

Towards a Pacific Community

Bob Sercombe and Dave Peebles

Shadow Minister for Overseas Aid and Pacific Island Affairs and Senior Advisor

New policies are needed if the Pacific is to realise its potential as a peaceful, prosperous region. This paper argues that all members of the Pacific Islands Forum need to commit to much greater regional integration, and that the Forum should be strengthened and renamed the Pacific Community. The paper makes the case for integration, and outlines the Pacific Community's key agreements and institutions.¹

In 1993, The Australian National University's National Centre for Development Studies initiated a series of studies under the banner 'Pacific 2010' (Callick 2000; Cole 1993; Tait 1994). Based on the available data and policy settings at that time, the series considered what the Pacific may look like in 2010. The vision was a bleak one; if the timeframe was lengthened to 2020, there are enough disturbing trends today to produce equally bleak predictions.

Although the Pacific region is made up of twenty-four unique countries and territories, most countries are facing one or more of the following challenges

- poor economic performance, reliance on commodity exports and declining trade preferences

- aid dependency
- growing urban populations and, in some cases, unsustainable population growth and high youth unemployment
- the need to reconcile communal land issues and development priorities
- weak central authority, leading to security issues, from money laundering to civil conflict
- exploitation of natural resources and environmental degradation
- the potentially catastrophic impact of climate change
- the legacy of poor colonial administrations
- the politics of dealing with populations that are not ethnically homogeneous
- conflict between traditional authority and Westminster-style democratic politics.

In recent years, a combination of these factors has led to: a vicious civil conflict in Bougainville; three coups in Fiji; and a coup, and the risk of state collapse, in the Solomon Islands. According to the United Nations, five of the Pacific island countries are among

Policy dialogue

the world's least developed countries, and eleven of the Pacific island countries are ranked at 100 or lower on the United Nations' Human Development Index of all countries (United Nations 2003). A key theme of the United Nations Development Programme's Pacific report was the region's 'poverty of opportunity' (United Nations Development Programme 1999).

However, a different Pacific 2020 scenario is within our reach: one where the Pacific's citizens enjoy good standards of health and education, long lives and many opportunities; where Pacific economic growth is constantly improving, driven by environmentally-sustainable service industries; where coups, civil conflict and the dangers of failed states have been relegated to the past; where the Pacific is integrated into the wider region, and is an influential voice in world affairs.

In 2004, Pacific leaders committed to a new vision of how they would like to see the region develop. Yet the Pacific is yet to commit to the comprehensive strategy that is needed to realise this vision, and to fulfil its potential as a prosperous, dynamic region by 2020. A new vision and strategy for Pacific cooperation is outlined here, building on the discussions in Australia and the region about the future of Pacific regionalism—and what Australia's role might be.

The way ahead

The first stage of Pacific regionalism was a colonial creation: the South Pacific Commission. The second stage, the Pacific Islands Forum, was appropriate for the immediate post-colonial period. It is now time for the third and substantive stage of Pacific regionalism, where Pacific countries and territories embrace regional integration, and break down the barriers separating them.

In recent years, there have been encouraging signs, in Australia and the region, that the Pacific may be ready for this next stage of breaking down the barriers, and pursuing substantive regional integration.

In 2003, the Australian Parliament Senate References Committee's report, *A Pacific Engaged: Australia's relations with Papua New Guinea and the island states of the south-west Pacific*, made a number of important bipartisan recommendations. The inquiry's key recommendation was for further research, analysis and debate into the concept of a 'Pacific Economic and Political Community' (Australian Parliamentary Committee 2003:xiii). The inquiry envisaged that such a Community would promote: sustainable economic growth; democratic governance; security arrangements; common legal provisions; health, welfare and educational goals; improved environmental standards; and recognition of mutual responsibilities. The Committee envisaged that such a Community could involve, over time, establishing a common currency, a common labour market and common budgetary standards.

For the first time, a cross-section of Australian politicians agreed that closer regional integration, and a more genuine partnership, might be the way ahead for Australia's Pacific policy.

Shortly afterwards, at a special meeting in April 2004, Pacific Island Forum leaders adopted a new vision for the Pacific as part of the Auckland Declaration.

