This Discussion Paper was written as a contribution to policy deliberations on how the ‘Regional Assistance Mission to Solomon Islands’ might assist the people and government of Solomon Islands rebuild their state and nation after years of divisive and debilitating internal conflict. Issues raised in the paper will have relevance for policy-makers, donor agencies and non-government organisations.

BACKGROUND


The primary objectives of RAMSI were to halt the country’s downward economic and political spiral – the result of five years of internal conflict and disorder, restore law and order, and then assist in the recovery and rebuilding of the country’s economy and governing institutions.

In late April 2003, the Australian government had responded to a request from Solomon Islands Prime Minister, Sir Allan Kemakeza, seeking assistance in addressing his country’s worsening security and economic crisis. Reversing its previous policy of non-intervention in the affairs of its Pacific neighbours, Australia embarked on a strategy of what it termed, ‘cooperative intervention’. It sought and obtained the agreement of the Foreign Ministers of the Pacific Islands Forum in June in accordance with the Biketawa Declaration that provides for a collective Pacific Island response to a crisis and it obtained the unanimous approval of the Solomons parliament for such an operation in mid-July. A treaty between Solomon Islands and the sixteen Forum member countries endorsing and providing legal cover for the operation was signed later that month. RAMSI’s mandate was to reinforce and uphold the legitimate institutions and authorities in Solomon Islands, and ensure respect for the Constitution and implementation of the laws.

RAMSI is a police-led operation comprising 335 police drawn from the police forces of Australia, New Zealand, Fiji, Kiribati, Samoa, Tonga and Vanuatu. The head of the police contingent, a senior Australian Federal Police officer was sworn in as a Deputy Commissioner of the Royal Solomon Islands Police and thus constitutionally became a part of the Solomons government. A military element of 1800 personnel provides military security support to the police component as well as logistical and

The contribution of AusAID to this series is acknowledged with appreciation.
operational support. While Australian personnel predominate, each Pacific Island country that has a defence force has also contributed to the operation. A small number of civilian officials from Australian government departments are also part of the Mission, working in strategic line and advisory positions within the Solomon Islands public service including the Treasury and Justice departments. The head of RAMSI is a diplomat from the Australian Department of Foreign Affairs and Trade who as ‘Special Coordinator’ is responsible for oversight of the operation and engagement with the Solomon Islands government on all areas of security and governance.

A selected reading list is provided at the end of the Discussion Paper as a guide to information on the Solomon Islands conflict and crisis, and on the RAMSI operation.

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I. INTRODUCTION

This paper suggests ways by which the Regional Assistance Mission to Solomon Islands (RAMSI) and Australian policy generally might assist in building state and nation in Solomon Islands.

We assume that the objectives of the Australian-led intervention – particularly in the post-stabilisation phase – are to

- assist in developing effective and responsible government and the restoring of basic administration and essential services – that is, a ‘state-building’ objective, and
- assist in developing a more harmonious, stable social and political order in which respect for the rule-of-law and a sense of (or sentiment for) nation evolves – that is, a ‘nation-building’ objective.

These objectives are to be accomplished through

- establishing stable conditions, supporting reconciliation and peace-building, facilitating economic recovery and development, providing resources over a long term and assisting Solomon Islanders themselves to re-build their country.

We support this, in particular the emphasis on participation, involvement and ultimate decision-making by Solomon Islanders. This is crucial if a positive and sustainable outcome is to be achieved. We also assume that RAMSI, while having roles in both ‘nation building’ and ‘state capacity building’, will focus on the latter. In the absence of a strong sense of nation, the state has a central role in nation building.

Window of opportunity?

The intervention and its positive reception to date by most Solomon Islanders present a unique window of opportunity for change and reform. Few voices have been raised against the intervention and the need for fundamental reform – though these do exist in parliament and the bureaucracy. The window will not stay open indefinitely because of the almost certain emergence of domestic opposition as Phase II progresses. Hence it is important to move quickly to facilitate a sustained program of longer-term reform agreed to by all key stakeholders. Such a program should aim to cover, at least, the next 10 years.

The immediate focus of RAMSI on security issues has been necessary to restore peace and stability. Significant progress has been made in a short time, notably in disarmament. It is nevertheless important to move on quickly to the issues of governance that underlie the current crisis. At the same time, RAMSI must resist the temptation to try to ‘fix’ things itself or push the pace of reform beyond the local capacity to accommodate it. This is particularly the case where custom is important, for example, in local-level reconciliation. Well-meaning attempts by outsiders on such issues often create confusion, run the risk of getting it wrong, and hinder processes that are usually drawn out and more complex than is appreciated.

Structure of paper

The first section of our paper briefly surveys the experience of nation and state building in other parts of the world, and the second examines the Solomon Islands context and how the country came to be in its present plight. These sections establish that there are few successful models from which to draw lessons, and offer some guidance on the kinds of reforms and of development assistance required in the Solomons.

We then propose approaches RAMSI should adopt in the Initial Phase (Phase I) and in the Post-Stabilisation Phase (Phase II). Although we accept Phase I – Phase II terminology, the options and our recommendations are not necessarily sequential. Most should be set in motion from the outset. Our major recommendation is that attention should be focused on helping establish processes – robust and sustainable – by which change in key areas of governance can be effected in large part by Solomon Islanders.

For Phase II we recommend a focus on revisiting (cautiously) the constitutional review process with a view to broadening the debate on federalism; strengthening the key decision making institutions; encouraging civil society; and giving sustained attention to policy on law and justice, communications, rural development, youth affairs and ‘flashpoints’, especially Honiara. In conclusion we review long- and short-term risks and obstacles that could undo or hinder the recovery and regeneration of Solomon Islands.

