

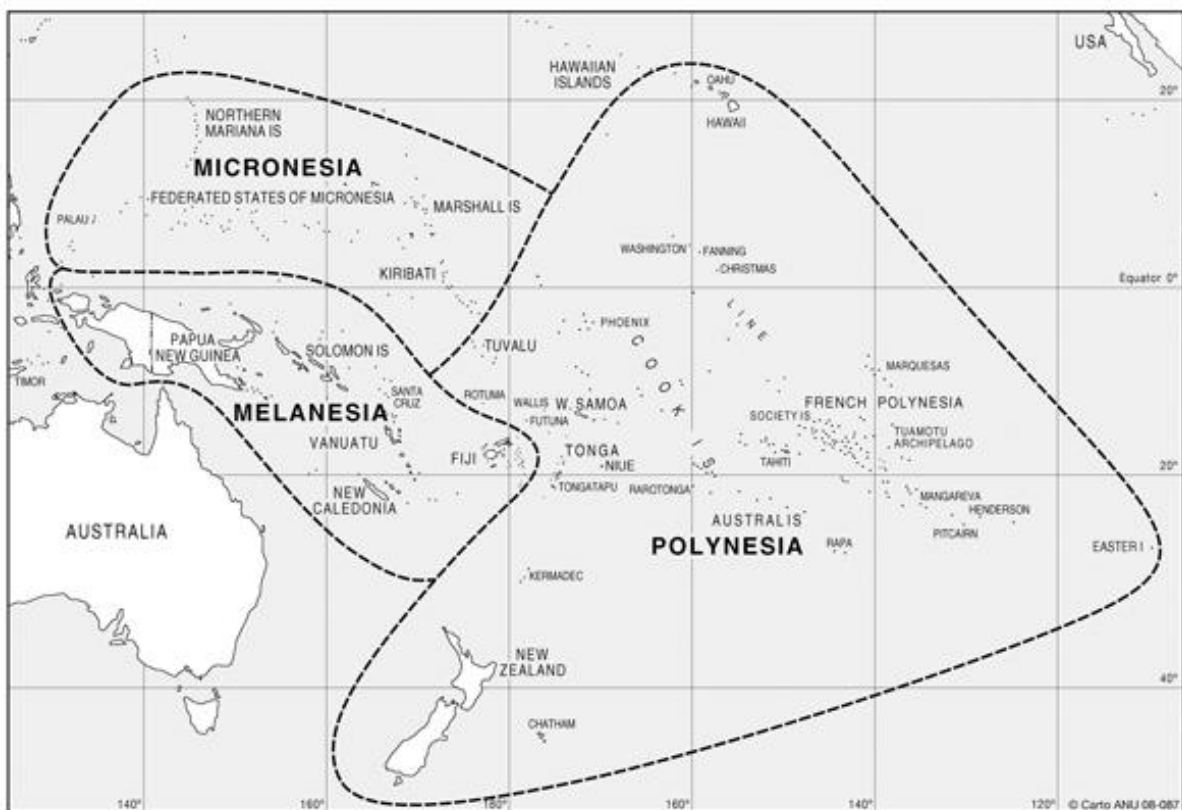
What We've Learned

about development in Pacific island countries

Report of the What Can We Learn project, 2012-13

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The Southwest Pacific



Note: The map shows the ethnic and cultural regions named by European explorers and anthropologists as Melanesia (islands of dark-skinned people), Polynesia (many islands) and Micronesia (very small islands). Some islands in Melanesia have Polynesian or Micronesian populations, from canoe voyages long ago, or resettlement during the colonial period.

What We've Learned

A memorandum from development practitioners in the PICs ¹

Foreword

Concern has spread in recent years among the givers and receivers of development assistance, about the effectiveness of interventions in the affairs of poorer countries in pursuit of sustainable development.² Aid agencies, donor and recipient governments and multinational institutions are all reviewing their approaches in the light of their own experiences, objectives and changing circumstances.

The concern has been driven not only by ex-post investigations by researchers and by donors themselves, but also by critical observations by managers and advisers assigned to projects and programs, including development practitioners working in the Pacific islands. This memorandum aims to make available insights by some of the most experienced of those practitioners and to place these in an up-to-date context.

What We've Learned is not a source of statistical data or quantitative analysis of PIC performance, nor is it a list of things that PICs should do to improve their social and economic situation. Rather, it aims to bring greater realism and effectiveness to PICs' national development policies and aid programs by sharing the experience of professionals working at the sharp end of social and economic change. It identifies issues and factors that actually determine the outcomes of efforts within PICs to shape the future and harness the many forms of external assistance on offer to them.

The most important conclusion to be drawn is no surprise, but is worth stating here: the attitudes of the people of a country, shaped by their culture, history and recent experience, are what determine their progress—their self-respect, social cohesion, energy, open-ness to change, and the importance they attach to having honest and accountable leaders and governments. A closely linked finding is that reliance on national and regional social and economic statistics is unsafe. Especially, monetary GDP is a weak indicator of conditions and prospects in PICs, where most people's wellbeing depends on factors captured poorly or not at all by data on national income.

This summary memorandum is accompanied by participants' papers and rapporteurs' records of discussions, providing full access to this rich interchange of ideas.

Tony Hughes, WCWL Project Coordinator

August 2013

¹ In this report 'development practitioners' are persons professionally engaged in planning or implementing social, economic or political interventions; and Pacific island countries, states and territories are referred to as 'PICs'.

² *The Political Economy of Economic Reform in the Pacific*, edited by Ron Duncan and published by ADB in 2011 in its Pacific Studies Series, provides a valuable survey of these concerns as applied to the PICs.

1. The *What Can We Learn* project

Origins and support

In 1998 ADB published a book that drew on shared experiences and accounts of social, political and economic change to discuss the past, present and future of the Pacific's island states and identify a number of current and prospective issues. The book still serves as a useful primer and source for practitioners, aid donors and students of Pacific island economies.³ In 2011, rather than update the book, it was decided to bring together a number of practitioners with long experience of social and economic management in the Pacific, to discuss and debate what lessons could be drawn from that experience, and to publish the outcome. As a result the *What Can We Learn?* project (WCWL) was developed and implemented during 2012.

The project aimed not only to collate lessons from advice that has already been given, and in some cases lies unimplemented in the files of governments and aid agencies—perhaps in the too-hard basket, or an unnoticed casualty of high staff turnover—but also to bring to light insights that individual practitioners had developed but did not then feel able to press forward within government or aid donor managements, because they did not accord with the prevailing political or institutional orthodoxy, most practitioners having had to keep one eye on their own future employment.

WCWL received ready support from donors, with AusAID, UNDP, ESCAP and New Zealand all contributing money and AusAID's Pacific Leadership Program providing administrative support. ADB assigned practitioners currently contracted to the Bank, USP donated the use of on-campus meeting facilities in Suva, and ANU in Canberra and the ADB Institute in Tokyo expressed interest in helping to take forward the product of the proposed consultation. This all augured well for utilisation of the project's outputs.

Suva Symposium

The main diagnostic tool of WCWL was conceived as a three-day interchange of personal and professional views among a group of thirty experienced practitioners, of whom about two-thirds would be Pacific islanders and about one-third women. An initial 'long list' was whittled down by unavailability and other factors to twenty-nine, of whom in the event four were women, all Pacific islanders.⁴ The meeting took place at USP's Suva campus at the start of November 2012. The symposium format was

³ *A Different Kind of Voyage: Development and Dependence in the Pacific Islands*, by A V Hughes, in ADB's Pacific Studies Series, now available on ADB and ANU DevPolicy websites. The author was then working in ESCAP's Pacific Operations Centre in Vila, where many of the ideas developed in the book were first canvassed with EPOC colleagues, notably including the late Savenaca Siwatibau.

⁴ A list of participants and their roles in the symposium is at Appendix C.

adopted so that all tasks in the presentation of papers and the conduct and recording of discussions would be undertaken by participants themselves.⁵

With a vast potential scope from decades of practitioner experience and only a limited time available, it was necessary to concentrate the intellectual and financial resources. Accordingly the programme was organised into five subject areas, with initial questions posed and papers commissioned from participants on themes within each subject.⁶

An annotated agenda then provided context to the discussions and papers as follows:

1. *Regional relationships*: the Southwest Pacific is widely regarded as an economic and social region, but it is not clear what this means. There are few economic or social connections between PICs, though political links between PICs and Pacific Rim countries have existed since colonial days, and the Christian churches have provided important parallel connections. Official inter-PIC links through regional organisations began with SPC in 1947 and have proliferated since independence in the 1970s. Interventions by PIC governments and others (EU, USA) in trade and investment have had mixed results. Changes are afoot: economic interest in the ocean and seabed is booming; subregional groupings are growing in significance; PIC views on the roles of Australia and New Zealand are shifting, and job opportunities in those economies are opening up for more PICs; new bilateral donors are appearing with various agendas; the influence of China is rapidly growing; and there are moves to improve the performance of regional institutions.
 - What have been the real ‘drivers of change’ in PICs’ relations with other countries, and how have these affected PICs’ development so far?
 - What have we learned about the factors that shape the regional institutional structure, and how this structure might be optimised for the benefit of PICs?
 - What can we learn from official intervention by PIC governments and others in regional trade in goods, services and natural resources?
2. *Impacts of Aid*: levels of external assistance to PICs against population size are high by global standards. PICs and donors have expressed concern at the disappointing effectiveness of this aid—official development assistance (ODA) and aid from NGOs and private sources. Studies abound on the gap between the stated intentions of aid and its actual effects.
 - Have aims embraced by PICs, eg, ‘reform the public service’, ‘strengthen development planning’, ‘improve aid management’, made a difference? On the other hand, how do aid donor institutional practices affect aid effectiveness?
 - Donors are strongly influenced by international trends, and concepts of well-being developed using statistically large numbers (eg, MDGs). This may not make sense

⁵ Wikipedia’s definition of ‘symposium’ as ‘a drinking party with entertainment’ was firmly set aside in favour of definitions stressing purposeful intellectual engagement and debate.

⁶ Eleven commissioned papers were circulated in advance to stimulate and focus the argument in each session. Together with the rapporteurs’ notes of discussions, the papers form the must-read Volume 2 of this report.

where absolute numbers are very small, and the dynamics of development in small states may differ significantly from larger ones. Do aid programs take sufficient account of country-specific factors?