Leaders believe the Pacific region can, should and will be a region of peace, harmony, security and economic prosperity, so that all its people can lead free and worthwhile lives... We seek a Pacific region that is respected for the quality of its governance, the sustainable management of its resources, the full observance of

Policy dialogue

democratic values, and for its defence and promotion of human rights (Pacific Islands Forum 2004:1).

The Auckland Declaration is an encouraging development, and the principles it outlines are certainly worth working towards. Yet the Forum has had vision statements and reviews before and, as the Pacific's recent upheavals demonstrate, these alone have not resolved the region's challenges.¹

A comprehensive vision requires both a guiding philosophy and the detailed plans to realise the vision (Collins and Porras 1991). What is missing from the Auckland Declaration, and the Pacific Plan that Forum members are currently working on, is a shared commitment between Australia and other Pacific island countries to the level of regional integration needed to resolve the Pacific's challenges.

This shortfall can be made clearer by consideration of the founding treaties of the European Union and the Caribbean Community and Common Market (CARICOM). The preamble to the European Union's founding treaty states that members are

...resolved to substitute for historical rivalries a fusion of their essential interests; to establish, by creating an economic community, the foundation of a broad and independent community among peoples long divided by bloody conflict; and to lay the bases of institutions capable of giving direction to their future common destiny (Treaty of Paris, Preamble).

In the preamble to CARICOM's founding treaty, members announced their 'common determination to fulfil the hopes and aspirations of their peoples for full employment and improved standards of work and living' (Chaguaramas Treaty establishing the Caribbean Community.

Hereinafter 'CARICOM Treaty'). CARICOM members believed these objectives could 'most rapidly be attained by...accelerated, coordinated and sustained economic development' and 'a common front in relation to the external world' (CARICOM Treaty, Preamble). Thus, CARICOM's key objective was 'the economic integration of the Member States through the establishment of a common market regime' (CARICOM Treaty, Article 4).

The European Union promoted its vision of bringing together peoples divided by conflict; but it also identified the vehicles for accomplishing this goal: an economic community and the necessary institutions. CARICOM promoted its vision of fulfilling the aspirations of Caribbean citizens for better development; but it too identified the vehicle for accomplishing its goal: economic integration through a common market.

If the vision in the Auckland Declaration is to be realised, Australia needs to assist in the creation of permanent mechanisms that will enable the Pacific to realise its potential as a peaceful, prosperous region. Australia cannot afford to be a Pacific spectator—it must be an intimate partner in a process of regional integration, and there are areas where Australia must do better by its Pacific partners. Australia needs a more organic model for its Pacific relations—where the flow of ideas and people is much more two-way between Australia and our Pacific neighbours, and indeed region-wide among all countries.

The first phase of Australia's Pacific engagement involved sending out Australian diplomats and defence personnel to the Pacific. The second phase, in more recent years, has involved sending out police and financial experts. Australia now needs to embrace a third phase: where Pacific citizens are welcomed to Australia, so they can earn the remittances they need to help their home communities; where Pacific officials are

welcomed so they can hone their skills; and Pacific neighbours are welcomed to celebrate our shared Pacific values and interests. The Pacific needs to embrace the people-to-people links that are only possible if the region pursues deeper integration.

Thus, if the Auckland Declaration vision is to be realised, the region must collectively commit to new mechanisms and new policies. In the mid 1990s, Inotai argued that the

...traditional behaviour of the [European Union] toward Central and Eastern Europe is based on emergency support to the most needy countries. This approach does not offer sustainable stability because it treats the symptoms of the problem rather than its cause. Such an approach does not contribute to economic modernisation [and]...emergency support helps strengthen the rent-seeking mentality of certain actors (Inotai 1994: 39, 163).

Yet there were alternatives to this approach to the struggling European states, in precisely the same way that there are alternatives if Pacific Island Forum members wish to assist the Pacific's struggling states. In the early 1990s, Western European countries accepted the challenges of assisting the Central and Eastern European countries, and they succeeded; but only because they embraced a true partnership, with Western Europe offering membership of the European Union in exchange for reform in the Central and Eastern European states. In the Pacific context, there are areas where Pacific island countries must do better by themselves and their citizens. However, Australia cannot hector from 'outside' the region, as it has often sought to do—it must also be a full partner in Pacific regional integration.

