The Pacific: from “Arc of Instability” to “Arc of Responsibility” and then to “Arc of Opportunity”?

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This special volume of Security Challenges contains contributions from leading experts and Pacific scholars that reflect on progress and prospects in the “Pacific arc”. This Introduction begins by identifying common themes that emerge from the contributions regarding the way in which Australia relates to the arc, and how the arc responds to Australia. It then summarises the contributors’ conclusions regarding the future prospects of the arc. It concludes by arguing that, although Australia has extensive interests in the arc, it has declining influence over the region. The contributions suggest that, in order for the arc to become a source of security, rather than threat, Australia needs to take a more cooperative and long-term developmental approach that engages with the local context, including the resilience of Pacific societies. Consequently, it may be time for Australian policymakers to see the region not as an “arc of instability”, but instead as an “arc of opportunity”.

During World War II the Japanese Pacific advance was “Australia’s moment of truth in the twentieth century”¹ concerning its vulnerability to security threats from or through the arc of island territories to its north and east.² Therefore, the “Pacific arc” came to be understood not only as a geographical description of the islands of the South Pacific, but also as a strategic concept for Australian defence planning. Following decolonisation in the 1970s, Australia’s concern shifted to the risk that the newly-independent arc states could fall under the influence of external great powers, a risk that was heightened by American and Soviet Cold War competition for influence in the region. This concern echoed the earlier strategic considerations of the colonial era, which influenced much of the colonisation of the region in the late 19th century. Australia subsequently focused on issues of stability in the arc states after the 1987 coups in Fiji, which dispelled any myths that the region was populated by strong, independent states. Australia’s attention was further captured by the crisis that began in Bougainville in 1989, by growing political instability in Papua New Guinea, the Solomon Islands and Vanuatu, and by the violence that surrounded the independence referendum in Timor-Leste in 1999.

Consequently, Australia recognised that threats in the arc were most likely to come from weak states, rather than from powerful ones. This recognition reflected a wider international shift in strategic thinking that had been gaining ground since the end of the Cold War, most dramatically represented in Robert Kaplan’s 1994 essay “The Coming Anarchy”. In the Australian context this phenomenon was described by Paul Dibb in 1999 as “the arc of instability to the north and east of Australia”. The term “arc of instability” subsequently dominated policy debates about Australia’s near neighbourhood. However, as Graeme Dobell notes in his contribution to this volume, Pacific leaders “resented the idea [of the arc of instability] intensely” because of its negative characterisation of their performance and Australia-centric view of the region. The term was also contested by academics, with David Hegarty (among others) claiming that it “both oversimplifies and overdramatises a region of vast diversity and complexity”. Despite this tendency to gloss over significant regional variation, Robert Ayson has argued that the term has been “a useful way of focusing attention on particular elements of Australia’s strategic environment”.

The 9/11 terrorist attacks added impetus to Australia’s concerns about instability in the arc, which fell within a wider international discourse concerning the perceived threat posed by failing states. In the Australian context influential reports claimed that unstable regional states could become staging points for transnational criminals and terrorists. These concerns were used as the partial justification for Australia’s “new interventionism” in the region, including the Regional Assistance Mission to the Solomon Islands (RAMSI) in 2003, the Enhanced Cooperation Program (ECP) in Papua New Guinea in 2004, and stabilisation missions to the Solomon Islands and Timor-Leste after riots in 2006. In light of these

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8 Australian Government Department of Foreign Affairs and Trade, Transnational Terrorism: The Threat to Australia (Canberra: Commonwealth of Australia, 2004); Elsina Wainwright, Our Failing Neighbour: Australia and the Future of the Solomon Islands (Canberra: Australian Strategic Policy Institute, 2003).
9 Sinclair Dinnen, Lending a Fist? Australia’s New Interventionism in the Southwest Pacific (Canberra: Australian National University, 2004).
activities, the 2009 Defence White Paper reiterates that, after the defence of Australia against armed attack, Australia’s next strategic priority is the “security, stability and cohesion of our immediate neighbourhood”. 10

In 2012 the Australian stabilisation mission in Timor-Leste will withdraw, and in 2013 the small military component of RAMSI will return home, while its other components scale-back (although an Australian policing and governance presence will remain in the medium-term). In 2012 Papua New Guinea and Timor-Leste held relatively peaceful elections, and both appear to have formed fairly stable governments. The performance of the Solomon Islands Government has improved, and the Vanuatu Government functions quite well. In 2012 the military regime that has been in place in Fiji since their 2006 coup confirmed that national elections will be held in 2014, and created a Constitution Commission to make a new constitution. Therefore, it is timely to reflect on progress and prospects in the arc.