II. LESSONS FROM ELSEWHERE?

Nation-building and the building of state capacity are neither simple nor easy. There are few models of success, and they are not easily replicated. The complexity of the process is constantly increasing as globalisation impinges on notions of ‘sovereignty’ and ‘nation-state’ in both developing and developed countries. The processes of political and economic development required are complex, long-term and ongoing endeavours that are not amenable to the time frames of most development assistance programs.
Europe's experience?

The past 500 years have seen the slow and uneven development of the large ‘modern’ nations and states of Europe and the ‘export’ of those models to the rest of the world. But the processes involved in developing strong nations and states even in Europe are not well understood – as demonstrated, for example, by the problems of ethnically divided countries such as Spain, and the collapse of Yugoslavia.

Colonial experience?

The export of the ‘modern’ nation and state to former colonies presents even more difficulties for analysis. The contrasting experience of ‘settler states’ – the United States, Canada and Australia on the one hand, and Cuba or Mexico, Argentina and South Africa on the other – offers little guidance. In much of Africa, Asia and the Pacific, where colonialism often brought together multiple language and culture groups and diverse, pre-existing local political structures within new geographical entities, building unified nations and effective states has been extremely difficult.

Internal conflicts compound difficulty

The difficulties of nation-building and development of an effective state are compounded where internal conflict occurs. Communities divided on ethnic or religious grounds not only do not readily coalesce into a nation, but often become involved in contests to control the state or to secede. Such conflicts tend to weaken the state.

Positive examples?

There are few models of success in nation-building and strengthening state capacity in post-conflict situations. Uganda and South Africa offer some useful experience. After many years of divisive internal conflict, wide-ranging processes in both countries gave priority to internal reconciliation and constitutional reform, as well as administrative reform programs directed to building state capacity. Both processes are incomplete.

The role of the international community in each case was limited. Both cases involved charismatic, idealistic and pragmatic local leaders. The fact that the processes were seen as ‘home-grown’ contributed greatly to their legitimacy.

East Timor and Bougainville both involve international support. That support has been essential for sustainable peace and reconciliation, nation-building and capacity building. At the same time, support has been provided to indigenous leadership and processes, which in turn have provided some of the legitimacy for nation and capacity building. Again, the processes have taken a long time, have experienced difficulties, and are ongoing with the weakness of state capacity being especially difficult to deal with.

Afghanistan and Iraq illustrate the difficulties for externally driven coercive processes with little indigenous ownership in deeply divided societies.

Other post-colonial cases offer examples of measures developed for nation and capacity building. In Mauritius, ethnic division and limited capacity have been tackled by constitutional engineering and public sector and economic reform programs. In Botswana and Samoa, successful public sector reform programs have enhanced state capacity, and in the latter local-level entrepreneurship plus other country-specific factors have contributed substantially to stability and development.

The key lessons from elsewhere thus appear to be:

Long time-lines and domestic ownership of rebuilding processes are essential (as are leadership, entrepreneurship, and wide public participation and consultation – although the extent to which these can be cultivated by external support is problematic).

Care must be exercised in seeking to generalize the experience of any model; specific local circumstances are generally critical factors in explaining success or failure of nation building or capacity building.

International support for state building is often necessary – but needs to be sustained over lengthy periods. Encouragement of domestic processes (but, not in a vacuum) is essential and probably more important than anticipating specific outcomes.

There is no ‘one size fits all’ template.

Romantic notions of strife-free, orderly and socially harmonious nations should be eschewed.

The fact that progress towards state and nation is often reversible should be recognized.
III. SOLOMON ISLANDS CONTEXT

In Solomon Islands, particular cultural and historical factors will shape the efforts to build the state and nation.

Australian policy (and those of its regional partners) needs to be grounded in a sound understanding of how that country descended into its present plight. An understanding of how the SI crisis developed will shed light on the kind of reform needed for state institutions as well as the kinds of development assistance programs directed to state building now and in the future.

Uneasy fit – inherited institutions and micro-polities

At the heart of many of the difficulties lies the uneasy fit between the institutions and ideas of the modern nation-state and the patchwork of semi-autonomous indigenous micro-polities they strive to encompass. The present intervention provides a timely opportunity to re-examine some fundamental issues of governance and to ask what kind of political system best suits the social, political, economic, and geographic circumstances.

At independence in 1978, SI inherited the institutional framework of the modern-nation state. This comprised a centralised state and a Westminster system of parliamentary democracy. While this system of governance may have been familiar to a small educated elite, that was not the case for most ‘citizens’. It bore little resemblance to the system of colonial administration that preceded it, and differed profoundly from indigenous systems of governance that for thousands of years had regulated themselves.

State failure in SI has been due in large part to institutional design and its lack of fit with local political cultures. Any design of new state institutions would face problems of ‘fit’. Introduced institutions have lacked social foundations. While it is not feasible to abandon the Westminster model, there is a need to develop linkages between local communities and the state if a restructured post-colonial state is to fare better than its immediate predecessor.

Resilient local systems

Local social systems and structures of traditional governance have proved resilient and adaptable, and continue to provide the primary frame of reference for most Solomon Islanders. Around 80 languages are still spoken in a population of half a million people, with at least seven spoken on Guadalcanal and about ten on Malaita. None of these language groups constitutes a political unit.