It is worth noting, too, that the benefits of regional integration are not restricted to

large countries, as in the case of Europe. From the creation of CARICOM in 1973, members viewed regional integration 'as an essential element in their strategies for survival and development' (Andriamananjara and Schiff 1998: 27). As a result, the Caribbean has many similar regional institutions to Europe. Regional integration has resulted in the Caribbean being a more prosperous and secure region than the Pacific. A study by Worell and Fairbairn (1996) comparing the Pacific and Caribbean island economies found that growth rates in the Caribbean were higher; income per capita was several times higher in the Caribbean and growing more quickly; and growth was spread widely among Caribbean economies. As a result, Caribbean health and education standards were decidedly superior (Worell and Fairbairn 1996).

The evolution of the Pacific Islands Forum

The Pacific's recent crises have been enormously damaging—not just to the individual countries but to the whole region. Prevention is better than cure. Breaking down the barriers and deepening the Pacific regional integration process is essential to provide the impetus, the shared commitment and the shared resources necessary to address the underlying challenges in the Pacific. It will also allow Forum members to win the benefits that are possible in a larger and more powerful organisation, ensuring they have a greater impact in other international organisations such as APEC, the United Nations and the World Trade Organization.

Therefore, the Pacific Islands Forum should be strengthened, and renamed. It should become the core of a new 'Pacific Community'.²

Policy dialogue

Through deeper regional integration and new institutions, the Pacific Community should aim to promote

- sustainable development
- security
- good governance
- environmental management and protection
- assistance with health, education, population and youth issues
- better political and economic opportunities for women
- cultural promotion and exchange
- human rights
- the rule of law
- democracy
- engagement with civil society, and
- people-to-people links throughout the region.

These goals are interconnected and mutually reinforcing. The Pacific's security crises, for example, should properly be understood as a manifestation of the other challenges, such as lack of economic development and poor governance, rather than viewed in isolation. Promoting sustainable development will improve the Pacific's security environment; but sustainable growth is likewise dependent on a benign security environment, and institutions to promote the rule of law and democracy.

Ad hoc, reactive initiatives cannot be a substitute for the long-term strategy that is needed to address the Pacific's current challenges. A comprehensive plan is needed to simultaneously promote all these goals through permanent commitments and institutions. Jéan Monnet, one of the founders of European integration, believed in the transformative influence of regional

institutions: states 'subject to the same rules will not see any change in their nature, but they will see a transformation of their behaviour' (Wright 1998:2)

The Pacific Community treaty

Deeper Pacific integration will only be possible through legally binding commitments. This would mean recognising that all members are equally bound by the agreements of the Pacific Community, and accountable to the Community's institutions. This would protect the interests of both large and small members. Other regional integration projects have ensured that small states have enjoyed legal equality with large states.

Thus, as with the World Trade Organization, the key agreements to create the Pacific Community would need to be drawn into a single treaty—a 'single undertaking treaty'—that all members would have to ratify (Figure 1). This would ensure all members—developed and developing countries alike—commit to a comprehensive reform package, rather than members picking and choosing the parts of the Pacific Community they like. Pacific island countries should view such legal commitments as an important opportunity. Samoa, for example, has successfully used its Treaty of Cooperation with New Zealand to ensure better development outcomes for its citizens.

The single undertaking treaty incorporates the critical agreements, the minimum amount of integration needed to realise an effective Pacific Community. Optional protocols would include important further integration initiatives for those members that are ready, but such initiatives are not critical to the establishment of the Pacific Community.

Policy dialogue

Figure 1 The Pacific single undertaking treaty



Breaking down the barriers between the region's current institutions

An important part of the process of creating the Pacific Community would be to review the Pacific's existing regional institutions. It is vital that regional institutions are structured in a way that best helps Pacific citizens, that ensures resources are productively allocated where they are most needed, and that facilitates the development of a Pacific voice and the prosecution of Pacific interests on the world stage.