This introduction begins by identifying common themes that emerge from the contributions regarding the way in which Australia relates to the arc, and how the arc responds to Australia. It notes that Australian policy has been heavily influenced by the arc of instability discourse, which has caused it to see the region through a security lens. The contributions suggest that Australia’s focus on perceived security threats has encouraged it to overlook the long-standing and deep-seated challenges that face the region, as well as the considerable variation between different states, which has limited the success of its activities. This introduction then summarises the contributors’ conclusions regarding the future prospects of the arc. It concludes by arguing that, although Australia has extensive interests in the arc, it has declining influence over the region. The contributions suggest that, in order for the arc to become a source of security, rather than threat, Australia needs to take a more cooperative and long-term developmental approach that engages with the local context, including the resilience of Pacific societies. Consequently, it may be time for Australian policymakers to see the region not as an “arc of instability”, but instead as an “arc of opportunity”.

Reflecting on the Pacific Arc

This special volume of Security Challenges begins with a contribution from Paul Dibb in which he traces the evolution of Australian strategic thinking about the region, including the emergence of the term “arc of instability”. Graeme Dobell then follows with his proposal for a new term, “arc of responsibility”, which reflects “the responsibility that must go with a set of [Australia’s] abiding interests” in the region. Four experts then provide updates on the current situation, and reflect on Australian policy and involvement, in the most significant arc states: Ron May writes on Papua

New Guinea; Sinclair Dinnen on the Solomon Islands; Gordon Peake on Timor-Leste; and Brij Lal on Fiji. These are followed by essays from two leading Pacific scholars: Jack Maebuta considers the role that peace education can play in peacebuilding in the Solomon Islands; and Jone Baledrokoadroka argues that involvement in international peacekeeping operations has empowered the Fijian military as a political actor.

When the term arc of instability was initially coined by Dibb it was taken to mean the region “stretch[ing] from the Indonesian archipelago, East Timor and Papua New Guinea in the north, to the Solomon Islands, Vanuatu, Fiji, New Caledonia and New Zealand in the east”, a definition Dibb utilises in his current contribution. While this broad interpretation was initially adopted by Australian policymakers and scholars, after Indonesia’s relatively successful transition to democracy most commentators narrowed their view. For instance, Dobell focuses on states to which he claims that Australia has a sense of special responsibility: Timor-Leste, Papua New Guinea, Bougainville, Nauru, the Solomon Islands and Vanuatu. In this approach, he specifically excludes Fiji, from which Australia has distanced itself since the 2006 coup (although it now appears to be moving back to re-engagement). Reflecting their more specialised regional concerns, the remaining contributors focus on the geographic and cultural area of Melanesia. Melanesia is usually taken to include: West Papua, Papua New Guinea, the Solomon Islands, Vanuatu, Fiji, New Caledonia and sometimes, Timor-Leste. In accordance with the majority view, this Introduction treats the “arc” as the Melanesian region.

**Australia’s Relations with the Arc**

This special volume identifies several common themes regarding how Australia relates to the arc, and how the arc responds to Australia. Dobell focuses on Australia’s responsibility to the region. In the last two decades Australia has increasingly accepted this responsibility, evidenced by its intervention and stabilisation missions, and by the fact that, with budgeted aid of A$1.16 billion in 2011, it provides more than 50 per cent of donor funds. However, as he observes, “acting as the regional superpower and aid banker is not a role that ever attracts much thanks”. Moreover, as May warns, Australian aid “does not buy Australia more than a very limited, and changeable, influence over Papua New Guinea’s security policies”.

