

Pacific Partners Outlook

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Supporting Good Governance in the Pacific

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Recent developments in the Pacific Islands have shown that the region faces two contrasting political tendencies—a deep-seated attraction to democratic governance and a proclivity for disruptions to democratic stability. Given these trends, which offer at once an opportunity and a threat, it is surprising that the United States, and the U.S. Agency for International Development (USAID) in particular, is not more focused on supporting good governance in the region.

USAID returned to the Pacific Islands in October 2011, opening a new office in Port Moresby, Papua New Guinea. This was an essential recognition of the region's growing importance to the United States, and of the significant hurdles the small island states still face. The mission, which serves 12 countries, has focused on those threats seen as most severe, and in some cases existential, to the Pacific Islands—climate change adaptation, sustainable development, humanitarian assistance and disaster relief, and health care, especially combatting HIV/AIDS.

The agency has paid far less attention to supporting governance in the Pacific. But the United States ignores questions of governance at its peril: states plagued by ineffective government and political turmoil are far less capable partners for U.S. development agencies. Supporting the resiliency of democratic institutions in an aid-receiving country has wide ripple effects and is always a good investment for a donor.

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U.S. Agency for International Development assistant administrator for Asia Nisha Biswal at the 2011 Pacific Islands Forum, at which the agency announced its return to the region. Since then, most of USAID's work in the Pacific Islands has focused on climate change adaptation, sustainable development, and health. https://www.flickr.com/photos/us_embassy_newzealand/6125825000/

The two heavyweights in the Pacific Islands—Fiji and Papua New Guinea (PNG)—offer prime examples of the struggle for democratic stability and good governance in the region. As such it is unsurprising that USAID's only governance missions in the South Pacific are focused on these two countries.

In PNG Prime Minister Peter O'Neill has increasingly sought to place himself beyond the reach of the parliament and police. In two and a half years at the helm, he has regularly clashed with the legislature, courts, and other arms of government, seeking to extend the executive's power, especially by reducing oversight and raising the threshold for ousting the executive. O'Neill is clearly worried about a repeat of his own rise to power, which sparked a months-long **constitutional crisis** after his election was deemed unconstitutional.

In the most recent saga, an anticorruption unit on June 16 served O'Neill with an arrest warrant for allegedly authorizing nearly \$30 million in fraudulent payments to a law firm. The prime minister responded by ordering the task force disbanded, firing the attorney general and deputy police commissioner, and adjourning the parliament for two months. The courts have since intervened, allowing the task force to resume operations, but it is unclear whether O'Neill's arrest is still possible, since he has stacked the police leadership with loyalists willing to block any such attempt.

If political stability in PNG appears to be eroding rapidly, developments in Fiji offer equal parts of hope and trepidation. A 2006 military coup set Fiji on a democratic backslide, which turned into international isolation when junta leader Voreqe "Frank" Bainimarama refused to hold promised elections in 2009. But the country now appears on the cusp of a return to at least nominal democracy, with nationwide polls scheduled for September 17. International election observers will be on the ground to ensure the vote is free, and the international community is moving steadily toward welcoming Fiji back into its good graces.

It is also increasingly clear that the vote will not be entirely fair. Bainimarama's newly founded Fiji First Party had an effective head start in campaigning and enjoys the advantage of media saturation and thinly veiled official support. Opposition parties, meanwhile, were subject to steep financial and logistical hurdles to registration and found their leaders harassed, including former prime minister Mahendra Chaudhry, who so far remains banned from contesting the elections.

Supporting Good Governance in the Pacific *(continued)*

The democratic travails of PNG and Fiji clearly need the United States' attention. But the rest of the region cannot be overlooked. And in an era of fiscal constraints, USAID should be looking at those small island states where relatively meager investments could offer outsized returns.

Vanuatu, for instance, has gone through three prime ministers since its last elections in 2012, making it something of a poster child for political instability. Current prime minister Joe Natuman took office on May 15 and is already fending off opposition attempts to bring a no-confidence motion against him. He has little room for complaint, having brought one unsuccessful confidence vote after another to the floor of the parliament during the brief 14-month tenure of his predecessor, Moana Carcasses, before finally ousting him.

The incessant intramural squabbles at the top echo throughout Vanuatu's government, where retaliatory firings, poor transparency, and rapid bureaucratic turnover have led to sometimes shocking lapses in governance. A prime example is the Health Ministry, which has inexplicably allowed the Port Vila Central Hospital, the country's main health facility, to burn through its entire 2014 budget in just six months.

Similarly, the Cook Islands appears to be gearing up for a protracted political battle following elections on July 9. Initial counts from the polls signaled a convincing opposition victory until the late addition of hundreds of votes **turned the tide** in a few key electorates, including by saving the seat of Prime Minister Henry Puna and ousting opposition leader Wilkie Rasmussen. Given the small size of most constituencies in the Cook Islands (Tamarua has only 60 registered voters), vote tampering, or buying, is relatively easy to accomplish but should also be easy to prevent through effective monitoring and greater transparency.