3. *Formal and informal institutions* strongly influence economic relationships and behaviour, while their own accountability may be obscure. Traditional institutions are changing with monetisation and other pressures, and new ones are appearing in politics, commerce and religion. What do we know about them—their nature, roles, political influence and internal dynamics—and how can they be integrated into the ownership and governance of sustainable development? Thirty years ago a ‘power-tripod’ of government, business and civil society seemed a realistic model to provide stability and accountability in the management of PIC development. Since then, the roles of business and civil society institutions in PICs have greatly expanded
 - What does experience tell us about the costs and benefits of governments supporting the growth of business, and assigning an increased role in governance to formal and informal institutions of civil society?
 - How can the threats that corruption presents to broad-based and equitable economic growth best be confronted?

4. *Remoteness, dispersion and concentration*: economic growth in PICs (other than around large resource-based projects) requires creation or expansion of markets, specialisation, production and transport. Most PICs have dispersed rural populations of households producing and consuming similar goods and services. For equitable growth these people need financial services, technical support, and access to export or urban markets.

It is generally accepted that towns are necessary for balanced and efficient growth, but towns drive problematic changes in social and political relationships and need large infrastructure and public sector investments.

- What we can learn from experience of managing urbanisation in PICs

Scattered populations need social and economic services and infrastructure. They may have ethnic or linguistic identities, or a degree of remoteness, that give rise to demands for devolution or decentralisation of government, and sometimes to movements for political secession. Various organisational and fiscal responses have been tried before and after independence.

- What have we learned about managing development among scattered populations

5. *What makes good policy, and what makes it effective?* Effective combination of political and technical factors is widely recognised as crucial to successful policy-making. In all PICs the national government is a major actor in economic development. Governance systems assume that policies and actions will result from the interplay of political (short-term, power-related) and technical (longer-term, cost: benefit based) considerations, but in most PICs political considerations are reaching ever deeper into aspects of policy-making formerly regarded as technical matters.

Elected politicians are sensitive to popular feeling in ways that officials often are not, and ministers increasingly intervene in departmental administration. Weak party loyalties and politicians' reliance on local power bases make for political instability, undermining long-term policy-making. Tensions often arise between sharply felt local interests and less strongly felt national ones.

- What techniques have been found to work in building a sound political and technical base for development policy?

When policies fail, blame often falls on the capacity of institutions, especially the public service. In some PICs people feel that this capacity has actually declined in important respects, not only in service delivery per head to an increasing population.

- What is 'capacity'? What have we learned about building, maintaining and motivating it in public services and institutions, or supplying the demand for it in other ways?

The final session of the symposium discussed successes, failures, and useful advice for someone going into a top job in managing PIC development. The product of this session appears as Appendix B to this Volume 1 of the report.

The symposium consultations were highly interactive, involving face-to-face exchanges and lively debate, made easy because many of those present had previously met and worked together. Participants knew they could speak 'frankly and fearlessly'; their inputs were their personal experiences and insights as professional practitioners engaged in social, political and economic change; what they said would not be quoted attributably without their permission; and proceedings were not open to non-participants. The result was a high degree of mutual respect and a wide range of agreement on issues and approaches.

WCWL Outputs

The most striking message from the symposium, which recurred throughout its formal and informal discussions, stresses the difference between notions of how and why economic and social development occurs that have long guided political and bureaucratic thinking in governments and funding agencies—characterised by participants as '*myth-based policy-making*'—and a more complex reality: the subtle, varied, and only partially visible, cultural and political institutions and relationships that powerfully interact to shape social and economic change in PICs. While a sense has been growing that the difference exists and that it decisively influences outcomes, both sides in the aid relationship have shied away from defining and addressing it.

Participants stressed the need for aid donors and PIC governments to recognise and come to grips with the real social and economic conditions, cultural parameters and domestic and external influences that actually decide the course of events in the PICs

and the region. This two-volume report describes the nature of these conditions and influences and how PICs and their development partners might best respond to them.

This memorandum forms Volume 1 of the report. It draws on the vigorous formal and informal exchanges that ran throughout the three days of the symposium, to provide an overview and synthesis of the ideas that were debated; but it cannot adequately reflect the strength and depth of the presentations and discussions at the symposium. For that the reader must turn to Volume 2, where the eleven papers commissioned from participants on specific topics are reproduced, together with the rapporteurs' notes of the ensuing discussions. These provide not only detail and context for the views expressed, but a vivid impression of the personalities and experiences of the people who wrote the papers and took part in the symposium, all persons of influence in the past and present performance of PICs and Pacific regional organisations.

The symposium generated a strong sense of continuous learning from each other, as participants described and debated their observations and the lessons they believe can be drawn from them. Clearly 'development learning' is a process in which nobody knows all the answers, and the key to building knowledge is to ask the right questions.

The memorandum includes as Appendix B a post-symposium collation of participants' advice on how to survive and be effective as a development practitioner, and particularly how to maintain professional integrity while working in the high-risk, temptation-packed environment commonly referred to as development, by practising 'positive scepticism'. This may resonate with practitioners in other parts of the world.

Taken with the commissioned papers and notes of proceedings in Volume 2, which are an essential part of the WCWL record, the memorandum is the initial output of the project. It carries the participants' strong hope that it will help to create a continuing constructive dialogue among development practitioners, researchers and advisers, with a positive impact on the quality and effectiveness of development efforts in PICs.

2. Pacific realities

The big picture ⁷

The image of the southwest Pacific as a vast oceanic region, across which the mostly very small Pacific islands are scattered, is familiar; but the suggestion that it embraces a community of small nation-states sharing vital interests and engaged in mutual support is a different matter. Opening the WCWL symposium, papers by Francis Hezel,

⁷ See map at page 2.

Kaliopate Tavola and Roman Grynberg comprehensively assessed the nature and problems of regional cooperation, providing insights based on experience and analysis.

It was clear from the papers and discussions that PICs generally are not as devoted to the idea of regional collaboration as aid donors and ‘Pacific Leaders’ might wish.⁸ Among other things, their experience leads small nation-states to think they can individually strike favourable economic bargains with the rest of the world and retain a distinct national identity. Moreover, the political and administrative machinery set up over the years to facilitate regional collaboration is widely regarded as dysfunctional, and is regularly the subject of reviews and proposals for structural improvement.

Most importantly, the geographic and cultural nature of the region does not encourage collective action. Its physical size is enormous (10,000km from west to east and 5000km from north to south) and the social, political and economic conditions of the political entities within it differ vastly—ranging in size from Australia, PNG and New Zealand to Niue and Tuvalu, and embracing Melanesia, Micronesia and Polynesia; including, in New Caledonia and French Polynesia, two significant political and economic entities that are constitutionally part of France, and the eastern half of the big island that an explorer fresh from West Africa long ago named ‘New Guinea’. No wonder, then, that sixty-five years after the post-WW2 colonial powers set up the South Pacific Commission to coordinate their Pacific activities, a region-wide identity with effective machinery of collaborative governance remains a dream—or at best a seemingly interminable work-in-progress.

Compelling reasons for this have come to the fore in recent years⁹ and were examined in WCWL proceedings. Interestingly, though, elements of a regional sense of identity or common interest clearly do exist for some purposes, with organisational capacity to arrange a collective activity. When a regional cause is sufficiently ‘great and good’ to appeal to people at large, and pursuing it does not threaten more important national political or commercial interests, collaboration can be mobilised. Examples are the campaign thirty years ago to keep the Pacific nuclear-free; current efforts to ensure the international community is aware of the consequences of climate change for PICs; and the successful four-yearly Pacific Games and Festival of Pacific Arts—noting that the latter are both ways of showing off differences between PICs as well as similarities.

The personal touch

In a region where neighbouring island countries are several days’ journey apart by sea and have populations numbered in thousands rather than millions, individual personal

⁸ All symposium papers and rapporteurs’ notes of discussions appear in full at Volume 2.

⁹ The World Bank’s thirty-year struggle to comprehend the region is a story in itself, with its most recent episodes entitled ‘*Reshaping Economic Geography*’. It seems more likely that a better grasp of economic geography is reshaping the policies of the Bank and everyone else.

contacts can be an important source of information and influence. Such contacts have become very much easier to make and maintain with recent developments in telecommunications; but long before the Internet and mobile phone, friendly relations among the 'club' of PIC leaders before and after independence greatly assisted inter-PIC collaboration in regional and international affairs, importantly moderating the effect of historical and nationalistic factors that might have kept PICs at arms' length.¹⁰

At a lower level, the ease with which WCWL was put together and the cordiality and quality of its proceedings showed that common experiences, concerns and professional friendships exist right across the geographic region. Meanwhile PIC enrolment at USP's four campuses¹¹ and at universities in PNG and Hawai'i, and the growing numbers of PIC students enrolled at Australian and New Zealand universities, are creating an informal but active Pacific network of graduates and researchers linked by the expanding internet and increasing intermarriage and descent. Nevertheless, this pleasing development in 'micro' relations across the ocean should not disguise the 'macro' forces separating the PICs as nation-states.

External relations

Turning to the PICs themselves, next after sheer distance apart and cultural or ethnic differences that are only very slowly losing their significance, their most important separatist characteristic is the difference in their orientations towards the outside world. Strikingly portrayed by Francis Hezel at the symposium as *'lined up in a circle facing outwards, their backs to one another'*, PICs have very different sets of external relations and forms and degrees of dependence on and access to Pacific Rim countries. These have evolved over two centuries of contact driven by trading, whaling, Christian missions, labour recruitment and competition among Europe, Japan and USA for zones of influence or exclusion that were the product of two world wars, and more recently business-related immigration from China, which has greatly increased in recent years.

At the community level, which those concerned make sure is never far from the minds of island governments, the Polynesian PICs now have large emigrant populations in USA¹² and New Zealand (where the Maori population long predates European contact) and a growing presence in Australia, with all the interchange and

¹⁰ Personal friendships among PIC leaders may be less significant now than thirty or forty years ago, perhaps because with the passage of time the pool of 'leaders' is larger. Such friendships helped to offset a lingering ethnic snobbery, in which lighter-skinned people in the east and north of the region felt superior to darker-skinned people in the west. The origins of this may lie in mythology, but European colonisers and missionaries seem to have been more at ease among light-skinned than darker-skinned people, and this did not escape local notice.