Consequently, there is a consensus amongst the contributors that, as Dobell eloquently observes, “Australia’s sphere of interest is not always its sphere of influence”. To illustrate the difficulty of achieving Pacific acceptance

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(which Dobell describes as “followship”) of Australian “leadership”, he refers to Australia’s failed attempts to isolate the Fijian military regime and stalled efforts to promote regional integration. In Papua New Guinea, May attributes this difficulty to “resentment ... of Australia’s colonial past and its continuing role in Pacific affairs”. Peake similarly argues that Australia’s relationship with Timor-Leste is shadowed by its history (combined with ongoing tensions over the development of Timor Sea resources), which has resulted in “Timorese aggressiveness towards Australia”.

Writing about tensions in the Australia-Timor-Leste relationship Peake makes the important observation that Australia’s aid contribution “is dwarfed in relative terms by the size of the budgets at the disposal of the government in Dili”. Peake argues that “money in the bank brings self-confidence and reluctance to be advised by others”, which has seen the Timorese government “cool on substantive political engagement with Australian aid programs”. Peake foresees that a similar challenge may arise in Papua New Guinea, once revenues from its massive liquefied natural gas project begin to flow.

The nature of Australia’s aid is also important, with Peake noting that, while Australian aid to Timor-Leste is “technical-focused and non-concrete”, it competes with donors like China, whose contributions are more attractive as they are “free-and-easy”. When this is combined with negative perceptions of Australia’s “boomerang aid”, May argues that it partly explains why Papua New Guinea has similarly sought Chinese assistance.

As noted, since 9/11 security has been the primary lens through which Australia views the region. Accordingly, Dinnen argues that RAMSI was “underpinned by a powerful security imperative”. It signalled a “move from a traditional reliance on the soft power of aid and diplomacy to a more ‘hands-on’ approach” that privileged an external security agenda over the locally-specific and longer-term development challenges facing Melanesian states.

May and Dinnen conclude that relations between Australia and its neighbours improved after then Prime Minister Kevin Rudd’s 2008 Port Moresby Declaration, which ushered in an era of cooperation. Australia also entered into bilateral Partnership for Development agreements with Papua New Guinea, the Solomon Islands and Vanuatu, which committed Australia to this approach. Dinnen argues that these promising developments “reflected a growing sensibility [in Australia] to local concerns and priorities”, as compared to its previous security-driven emphasis.

Despite these positive moves, the consensus amongst the contributors is that Australia’s relationship with the arc remains sensitive. The contributors make a number of overlapping proposals for how Australia could cultivate regional followship. May argues that “Australia must improve its understanding of Papua New Guinea, through closer government-to-
government and people-to-people relations”. Reflecting a similar emphasis, Dobell highlights the importance of the seasonal agricultural worker schemes as an example of Australia “opening up to Pacific people”. Peake concurs that the way forward for the Timor-Leste-Australia relationship is to cultivate people-to-people links, with positive developments including goodwill visits and potential tourism flows.

The warming relationship between Australia and its neighbours, combined with the drawing down of Australian interventions in the region, may also see the return of what Dinnen describes as a “particularist and developmental lens” when Australia views the region’s future needs and prospects. This approach may prove less controversial, and result in more locally-sensitive policies, than the security-driven approach.

Future Prospects of the Arc

The contributors also consider the future prospects of the arc, and identify a number of security challenges. The general consensus is that external security threats are outweighed by internal security risks, which reflects the fact that security challenges arising from the arc come from weak states, not powerful ones. The focus on internal security risks highlights that human security issues such as personal safety, gender equity and access to education, health care and economic opportunities remain the most significant concerns in most Melanesians’ daily lives. This suggests that future considerations of the arc should shift their focus from a strategic, state-centric approach, towards a human security, people-centred approach, that is more concerned with individual and societal security.

May highlights several law and order problems in Papua New Guinea, and concludes that attempts to address them have been undermined by a lack of capacity and resources. Consequently, Dibb warns that a serious breakdown in law and order in Papua New Guinea may oblige Australia to respond with a “prolonged stabilisation mission”, although whether such a mission would be politically or practically feasible is questionable. May is also concerned about Papua New Guinea’s political stability, but notes that it has “only had six prime ministers in thirty-seven years, elections have been held regularly on schedule, and all changes of government have followed constitutional procedures”. However, all governments have been coalitions, which have been unstable and subject to frequent votes of no confidence. He notes that the potential for political instability was illustrated by the events of late 2011 and early 2012, when two competing political factions simultaneously claimed to constitute the legitimate national government. Despite this, after the June 2012 national election a new grand coalition government was formed that included the previously contesting parties, and “Papua New Guinea has come back from the brink of what appeared to be a serious constitutional crisis”. Yet May acknowledges that the Papua New
Guinea state remains weak, as it is not clear whether the new coalition will remain stable.

