“Three things help to protect us in the Pacific from the full onslaught of globalisation:

- 1) The communal ownership of land,*
- 2) The continued existence of a subsistence economy, and*
- 3) The remnants of communitarian values.”*

K.J Barr of Fiji

There needs to be a middle ground for land reform and that shouldn't be difficult to find. First, any change must be based on existing customary land tenure and secondly, customary land tenure must be adapted and not replaced. Fortunately there are various lease/use possibilities that are being explored. Let's hope that New Zealand and Australia are willing to allow the Pacific nations to make their own decisions on such an important issue.

What suggestions could we make to N.Z. Foreign Affairs or the Pacific Islands Forum about land reform possibilities?

Labour Migration

A vineyard in Marlborough employs a number of Samoans on work visas for three months every year. Both the grower and the Samoan coordinator say the scheme is working well. The grower gets his crop picked on time and the Samoans take some money back to their villages. The local church plays a key role in making it work. A large commercial gardener in Hawkes Bay has 200 foreign workers from Indonesia and Vanuatu for similar short term harvesting. The grower has become interested in Vanuatu's economic future and is looking at assisting in tree planting for a future economic return. Both these schemes are authorised by the New Zealand Government. Both employers must show the Labour Department that they cannot get New Zealand workers and they are required to employ the workers on the same conditions as New Zealand workers.

Pacific leaders see such temporary migration schemes as critical to their economic viability. At last year's Pacific Forum there was a strong push for a labour migration plan that would enable people from the Pacific Island nations to work temporarily in New Zealand and Australia. Incoming Chair, Sir Michael Somare was saying loudly that a Pacific regional labour scheme was high on his agenda, *“Australia is considering bringing in Chinese as fruit pickers but I have raised with Australia while in Canberra that it takes many months for Chinese people to learn to speak English whereas our people from PNG and the Pacific speak, read and write English”*. (Someone could have added that Australia accepts 100,000 backpackers through the Working Holiday visa scheme.) New Zealand has a similar scheme.

For some countries, like Tuvalu and Kiribati, their economies would collapse if their young men were forbidden to work as crew on foreign ships. These countries even have a marine training school to provide a continuing supply of labour for overseas ships. However for other countries, mainly Melanesia, (Papua New Guinea, the Solomons and Vanuatu) there is very little opportunity for their citizens to work abroad and return money to their home villages. The answer, from Australia was a flat NO. Howard says that such a scheme does not address the unemployment issues of the Pacific and there is no place for “an imaginary relief guest worker” scheme. Prime Minister, Helen Clark, says that New Zealand assistance is fairly well known – we have open entry for the Cooks, Niue and the Tokelaus. On top of that we have quotas for Samoa, Tonga and Fiji. Regarding a regional temporary labour scheme she says, “our foremost concern would be that people do go home at the end of the permit.” speak English whereas our people from PNG and the Pacific speak, read and write English”.

Support for temporary labour migration to N.Z. and Australia is growing:

- The NZ Pacific Cooperation Foundation, a private/public body is strongly in favour of extending the scheme in New Zealand.
- The World Bank is giving its support for such a scheme.
- The Trade Unions support the idea in principle as long as the jobs of New Zealanders are protected and priority is given to Maori and Pacific peoples already living in New Zealand.
- The Pacific Forum says the proposal is being considered, though Howard appears to be against it.

The Australian Papua New Guinea Business Council says:

“The issue is so important that Australia's relationship with the Pacific Island nations may be judged over the next few years by the way it responds to this issue. Some of the resource-scarce countries will never be able to create an economy which will generate employment for their people and remittances from workers overseas will be an important long-term source of income.”

Labour Migration continued...

Dr Amanaki Havea, a respected President of the Methodist Church, in Tonga was often heard to say that,

"The only certain export we have is our people."

A Papua New Guinea person at a Pacific Labour market conference in June 2006, said,

"We are just spectators in all these discussions on labour migration"

Are migrant labour schemes a global concern?