¹¹ In Fiji, Samoa, Vanuatu and Solomon Islands

¹² Including a Samoan community in Alaska, well placed to observe global warming.

interdependence such a presence generates.¹³ The Micronesian PICs have a similarly substantial emigrant presence in parts of the USA, made possible by access under their Compacts of Free Association; while the Melanesian PICs to the west—once a source of adventure-seeking or kidnapped (“blackbirded”) labour for plantations in Australia—now have limited access to Australia and NZ under recently expanded seasonal work schemes, in which NZ’s arrangements greatly outperform Australia’s; and there is a growing Indo-Fijian migrant population in Canada as well as Australia and NZ. In this connection, Australia’s promising recent move to increase PIC job-related mobility by expanding technical training in PICs is still in its development stages, and will need sustained support at home and in PICs to yield lasting results.

PIC national borders were inherited with independence, and are at sea, with the exception of PNG’s western boundary.¹⁴ There have thus been few territorial disputes or violent border clashes. The striking exception is the border separating PNG and Solomon Islands: this passes close to land between Bougainville and the Shortland Islands, and has been the scene of two-way armed raids and skirmishes in modern times as a spill-over from violent disturbances in both countries.¹⁵

The colonial powers that drew the pre-independence Pacific map a century ago have themselves undergone major strategic and diplomatic realignments. Two World Wars and the post-WW2 Cold War have come and gone¹⁶, WW2 especially having a deep social and economic impact both on the PICs and the colonial powers. China’s resurgence as a world power and its competition with Taiwan for Pacific influence continue to affect PICs’ orientation; new players are appearing from the Middle East and the former USSR (including Russia itself) with motives the subject of much speculation; and PICs are willingly being drawn into growing ‘South-South’ connections among India, Africa and South America.¹⁷

Feeling the way forward

Among all these changes, PIC people and their governments are still working out what it means to be small, remote nation-states in the world’s biggest ocean, in terms of political and economic strengths and weaknesses, opportunities and threats, and

¹³ In 2006 the World Bank published *‘at Home and Away’* (named after a popular Australian TV serial), a comprehensive and accessible study of the social and economic costs and benefits of modern PIC migration, which seems to have had a positive influence on government policy ‘at home and away’.

¹⁴ As noted, WCWL did not attempt to cover PNG, which has a land boundary with West Papua/West Irian. The sea boundary between Kiribati and Tuvalu was created at independence—they were previously one British colony.

¹⁵ The line was drawn in a pre-WW1 deal between Germany and Britain on colonial boundaries in Africa and the Pacific, signed in the Schonberg Palace in Vienna. A warship was then despatched to the Pacific to raise the flag, read the proclamation and help the local administration explain matters to the natives.

¹⁶ The Cold War gave PICs the chance to play one side off against the other, *eg*, by selling space for electronic or submarine espionage in return for ‘aid’ in cash or in kind. When this business opportunity disappeared, one observer commented *“The Cold War is over and the Pacific Islands have lost”*.

¹⁷ China is there too, though this oldest of imperial powers remains firmly in the northern hemisphere.

would-be coherent national policies. WCWL participants have been thoroughly involved in the action in the thirty years since most PICs achieved independence—or had it thrust upon them by the international community—and their experiences illuminate the sometimes rewarding but often uncomfortable realities of PIC nation-statehood.

Besides PICs' different orientations arising from physical dispersion, cultural differences and political history, the symposium presentations and discussions identified a number of factors affecting the way PICs are positioning themselves to deal with the future:

- limitations imposed on economic strategy by an inherent lack of competitiveness;
- dependence of PICs with large emigrant populations on remittance incomes from overseas, and their resulting vulnerability to economic downturns in host countries;
- recent public and political acceptance of long-term PIC dependence on foreign aid;
- roles of USA, China, Australia and New Zealand in regional governance and their influence on formation of PIC policies;
- doubts about the cost-effectiveness of the 'institutional architecture' created over the years to support regional collaboration and common services;
- significant uncertainty about the future regional role and impact of PNG;
- preoccupation among governments with ensuring their continuation in office, biasing policy choices towards 'quick wins' with media impact, rather than essential but long-haul investments and programs

Overcoming disadvantages

Experience confirms that economic facts of life tend to assert themselves. Small economic and geographic size; dispersion of islands within a PIC, and of PICs themselves across the region; and remoteness from the world's concentrations of population, economic activity and trade routes—these inherent limitations on the scope for economic growth by PICs mean that 'sustainable development' is only feasible where:

- long-term price support, *ie*, subsidy, for PIC exports is provided to offset these factors, and any financial margin thus made available above recovery of capital and operating costs (*aka* economic rent) is not captured by intermediaries¹⁸
- entrepreneurship, efficient transportation and telecommunications, a supportive business environment and financially and technically competent operators all combine to enable competitive production for niche markets overseas¹⁹

¹⁸ Roman Grynberg's paper identifies EU's Sugar Protocol and Tuna Preference arrangements under the Lome Convention as successful examples. In Fiji, price support for sugar assisted farming families and their landlords, but artificially prolonged an inefficient industry, while in Mauritius the same price support was used to restructure the economy away from dependence on sugar. The supported sugar price has gone, but preferential duty for tuna is still in place and enables processing in qualifying LDCs to compete with inherently more efficient producers. The NZ Recognised Seasonal Employers Scheme provides price support for (increases the returns to) PIC fruit-pickers in NZ.

- PIC governments create and sustain efficient public infrastructure and a fiscal and financial environment conducive to the growth of locally-owned small businesses
- PICs' tuna resources are sustainably managed so as to control access, raise prices and promote on-shore processing , as is now happening under PNA management
- businesses that can peacefully organise land, labour and financial capital so as to sustainably grow and export agricultural and forestry products, get on and do so
- mineral resources on land and under the sea are scrupulously identified and efficiently and accountably extracted under effective environmental controls.

The first of these conditions involves obtaining guaranteed PIC export price support (or protection) from overseas governments or international institutions, which requires PIC governments acting together to play a key role; the others require 'business-friendly' domestic policies and regulations with a functioning state to implement them, access to affordable financing, a credible assurance of government competence and predictability, and a supply of suitably skilled labour, all creating an environment in which businesses can confidently tackle the commercial problems that are their proper concern. WCWL participants had experience of all of these areas of activity.

The last of the six conditions above, relating to ownership and extraction of minerals on land and under the sea, requires a level of technical knowledge, political integrity and negotiating skills that most industrialised countries have difficulty mobilising, let alone PICs. Growth prospects here are fraught with major unknowns and accompanying risks that cannot be handled by a small country acting alone. There will of course be no shortage of offers of advice from outside, but experience shows that great care and exceptional integrity is needed in every aspect of this development.

Apart from some potential re-mining of Micronesian (Nauru and Banaba/Ocean Island) phosphates, which were first mined a hundred years ago under colonial dispensations, land-based mining would be confined to the Melanesian PICs, including the established mining economies of PNG and New Caledonia, where it is set to increase in economic importance and political sensitivity. Undersea mining will grow in feasibility and international attraction to investors and operators, with interest spreading from the Coral Sea eastwards across the region. The technical, financial and political dimensions of these activities will dwarf anything in the previous experience of the countries with minable undersea deposits in their EEZs, and top-class international assistance with impeccable credentials will be needed to enable effective national and regional management regimes to be created and operated.

¹⁹ Niche markets only last until bigger and lower-cost producers move in, so they tend to have a limited life, but skilful market development and product identification are currently enabling PIC-based businesses to make real progress in high-end and 'eco' tourism, pure-ingredient cosmetics and foodstuffs, organic vegetable and tree crop agriculture, and sustainably-certified marine and forestry products.

Meanwhile, increased dependence on aid is becoming politically acceptable.....

Siosua Utoikamanu's paper (see Volume 2) seeks to place the feet of givers and receivers of aid firmly on the ground. It provides a balanced and authoritative overview of donor and recipient attitudes and behaviour, involving the transfer through aid programs not only of resources, but also policies and commercial relationships, and traces how these are continuing to evolve, not always as their proponents expect.

Sharper awareness of the political economy of aid on both sides will expose elements of self-deception and moral hazard that have always lurked within the aid relationship. As a recipient, if we accept this attractive offer, we unavoidably become dependent on it to some degree, and diminish our effective sovereignty; while as a donor, we say we are making this commitment to help this PIC sustainably achieve the MDGs (or other worthy goal), and so we are, but we have other strong and less altruistic reasons for getting close to this PIC and exerting influence on its domestic and foreign policies.

The expectation that a significant level of dependence on external assistance can continue indefinitely is now an acceptable element of the PIC world-view. It is no longer necessary for PICs to pretend to be aiming to do without external assistance. The new realism apparent in PIC governments, aid donors and international organisations recognises that (a) PIC populations will not be allowed to starve to death or drown, and (b) individually (and collectively if they can collaborate) PICs have internationally marketable political and strategic assets that can ensure their access to foreign aid indefinitely, if skilfully used to build relationships with wealthier nations.

...but could be more effectively used if it was more transparent

The role of donor self-interest in an aid relationship is clear enough in the case of countries and governments, but much the same applies to international financial institutions and charitable organisations. These are owned, financed and directed by countries or persons who have policies and aims or world-views that they back with money, and they are operated by people who have careers to protect and mortgages to pay. WCWL noted that the way donors describe their objectives and the way their aid is delivered do not always sit easily together, and greater frankness about donor motives and modalities in general and during negotiations could improve both the aid dialogue and the cost-effectiveness and accountability of the aid transfer mechanisms.

Despite long-running international campaigns for untying of aid, a large part of aid to PICs is effectively tied to delivery by firms or persons who are nationals of the donor country. All the Asian donors do this for their big projects, with no sign of objection by PICs—though there are often comments about suitability of designs for particular PIC settings. Within the nominally untied Australian aid programme, WCWL participants cited the widespread use of Australian Managing Contractors (AMCs) as a source of

concern. With some notable exceptions, project staff and supervisors working for large commercially-oriented contractors appear less aware of the cultural environment into which the aid is being delivered than was the case when AusAID staff undertook field assignments under supervision of field-experienced project managers. Resulting problems can require more experienced practitioners and in-country AusAID staff to mediate and de-bug programs in the field. ²⁰

There are signs that AusAID has taken these concerns on board and is strengthening its oversight of AMC-run projects and preparation of project field staff. There remains a feeling among practitioners that the costs of large private firms delivering official aid absorb a remarkably large part of the aid budget, whether their services are bought on the open market or procured under arrangements characterised as ‘boomerang aid’.

Donors need to look more closely at PICs.....

Internationally active aid donors and development finance institutions have long had internal problems in conceptualising the Pacific in order to deal tidily and effectively with PICs, particularly as (except for the Australian and New Zealand programmes) the region has accounted for a very small part of their total operations. As large bureaucracies themselves, they feel a need for analytical generalisations and administrative rules that can apply to significant groups of clients.