The state constitutes a weak presence in the everyday lives of most Solomon Islanders, who continue to live in villages, surviving through a combination of traditional agriculture, fishing and cash-cropping. There is little sense of national identity. Primary allegiances are implanted in local language groups, kinship relations, and patterns of communal land ownership, rather than in abstract notions of ‘nation’ and ‘citizenship’.

Developing a sense of nationalism – on which so much else depends – will take a very long time, hence the need for development assistance to nurture ‘national’ identity.

Incomplete state power

The centralisation of political power remains partial. The process has generated resistance since the beginning of colonial rule. Dissatisfaction with centralised government, and a desire for greater recognition of indigenous systems, contributed to the two best-known resistance movements during the colonial period, namely Maasina Rule (or Marching Order) on Malaita in the 1940s and 1950s and the Moro Movement in south Guadalcanal in the 1950s and 1960s. Just before independence in 1978, several districts sought to loosen or sever ties with the political centre in Honiara. The most serious case was the ‘breakaway’ movement in what is now Western Province.

Despite the establishment of provincial governments in 1981, discontent with the configuration of political power has remained a recurring issue. Wealthier provinces, in particular, resent what they view as meagre benefits from central government in return for their substantial contribution to national revenues.

Centralising the state is not a solution; the aspirations of the provinces for greater degrees of autonomy and participation must be accommodated. Further decentralisation may not produce more effective governance either. The record of provincial governments in terms of efficiency and corruption is not good.

Efforts at finding appropriate structures and powers for the various levels need to go hand in glove with sustained efforts to strengthen local-level governance.
Poor governance

As in other parts of Melanesia, incompetent and corrupt governments have contributed to the legitimacy crisis of the weak state. In the rich forestry sector, which in the mid-1990s contributed half of government export earnings, corruption and mismanagement have been rife, and logging has proceeded at an unsustainable rate with little benefit to landowners. Limited employment and other opportunities contribute to marginalisation among a youthful and rapidly increasing population.

National politics has been characterised more by localism than any clear conception of, or commitment to, national interests. Many leaders have used their access to state power primarily as a means for personal enrichment and to support patron-client relations with the micro-constituencies on whose votes they depend. Not surprisingly, this has led to disenchantment with the political process and, in some places, has contributed to autonomy sentiments.

Restraining patronage, nepotism and corruption requires a shift in attitudes and behaviour; but, in the interim, civic education programs, the encouragement of civil society, and the enhancement of regulatory and oversight mechanisms (Ombudsman, Auditor General, Leadership Code Commission, etc) are essential.

IV. WHAT IS TO BE DONE? PROCESS AS WELL AS OUTCOMES

The establishment of processes by which Solomon Islanders can participate, consult, prioritise and engage with the challenges of state and nation-building is our primary recommendation for Phases I and II. Processes need to be developed and strengthened for key areas of governance, including constitutional reform and the basic decision-making institutions of government, and for policy development, especially in the law and justice and economic development sectors. The peace process needs to be invigorated and transformed. Processes to encourage civil society itself are also required.

V. INITIAL FOCUS OF RAMSI

RAMSI’s mandate is to restore law and order, re-establish the institutions of government, and promote economic recovery and development. If this is to be achieved it will not be sufficient simply to restore the institutions that collapsed in 2000; it will be necessary to take account of the factors that led to this collapse and to ask what might be done differently to avoid a repetition of what happened in 2000.

How important is the state?

An extreme view is that the state is irrelevant and that power must be restored to local communities. A less extreme, but also romantic, view is that a solution to the Solomon Islands’ situation lies in replacing ‘introduced’ institutions by ‘Melanesian’ institutions or kastom. However, while some devolution of government functions to the local level, in part through civil-society (church, community and NGO) organizations, may be desirable, this offers at best a partial solution. Kastom also does not constitute an adequate base for modern government (as the recent corruption of ‘compensation’ practices testifies).

For one thing, some service provision requires a level of technical input that is unlikely to be available locally (e.g. medical services, road building). For another, decentralization of funding and service delivery does not eliminate waste, corruption, and a sense of grievance. For a third, there is little evidence that decentralization solves problems of law and order, and this is particularly relevant in Solomon Islands.

In any case, there is still a need to strengthen the state to undertake those functions which must be done at a national level (e.g. maintaining the rule of law, protecting the county’s EEZ, representing Solomon Islands’ interests at international forums, collecting customs duties, carrying out central banking functions and dealing with international agencies) or are unlikely to be within the capacity of local-level bodies (e.g. tax collection generally, negotiating with international companies over resource projects, provision of certain services) or require coordination at national level (e.g. various government policies from school curricula to health policies).

Re-establishing the minimum functions of a viable central state is an essential part of any rehabilitation exercise. Any attempt to replicate the total apparatus of the previous
VI. POST-STABILISATION FOCUS – THE SHAPE OF THE STATE

A particular aspect of Solomon Islands’ problems, noted earlier, has been a deepening sense of local loyalties and ‘ethnic’ cleavages. This has been sharpened by the demographic situation in and around Honiara, and exacerbated by the geographic distribution of major resource projects, which has encouraged demands for ‘state government’ to ensure that revenues collected nationally are returned to provinces according to derivation. There is consensus among Solomon Islanders that some political decentralization and increased local participation in decision making must be part of a recovery package. While this is probably true, decentralization must not be seen as a panacea.

The current review of broad-ranging proposals for state government and a federal system provides an opportunity to consider political options within a process over which Solomon Islanders have ownership. We believe it important that constitutional reform be extended and not hurried.