For example, one proposal that has been discussed for many years is to combine the Pacific Islands Forum Secretariat (the political organisation) with the Secretariat of the Pacific Community (the organisation providing development assistance). In the past, it was understandable that there were sensitivities about their appropriate roles. However, it is now time to recognise the contribution of each, and explore the best ways of drawing on their respective strengths as part of the integration process. Combining these secretariats may help to maximise the effectiveness of regional resources. For example, rather than having a three-person Pacific Women's Bureau as part of the Secretariat of the Pacific Community, and one person working on gender issues at the Pacific Islands Forum Secretariat, it would be better to have a single, well-resourced Pacific Women's Centre as part of the Pacific Community's new institutional structure.

Reform and restructuring need not be instant. As part of the Pacific integration process, the Council of Regional Organisations in the Pacific could be charged with creating a decade-long plan for breaking down the barriers between current institutions, and combining functions where appropriate.

Of course, any reform must be handled sensitively, with an appreciation of the prestige and economic benefits attached to being the host of a Pacific regional institution. However, since the Pacific Community will involve the creation of a number of new regional institutions, these new institutions could be located in countries where the function of old institutions have changed. The creation of new regional institutions will also offer opportunities to Pacific island countries that are not currently hosting a regional institution. Care needs to be taken to ensure that institutions are shared equitably among members.

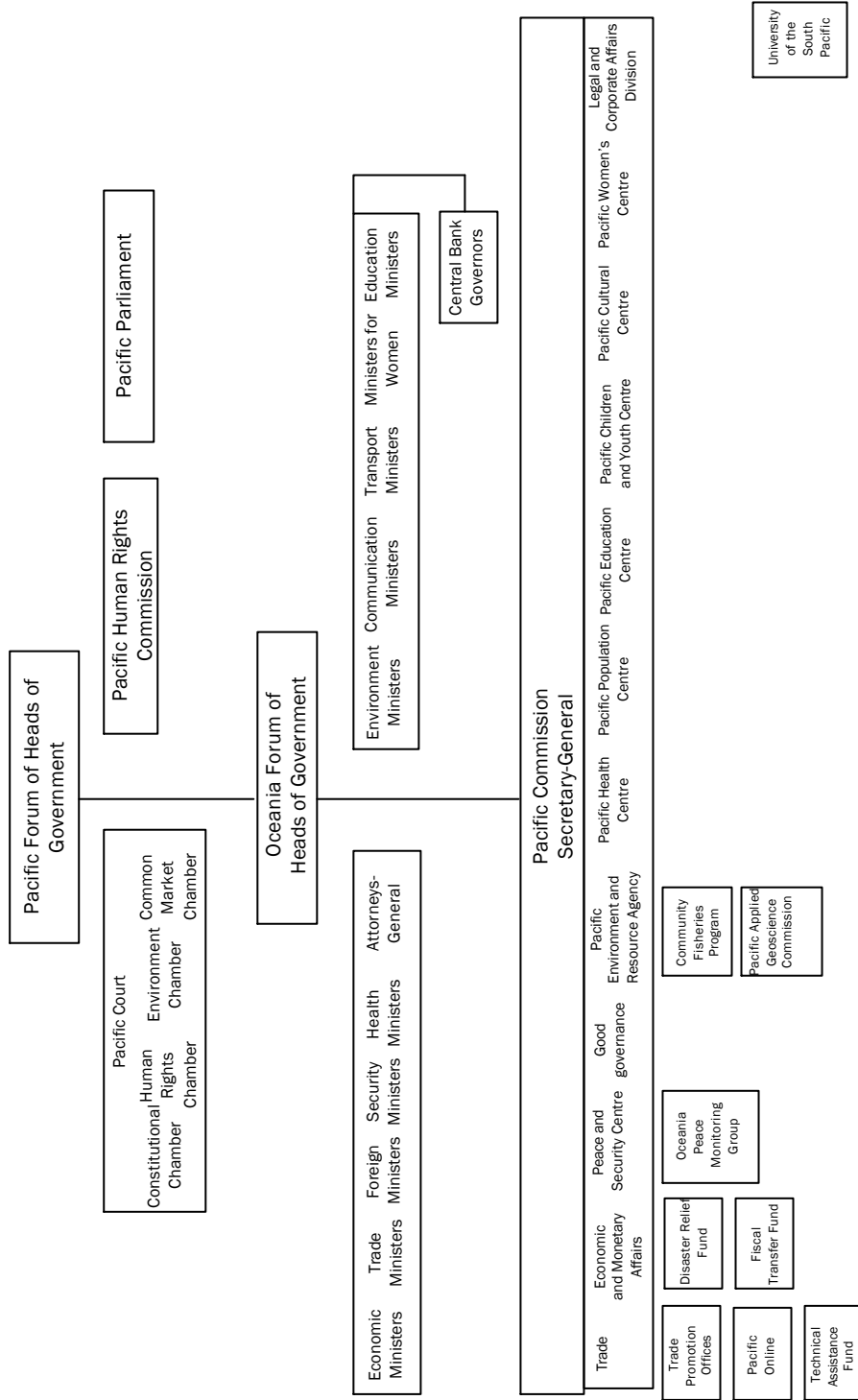
Figure 2 sets out how the institutions of the Pacific Community may evolve over time. The important features of current Pacific institutions would be retained in the Pacific Community. For example, the Pacific Islands Forum becomes the Pacific Forum of Heads of Government, and the South Pacific Regional Environment Programme becomes the expanded Pacific Environment and Resource Agency. However, new institutions would be created as a result of the Pacific single undertaking treaty.