Twenty years ago the World Bank was wrestling with what it called the ‘Pacific Paradox’, its puzzlement initially expressed as ‘*When they are receiving so much aid, why don’t the PICs develop faster?*’ PIC-based practitioners responded that this was not a paradox, but a large part of the explanation: easy access to financial support erodes incentives to work, save and invest—the basis of orthodox economic growth.

The Bank kept the notion of paradox alive by wondering why the Pacific’s economic performance didn’t more closely resemble that of the Caribbean. Again PIC-based observers ²¹ pointed to the much more severe impact in the Pacific of endowed features of topographic size, dispersion and global location, which the Bank has now recognised as part of economic geography. An awareness of history is also helpful. The indigenous peoples of the Pacific are generally alive and reasonably well, owning their natural resources and governing their countries as best they can (with help from their friends, including the Bank). Caribbean island indigenes were killed off and replaced by settlers from Europe and slaves from Africa in the early phases of European

²⁰ An example of delivery methods apparently diverging from program objectives is the use of Australian-based civilian contractors to provide logistical support for RAMSI programmes in Solomon Islands (on a failed-state quasi-war footing but without the danger), where expatriate life-styles have sharpened perceptions of Oz-SI income differentials while boosting rents for up-market houses in Honiara and business for coffee-shops and delicatessens.

²¹ eg, *South Pacific and Caribbean Island Economies*, Foundation for Development Cooperation and SP Forum Secretariat, 1996. Te’o I. J. Fairbairn and DeLisle Worrell.

colonisation and economic integration. As a result, the Caribbean island states have no customary land tenure to get in the way of modern forms of commercial development.

....and be more realistic

Some high-profile commentators have a strong attachment to the notion of Pacific regionalism as a great idea that somehow deserves to be made operational, despite all the obvious problems. But the message from WCWL discussions is that it is a mistake to try to treat the Pacific as a single political or economic region for any but the most broad-brush, representative, non-operational purposes—the differences within the region-wide collective of PICs are too many and too significant. For comparative analysis or collaborative action, PICs will be best dealt with as a number of subregions of nation-states and French territories, whose members have more interests in common than merely being surrounded by the same ocean. The implications of this are examined below.

3. Relations with non-PIC countries

For nation-states as small as the PICs, external relations often involve a mixture of make-believe and uncomfortable reality, much influenced by history and geography. WCWL focused on the fourteen PICs²² who with Australia and New Zealand currently make up the Pacific Islands Forum, together with the Forum's non-independent associate members (and subject to the decision noted earlier, not to deal in detail with PNG). Together these countries and territories bring with them a web of varied and complex relationships with the former and continuing colonial powers of Britain, the USA, Japan and France; with the UN and its regional and specialised agencies; with the EU and its agencies; with the IMF, World Bank and Asian Development Bank; with China and Taiwan, and with established outliers including Kuwait, Israel and Cuba. The PICs all have bilateral aid relationships with Australia and New Zealand, Australia being for many of them their biggest bilateral donor.

These familiar faces are being joined by new 'development partners', some with no obvious links to the Pacific. PICs are establishing relations with the stated aim of promoting trade and investment, and their new friends are buying PIC support in the UN and other international forums. The notions of the Pacific and of PICs that underlie these untested relationships are not clear, but cheque-book diplomacy is nothing new, so it is no surprise that PIC officials and ministers are frequently overseas presenting credentials, signing agreements and passing resolutions of uncertain relevance to issues back at home.

²² Thirteen (including Fiji) who are also members of ADB, plus Niue.

USA, China and Taiwan²³

The first two are the big global players in the background of everything that happens in the Pacific. The history of their past involvements is totally different, and the trajectories of their future engagements are also likely to differ, but their motives for involvement are not dissimilar. The third, Taiwan, has been a quick-footed and effective player in the PIC aid game as part of its campaign for international recognition as an independent nation state.²⁴

USA's direct engagement is focused on the Micronesian ex-US Trust Territories, while Washington maintains diplomatic links, lubricated by aid, with other PICs and with regional organisations, and has close diplomatic and strategic/military alliance with Australia and New Zealand. China (which had imperial explorers in the western Pacific long before Europe, but didn't follow through on those early contacts) is shaking off the need to compete with Taiwan for PIC affections and is building aid-based relationships across the region to extend its own influence eastwards. Both USA and China's aid-related activities seem to be strategically and diplomatically orchestrated, and to lie outside the mainstream of research and debate on aid effectiveness.

WCWL participants noted that future relations of China and USA with PICs would be driven by a combination of strategic security concerns and their national economic and commercial interest in access to seabed minerals and fish stocks. These 'drivers of diplomacy' should not be difficult for PICs to recognise and accommodate to their own collective and national advantage, provided the PICs communicate with each other and pool relevant information through a regional network. So far this has rarely happened, with PICs more often concealing potentially useful information from each other, to their joint disadvantage in trying to develop good investment agreements.

Taiwan, which owed its separate political survival after breaking with the mainland to the military and financial support of USA, has itself become a significant economic and financial power in the region. As time passes and relations between Beijing and Taipei appear to be adjusting to a form of de facto mutual recognition, the competition between them to sign up PICs as supporters may be settling down to maintenance of the current roll-call. If so, attention could usefully shift to improving the quality and effectiveness of their aid programmes, and getting both donors to improve the transparency and accountability of their relationships and transactions with PIC governments. It is not clear, though, that PIC governments or the governments in Beijing and Taipei would necessarily be keen on this.

²³ Use in this Memorandum of 'China' for the People's Republic of China, and 'Taiwan' for the Republic of China reflects common practice in the region and has no political or diplomatic significance.

²⁴ The fact that Taiwan's aboriginal people, mostly living in reserves in the interior of the main island or in peri-urban settlements, are clearly Polynesian, does not seem to feature in Taiwan-PIC relations.

Indonesia and France

PIC relations with Indonesia have so far mainly concerned the future of the western half of the island of New Guinea, which has similar natural resource endowments to the eastern half. Referred to as West Irian or West Papua, depending on who is talking, this was part of the Dutch East Indies, and was occupied by Indonesia when that country became independent. Melanesian PICs forming the MSG have periodically advocated self-determination for West Papua, a matter which Indonesia regards as already settled, but which might be raised again with renewed assertiveness in MSG, depending on how relations work out among MSG states.

France maintains a significant presence in the region by asserting its sovereignty over New Caledonia and French Polynesia, both of which are members of SPC along with France itself. French Polynesia was the site of French nuclear testing in the 1960s, and new, very large nickel mining investments are now under way in New Caledonia. In many ways these economically significant, non-sovereign, francophone 'PI non-Cs' are the elephant in the room in discussions of Pacific regionalism. Changes in both territories' constitutional status are on the cards, but no details have yet emerged.

Australia and New Zealand

The map at page 2 shows the huge land mass of Australia forming the western boundary of the South Pacific. Australia lies next to but outside Melanesia, while New Zealand has been part of Greater Polynesia for several centuries. The two closely-linked, modern, industrialised, high-income and globally engaged countries with a total population approaching 30 million, are of immense economic and political importance to Melanesia and Polynesia (less so to Micronesia, where USA and Asia are stronger external influences). Trade, investment, regional and national security, humanitarian interests, an incoherent and erratic engagement with climate change, bilateral aid and participation in regional and international development programmes all tie Australia and New Zealand firmly to the PICs.

Regional security concerns also link Australia and New Zealand closely to the United States, and make PICs' relations with China and other actual and potential regional powers a matter of interest in Canberra and Wellington. When PNG experienced a prolonged civil war in Bougainville in the 1990s, and Solomon Islands a shorter one on Guadalcanal in 1999-2001, Australia was expected by its allies ²⁵ to do something about these threats to regional peace and security, but found it complex and difficult.

²⁵ Causing John Howard to be caricatured as George W Bush's deputy sheriff for the South Pacific.

In the SI case, using the Forum political machinery, the Biketawa resolution authorised an armed intervention in Solomon Islands, funded and led by Australia.²⁶

Security concerns aside, for most PICs, getting the relationships right between them and their developed neighbours to the west and south is central to an efficient and effective growth process, *ie*, sustainable social and economic improvement. It was thus a matter of general concern in WCWL that that these relationships were currently strained because of regional reactions to the continuance of a military regime in Fiji. Fiji was suspended from the Forum in a move backed by several members including Australia, but Fiji has highlighted the role of Australia and undertaken a diplomatic offensive in the region and internationally to show that in so doing Australia shot itself in the foot. There is now a history of military coups in Fiji, and concern over this is not limited to Australia, but the current rift has placed an extra strain on regional collaboration. The symposium paper by Kaliopate Tavola discusses the implications of this, and possible resulting regional realignments.

What emerged clearly in discussions was a consensus that in conducting regional dialogues and managing relationships with PICs, Australia sometimes adopts an abrasive style of written and oral communication that may be normal in Canberra²⁷ but does not go down well in the region as a whole. As a result the solution to an issue that Australia (and quite possibly others) might prefer may be blocked or made more difficult by PICs whose position has been attacked by Australia but whose support is needed. Participants pointed to the 'Pacific Way' of conducting discussions as a technique for suspending open dispute on contentious issues, to allow reflection and informal approaches to opposing parties to develop a way forward.²⁸

There is a broader context to this issue in the membership of Australia and New Zealand in the Pacific Islands Forum, an arrangement which has periodically caused tensions within that organisation. The Forum began in 1971 as the South Pacific Bureau for Economic Cooperation (SPEC), created by the leaders of the emerging PICs as a forum in which to discuss politically-loaded issues that were taboo at the South Pacific Commission. It was conceived as not including Australia and New Zealand, but they pressed their claim to membership as a condition of providing financial support.

²⁶ Known as RAMSI, the intervention is ten years old in June 2013. By agreement with the SI Government, the military component will now be withdrawn, the police component will remain for four more years, and the development assistance components will shift into the bilateral AusAID program.

²⁷ Notably in the Australian parliament, as WCWL participants had observed personally or on ABC television. Wellington tends to be bracketed with Canberra in PIC assessments, though New Zealand's positions and tactics are sometimes more accommodating and its representatives less outspoken.

²⁸ The downside to the Pacific Way is that it may lead to postponement of decisions where delay will be costly to all concerned: for example, the need for intervention in a deteriorating security situation. The process has to be managed by a strong and respected Chair who knows what is at stake and how to handle the people round the table. May this always be the case.

Kaliopate Tavola's paper gives a detailed insight from his long involvement in these relationships and related developments, including the workings of the Pacific Way.