Migrant labour schemes are not just a concern of the Pacific. The Philippines, with a population of 87 million, has 8 million people working abroad (it is 5th in the world behind China, India, Mexico and France). These workers provide 13.5% of the Philippines GDP and they are the largest export commodity. Canada has operated a very successful temporary workers scheme, 91,000 in 2004 – 45% of these are agriculture workers and care givers. It has been going for many years, is well regulated and monitored and has given few problems. There are no quotas, no restrictions on occupations and no restrictions on which country provides the workers.

There are down sides in labour movement from one country to another. For example there are 32,000 Filipina teachers working as maids overseas. This makes it difficult for the Government to adequately staff their schools. There are also stories of exploitation of short-term workers both in Europe and here in New Zealand. Poor accommodation, withholding of wages, extended hours of work etc. But a well thought-out labour migration scheme would minimise these risks.

Would your Church encourage a temporary labour scheme and would they be prepared to help make it work?

Sending money home - How Important Is It?

The other side of the Labour Migration coin

On the footpath outside a Pacific Take Away shop in Petone there is a sandwich board advertising the shop as an agent for remitting money to Samoa. The Board displays the current exchange rate and says your funds will be in Samoa on the same day.

International bodies are critical of the remittance system. They say that relying on remittances delays structural change in the domestic economy, that it can delay improvements that should be made in the village agricultural sector, it diverts attention from the need for overseas investment in the manufacturing sector, and can lead to a reliance on remittance income rather than developing export income. A World Bank report released in August 2006 is far more positive. It sees remittances as "export income", and that we shouldn't be concerned if this income is spent on consumption; every country spends some of its export income on consumption.

It is clear that the place of remittances in the economic viability of the Pacific is well established. The same applies to the future of labour migration as the two are inextricably linked. Rather than arguing about the pro's and con's the New Zealand Government needs to spend its energies in working out the details of viable and sustainable schemes to maximise the benefits for Pacific Island nations.

Some say that sending money home impoverishes the family here in NZ, how would you respond to that?

How important are these remittances to the nations of the Pacific?

- Fiji receives US\$262 million p.a. from remittances overseas, more than it receives from tourism. Most comes from the 2000 Fijian soldiers serving in the British army or the 1000 men serving as security personnel in Iraq.
- Tonga receives US\$91 million, double what it was 4 years ago and more than three times what it receives from other exports.
- In 2002 Samoa received more than US\$57 million, up \$16 million from the previous year.
- The countries of Melanesia receive very little as there are relatively few opportunities for people to work outside their country.

An extensive study on remittance income in the Pacific by the Asia Development Bank shows, in addition to the above:

- Remittance income was originally used by families for the purchase of consumer goods, but is now being used for productive investment.
- Remittance income contributes to human resource development.
- Various studies show that remittances are a positive for households and villages but insufficient for national development goals.

Aid to the Solomon Islands

Two Solomon Island school teachers, Maureen Boape and Jean Ote, have just taken up their first teaching position on the island of Gela, a small island an hour or so north of Guadalcanal. Unlike the situation that existed two years ago, Maureen and Jean have teaching resources and learning materials written and designed by Solomon Islanders. Similar resources have been delivered to 600 schools – and what's more the teachers are now being paid. This is a result of the N.Z. Government's increased aid to the Solomon Islands. \$9 million of that is going into education. (ref:NZAid newsletter)

The Aid competition in the Pacific

Not so very long ago New Zealand was a major player in the Pacific, along with Britain, Australia was there also, but mainly in Papua New Guinea. The United States was in the Federated States of Micronesia and had its Peace Corps volunteers throughout. The French confined themselves to New Caledonia, Vanuatu and French Polynesia. Later along came Japan, and the various UN agencies. Well, things have changed. The French still cling on to "their territories" and pour money into them. Britain has withdrawn to one office in Suva. Australia's representation in the region has grown rapidly and the European Union has taken over from the U.K. Japan's influence is also growing particularly through the International Whaling Commission. The big new players are China and Taiwan; and this worries New Zealand and Australia. So far, eight Pacific countries have diplomatic ties with China and six have ties with Taiwan. After one hundred years of dealing with colonial players Pacific countries are adept at getting the best deal for themselves by playing one off against the other.