VII. CONSTITUTIONAL REFORM

Dangers and opportunities in the current review

Many aspects of the design of the state in Solomon Islands have been questioned since independence, but the major focus of discontent has been its unitary nature. Widespread support for federalism has long been a response to what is seen as excessive concentration of powers and resources in Honiara. That support has intensified since 1999 largely in response to the political struggles between Guadalcanal and Malaitan elements.

Currently a flawed process

A consultative process to consider a federal constitution was agreed under the Townsville Peace Agreement. Since then the UNDP has funded two extensive rounds of public consultation. The process resulted in drafting instructions for constitutional change being presented to government early in 2003. The drafting instructions involve significant change to almost every part of the Constitution. The proposals are the subject of a further round of public consultation.
The danger here is that to undertake such a well-informed, wide-ranging review of the Constitution would normally require extensive national debate based on widespread public awareness and education. It should involve the most extensive possible consultation, whereas in this case the consultation has been largely rural. Consultation should be careful and neutral, whereas in this case consultation has to a large extent presented federalism as the ‘solution’.

Potentially divisive

Further, while the federal ‘solution’ is promoted as a solution to the problems generating (or caused by) ethnic tensions, the reform proposals have the potential to be extremely divisive, and to exacerbate ethnic tensions. The proposed federal arrangements (and other aspects of the proposed reforms) are seen by most Malaitan leaders as directed against Malaitan interests. They are seen as likely to limit Malaitan rights to migrate to and hold land elsewhere, and limiting Malaita’s shares of national revenues. There is already talk among Malaitan leaders of organising a block vote of Malaitan MPs against the amendments when (or if) they are presented to Parliament.

Encourage a revisiting of the process

The debate about constitutional reform and RAMSI’s presence have relieved some of the pressure for a ‘federal’ solution and offer opportunities to extend the process, but any such reform is a sensitive issue. Quite apart from the unitary versus federal issue, other aspects of the Solomons Constitution could contribute to the problems experienced since independence. It would be useful to continue a review as the best means of generating consensus on reform. Further, as the present process is flawed and has delivered a potentially very divisive set of proposals, now would be an opportune time to develop a more open and thorough process.

Experience elsewhere shows that a highly inclusive and consultative constitutional review process can play an important part in reconciliation and in reaching agreement on a new and more legitimate constitutional structure. To be widely accepted and legitimate, such a process would need to be very clearly decided upon and under the control of the Solomon Islands people.

Some possible models

There are numerous models for constitutional review in post-conflict situations. The main ones involve variants of the following:

- A broadly representative consultative commission with a mandate to present a report and either draft amendments or draft a new Constitution for consideration by parliament or a constituent assembly
- A broadly representative national convention which over an extended period considers the Constitution on behalf of the country.

The empowering arrangements may enable the parliament, constituent assembly or the national convention to enact their proposals as law; or the proposals must go to a referendum.

There is no clear, best-case option. The Australian and other governments and agencies should propose to the SI government and key stakeholders that they work towards a formal constitutional review by suggesting that, in the changed circumstances, it is important to build upon the good work already undertaken. The CIMC ‘model’ described elsewhere may be a useful consultative mechanism.

VIII. TRANSFORM THE PEACE PROCESS

It is essential that the peace process continue, but that it be transformed or integrated into other channels for reform and rebuilding. All its objectives – disarmament, demobilisation, reintegration, reconciliation – need to be pursued. There is a continuing need to provide mechanisms through which ex-combatants, victims of the conflict, and others can discuss their grievances and their aspirations. This is essential not only for reconciliation, but also for pinpointing and addressing potential problems. The parliament might not be the adequate body for this, especially given the extent to which some MPs were involved in the conflict. The National Peace Council is partially providing this function, although its effectiveness may be constrained by its limited composition, perceived role and resource base.

Re-opening the process of Constitution-making as a priority – but with caution. RAMSI must not be seen as interfering. But the risks of the present process are so great, and the opportunities for developing a better process so considerable, that it is recommended strongly that re-opening the process should be explored.

Reviewing the structure and role of the NPC would throw up options for a broader engagement that includes provincial peace, reconciliation and development councils that feed into a national council.
IX. ENCOURAGE CIVIL SOCIETY

International experience confirms the importance of a vibrant and peaceful civil society to create demand for good governance and to foster stronger inter-communal relations. ‘Civil society’ refers to voluntary associations occupying the space between the state and the most localised entities of tribe, clan, and family. They transcend the most parochial loyalties, while retaining a high degree of autonomy from the state. In the Solomon Islands, civil society includes churches, NGOs, community-based organisations, trade unions, women’s groups, and professional associations. Although undeveloped, civil society organisations have already played a prominent role in the promotion of peace and reconciliation. Churches have a long history of involvement in the delivery of basic services, including health and education. Civil society organisations also have an important role to play in helping regenerate divided communities and build national unity, as well as in challenging corruption.

To enhance civil society will require processes that focus on maximizing participation, dialogue and information flow. Existing civil society groups, especially women’s groups and secular organisations of the churches, offer a ready-made vehicle for donor support of civil society. Partnerships and cooperation should be encouraged.

X. STRENGTHEN PARLIAMENT AND OVERSIGHT AGENCIES

In view of the ineffectiveness of Parliament and the oversight agencies (Ombudsman, Leadership Code Commission, Auditor General) in building national interest and identity, it is important to look to the recommendations for reform in recent reports and to the examples of (reasonably) successful models elsewhere in the region. Adequate resources, appropriate technical assistance, and sustained civic education are the most useful means of addressing these problems.