The difficulty of conducting a fully participatory regional meeting comprising PIC representatives and those of Australia and New Zealand has been recognised, but open discussion of it avoided, for four decades. Hasty or clumsy diplomacy has been interpreted as bullying behaviour. Problems can arise when the big guys forget that, paradoxically, possession of wealth and power may actually bring with it political limitations on the right to insist on having one's way—in the Pacific Way, big guys don't openly throw their weight around, or they may find the basis of it melting away.

PNG—the exceptional PIC

PNG is economically, geographically and in terms of population so much larger than all the other PICs combined, that in discussing the region it is always necessary to decide whether to include PNG, and if so how, or treat it separately. It is notable too that PNG is the only PIC to have a land border (with the Indonesian province of West Irian) and the only one within spitting distance of its pre-independence administering power.²⁹

For purposes of WCWL it was decided to include PNG only for regional topics, and leave its vast and complex domestic agendas for separate examination.³⁰ PNG's role in the Pacific Islands Forum and the PNA tuna-management group, its actual and potential effect on regional relations with Australia and Indonesia, the likely impact of its expanding minerals-driven economy on regional investment and labour migration, and PNG's response to moves by Fiji to redefine the role of the MSG, were therefore all discussed in formal WCWL session or informally during the symposium, and relevant comments appear in the body of this memorandum.

4. Regionalism: an institutional myth?

What's happened so far...

Around the world there are a number of regions with organisations promoting intergovernmental cooperation apparently to some effect³¹, and the Pacific has plenty of non-governmental regional organisations supporting or serving specific human and physical aspects of social and economic development, faith-based institutions, professions, entertainment, business interests and ex-student associations, usually without their internal tensions getting into the headlines. What makes closer

²⁹ It is only a few thousand years ago that land under the Torres Strait was submerged by rising sea levels and it became impossible to walk between (then un-named) New Guinea and Australia.

³⁰ The Director of PNG's Institute of National Affairs, Paul Barker, was a valued participant in WCWL.

³¹ Though they may have political or other problems with such cooperation that they don't advertise.

intergovernmental cooperation problematic in the Pacific is the physical and political nature of the PICs and the region, briefly described earlier and further examined here.

Urged on by outside governments and organisations to make it easier for them to deal with the Pacific, the notion of wider and deeper regional cooperation among PIC governments has been the subject of visions by their political and official leaders for many years, particularly when they are attending regional gatherings. These aspirations have been eloquently expressed in speeches and resolutions, but the political reality that asserts itself when leaders get home is that the national interest would be more clearly served by acting alone or through bilateral agreements, or by joint action among a few clearly engaged and committed parties. This shows in the current focus on the role of subregional groupings, especially in Melanesia, and the efforts of the PI Forum itself to deal with a cloud of critical comment, only partly concerning the role of Australia and New Zealand in its funding and membership.

Discussions in WCWL identified and revolved around two influences on the 'regional architecture', the usual label for the current outcome of past institutional attempts by PICs make regional cooperation work. First is the application of club theory, which says that a country (or any economic actor) will rationally only take part in a joint activity if the net social and economic benefits it can expect to receive are greater than it would get by undertaking the same activity alone; second is the influence exerted by existing regional organisations with vested interests in current arrangements.

In the first category, attempts over many years to develop a viable regional airline out of Fiji Airways led to the creation of Air Pacific with Fiji, Qantas and a number of other PIC shareholders. After years of internal tensions, this eventually foundered on the ambitions of recently independent individual PICs to have their own airlines (symbol of nationhood, suspicions of being ripped off by Qantas or Fiji, etc). A re-badged, re-equipped and restructured Air Fiji is now taking to the skies under Fiji's control, with massive support from the government and carrying national pride as well as tourists.³²

Meanwhile at sea level, the Pacific Forum Line has turned away from its original aim of boosting cargo services on routes shunned or under-serviced by commercial operators, because of ('Washington consensus' economics) pressure from its government shareholders for it to pay its way without subsidy. As it increasingly becomes just another shipping line serving the region, the reasons for its continued

³² There are echoes of the past here. At a board meeting in Suva in the early 1970s, the Qantas-seconded Australian chairman and CEO of Air Pacific/Fiji Airways made disparaging remarks about the recent acquisition of a small business jet by the Nauru government. Board member Hammer De Roburt, President of Nauru, stood up, closed his folder of Board papers, walked out of the meeting without looking back or closing the door, and went home to launch Air Nauru on the back of Nauru's accumulated phosphate earnings. That tiff decided the future of both Air Pacific and Air Nauru.

regional ownership will increasingly come under scrutiny and the attractions of sale or merger into commercial ownership and management will become stronger.

...and what might work.

Several WCWL participants had personal experience of those and other cases, where club theory provides a plausible explanation for the disappointing outcomes of attempts at regional cooperation. It seems clear, and not surprising, that cooperation among PICs is most likely to succeed when it is non-threatening to national interests (which may be subtle and almost invisible until threatened, but can then quickly become 'the national interest' of great significance), and is capable of resulting in a desirable public good that an individual PIC finds it hard to produce by itself.

Work on the Pacific Plan in 2005-6 identified several areas where these conditions would most likely apply. These included support for the production of timely, accurate and usable economic and social statistics, where earlier work by SPC and ANU seemed to have faded away and could usefully be revived; the strengthening of public sector audit capabilities; and the effectiveness of customs and excise departments across the region, all through a range of mutual-reinforcement and capacity-building techniques. These forms of collaboration are much likelier to succeed than high-profile quasi-commercial joint operations such as strategic procurement of fuel or pharmaceutical supplies, where club theory conditions for success would be hard to meet.

Reviewing the regional architecture

Around the time of the WCWL symposium, the Forum Secretariat launched a high-profile review of the current Pacific Plan, aiming to report in late 2013. Together with a detailed and critical review of the Forum Secretariat itself, which was completed in 2012 and then shelved to await the outcome of the Pacific Plan Review, this is likely to turn the spotlight again on the 'architecture' of regional organisations and their relationships with each other and the PICs. These matters have long been the subject of concern, and a number of reviews have reported with strikingly similar conclusions that have so far been successfully resisted by the regional organisations themselves.

The reaction of existing organisations to proposals to improve their accountability and reduce their overhead costs has every sign of 'management capture' of the subject organisations, assisted by the very limited attention actually paid to their governance by governments of the PICs they are intended to serve. On the other hand, a modified version of the 2005 review that recommended creation of a unified regional command and accountability structure for the 'CROP' organisations³³ within a proposed Pacific

³³ CROP = *Council of the Regional Organisations of the Pacific*, a body of regional officials often seemingly preoccupied with defending institutional turf and conditions of service. CROP was established

Commission, has been partly implemented, and a limited amount of consolidation has taken place under the aegis of the former South Pacific Commission, now Secretariat of the Pacific Community, so it seems possible that this ball may be picked up again.³⁴

Rise of sub-regionalism

Scepticism about the political and practical sustainability of fully regional organisations—linked to the perceived ineffectiveness of the Pacific Islands Forum as currently constituted—has shifted the spotlight to sub-regional groupings, where it is expected to be simpler to identify common interests and organise joint action (and of course easier to exclude unwanted non-PICs). Here too, though, lurks a danger of individual PIC enthusiasm and leadership ambitions overestimating the actual strength of the common interest needed to make even a sub-regional arrangement work.

WCWL discussions indicated that the basis of effective sub-regional cooperation among PIC governments is likely to include one or more of the following:

- common ethnicity and external social and economic orientation
- strong interest in joint management of a shared natural resource
- clear convergence of political aims in the conduct of foreign relations³⁵

The scale and quality of the joint activity will then depend on the amount and nature of administrative and financial support that the participating PICs are prepared to mobilise: that is, how each of them assesses the costs and benefits of participation.

Existing sub-regional bodies that bring together several PIC national governments with a common agenda that apparently meets this classification include:

- *Representative high-level meetings within clusters of PICs*
These meetings periodically bring together elected national leaders or top officials within the Polynesian and Micronesian clusters of PICs, or within the Forum sub-group known as the Small Island States³⁶ for review of common concerns (eg: migration, climate change, seabed mining, oceanic fisheries) and to discuss existing or proposed regional positions on related issues.

by the Forum in 1988. In the 1990s a critical article in a regional journal suggested that a francophone version of CROP would be more appropriate, for example, *Conseil Regionale des Agences Pacifiques*.

³⁴ SPC enjoys a 'cleaner' reputation than the Forum because of its wider membership (countries and territories including USA and France), generally apolitical agenda, and focus on technical support to island members. The 2005 proposals to reform the regional architecture recommended combining the Forum, SPC and other 'CROP' agencies into a Pacific Commission with several classes of membership.

³⁵ The exercise helps to point up the problem of the Pacific Forum, which scores poorly on these criteria.

³⁶ Cook Islands, FSM, Kiribati, Nauru, Niue, Palau and Tuvalu, all Polynesian or Micronesian

- *Parties to the Nauru Agreement (PNA)*
PNA was formed when it became apparent that the Forum Fisheries Agency, with its all-Forum membership and links to the Western Pacific Tuna Commission, could not meet the needs of PICs with tuna-rich EEZs (roughly within 10 degrees north and south of the equator) for tougher and better-coordinated policies and negotiations on access to these resources by distant-water fishing nations. Driven by PNG, staffed by experienced persons from member countries and located in Majuro, PNA has set new standards for joint resource management and increasing returns to member countries, and has greatly enhanced the reputation of PICs for being able to work together.
- *Melanesian Spearhead Group*
MSG was founded on the initiative of the Prime Minister of Vanuatu, soon after PNG, Solomon Islands and Vanuatu became independent. It was designed as a strong sign of solidarity with the Melanesian people of New Caledonia and the western half of New Guinea, as a tool for helping them progress towards self-determination. Fiji, with its usual ethnic links lying eastwards, joined later.

MSG has had a significant influence on political developments in New Caledonia, but its impact in West Irian has been minimal. The group has made some efforts to develop a free trade area, though the broadly similar nature of the MSG economies does not make this an obvious development strategy. The suspension of Fiji from the Forum caused its government to upgrade the importance of its MSG membership. A Fiji-driven upsurge in MSG activity followed to make it clear to all concerned that Fiji is a major regional player.

The MSG has yet to find a clear long-term balance of interest among its members. Fiji currently occupies centre stage; Solomon Islands is holding onto Fiji's coat-tails; Vanuatu's government is preoccupied with domestic issues; the Kanak movement in New Caledonia is presently marking time; PNG has yet to apply its potentially overwhelming weight to MSG affairs; and the group's position on West Irian and MSG membership of Timor Leste is under review..