Pacific aid

Australia's Pacific aid has often not been tied to any strategic outcomes. For example, Australia's aid to Papua New Guinea for some years largely consisted of direct transfers. However, in the context of the European Union, aid has played a vital role in narrowing the gap between Europe's richer and poorer countries (Bornschiefer, Herkenrath and Ziltener 2004). The European Union demonstrates that aid can make a critical contribution to sustainable development in the context of regional integration. The European Union had the commitment, and the strategic vision, to use its aid relationship

Policy dialogue

Figure 2 Proposed structure of Pacific Community institutions



Policy dialogue

with Central and Eastern European countries to facilitate economic reform in those countries. The European Union pursued 'clear-cut modernisation...based on a medium-term comprehensive package' to win better results and reduce long-term outlays (Inotai 1994:163).

In the early years of the Pacific Community, greater technical assistance would be needed to enable Pacific island countries to implement their commitments. However, the strategic intention in doing this is to reduce outlays over time, not to institute a permanent and greater dependence. To facilitate the strategic use of aid, Australia should commit to more long-term, multi-year programs rather than annual funding. It is reasonable to expect developing countries to commit to long-term reform to better promote sustainable development; but it is also reasonable to expect developed countries to commit to long-term support for this process.

Given reciprocal binding commitments to the Pacific Community, Australia should facilitate a supportive regional environment, better enabling Pacific island countries to promote sustainable development. For Australia, investing in the institutions of the Pacific Community will not ultimately be more expensive than our current policy settings. This can be easily demonstrated. Australia's failure to respond to Solomon Islands' request for assistance in 2000 means that the Regional Assistance Mission to Solomon Islands (RAMSI) intervention is likely to cost A\$1 billion. A Pacific Peace and Security Centre, devoted to preventing conflict, will cost only a fraction of this.

A new vision

A Pacific Community represents the third and substantive stage of Pacific regionalism, and the vehicle for breaking down the current barriers between the Pacific's people,

economies, governments and regional institutions. The Pacific Community would be more effective in resolving the region's challenges, and more powerful in prosecuting its wider interests.

This major reconceptualisation would change what it means to belong to the Pacific region, and how the Pacific region is regarded by the rest of the world. It involves a commitment by Pacific countries and territories to an exciting shared future, and to strengthening and improving existing institutional arrangements. The creation of such a Community would energise Pacific policymakers, and provide a beacon of hope for its citizens.

The Pacific Community will not solve all of the Pacific's challenges directly, nor would progress in resolving challenges be immediate. But, based on the experience of other regional organisations, regional integration can be an effective means of promoting peace and prosperity. Former New Zealand Prime Minister and WTO Director-General Mike Moore has said, 'countries preparing for entry to the European Union and the WTO do better than those without such objectives. The economic discipline brings with it growth, social progress and better governance' (Feizkh ah 2003:31). In considering prospective European Union members, Heiberg argued

[t]he stability and economic development that is likely to come from European Union membership will enhance the strength and stability of those countries and, with economic development and a higher standard of living, their internal stability will be improved (Heiberg 1998:194-95).