The National Parliament of Solomon Islands has thus far been unable to fulfill its responsibilities for good governance including the amelioration of inter-ethnic conflict. Its major problems – as in other parts of the Pacific – are:
- the lack of a developed, functioning political party system to provide a sustained majority for the government of the day;
- the consequent necessity for leaders to horsetrade and haggle over spoils;
- the dominance of the executive over the legislature;
- the relative weakness of oversight and scrutiny agencies;
- poor linkages between most MPs and their constituencies;
- an electoral system that produces winners with very small percentages of the vote;
- gross under-representation of women;
- inadequate understanding of the roles and responsibilities of parliament by the public and MPs themselves; and
- unrealistic expectations placed on MPs by constituents.

These are not problems that can be turned around quickly – in fact they may take generations. Hence the need for both long-term strengthening of the parliamentary system and oversight agencies as well as supporting consultative and participatory processes (as in the National Peace Council, regular national and provincial ‘summits’, and development forums) alongside parliament. While the executive has dominated the formal governing process, the executive itself is often poorly equipped to govern. High-level executive governance workshops (as have been run elsewhere in the Pacific) could also make a useful contribution in Phase II.

XI. LAW AND JUSTICE REFORM

Sector-wide approach

Consideration should be given to a sector-wide approach to law and justice. This would result in a better coordinated and more integrated approach between law and justice agencies. This approach is already being trialled in Papua New Guinea.

A sector-wide approach, with coordinating mechanisms, might also serve as a form of quality control. Coordinating mechanisms at national and provincial levels would allow for the monitoring of the performance of particular agencies as well as the sector as a whole. In theory, this would help prevent the rapid deterioration of any one agency, as happened in the case of the SI police.

It is important to grasp the crisis in the SI law and justice system as an opportunity for not
simply rebuilding institutions that have collapsed or weakened in recent years. There is an opportunity to review law and justice institutions (including the law) and to revise these in a manner that is better suited to SI’s needs. Should a distinction be made between urban and rural policing? Should there be a new hybrid court at local levels (like Papua New Guinea’s Village Court) that is capable of working through kastom using restorative justice techniques in a way that is consistent with the rule of law and respect for human rights? Special attention needs to be given to juvenile justice and diversionary strategies for minor delinquent offenders.

A first step would be the formulation of a national law and justice policy to provide the national vision of law and justice development for the immediate future and identify priorities. There is also a need to continue with strengthening the capacity of law and justice agencies (the traditional focus of AusAID capacity building work). In general, there is a need to improve access to justice, particularly for the rural population.

XII. POLICY DEVELOPMENT PROCESSES

Policy development

Policy development should be tackled with a combination of methods. Ongoing, facilitated policy workshops would be useful in refining objectives and strategies. Technical assistance would provide crucial expert input into these ‘rolling policy’ workshop deliberations, and would avoid the writing/formulation of policy by the ‘expert outsider’. These workshops would not be confined to Honiara. A focus on policy in this manner might enable many of those issues that brought on the conflict – land, labour, uneven resource development, and youth - to be considered in a deliberative fashion. Broader involvement may also prompt greater attention to implementation. Again we should not expect a raft of new policies. There is – as elsewhere – no shortage of good policies. Prioritising and sequencing of them is essential. Social policy should receive attention at least equal to that accorded economic and governance policies. Policy makers should keep in mind the fundamental lesson from ‘policy transfer’ research that new policies work best when the political and cultural environments are receptive.

The tripartite consultative body established in Papua New Guinea may provide a model both for consultation and future thinking on policy and development. The Consultative Implementation and Monitoring Council (CIMC) consists of representatives from government, the private sector and civil society and is chaired by the National Planning minister. It organises national development forums and regional development forums where issues and policy proposals are discussed with stakeholders. The Council can submit proposals directly to cabinet. PNG’s Provinces are replicating the model.

A realistic approach to policy development would involve review of past policies and the injection of ideas from regional development forums as well as from Pacific neighbours. Policy-makers should bear in mind that new policies work best when the political and cultural environments are receptive.

Implementation

The inability to implement policy is a frequent criticism of governance in the Pacific. There are no easy fixes, other than to continue to build a secure, effective, routinised public service over the long term. More effective management of the economy and good governance generally depend heavily on improving capacity in government and in the public service. A cadre of highly-trained bureaucrats is a necessary but not sufficient condition for reform.

As decades of development assistance demonstrate, however, capacity-building and public sector reform are not straightforward. The development of high-level skills in government and the bureaucracy will require sustained training of Solomon Islanders and exchanges of public servants to different public service cultures. A sustained focus by donors on graduate and post-graduate training in regional and Australasian universities and institutes is essential to strengthen core public sector (and private sector) capacity. Building the capacity of the SI College of Higher Education is an immediate imperative. Support should be given by the Australian government and universities to establishing a fully-fledged USP campus in Solomons. Given the negligible participation of women in government and in the bureaucracy, it is imperative to ensure that women participate in this training.

Honiara – the ‘capital city’ problem

The issue of land and migrant settlement is fundamental to the conflict, and to ongoing
problems in Solomon Islands and elsewhere in Melanesia. Specifically, the situation of Honiara remains a problem: a predominantly Malaitan-populated and rapidly growing city on Guadalcanal is a potential flashpoint. Any development of Honiara, any further expansion of business and of job opportunities will automatically attract immigrants. Apart from general issues of land tenure, security of title around Honiara must be addressed urgently.