- *Pacific Islands Development Forum*
PIDF has emerged recently as a result of the Forum-centred rift between Fiji and Australia. Its planned PIC membership corresponds closely to the UN-sponsored Small Islands Developing States (SIDS) group, created to facilitate Pacific-wide engagement with climate change and related concerns. Led by Fiji, with external assistance from 'non-traditional' donors, PIDF apparently aims to be the platform from which PICs respond to the global Green Growth initiative, possibly becoming a fully functional regional organisation. Much depends on

how Fiji's high-profile campaign for regional leadership turns out. Relations between PIDF and existing regional and sub-regional organisations are under discussion, on the drawing board or evolving, so—watch this space.

5. Making and implementing policy

In a number of symposium sessions participants shared their experience of advising on, helping to make, and implementing policy in PICs. Presentations addressed aspects of the process including domestic and external influences on policy, inclusiveness of the policy-making process within countries, and accountability for cost-effective policy implementation.

Government policy in PICs is generally made in response to (in order of priority)

- a government's wish to remain in power, and when necessary be re-elected
- political commitments made in pre-election promises (though they soon fade)
- pressures from influential groups seeking social or economic improvements,
- regional or international agencies and donors, advocating specific policy directions or adherence to external standards of performance or well-being.

Policy is a set of strategic and tactical directions designed to achieve stated objectives, usually within a stated time. 'Sound policy' by a government is policy that rests on clear and credible political, technical and financial foundations and proposals for resource mobilisation, and thus has a good chance of achieving its objectives in a timely and cost-effective manner. Difficult choices should be carefully weighed and clearly explained. Such policy is most likely to attract broad support and encourage others (aid donors, the private sector, the general public) to contribute to its success. Things can and do go wrong in policy implementation, but sound policy has the best chance of identifying, adapting to and surviving changes in its operating environment.

Symposium discussions painted a mixed picture of the situation among PICs, reflecting the range of social and economic circumstances noted earlier. There is an increasing tendency for political factors to dominate policy-making, leading to shorter time-horizons, technically less well-grounded policies, and significant policy initiatives becoming linked to an electoral timetable. Major social and economic policies take several years to produce results, and political changes every three or four years—or even the risk of them—can effectively prevent basically sound policy from succeeding. Cross-party support is thus needed to reduce the risk of wasteful mid-policy changes, and this commonly requires some trading-off of objectives to achieve an acceptable policy statement. The process may improve the policy's implementability and effectiveness, or it may have the opposite effect. Analysis and politics don't easily mix.

Pressure and Influence

WCWL confirmed that the main domestic source of pressure on policy-making is population growth, which is running at 2-3% across the region, except in those PICs where it is alleviated by emigration. Persistent short-termism in national policy-making means there is little or no concerted effort to reduce this rate of growth, despite the obvious medium and long-term social and economic benefits of a slower growth rate. The Melanesian PICs, with negligible emigration, have the highest growth rates. Most of their islands still have adequate rural land to feed their people, but those people, particularly the younger ones, are inexorably moving to town, where living conditions are worsening under weak and under-resourced urban and peri-urban government. Pressures are mounting for training, jobs, recreation and health services and ways to participate in 'change for the better', all made more vocal and seemingly more urgent by the rapid growth of mobile phones and 'social media'. Political governments and their opponents in these PICs are competing to respond in ways that will enable them to retain or take power at the next election, mainly by providing public and private goods to people that they hope will vote for them.

Under such pressures the relationship between political and technical inputs in policy-making is crucially important, and requires great care and attention. Savenaca Narube's symposium paper (see Volume 2) drew on a wealth of experience for insights into making this process work. Ministers are subject to many pressures—formal and informal, proper and improper—and senior officials need skill, tact and perseverance to ensure that (a) government policy rests on foundations that are both politically and technical sound; and (b) ministerial decisions conform to that policy.³⁷

Aid donors are a prime channel of external pressure on political governments, and need to behave responsibly in exerting influence, especially when a New Approach is sweeping through the donor community. Political leaders can become excited at regional or international meetings, particularly if they are without their more experienced and sceptical senior advisers, and may make commitments that cause embarrassment later. At the technical or official level too, a new idea can sweep through an aid agency before it has been tested in the field, and be enthusiastically launched in an attractive package at an unsuspecting PIC. Care, caution and step-by-step process should be the watchwords on both sides.

Representatives of business naturally target ministers in order to explain their needs in contributing to the nation's economic and social progress, and they are often in a position to improve a minister's personal well-being as part of the deal.³⁸ Corruption is as much top-down as bottom-up: what encourages it is the overall culture of

³⁷ This is such an important and common concern that it may be worth developing a way to share relevant experiences among PICs in a suitably low-profile, constructive and politically acceptable way.

³⁸ Savenaca Narube's advice not to leave the Minister alone for significant periods is very relevant.

political and official government. PICs at independence were remarkably, though not entirely, free of corruption. Now corruption in its many forms is commonplace, a financial drain on governments and a cancer eating away at governance at all levels.

The lesson is that relations between government and business at large are best discussed in the open between representative groups of ministers, officials and business leaders. Terms and conditions for specific investment, local participation, environmental protection, *etc*, should be prescribed by relevant laws, and not be subject to change by negotiation or unpublished conditions governing a licence.³⁹

The idea of a 'power tripod' of government, business and civil society, which was developed thirty years ago to explain how governance in PICs worked, is examined in Tarcisius Kabutaulaka's symposium paper (see Volume 2). In many remote parts of the PICs, government is the least apparent of the three institutional influences on people's lives, while civil society in the form of religious organisations is the most far-reaching in its influence, and business the most impact-intensive through physical operations and wage employment: business in the form of logging companies licensed by corrupt governments has caused widespread havoc in rural communities in Solomon Islands.

Some of the most powerful influences on policy, and the most difficult to manage with formal tools, are the informal and often unspoken influences on political leaders of extended family, tribal and island connections. Often referred to as custom (*kastom*), or 'the rules of the game' embodying traditional relationships and values, these influences are difficult to pin down because they are continually evolving with circumstances, which now change in ways and with a speed that custom is not used to handling. But these are often the influences that are forming key people's attitudes and governing their actions.

In a monetised, internet-linked environment, where wealth can be lawfully acquired, stolen, hidden, electronically transferred abroad and even lost, without ever taking visible or tangible form, the scope for followers to be deceived and deprived of their rights by their leaders is enormously increased, and both leaders and (somewhat later) their followers have become increasingly aware of this. It is not clear how custom can adapt to the need to manage relationships in these circumstances.

What is clear, though, is that in parts of the larger PICs, customary codes of behaviour are in a state of crisis or have effectively collapsed. Political governments themselves tend to play down the severity of the problem because they don't know what to do about it, or are actually benefiting from its paralysing effect on the development of alternative political organisations and pressure groups. Commonly associated with

³⁹ The Extractive Industries Transparency Initiative has received positive publicity in the region and PIC support, but it only requires the publication of payments made by extractive industries to governments and resource owners under formal agreements. EITI will not expose corrupt payments.

substance abuse (tobacco, alcohol, locally produced drugs and intoxicants) and involving mainly young people in urban and rural areas in public nuisance and often violent behaviour, the lack of social controls, training and guidance for young people is already a massive problem. It is engaging churches, NGOs and intermittently the police, but being largely ignored by political governments.

Effective development needs Inclusiveness and adaptability

For most people in PICs, contact with political leaders and high officials is a rare event. Most contact with authority is at the village or community level. The most valuable qualities in policy-making at community level are *inclusiveness*—the taking into account of the interests of all sections of the community, across gender, age and religious affiliations; and *adaptability*—being able to adjust to new information and pressures without losing direction, purpose and cohesion.

John Roughan’s symposium paper (see Volume 2) on provision of services to scattered populations provides a rich and thoughtful account, based on long personal experience, of how remote village communities in Solomon Islands have managed to survive and develop through decades of change. They have done so with little or no effective assistance from national or provincial governments, through development of home-grown non-government organisations linked to a network of information and encouragement.

Discussions confirmed that rural communities in PICs generally are under strain from the impact of the ‘social tsunami’ of population growth, monetisation, poorly delivered education and health services, weak infrastructure, and the Internet. It is only where effective local leadership has been able to mobilise human and natural resources in a way that involves people in shaping their own destiny that communities are making progress, rather than just surviving on political handouts or remittances from relatives overseas.

Small-holder agriculture and business vs large-scale foreign investment

Inclusive and adaptable methods of improving incomes and welfare are more likely to be used by locally-managed smallholder agriculture, inshore fisheries and small-scale business development of transport, tourism and trading enterprises, than by large-scale industrialised activity. The domestic income-generating efforts of PIC governments should be directed at these sectors.

There are compelling political and economic reasons for PICs with the necessary natural and human resources (mainly the Melanesian PICs), to encourage large-scale commercial investment in mining, forestry and plantation agriculture—all of which

involve large amounts of foreign financial capital and personnel—and they will continue to do so. But these large-scale developments have a substantial downside of environmental impact, complex labour issues, problems over access to land and relocation of villages, and exposure to massive financial risks outside PIC control.

Dealing effectively with those issues requires appropriate legal and administrative structures and engagement of specialist advice to handle the many issues that must be dealt with. Temptations to cut corners and strike unusually favourable deals (invariably a delusion) have to be firmly resisted. WCWL did not dwell on these needs, but within the Forum countries (PICs plus Australia and New Zealand) and their links to the Commonwealth and UN sources there is access to relevant experience to be called on when needed. As noted earlier, except for the Melanesian PICs, this is likely to be for undersea prospecting and the extraction of minerals on or beneath the seabed.

Statistics in making policy and tracking progress

David Abbott's symposium paper on 'Statistics and Evidence-based Policy' (see Volume 2) provided an accessible and expert overview of the state of PIC statistics, based on long experience. Planners and aid donors have a great appetite for statistics, to help build pictures of past, present and future, but in PICs they have to accept the need for 'planning without facts', or at least with far fewer facts than they would like; while researchers and practitioners have learned to treat PIC statistics with caution unless they collect the data themselves. WCWL participants had been in both situations.

Large institutions have a need in their corporate decision-making to aggregate, classify and standardise the issues and parties with whom they deal, and to apply common solutions to bundles of similar problems. Aiding the Pacific is a costly and top-heavy operation, in which the range and variety of the PICs' physical, climatic, ethnic, linguistic and historical circumstances and current endowments of human and natural resources has frustrated many well-meant attempts to quantify Pacific-wide solutions.