May also identifies two serious challenges that the Papua New Guinea Government will face in the coming years. The first is how to use the revenues generated by its new liquefied natural gas project to advance development. The second is the upcoming referendum on Bougainville’s future political status, scheduled to take place between 2015 and 2020. The confines of space prevent May considering this issue in detail, but it is worth noting that it is not clear whether the referendum will be held, as it is conditional on weapons disposal and the Autonomous Bougainville Government (ABG) achieving internationally-accepted standards of good governance. Funding and capacity limitations have stymied the development of the ABG, and there are sections of Bougainville that remain outside substantive ABG control, where weapons remain freely available. Therefore, the Papua New Guinea parliament may decide that the conditions for holding the referendum have not been met.\(^{13}\)

Even if the referendum is held, it is not clear what the outcome will be, as while the majority of Bougainvilleans appear to favour independence, many recognise that the capacity and funding challenges faced by the ABG would be inherited by the independent state. Therefore, it is not unforeseeable that many Bougainvilleans may decide that continued integration in Papua New Guinea is the only viable option. Alternatively, the referendum could be delayed until the ABG has developed its capacity and revenue options. Whether such a delay would be accepted by hard-core independence activists is not clear. Or, the referendum could go ahead, and a state-building mission, probably undertaken along the lines of RAMSI on a regional, multilateral basis and led by Australia, may be required to prepare Bougainville for independence.

RAMSI offers valuable lessons for future Australian interventions in the arc. Dinnen notes that RAMSI restored security quickly, encouraged the surrender of weapons and apprehended militant leaders. However, both Dinnen and Maebuta conclude that many challenges remain, including questions over the sustainability of the gains made by RAMSI, and the extent to which long-standing underlying issues have been resolved. Like Dinnen, Maebuta identifies the most significant unresolved issues in the Solomon Islands as being the “inequitable distribution of development benefits, the harsh economic situation and recurring political crises [which] have weakened the sovereignty of the state”. According to Maebuta, underlying these issues are “deep-seated traditional issues of land and compensation”.

Dinnen and Maebuta emphasise the importance of engaging with the local level to achieve sustainable stability in the Solomon Islands. As in other Melanesian states, 85 per cent of the Solomon Islands population live in rural areas, where Dinnen describes their socio-political order as revolving around “complex interplays of kinship and exchange relations, friendship, church membership and myriad claims to customary land”. Both agree that RAMSI’s initial failure to develop a sound understanding of the complex local context undermined its effectiveness. For example, a lack of understanding of the underlying currents of local politics meant that RAMSI failed to anticipate the public disturbances that occurred following the April 2006 national elections. Consequently, Maebuta argues that RAMSI should consider “widening its scope of operation in order to be responsive to local realities”, as “foreign intervention without local input cannot solve complex traditional issues”. Accordingly, Maebuta calls for a “culturally-appropriate deep intervention”. Maebuta envisages that this deep intervention would “include healing the real development wounds of the past and not merely providing a band-aid through the maintenance of law and order”. Peace education is seen as a critical component of such an approach, as it can “address the underlying issues in ethnic conflict and deal with post-conflict development challenges”. To an extent these calls have been heeded by RAMSI, and in 2008 the legislation governing the intervention was amended to mandate the Solomon Islands Foreign Relations Committee to “find ways in which RAMSI can develop programmes according to the aspirations and plans of the Solomon Islands”. This move reflects the broader Australian shift towards partnership with the region.