Urban and peri-urban governance in Melanesia generally is in desperate need of creative ideas. What are the desirable forms of urban government and administration for the nation’s capital? Managerial, entrepreneurial and customary models of urban government all have something to offer, but by themselves are inadequate. An approach that includes all elements – state, market and customary – and that is developed with the fullest consultation with communities, could offer a way forward. Long-term leaseholds around Honiara have been agreed in the past and successful examples should be examined. Similarly the question of appropriate political representation within the capital’s government deserves debate. Should all Provinces have representation; should some have greater weighting than others; or should the principle of universal suffrage for residents only apply within the capital?

The ‘capital city problem’ is broader than the question of managing its expansion onto customary rural land. If Honiara’s politics (and labour supply) are to be dominated by Malaitan interests as at present, disaffection on the part of Guadalcanal and other peoples will persist.

The time-bomb – marginalised youth

As in other parts of the Pacific, there is a rapidly expanding constituency of young men who cannot fit into the world of the rural village or the ‘modern’ world of the town. They are a generation between two worlds and increasingly disillusioned with their present lot and future prospects. They feel excluded from the benefits of ‘modern’ development and have little interest in subsistence agriculture or fishing.

These young men filled the ranks of the militant organisations and then many became special constables. In PNG, they form the core of raskol gangs. Guns and conflict provide them with power, confidence, and purpose. They face significant difficulties of adjustment and they can continue to cause serious discord in both villages and towns.

Rehabilitating this group and re-integrating them into their communities is challenging and urgent. Attention needs to be placed on access to education, vocational training, and income generating activities. The strengthening of vocational schools and rural training centres should be a priority.

Communications

Critical to any attempts to restore law and order and good governance are effective communication and information flows between the national government, provincial governments, and local communities. This involves institutional provisions for regular consultation amongst government agencies and between government and the private sector and communication between government and the people, especially in the villages (which can be facilitated by provincial radio stations and solar powered radios).

Central to all proposed reforms is the need to enhance communications and information flows. An important priority is to provide more infrastructure (including IT) and access to information.

XIII. ECONOMIC DEVELOPMENT

Macro-economic stabilisation

Macro-economic stabilisation can probably be established fairly quickly with RAMSI’s technical assistance helping to gain control over fiscal policy and over revenues and expenditures. Control over fiscal policy will ensure control over monetary policy (which is driven by fiscal policy in small, developing countries). However, while macro-economic stabilisation may be easily established, economic activity will likely be at a low level because existing firms and smallholders will not make much effort to increase production until they feel that law and order are sustainable. New investment will be minimal until essential institutions for market activity have been established and investors have confidence that reforms will be long-lasting. Creating an investor-friendly environment is the only way that the economy will move onto a rapid economic growth path – an essential requirement if ethnic and regional conflict is to be reduced.
Primary production and the export of agricultural commodities must be encouraged as the basis for economic recovery. Domestic marketing of locally produced food should be stimulated, although SI has a relatively small urban market. The fall in value of the SI$ should benefit rural exporters, and alleviate the balance of payments situation.

**Essential requirements for growth**

The development of a constitution that provides a ‘contract’ between local, regional and national regimes with a high probability of being durable is a basic requirement for economic growth. A law and justice system that impartially enforces property rights and contracts is also necessary. Investors need security of life and property, secure access to land, and freedom from invalid contract disputes and demands for compensation. Government should also provide a regulatory environment that minimises red tape while ensuring that all markets are contestable.

Many of these ideal-type requirements are unlikely to be met even in the medium term; but investors – as we have seen with mining companies in SI and elsewhere – have been prepared to do business in otherwise ‘risky’ situations. However, while risks are high there is a danger that carpet-baggers will be attracted to chase quick profits without regard to their longer-term impact. In a situation in which large new investment flows are unlikely, serious deliberation should be applied to the prospects of re-commencing the Gold Ridge mine and the SI Plantation Limited’s extensive oil palm operation by involving landowners and all key stakeholders. In some post-conflict societies, aid flows have produced a ‘spurt’ in economic growth, which highlights the need for even greater attention to appropriate policy-making.

**Rural development**

For mainly rural countries like Solomon Islands, the most effective path of development is by developing the rural sector. If rural productivity increases, higher rural incomes eventually provide the basis for savings and investment in industry and services. In the meantime, the growth of the rural sector increases rural household incomes and provides employment for the rapidly-growing rural population. The approach of trying to develop the industrial sector first (a ‘top down’ approach) has been shown not to be effective.

Improvement in transport and communications could be one of the most important contributions to establishing trust between people and promoting economic activity, as well as to reducing conflict. Other improvements to infrastructure and services would be:

- an effective banking system that reaches out to rural areas;
- a communications system – mass media, such as radio that broadcasts extension messages and prices, export news etc;
- a rural telephone system;
- improved agricultural research – perhaps piggy-backing off research being done elsewhere, such as cocoa, coconut and oil palm research in Papua New Guinea
- research and development into improved farming practices, improved products, and market development - Australian and regional expertise in smallholder cash-cropping could be drawn upon;
- support for informal (not government) extension workers with the provision of information in suitable formats to them;
- enhancement of the network of rural training centres, drawing on some of the successful church-run ventures in Papua New Guinea and elsewhere.

Given the maritime nature of SI, coastal shipping is essential to move export crops to the main port. This would probably need to be subsidized, at least at first, because fuel, spare parts and maintenance costs will make most services uneconomic. But they can be run by non-profit organizations like missions.

A domestic fishing industry could be nurtured around the coastal towns with access to chilling containers and regular ferry services to the cannery in Gizo. An examination of Samoa’s experience would be of possible benefit.