Reliable national statistics would go some way towards solving this, though it would not eliminate differences between PICs. However, not only are PIC statistics departments often weak and under-funded, in part because of their tendency to produce politically unwelcome news⁴⁰, but the 'laws of large numbers' that help to smooth statistical series and make analysis feasible and credible in bigger countries do not apply in very small economies or communities, where, for example, the dates of arrival of a couple of ships can significantly change the annual trade statistics.

⁴⁰ RAMSI (the regional intervention in Solomon Islands) has for several years engaged ANU statistical expertise to conduct an annual survey of what people think about RAMSI and related topics. It will be interesting to see if this useful activity can be transferred to SI Government ownership, with the funding and independence to ask what people think about the national and provincial governments.

Domestic users of statistics often have different, maybe conflicting, objectives in their use of the same, often unreliable, data. ‘Headline’ statistics, *eg*, national income, trade balance, population data, employment, are often unexplained (or badly explained) and then misinterpreted for political or negotiation purposes.⁴¹ MDGs for PICs had relevance and applicability problems, and the forthcoming SDGs could do the same. To mobilise action to achieve them, quantified goals (children in school, people at work, deaths from diabetes, responses to climate change) must make intuitive sense in each individual PIC, province, island or village—global or even regional averages are likely to be brushed aside as ‘but that’s not us’. There is a particular need in small countries to supplement quantitative data with qualitative information to illustrate the message; otherwise ‘laws of small numbers’ can make statistics difficult to use.

Discussions stressed the need for governments to be realistic about their own capacity to provide usable statistics, and to fund and staff statistics offices adequately to perform the task they are given. The scope for providing and using regional statistical capacity has several times been identified and located (at ANU and SPC) but never developed. Overall, there is great need and scope for improvement in the production and use of statistics in PICs, with the emphasis on the quality and usability of the data, rather than its quantity, and real potential for a regional approach to achieving this.

6 Issues in PIC governance and administration

Accountability and corruption

Hannington Alatoa’s paper on growth, equity and corruption (see Volume 2) used the case of Vanuatu to illuminate social and political changes strongly affecting many PICs, leading in most of them to weakened accountability in the public sector and an upsurge in corrupt activities. The paper advocates stronger links to traditions that oppose theft of community resources, active anti-corruption engagement of media and civil society, and better-resourced, more effective legal machinery to prosecute corruption cases. All of these resonate clearly with other PICs.

Political accountability requires, first, clear and detailed published statements of government policy and the intended action to implement it; and second, accurate published reporting of progress, problems, solutions being applied and any necessary changes to policy. There are few PIC governments that meet those simple standards: oratory, obfuscation and omission are common, and governments are rarely held to account at political level—too many of the potential accusers have done or are hoping to do the same thing themselves.

⁴¹ This problem of course is not confined to PICs.

Financial accountability means compliance with procedural requirements for dealing with government cash, property and services. Here the general public comes in, both as demanding accountability, and as being complicit in preventing it. Of particular interest are the rules for acquiring or disposing of government property, the making of agreements for provision of services to, or purchase of services by the government, and the granting of permits and licences for activities or access to resources.

The opportunities for corrupt practices are well understood and expertly exploited, with conspiracies to approve land allocations, inflate prices, over-claim for services, under-supply goods, award contracts and scholarships and pay kick-backs to government employees from drivers up to ministers. A distinction is sometimes drawn between 'petty' corruption (eg, bribing a policeman rather than being fined for driving without a licence, or paying 'speed money' to get your documents moved to the top of the pile on the clerk's desk), and 'grand' corruption where the director (or the minister) regularly needs a donation to a family fund in return for import duty concessions, or the IT ministry pays for new computers but gets second-hand ones.⁴²

Many older people in PICs recall pre-independence governments as being almost free of corruption. To the extent that that is true, it is probably because operations were smaller, the lines of accountability were drawn differently, rules were instinctively obeyed, and punishment was swifter. Accountability then lay to an overseas authority who could not be 'got at' and was not a relative or wantok, and the courts were less crowded and quicker. It is not so much that Pacific colonial administrations were free from corruption, but that its scope was narrower and the impacts less obvious.⁴³

WCWL discussions confirmed that with public opinion generally alerted, civil society in most PICs now has an important watch-dog role on corruption in the public sector. In the Melanesian PICs, local chapters of Transparency International are conducting campaigns of varying scope and effectiveness aimed at rolling back both grand and petty corruption, while the emergence of 'social media' has greatly expanded the scope and effectiveness of public monitoring of suspicious behaviour. In Polynesia and Micronesia, smaller populations and fewer natural resources apparently make the actual and potential scale of corruption smaller, but the cancer of bribery can and does attack the body politic at any level and any time: here too alert and investigative attitudes by the traditional and social media are a powerful restraint on would-be government officials and their corruptors. In all PICs the conduct of elections, the award of scholarships, dealings in public (*ie*, government-owned) land, the issue of government permits, licences and tax exemptions, and the sale and purchase of goods and services by the government are the key areas of concern and watchdog focus.

⁴²If anyone in the PICs nowadays is unsure how to become corrupt there are plenty of helpers around to show her/him, with fresh ones arriving regularly from overseas with passports supplied by Immigration.

⁴³ A gesture of appreciation by a transnational corporation by appointing a former colonial official to a company board after retirement, would most likely not be noticed far away in the Pacific.

Urban and peri-urban governance

All but the smallest PICs are facing social and physical problems caused by unplanned and essentially ungoverned urbanisation. The growth of urban and peri-urban settlements across the region is being driven by social and economic forces that governments seem unwilling or unable to recognise or tackle. This may be partly due to the personal and political difficulty of engagement, but it may also be because (importantly, leaving out PNG) the numbers of persons living in urban slum and ghetto conditions are quite small by world standards: in the thousands in the Polynesian and Micronesian PICs, and tens of thousands in each of the members of the MSG.

Sanjesh Naidu's paper on this topic (see Volume 2) draws on his experience with urbanisation issues both with the Fiji government and at regional level with the Forum Secretariat. The paper points to the positive experience of Samoa in grappling with the rapid growth of Apia, due in part at least to not being afraid to use external assistance to help analyse and deal with the problem. The Planning and Urban Management Agency (PUMA) is one of the few positive developments in PIC urban governance in recent years, with many experiences to study and lessons to be learned. It is striking how little seems to be known about the PUMA experience in other PICs.

Elsewhere, as more people move to town—particularly young persons in search of work or escaping from customary controls in rural communities—and the proportion of the population living in urban and peri-urban settlements rises, the picture is one of mounting social and physical stress. Overcrowding of existing houses and shanties increases, water and sanitation systems collapse and solid waste disposal breaks down. Most new arrivals stay with or alongside relatives or wantoks, placing extra strain on already inadequate incomes and facilities. Churches and other NGOs are already engaged with existing urban communities and new squatter settlements, but national government and city or town authorities in most PICs seem unable or unwilling to confront the magnitude and urgency of the problems.

Each PIC has to deal with its own version of urban and peri-urban social stress and need for effective local government, but some general principles seem clear:

- urban centres are necessary for balanced and dynamic economic growth and need to be properly governed, resourced, planned and managed
- too-rapid population growth in and near towns has roots in the failure of rural development to provide access to land and employment to young people: remedying this has to be a key part of any strategy to manage urban growth
- ethnic and island communities in towns can and should be dynamic and positive social and economic units, but their size and rate of growth needs to be matched by public and private investment in infrastructure and services

- the self-governing and self-development potential of urban communities needs to be recognised and used in improving conditions in towns
- national and subnational governments need policies and programmes for managing urban development, with financial backing from national and local government taxes, public-private partnerships, aid donors and organisations.

Experience, good and bad, on which to draw is readily available among PICs. Earlier moves to arrange this seem to have lapsed, and it would make sense to revive them.

Capacity, morale and application in the public service

‘Building capacity in the public sector’ has featured in most PIC statements of development policy in the last twenty years, and aid donors have stepped up with projects and programs accordingly, drawing on lessons reported from similar efforts in other developing countries. The results in terms of public sector performance have been mixed, and often disappointing in view of the resources deployed, paralleling experience elsewhere.

David Hamilton’s paper on capacity development in public services and institutions (see Volume 2) focused on *organisational capacity*, ie, the ability of an organisation to manage its affairs successfully, and capacity development as efforts to strengthen and improve that ability. It is then clear that capacity so defined is a mixture of human intellectual and motivational factors (do we know what to do and how to do it, and are we interested and willing to behave accordingly?) and financial and material factors (do we have the money and materials to do what’s needed, and why is that year-old new machine still sitting in the store-room?).

The paper and ensuing discussions touched on cultural, political and socio-economic factors, stressing the role of leadership and communications within any organisation in defining what’s to be done and motivating people to do it. Performance is above all driven by people’s attitudes, emotions and ambitions—machines are not sensitive to the ‘office politics’ environment in the way that humans are. If the humans are not mobilised by consistent and intelligent leadership to give their best shot to the jobs on hand, the new machine in the store-room won’t be used, and neither will the knowledge acquired by the head of department on that overseas study attachment.

At the same time, organisations themselves have to be *managed* as a coherent entity in such a way as to collectively develop and use the individual capacities of their employees.. Participants felt that ‘capacity development’ was sometimes treated as a new and specialised topic invented by aid donors, when actually it is a part of any well-run organisational management regime. This may reflect a sense that in some PICs management of the public service has become weak and demoralised, an observation that cropped up in several symposium sessions

The conclusions of this session were particularly clear, reflecting close coincidence between the views of presenter and discussants. Capacity development is not some amazing new discovery. It is about getting things done through good leadership, sound organisational management and accountability, and focusing specific measures to improve performance on identified weaknesses (including additional training where needed) where improvements can be monitored and maintained.

In a useful aside, David Hamilton's paper noted that PICs should not be afraid to use suitably qualified foreigners (from other PICs or further afield) for a few specific public service roles that are difficult for a national of the country to perform effectively because of unavoidable local connections and pressures. This observation has been made before, and there are signs that the concept may be gaining acceptance.

Politics and national planning: the emerging prevalence of politics⁴⁴

Politics is usually seen as the largely intuitive 'art of the possible', exercised through periodic statements of strong impact and flexible meaning, striking deals and making compromises, gathering and holding onto support for policy, lobbying the undecided and neutralising opposition: the complex and largely unwritten business of acquiring political power and exercising it without losing one's grip or being stabbed in the back.