Somewhat paradoxically, Dinnen and Maebuta acknowledge that RAMSI’s successes may also limit its long-term achievements. Dinnen argues that, while there are high levels of public support for RAMSI, there is also a “continuing lack of confidence in Solomon Islands own institutions and anxiety to a possible return to conflict” after the mission withdraws. Rather than building self-sufficiency among local actors and organisations, the mission may have “inadvertently induced unhealthy levels of dependency and rendered RAMSI indispensible for Solomon Islands’ continuing stability”. However, Dinnen acknowledges that “RAMSI has been sensitive to local concerns about the potentially destabilising effects of its drawdown and eventual departure”. To that end, RAMSI has exhibited “a growing appreciation of the structural challenges facing Solomon Islands”, particularly poor economic prospects and the unresolved nature of many of the factors that contributed to the instability that preceded the intervention.

Similar issues arise in Timor-Leste, where law and order has been improved and the government is relatively stable. However, both Dibb and Peake express caution over the potentially destabilising consequences of the underlying issues of poverty, illiteracy and a young, growing population, with Peake noting that, “beyond the tarmac roads of the capital, many problems are manifest”. Peake also observes that, while law and order have
improved, capacity is limited, and there are signs of emerging paramilitarism amongst the police and a lack of purpose for the army.

The army has found a (somewhat perverse) purpose in Fiji, which has been governed by a military regime since the 2006 coup. Lal outlines the military regime’s “record of broken promises”, including its failure to deal with corruption, improve government transparency or deal with growing poverty and underdevelopment. Lal acknowledges that the regime has decreed some promising measures aimed at reducing racial discrimination, but concludes that they have been outweighed by its restrictions on public discourse and damaging economic policies.

An explanation for the Fijian military’s willingness to intervene in politics is provided by Baledrokadroka, who gives a fascinating account of how the participation of the Republic of Fiji Military Forces (RFMF) in international peacekeeping operations might explain its propensity to intervene in Fijian politics. He argues that the RFMF’s participation in these operations has given it a “self-image as mediator of political tensions and executor of coups d’état”. The military’s role in public life has also been enhanced by the fact that its involvement in international peacekeeping has necessitated an increase in its size. After the 1987 coups the RFMF also took on an internal security role and was given responsibilities such as rural development. Baledrokadroka describes how the military has consequently “become a parallel state within a state”, which overspends its budgets and wields significant political influence.

Although Australia protested the 2006 coup, imposed targeted sanctions on the military regime and initiated Fiji’s suspension from the Pacific Islands Forum and the Commonwealth, Baledrokadroka describes how Australia has been complicit in the rise of the RFMF. According to Baledrokadroka, Australia’s Defence Cooperation Program with Fiji (suspended after the 2006 coup) had the unintended consequence of bolstering the military’s capacity to intervene in Fijian political life. Baledrokadroka also identifies a degree of hypocrisy in Australia’s actions, noting that although the 2006 coup was condemned and sanctions were imposed, the number of Fijians deployed on peacekeeping missions increased and neither Australia nor New Zealand “impeded the participation of Fijian troops in UN peacekeeping operations”.

A common theme running through the contributions is the uncertain consequences of China’s increasing presence in the arc. Dibb identifies the possibility that China may establish a military base in Timor-Leste as posing a potential risk to Australia, although he concludes that the arc “is unlikely to become an arena of serious military competition between China and the United States”. China’s influence has been most prominent in Fiji, which Lal notes has been enhanced by the “Look North Policy” adopted by the regime. The Papua New Guinea and Timor-Leste governments have also expressed similar sentiments. Lal concludes that it is unclear whether Fiji has sought a
closer relationship with China due to the aid and soft loans it provides, or whether it was “hoping to get Washington to put pressure on Wellington and Canberra to soften their travel sanctions on Fiji”. This pressure may have worked, as the relationship between Australia (and New Zealand) and Fiji warmed in 2012, after the Fijian regime created a Constitution Commission to make a new constitution, and confirmed that it will hold elections in 2014. While Lal raises a number of concerns about the freedom and legitimacy of the constitution-making process, its starting “was enough for Australia and New Zealand to call for the restoration of full diplomatic relations with Fiji”.

Other Future Prospects of the Arc

Space constraints have necessitated that this special volume focused on what I, as guest editor, identified as the most significant—and pressing—aspects of the arc’s future security. For completeness, it is worth mentioning additional security challenges that warrant future attention.