**Land tenure – individual titles?**

It is frequently argued that agricultural development requires more secure land tenure. Without secure land tenure, farmers will be unwilling to adopt any technology or products that require long-term investment, and will adopt only new practices that do not need fixed investments and from which they can extract the benefits within the crop season. It is further argued that without some form of secure individual title (e.g., long-term leasehold), communal land tenure systems cannot increase food production as fast as the population grows. But recent data from Papua New Guinea on food production contradicts this assertion: food production there by smallholders and cash croppers has increased substantially and in many areas has maintained pace with population growth.

It is further argued that without secure individual title to land, farmers cannot access information in suitable formats to them;
long-term credit for investment and that it is impossible for a country to build a mature financial system. The use of micro-credit and agricultural banks and development banks are effectively substitutes - poor substitutes - for the fact that countries do not have securitizable land title.

But there is considerable confusion about land tenure in Melanesia. The argument that banks are not lending because there is no security of tenure has not been well documented. (What bank wants to own a few hectares of land scattered over the SI?). Land is held and used by individuals during their lifetimes; they cannot sell it, but they do not farm it ‘communally’. They use it in consultation with their clan group. The object of descent groups who administer and have rights in this land is to reproduce themselves, usually through their sons or their sisters’ sons.

Only when large contiguous areas are required for commercial farming does the tenure system become a problem. There needs to be a mechanism whereby a group can survey their land, establish a form of title to it (not necessarily formal, but one which is not contested by others) and a means to lease it to a commercial enterprise. For the long-term success of such an enterprise (other things being equal), the descent group should also have an interest in the land and the enterprise. The landowning group needs to understand that once the lease is granted, they cannot make further demands on the leaseholder. The arrangements for the distribution of income from the lease need to clearly stated in the leasing agreement, to avoid the ‘Bougainville’ outcome, where one generation refused to pass on the benefits to the next generation.

Fiji’s long-term leasehold system may offer an example, although its design had several flaws that have led to problems over land. In SI, a survey of landowning groups may be possible. A survey of individual ownership will cause big problems and will bog down. There has been much work since the mid-1980s in PNG on land mobilisation and registration of customary title which may provide some comparative experience. Australia has a strong base of expertise in lands administration and this post-stabilisation period offers an opportunity to build onto the current AusAID Project in the Ministry of Lands.

XIV. RISKS, OBSTACLES AND CHALLENGES

1. As noted above, nation-building is complex and difficult. There are no sets of levers that can be manipulated to guarantee a successful outcome.

2. Research on ‘invited’ interventions such as RAMSI is not voluminous and offers little guidance on what might determine success. Research on ‘coercive’ interventions is more developed, but reveals a slim success rate.

3. Commenting on the risks, obstacles and challenges, however, rather than on the likely success of the RAMSI, is simpler.

4. In general terms, the risks and obstacles to this intervention depend upon the length of time and the amount of resources Australia and regional partners are prepared to commit to RAMSI. They are also contingent on RAMSI being able to adapt to changing circumstances and not wear out its welcome.

5. Our best guess on costs is that, at the very least, a ten-year commitment at the current rate of $100m per year with a variable number of Australian and regional personnel on the ground is required to set in train the reforms necessary to put SI on an even keel. (Compare this with the limited impact achieved by Australia’s commitment of $300m per year over the past 25 years to PNG).

6. If RAMSI is to make a difference, most if not all the lessons of the role of aid in development must be learned. These include long time frames, persistence and adaptability in institutional strengthening and capacity building programs, the ‘fit’ with political culture of policy and institutional transfers, and recognition that aid has not been as effective an instrument of development as its proponents have claimed.

7. If RAMSI is to achieve the objectives of consolidation, those few lessons from successful interventions of this kind must also be learned. They include: minimizing domestic opposition; encouraging a constituency for domestic reforms; staying the course; demonstrating commitment; and achieving tangible results. The Australian government must recognize two paradoxes. First, in order to be successful one must stay the course – yet the longer one stays the more opposition mounts. Secondly, opposition to interventions mounts in the absence of visible success (the ‘disappointment’ factor) as well as in the event of success (as politicians and others clamour to return to centre stage). Australia and regional partners in RAMSI will also have to manage
the inflated expectations of RAMSI and its rebuilding and developmental role that are likely to be held within SI and across the region. Given its scattered nature and its paucity of natural resources, it is unlikely that SI will be readily transformed into a model developing nation.

8. These general propositions aside, a series of risks, obstacles and challenges present themselves.

9. Perhaps the most fundamental ‘risk’ is that Solomon Islanders will not be able to work out a modus vivendi that comes to terms with the ‘Malaita problem’. A growing and outmigrating Malaitan population – already 40 per cent of SI’s population – is perceived as a threat to many other Solomon Islanders. Unless the political and constitutional processes arrive at widely accepted arrangements over migration and settlement within SI, further ‘ethnic’ strife is bound to ensue. To reduce the prospect of this strife, widespread economic development and/or enhanced local-level economic opportunities are essential. Equally, there is a need to avoid a re-centralisation of resources and control in Honiara and of its capture by those very same interests that contributed to the crisis.

10. There is a range of risks relating to the failure of reform measures to produce desired results – or their not ‘taking root’ – or their tardiness in producing visible improvements. Of particular concern would be if the reforms to police, courts and prosecutions were too limited or slow in having an impact and if only one side of the conflict is brought to account, allowing known criminals to remain unprosecuted. If the RSIP reforms fail and the force relapses into factionalism and criminal or corrupt behaviour and continues to be dominated by a single ethnic grouping, RAMSI will have achieved nothing.