In 2003 Kiribati decided to recognise Taipei after being offered a series of financial incentives. Beijing immediately halted work on a US\$39 million sports stadium and closed its office. When the Chinese Premier visited the Pacific in April 2006 only those who recognised China were invited to the party, and what a party it was, providing more than US\$600 million of loans, cancellation of debt, promise of free malaria medicine, and significant development projects: Fiji received loans for Internet connections to all Government offices; a multi-million dollar sports stadium for Papua New Guinea; and assistance to Vanuatu for a new passenger jet. Taiwan could not match this.

Many commentators see this competition as having a detrimental affect in the Pacific. Commentators say there is little doubt that the recent riots in Honiara in the Solomon Islands had their genesis in the previous government's relationship with Taiwan. Taiwan had made substantial loans to the S.I. Government to allow for compensation payments to residents and businesses that had suffered damage from the militant gangs marauding through Honiara. There were serious questions about the distribution of the funds. Politicians seemed to do very well, while ordinary citizens missed out. The bad feelings exploded after the parliamentary elections when the new Prime Minister was alleged to have benefited from his personal relationships with Taiwan. The Solomon Islanders reacted to anyone Chinese and as a result 300 ethnic Chinese left the country – some were Solomon Island citizens.

Why this competition? Well, the Pacific Island states may be small but there are many of them and each has one vote in worldwide forums, like the United Nations, or the International Whaling Commission.

Should New Zealand and Australia be worried by the giant in their backyard?

Overseas aid does it help or hinder a country?

Opinions are divided about the value of foreign aid. What you can't argue about is that foreign aid is an important part of Pacific nations' budgets and will be for a long time to come, for:

- Overseas aid to Papua New Guinea makes up 20% of their budget.
- International aid to Samoa makes up 27% of its budget.
- The Solomons at the present time, relies heavily on overseas aid.
- In French Polynesia, the French Government provides 80% of the region's income through aid.

The New Zealand Government has increased its overseas aid budget for the 2005-2006 by 23% to \$383 million, aid to the Pacific is now \$31 million.

The aim of the New Zealand aid programme is - "To help in the elimination of poverty and to create a safe and just world, particularly in our own neighbourhood of the Pacific."

The largest proportion of this aid is to be spent in Papua New Guinea, the Solomon Islands and Vanuatu where 86% of the Pacific's population live and where the needs are greatest. PNG has the lowest standard of living in the Pacific, the lowest life expectancy and the highest infant mortality in the region. Pacific leaders say that much of the aid they receive is "boomerang aid". They argue that a significant amount of the aid they receive actually returns to the donor country. A proposed aid programme pays for the consultants who draw up the complicated strategic plan, lays out all the Key Performance Indicators etc. The contractor for the implementation of the programme will probably come from the donor country. And so it goes on. There is growing evidence that donor countries are about to increase control of aid spending even more than they have in the past. The thrust for this is coming from Australia which took the initiative in the Solomon Islands when a breakdown of law and order was threatening the future of the country. The Regional Assistance Mission to the Solomon Islands, (Ramsi), thankfully, has brought a degree of safety and stability to the country, but it has also placed many Australians in positions of authority in Government ministries, with no exit plan. New Zealand is carried along with this momentum. The reason, we are told, for this takeover of positions of authority is that there is too much corruption and mis-management in government. NZ Aid says, "We support the promotion of good governance with more than 40% of our total budget in the Pacific going to funding governance-related activities".

An advertisement in the Dominion Post in June 2006 was for a manager of the prison in Honiara. No doubt, any appointee will be paid at expatriate rates with all the fringe benefits. The Honiara prison has been managed by Solomon Islanders for 50 years!