Gender inequality is a serious concern across the arc. Most significantly, according to UN Women, two out of every three Pacific women has experienced physical and/or sexual violence from a male partner. Gender inequality is visible in the public sphere, as although there have been some recent—and unexpected—gains (such as the election of three women members of parliament in Papua New Guinea), across the Pacific region only five per cent of parliamentary seats are held by women, and women account for only one in three people in formal employment. At the 2012 Pacific Islands Forum meeting, Australian Prime Minister Julia Gillard announced the A$320 million ‘Pacific Women Shaping Pacific Development’ initiative, intended to expand women’s leadership and economic and social opportunities. Leaders at the Forum meeting also endorsed the ‘Pacific Leaders Gender Equality Declaration’, which aims to improve women’s political representation and gender analysis in regional development planning. Given the pervasive nature of the problem, and questions over the capacity of the region to usefully absorb Australia’s large initiative, this issue warrants continued attention.

Most arc states rely on the exploitation of natural resources to drive private sector development. While natural resource exploitation provides a valuable source of revenue, it raises a number of challenges. First, natural resources...
are often exploited unsustainably. For example, over-logging and consequent environmental destruction is common. Over-fishing (frequently undertaken illegally) is also a problem, as many states struggle to adequately police their extensive sovereign waters. Second, land-based resources have resulted in disputes (most dramatically illustrated in the Bougainville conflict), as the region’s customary, communal land tenure systems often sit uneasily with more individualised market-based leasing and income distribution regimes. Third, resource exploitation has resulted in internal displacement, as it is common for land to be leased for mining or logging without the occupants’ consent and/or knowledge.

The environmental effects of the over-exploitation of natural resources have been exacerbated by the effects of climate change, particularly in the form of rising sea levels. Many islands are only a few metres above sea level and several have become uninhabitable, resulting in the displacement of their occupants. To date the number of people affected has been relatively small, but if the effects of climate change continue to worsen, these numbers will increase. It is not unforeseeable that, if these numbers stretch into the tens of thousands, the people affected will be unable to be resettled within their home states, which could result in a tide of climate refugees to surrounding developed states, particularly Australia and New Zealand.

From “Arc of Instability” to “Arc of Responsibility” and then to “Arc of Opportunity”?

The popularity of the term arc of instability in Australian policy debates from the late 1990s reflected Australia’s tendency to view the arc through a security lens, accentuated by the post-9/11 “war on terror” and the perceived security implications of “state failure”. Consequently, Australia saw itself as responsible for securing the arc through a series of stabilisation missions, aid programs and governance, military and policing assistance aimed at strengthening arc states. As these efforts were focused on short-term perceived security threats, they often overlooked the long-standing and deep-seated challenges that lay beneath them. Consequently, despite Australia’s extensive interests in the arc, the contributions to this special volume suggest that Australia’s efforts have had limited success and that Australia has declining influence in the region. Fiji, Papua New Guinea and Timor-Leste are increasingly willing to seek relationships with other external powers, most notably China. The Timor-Leste case also suggests that, once arc states access their own substantial revenues, Australia’s ability to use its aid for influence diminishes. In addition, RAMSI’s ongoing presence reveals that despite the many achievements over the past decade, substantial international support will continue to be needed to sustain these gains and enable the Solomon Islands’ own institutions to effectively manage current and future development challenges.
Therefore, the contributors largely agree that Australia should change the tenor of its engagement with the region by adopting a developmental, rather than security, framework. Consequently, Australia should consider undertaking “culturally-appropriate deep intervention[s]”, as advocated by Maebuta, which engage with the local context in order to address the long-standing challenges of uneven development, weak—and often illegitimate—state institutions and uncertain land tenure practices, many of which are legacies of European colonisation. An important aspect of engaging with the local context will be recognising that, while arc states may have weak state institutions, the societies underpinning them are often highly resilient, as communities fill the gap created by limited state capacity in order to provide law and order and basic public goods.

Although Australian defence planners have focused on the Pacific arc as the region from or through which a military threat to Australia could most easily be posed, a more stable region, with stronger states, could equally provide Australia with a security screen. Therefore, it may be time for Australian policymakers to start to see the region not as an arc of instability, but instead as an “arc of opportunity”.

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