And these are only the most pressing examples. Opportunities to give much-needed governance support are ripe throughout the Pacific—from the Solomon Islands where an Australian-led regional assistance mission is coming to an end more than a decade after ending a civil war, to Tonga where the parliament has struggled to create a much-needed effective corruption watchdog more than six years after passing an **Anti-Corruption Commissioner Act**. For a relative pittance, USAID could establish programs to bolster democracy and governance in the Pacific's small island developing states and by doing so reap benefits in other key areas, from climate change adaptation to sustainable development and improved health care. ▲



Papua New Guinea's prime minister Peter O'Neill (left) during a 2013 visit to New Zealand. O'Neill's efforts to place himself beyond the reach of checks and balances by other branches of government have underscored the need for more governance assistance to the Pacific Islands. <https://www.flickr.com/photos/nznationalparty/9458409266/>

The Month That Was

AUSTRALIA

Australia repeals carbon tax. Australia's Senate on July 18 followed the House of Representatives in voting 39 to 32 to repeal the carbon pricing scheme instituted by the previous Labor government in 2011. The vote was the third attempt by Prime Minister Tony Abbott's Liberal-National coalition government to repeal the law, which he said was holding back Australia's economy. Lawmakers from smaller parties, including the Palmer United Party's three senators, joined the coalition in voting for repeal.

Abe addresses Australian parliament, signs trade agreement. Japanese prime minister Shinzo Abe addressed a joint sitting of Australia's parliament on July 8, reiterating Tokyo's commitment to peace and encouraging Australia to deepen its economic and defense ties with Japan. He also praised former prime minister Julia Gillard, thanking her for the aid Australia provided to Japan in the wake of the March 2011 Tohoku earthquake and tsunami. Abe and Prime Minister Tony Abbott met during the visit and signed the Japan-Australia Economic Partnership Agreement—Japan's first free trade agreement with a developed country.



A harbor at Australia's Christmas Island. Authorities plan to send 157 Tamil asylum seekers found near the island on July 7 back to India. <http://www.flickr.com/photos/hazara/13256604553/>

More than 150 Tamil asylum seekers to be returned to India. Immigration Minister Scott Morrison said on July 25 that authorities would bring a group of 157 Tamil asylum seekers who have been held on a Border Protection Command vessel since July 7 to the Australian mainland for interviews with Indian officials before being repatriated. The asylum seekers fled camps for Sri Lankan refugees in southern India, and most are believed to be Sri Lankan citizens. It is unclear whether India will agree to accept them back.

Bishop discusses human rights, aid during Myanmar visit. Foreign Minister Julie Bishop discussed trade and investment issues, defense cooperation, and human rights with President Thein Sein and Foreign Minister Wunna Maung Lwin during a July 2-4 visit to Myanmar. Bishop announced that Australia will contribute \$23 million in new aid to Myanmar, including \$8.4 million to support the peace process and \$9.4 million for immediate humanitarian relief. Bishop also met with opposition leader Aung San Suu Kyi and representatives of the persecuted Rohingya Muslim community.

Australia deploys police at Malaysian Airlines crash site. Australian and Dutch police finally gained access to the crash site of Malaysian Airlines Flight 17 on July 31, four days after Foreign Minister Julie Bishop and her Dutch counterpart, Frans Timmermans traveled to Kiev, Ukraine, to secure a cease-fire around the site. The joint police detachment had attempted to reach the site on July 28 and 29, but was forced to turn back by ongoing fighting between Ukrainian government and separatist forces. Separatists shot down MH17 on July 17, killing all 298 passengers and crew, including up to 39 Australian residents.

Melbourne hosts AIDS 2014 Conference. Melbourne hosted the 20th International AIDS Conference from July 19 to 25, welcoming guest speakers that included former U.S. president Bill Clinton, Virgin Group founder Richard Branson, Irish singer-songwriter Bob Geldof, and UNAIDS executive director Michel Sidibé. The conference focused attention on the medical and social obstacles that must be overcome to achieve the goal of an AIDS-free generation. A major highlight of the conference was the announcement of a breakthrough by Danish scientists in activating dormant HIV cells to remove the virus from the body.

NEW ZEALAND

Abe meets with Key during New Zealand visit. Prime Minister John Key met with his Japanese counterpart, Shinzo Abe, during the latter's July 7 visit to New Zealand. The two leaders discussed Tokyo's reinterpretation of its right to collective defense, the possibility of Japan resuming whaling operations in the Southern Ocean, the ongoing Trans-Pacific Partnership negotiations, and bilateral language and sports exchanges. They each also thanked the other for their countries' dispatching of rescue teams following the 2011 Christchurch and Tohoku earthquakes.

Government announces national water quality standards. Environment Minister Amy Adams and Primary Industries Minister Nathan Guy on July 3 announced national water quality standards for New Zealand's rivers and lakes. The new standards set limits for *E. coli* and nitrates among other contaminants. They will start to come into effect on August 1 with full implementation by 2026. The Green Party has decried the measures as insufficient to protect human health.