The creation of the Pacific Community would establish a new partnership between Australia and the region's developing countries, and a permanent framework to encourage and facilitate this generational change.

Policy dialogue

This vision is necessary, it is achievable, and it is the best way, perhaps the only way, for the Pacific to realise its potential as a prosperous, dynamic region by 2020.

Now, implementation is where the real challenge lies. Although the voyage may not be easy, the promise of a Pacific Community awaits the Pacific and its citizens.

It is time to begin.

Notes

- ¹ See Forum Communiqués at <http://www.forumsec.org.fj> [accessed 12 October 2002].
- ² Of course, many Pacific islanders would already regard themselves as belonging to a community of peoples, and there is an existing Pacific regional organisation called the 'Secretariat of the Pacific Community'. But we should be aiming to create a comprehensive community of governments and people, and a regional community that builds on the strengths of all existing regional organisations. The creation of a Pacific Community as proposed in this paper would ensure such opportunities are realised, and ensure that the Pacific fulfils its potential as a peaceful, prosperous region.

References

- Andriamananjara, S. and Schiff, M., 1998. *Regional groupings among microstates*, Policy Research Working Paper 1992, World Bank Development Research Group, Washington, DC.
- Australian Parliamentary Committee (Australian Senate Foreign Affairs, Defence and Trade References Parliamentary Committee), 2003. *A Pacific Engaged: Australia's relations with Papua New Guinea and the island states of the South-West Pacific*, Commonwealth of Australia, Canberra.
- Bornschier, V., Herkenrath, M. and Ziltener, P., 2004. 'Political and economic logic of Western European integration', *European Studies*, 6(1):71–96.
- Callick, R., 2000. 'Australia's noisome neighbours: never pacific, never paradise, never ours', *The Sydney Papers*, 12(4):30–39.
- Cole, R. (ed.), 1993. *Pacific 2010: challenging the future*, National Centre for Development Studies, The Australian National University, Canberra.
- Collins, J. and Porras, J., 1991. 'Organisational vision and visionary organisations', *California Management Review*, 34(1):30–52.
- Feizkhah, E., 2003. 'Hands across the water', *Time Australia*, 7 July:31. Available online at <http://www.time.com/time/pacific/magazine/20030707/pacificunion.html> [accessed 12 February 2004].
- Heiberg, E., 1998. 'Security implications of EU expansion to the North and East', in K. Eliassen (ed.), *Foreign and Security Policy in the European Union*, Sage Publications, London:184–96.
- Inotai, A. 1994. 'Central and Eastern Europe', in C. Randall-Henning, E. Hochreiter and G. Hufbauer (eds), *Reviving the European Union*, Institute for International Economics, Washington, DC:176.
- Pacific Islands Forum, 2004. 'The Auckland Declaration', Pacific Islands Forum Secretariat, Suva, 6 April. Available online at <http://www.forumsec.org.fj> [accessed 15 May 2004].
- Peebles, D., 2005. *Pacific Regional Order*, Asia Pacific Press, The Australian National University, Canberra.

- Sercombe, B., 2005. 'Towards a Pacific Community', Australian Labor Party Policy Discussion Paper, Melbourne.
- Tait, M. (ed.), 1994. *Pacific 2010: the future, a matter of choice*, National Centre for Development Studies, The Australian National University, Canberra.
- United Nations, 2003. *Human Development Index*, United Nations, New York. Available online at <http://www.un.org/special-rep/ohrlls/ldc/list.htm> [accessed 8 May 2003].
- United Nations Development Programme, 1999. *Pacific Human Development Report*, United Nations Development Programme, Suva.
- Worrell, D. and Fairbairn, T., 1996. *South Pacific and Caribbean Island Economies—A Comparative Study*, The Foundation for Development Cooperation, Adelaide.
- Wright, J. 1998. 'Enlarging the European Union: risks and benefits', *Conflict Studies*, 312:1–22.

Acknowledgments

This paper draws on a discussion paper released by the Australian Labor Party (Sercombe 2005) and *Pacific Regional Order* (Peebles 2005).