The project is about "strengthening judicial systems" and "ensuring robust administration systems". Foreign aid has always been a double-edged sword. Pacific countries would collapse without it but it can so easily be a tool for control.

Who should decide on how aid is used? Could Ramsi end up being a tool of re-colonisation?

An Island of Hope - the Pacific Churches response to Economic Globalisation

The Pacific region is thousands of islands united by the changing waves and tides of the Pacific Ocean. Although the islands are separated, we are all united in our 'Pacifinness'. No matter what island we come from, what language we speak, what colour our skin, or what our cultural background is, we are united in our 'Hope' for the true realisation of the Kingdom of God on earth. Though we are many islands, the hope which unites us makes us one Island of Hope.

On the Island of Hope the life-centred values of whenua, fenua, vanua, fonua, enua, aba, fanua (meaning land) which are illustrated in Acts 2:44-45, are affirmed in every day living.

"All those whose faith had drawn them together held everything in common; they would sell their property and possessions and make a general distribution as the need of each required"

The image of the Island of Hope is of people together braving the impacts of religio-social, political and economic uncertainties. On our Island of Hope, life is valued and celebrated in the maneaba (Kiribati), the fale (Samoa), the kava ceremony (Fiji and Tonga), the bilum and Sam celebrations (Papua New Guinea) and the nut celebration (Solomon Islands). These symbols and rituals are living examples of:

- The ethos of communal life and communal economic and social relations;
- Sharing and caring;
- Celebrating life over material wealth;
- Communal ownership of resource bases;
- High levels of intra-community interaction and solidarity;
- A wealth of languages, ceremonies, rituals and other practices rich in meaning;
- Vision of an Island of Hope has 'mana' (power) to draw human beings together.

The Island of Hope is a fitting expression of the global, ecumenical concept of the Kingdom of God in the Pacific context. The best of our traditional values are like seeds of the Kingdom of God which, as Christians, we can offer to the whole world.

This theological reflection is from a brochure produced by the Pacific Desk of the World Council of Churches.



Questions for reflection

1. People in the West understand that poor people are those who have no resources... For us the poor person is the one who has no family or friends.

Is this a common understanding of poverty?

2. Does the current vision of economic globalisation represent a world of compassion or indifference, a world of solidarity or domination and oppression, an ocean of hope or despair?

What do you think?

3. Subsistence production ensures self-sufficiency, sustainability, food security, livelihood for many.

Can the cash economy guarantee this?

4. When we think of the Kingdom of God, and the abundance of creation, do we envisage a world of private ownership and individualism over collectivity?

What is the Biblical understanding of the relationship between land and people?

5. A recent novelist visiting New Zealand said that globalisation means the free transfer of capital across national boundaries, the free transfer of goods across the same boundaries but not the transfer of people across national boundaries.

How true is this?



Note: The following people were consulted in the preparation of the material for this Hot Topic, however, as editor I take responsibility for opinions raised in this issue. (Geoff Tucker)

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Map of the Pacific



Prayer for the Pacific:



Loving God

**We give thanks for the gift of the Pacific,
For islands, forest, farmland, sand and sea,
For people, languages, city and village,
For fish, livestock and seagulls,
For faith and justice,
For love.**

Loving God, you call us to live lives that are characterised by justice, peace and consideration for all people. Encourage us to be mindful of the needs of our Pacific neighbours as much as our own needs. May our daily life and prayer contribute to life in its fullest for all people of the Pacific.

We pray for the governments and leaders of the Pacific. Encourage them to develop policies that seek to bring a fair distribution of resources to all peoples in this region. Help them also to strive for sustainable development, lasting peace and security, healthy communities and the conservation of the environment.

We pray for those for whom the Pacific is a place where they encounter sickness, exploitation, poverty and violence. We ask that you protect the vulnerable and the exploited. Give courage and wisdom to those who seek to overcome such injustice and show all of us ways to support and advocate for those in need.

In the name of Christ, Amen.

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