11. There is a real risk that both government and communities in Solomon Islands become overly dependent on RAMSI. Local ‘ownership’ and sustainability of the reform process suffer as a consequence.

12. There are risks and obstacles relating to the emergence of opposition to RAMSI from vested interests, currently lying low: for example, timber concessionaires, local resource owners linked to dubious foreign companies, traders and politicians benefiting from the conflict and turbulence whose influence and privileged access to wealth, resources and state decision-makers has been cut off, and perhaps permanently denied by the intervention. Further threats to these vested interests, for example through prosecutions, could lead to more active and sustained resistance.

13. Should RAMSI-initiated reforms in rural and resource-related development be captured by those vested interests responsible for corruption and disorder in the first place, we would expect resistance from those who stand to benefit as well as from those disappointed in the outcome.

14. The nature of the RAMSI ‘intervention’ – that is, one ‘invited’ by the Solomon Islands government and in which police and civilian personnel are placed in line positions within the state apparatus – is advantageous in the sense that derogation of SI’s sovereignty is minimised. But in working with the government of the day RAMSI runs the risk of bestowing ‘false’ legitimacy on a government the popularity and integrity of which are strongly contested by the SI public.

15. As legitimate domestic political pressures arise – as for example in the demands of pressure groups seeking sectional advantage – but pressures nonetheless that could undo the stabilisation and reform process, RAMSI runs the risk of accusations and perceptions of ‘over-interference’ in SI’s domestic politics. Relating effectively and appropriately to the domestic political process will be a continuing challenge.

16. There are risks of ‘mission fatigue’ and/or changes in the Australian policy environment which might curtail the RAMSI mandate and presence before consolidation occurs. This also raises the risk that the criminal and corrupting elements simply wait RAMSI out.

17. And there are – underlying these immediate risks and obstacles – questions of a higher order relating to nation-building. For example: is it possible to implant a Weberian rational-legal system of politics and administration in a communally-based political culture in which obligation, reciprocity and patronage politicking is deeply embedded? Can patronage-type behaviour be changed or adapted? Can the institutions of government be adapted to fit patronage behaviour and still be effective, accountable and equitable?
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FORUM DECLARATION ON SOLOMON ISLANDS

Pacific Islands Forum Leaders, meeting in Auckland, New Zealand, welcomed the Regional Assistance Mission to Solomon Islands (RAMSI).

2. Recalling the Outcome Statement issued by Forum Foreign Affairs Ministers at their meeting in Sydney on 30 June 2003, Leaders warmly commended the swift and cooperative response of Forum members in deploying the agreed policing operation to help restore law and order, supported by armed peace-keepers, and a programme of assistance to strengthen the justice system and restore the economy and basic services.

3. Leaders expressed their pleasure at the strong support within Solomon Islands for the assistance programme, as evidenced by a unanimous resolution of the Solomon Islands Parliament, unanimous passage of enabling legislation, and formal invitation letters from the Governor-General, acting on the advice of Cabinet, to Australia, and to Forum members via the Forum Chair, requesting assistance as endorsed by Forum Foreign Affairs Ministers.

4. Leaders noted that in responding to the request of the Solomon Islands Government, Forum members would at all times be acting to reinforce Solomon Islands sovereignty and in accordance with Solomon Islands law. They also noted that the success of the operation would depend on continuing close cooperation with the Solomon Islands Government public sector agencies, community organisations and the people of Solomon Islands.

5. Leaders expressed their appreciation of the contribution being made by personnel from Australia, Fiji, New Zealand, Papua New Guinea and Tonga, and noted with further appreciation that police from other Forum members would be deployed shortly.


7. Leaders were heartened by reports from the Prime Ministers of the Solomon Islands and Australia on the current situation in Honiara following arrival of RAMSI, including the strong positive community reaction and support and the marked improvement in law and order. They particularly welcomed initial achievements, especially weapons surrenders. They called on Solomon Islanders to do all in their power to ensure the assistance programme delivered lasting benefits and peace to all.

8. Leaders acknowledged that recovery in Solomon Islands would be a long-term task, extending beyond the restoration of law and order to economic and governance rehabilitation and reform. In so doing, they recorded their view that the 2000 Biketawa Declaration had proved its value by enabling the rapid mobilisation of support to address the serious situation.

9. Leaders noted the intention of Prime Ministers Kemakeza and Howard to report jointly on a quarterly basis to leaders via the Forum Chair on progress made. They also noted that mechanisms would be put in place for RAMSI to provide frequent briefing for the Chair to report to Forum countries on a regular basis.

15 August 2003

Annex 1
Forum Communiqué
Thirty-Fourth Pacific Islands Forum
14-16 August 2003
Auckland, New Zealand
SELECTED READING


Australian Treaty Series, Department of Foreign Affairs and Trade (DFAT). Agreement between Solomon Islands, Australia, New Zealand, Fiji, Papua New Guinea, Samoa and Tonga concerning the operations and status of the police and armed forces and other personnel deployed to Solomon Islands to assist in the restoration of law and order and security. (Townsville, 24 July 2003). Entry into force: 24 July 2003.


Foreign Affairs, Defence and Trade References Committee, 2003. A Pacific Engaged: Australia’s relations with Papua New Guinea and the island states of the south-west Pacific, Australian Senate, August.


UNDP, Solomon Islands People First Network. http://www.peoplefirst.net.sb