National planning (*aka* development planning) is seen, at least by experienced planners, as an essential and crucially influential component of policy-making, involving planners in wide consultation within and outside of government, collection of all relevant information, consultation with political government and study of manifestos and other policy-related statements, analysing possible courses of action and their likely social and economic costs and benefits, comparing alternatives and evaluating outcomes, and recommending rational policy choices to political authority.

The conduct of politics itself requires competent planning of campaigns, fund-raising, building of coalitions, and choices of policy with an understanding of probable costs and outcomes; while planning must take account of known political factors and be alert to the emergence of new ones. Sound policy choices would flow from carefully thought-through political decisions made after assessment of alternatives by professionally competent planners in whom the politicians had confidence.

There was, however, a sense among WCWL participants that in a number of PICs there is an emerging 'prevalence of politics' in the making of government policies and the conduct of government business. 'Planning' still goes on somewhere in the government system, mainly in the negotiation of aid programs, but it is irrelevant to

⁴⁴ Though this was not the specific topic of a symposium paper, it was clearly discernible in the background of several sessions and during informal conversations at the symposium. A brief discussion of it will serve as conclusion to this memorandum.

the primary business of ensuring that the current political government stays in office and that current financial and other arrangements to that end are undisturbed.

Symptoms of this include the seemingly region-wide reduced prestige of Ministries of (Development) Planning, and the mainly ritual significance now accorded to National Development Plans and the like—these are no longer used to hold governments to account. An apparent decline in the role of technical and professional inputs to policy making and the virtual abandonment of multi-year national planning is not limited to PICs: a similar pattern can be seen in Australia, New Zealand and further afield.

Whatever the reasons for it, to the extent that it reflects increasing short-termism in the making of major social and economic decisions with long-term implications, it should be cause for serious concern among PICs and their international collocutors.

Appendix A: Successes, Failures, and Advice to a Senior Official

In a final session of the WCWL symposium, participants were asked to identify three leading successes and three leading failures or mistakes in PICs' conduct of national or regional affairs; and to specify three pieces of advice they would give to someone taking up a senior official position in the management of a PIC's social and economic development. These were the results:

Three successes

- Samoa's proactive and coordinated management response in the 1990s to a succession of financial and fiscal crises and natural disasters
- USP's founding in 1968 and its subsequent development as a Pacific regional educational initiative
- NZ's Recognised Seasonal Employers' Scheme and its effective benefits to participating PICs, seasonal workers and their villages and dependants

Common threads among the top three successes and a number of runners-up were identified as: vision and leadership; sense of ownership; use of partnerships; willingness to consult; open-ness to change; elements of regional solidarity.

Three leading failures or mistakes

- PICs' generally poor record of managing their natural resources
- The unrealistic assumption that PICs will eventually manage without aid
- Mismanagement of the relationship between politicians and the public service

Runners-up as failures and mistakes were: treating capacity building as a short-term issue; accepting flawed processes of project design; political interference in policy implementation; accepting inappropriate policies prescribed from outside; inability to be assertive at critical times; failure to act against corruption

Three pieces of advice to an incoming senior official

Know your environment: the surrounding culture and politics; stakeholders; relevant policies, priorities and legislation; and established processes.

Know your organisation: its strengths, weaknesses, opportunities and threats; systems and tools in use; the quality of coordination; and the capacity needs and gaps

Adopt and implement a program of action: exercise leadership; cultivate ownership; be prepared to modify the program or approach if circumstances make this necessary.

Appendix B: The Development Practitioner's Survival Kit

Notes from experience, informally collected at the WCWL symposium

Practise positive scepticism

The recommended approach is to become committed to a project or programme only after making investigations that enable you to believe in its developmental value and the possibility of success, and then make this belief clear by your behaviour.

But continue to question everything you are told: strive for more and better consultation, collaboration, independent process monitoring, still more consultation, joint evaluation and adjustment of methods and targets as events develop.

This applies whether the task is to help implement a project in smallholder agriculture, advise on rebuilding an ineffective institution, or review national development policy.

Prepare for the assignment

There are very few problems or projects the like of which have not occurred or been attempted before. Find out and read up, well beyond what the client provides for you; consult trusted colleagues and people with recent experience of the country and the nature of the problem you are taking on. Look for the information that you are not being given. The Internet is making this easier all the time. Set up lines of personal communication and use them to share experiences and foresee problems. And then go and get mud on your boots.

Be wary of information provided

Development practitioners are engaged in advising political governments, drafting plans and specifications for work to be done by others, directly supervising projects or programmes, conducting surveys or teaching courses. In all these activities we receive information gathered and presented by other people, who have various motivations and abilities that colour their work. Using this data without critically examining it is like drinking from a bottle without checking the stopper or reading the label. Always check where, when, how and by whom information was gathered, and query anything significant. Informants usually have an interest in the outcome, and the wise practitioner will want to know what that interest is.

Visit the scene of the crime—sorry, project.

Go there, see the place, meet those affected, ask questions and judge for yourself. No matter how far away or inconvenient this is, the wise development practitioner will never design or assess a project or advise a client without personally inspecting both the general location and the proposed site where the action is envisaged to take

place—well before the project reaches detailed design or approval stage—and meeting and spending time with all those concerned. Such inspections are sometimes opposed by the project’s advocates, for reasons that may become apparent on the visit. Site visits and consultations enable half-baked or unrealistic proposals to be exposed and revised or scrapped, while the confidence needed to push through good proposals against uninformed opposition can be acquired.

Such visits should be for as long as it takes to explore the site, go off the well-trodden track, talk with people, sit under trees or in informants’ kitchens, ask questions and get a feel for the social and economic setting—in the Pacific islands, certainly a night or two, maybe a week or more, depending on the project, the people and the place. The investment of time, money and effort is invariably worthwhile.

Finance is often the least of the problems

Adequate funding is important, but it is the component least likely to be overlooked. An overall cost constraint (*eg*, the amount provided in an approved budget) will be known very early, and project design will take that into account, reporting in good time if there are likely to be problems fitting the design to the budget. If the design cost looks like exceeding the budget, there is time to modify the design, adopt a phased implementation over several budget periods, or bring in co-financing partners to take on specific aspects of the project or contribute to the main project fund, with such cost ceilings or other accounting and control provisions as they may require. Persons assigned to the project will normally respond well to being fully briefed on financial parameters, and will feel responsible for managing costs against budget, and providing adequate warning of possible cost over-runs or unbudgeted requirements.

Organisations and people in them pursue what they see as their own best interests

Politicians in power wish to stay there, and those out of office want to get in; public officials wish to retain or improve their position, benefits and prospects, preferably with the minimum exertion or exposure; contractors wish to maximise their current profits and be awarded further lucrative contracts; donor agencies wish to spend their budget allocations and expand their influence, international agencies and their officials wish to protect or enlarge their scope and promote their individual advancement, and local real or would-be ‘big-men’ and chiefs wish to maintain or enlarge their influence and bank balances.

These are understandable ambitions, and not in themselves objectionable: but when some or all of them occur together, they provide a fertile field for corrupt practices. If they are asked, of course, all these actors on the development stage also claim to want faster, more equitable and sustainable growth of the national economy, better infrastructure and social services and effective ways of dealing with climate change.

But when a choice has to be made between self-interest and wider concerns, self-interest wins every time: it's natural. The crucial challenge that development practitioners face is how to make individual and institutional self-interest coincide with the wider, longer-term interests of the local, national and global community. The aim is to enlist the needed support without being captured by it.

Find a way of telling it like it is

Cognisant of others' interests as they may be, development practitioners also have to keep an eye on their own interest. Most participants in WCWL had at some time modified their findings and advice on a policy or project in the light of what they knew about the government's or their client's views. Where this involves a choice between equally valid solutions such adaptation is unobjectionable, indeed sensible. But where it involves recommending a second-best or worse solution (perhaps advocated by an aid donor with technology to sell or strategic goals to advance) the development practitioner is like a salesman knowingly selling a defective product to a customer who has less than perfect information. Experienced practitioners have learned to avoid such problems by declining the job, where they can see that they are being hired to endorse a fatally one-sided policy or project; or have developed ways of making their professional views clear without being dismissed: eg, by recommending and implementing transformational 'minor modifications'.

Learn from history but don't be cowed by it

WCWL is about learning from experience, and the most important lesson is that you have to keep on learning. We study history in part to avoid repeating it, but also to learn from it. What worked in the financial, economic and demographic circumstances of the 1970s-1990s is not necessarily appropriate for the 2010s and 2020s, but some of it may still be valid. 'Development' is not the simple process of acquiring capital, investing it for increased production and distributing the resulting benefits through wise government policies that many of us once assumed it to be. It turns out to be subtle, elusive and prone to capture by interests not identified with the general good.

Human nature alone seems to be a constant, and the impact of human behaviour on other humans and the world around them is often destructive; almost all facets of life in the Pacific islands are undergoing dramatic and often daunting change. This memorandum is a digest of what WCWL participants felt they had learned that could help PICs deal with the presence and prospect of such deep and drastic change.

Once you have confidence in the project, help others to feel the same.

An experienced practitioner may come under pressure to assume a leadership role in a change process, with the attendant danger of substituting for institutional capacity rather than building it. At the same time, a degree of initial leadership is often

necessary to help create the confidence to undertake lasting change. In that case the experienced practitioner will thoroughly involve the in-house team in the highly consultative process outlined above, and ensure that tasks are fully shared out and mutually monitored. As a good design takes physical form and confidence in it and in themselves builds within the team, the tasks of making it all happen are shared, home-grown leadership emerges and the adviser/practitioner moves quietly to withdraw, while establishing the monitoring and review process needed for the project's survival—for its sustainability, to coin a phrase

Appendix C: What Can We Learn Symposium Participants

David Abbott, Hannington Alatoa, Transform Aqorau, Makurita Baaro, Paul Barker, Atanteora Beiatou, Matthew Dornan, Ben Graham, Roman Grynberg, Carl Hacker, David Hamilton, Francis Xavier Hezel, Tarcisius Kabutaulaka, Siliga Kofe, Donald Kudu, Sanjesh Naidu, Savenaca Narube, Ueantabo Neemia, Seve Paeniu, Bob Pollard, Sivia Qoro, John Roughan, Tommy Scanlan, Alise Stunnenberg, Kaliopate Tavola, Odo Tevi, Caroline Tupoulahi-Fusimalohi, Paula Uluinaceva, Siosua Utoikamanu.