Key confident NZ government will achieve budget surplus. Prime Minister John Key on July 8 pledged that his government will produce a surplus for 2014–2015, despite recent revelations that Wellington racked up a deficit of \$284 million between July 2013 and May 2014—worse than previously



A sign welcomes the 20th International AIDS Conference to Melbourne. The conference's guest speakers included former U.S. president Bill Clinton and Virgin Group founder Richard Branson. http://www.flickr.com/photos/scott-s_photos/14687979552/



*Lake Matheson, on the west coast of New Zealand's South Island. The government recently announced new standards to limit *E. coli*, nitrates, and other contaminants in New Zealand's rivers and lakes. <http://www.flickr.com/photos/georgeka/12259425033/>*

thought. Key acknowledged that returning New Zealand to a surplus will require careful management and indicated that the government might not spend all \$1.28 billion it has designated for new spending or tax cuts.

Ruling party enjoys double-digit lead ahead of elections. Prime Minister John Key's ruling National Party enjoys 52 percent popular support heading into the September 20 elections, according to an opinion poll by market research agency Colmar Brunton. The Labour Party is a distant second with 28 percent, according to the poll, followed by the Green Party at 10 percent and the Internet Party at less than 5 percent—the threshold for representation in the parliament. The poll results were reported by the *International Business Times* on July 30.

PACIFIC ISLANDS

Pacific Islands Forum kicks off in Palau. Leaders from 15 Pacific nations gathered in Koror, Palau, on July 29 for the annual Pacific Islands Forum, at which they discussed stewardship of maritime resources, sustainable development, and the possibility of Fiji rejoining the forum. Prime ministers Tony Abbott of Australia and John Key of New Zealand were absent due to the downing of Malaysian Airlines Flight 17 and preparations for September elections, respectively. Representatives of 15 dialogue partners, including a U.S. delegation led by Counselor to the President John Podesta, joined the forum members for the August 1 Post Forum Dialogue.

Papua New Guinea anticorruption task force back in action after court ruling. The Waigani National Court on July 28 permanently reconstituted Papua New Guinea's Investigation Task Force Sweep, which Prime Minister Peter O'Neill disbanded on June 18. The task force, which is empowered to investigate corruption in the country, angered O'Neill by issuing a warrant for his arrest for allegedly authorizing illegal payments of \$29 million to a law firm. That case is still moving through the courts.

Ruling party wins Cook Islands elections; opposition calls foul. Prime Minister Henry Puna's Cook Islands Party on July 9 won 13 of the 24 seats in the parliament. The main opposition party, the Democratic Party, denounced the result as illegitimate after last-minute postal votes reversed initial counts indicating it would win. Nine Democratic candidates have filed petitions with the High Court of the Cook Islands challenging the results in their districts, including the seat won by Puna and the seat lost by Democratic Party leader Wilkie Rasmussen. Most constituencies in the Cook Islands consist of just a few hundred voters, and margins of victory were as narrow as four votes.



Then secretary of state Hillary Clinton with Pacific leaders during the 2012 Pacific Islands Forum Post Forum Dialogue in Rarotonga, Cook Islands. The U.S. delegation to the 2014 dialogue is being led by Counselor to the President John Podesta. http://www.flickr.com/photos/us_embassy_newzealand/7927864624/

Opposition leader Chaudry appeals conviction. A Fijian court has decided that it will hear an appeal by Fiji Labour Party leader and former prime minister Mahendra Chaudhry on August 7-8 against his conviction for violating Fiji's Exchange Control Act by maintaining an Australian bank account without permission. Chaudhry has paid a fine for his crime, but is appealing the conviction because it would bar him from participating in the September 17 general elections. The deadline for candidate nominations is August 18.

Asian Development Bank invests in Pacific to meet rising energy demand.

The Asian Development Bank (ADB) plans to invest \$228 million to help Pacific Island nations reduce their reliance on imported fossil fuels, according to its *Pacific Energy Update 2014* released in June. The bank expects annual electricity demand in the Pacific Islands to grow by 7 percent, but generation to expand by just 6.4 percent annually. The ADB says its investments will support sustainable growth in the region.

Papua New Guinea hit by landslides, flooding. Heavy rain in Papua New Guinea has caused a series of landslides since June and severe flooding that has affected up to 40,000 people. The Southern Highlands province has been hardest hit, and neighboring Gulf province along the southern coast has also been heavily affected. Landslides have completely cut off some areas of the highlands, forcing the government to spend nearly all of the \$82,000 mobilization fund it released to survey the damage and provide the first round of relief foodstuffs. ▲



Asian Development Bank vice president Bindu Lohani opens the Asian Clean Energy Forum 2013 in Manila. The bank's recent Pacific Energy Update 2014 outlines a plan to invest \$228 million to help Pacific Island nations move away from fossil fuels. <http://www.flickr.com/photos/asiandevlopmentbank/9138748311/>

Looking Ahead

Discussion on solar energy. The CSIS Energy and National Security Program will host a discussion on August 5 on the innovation and marketability of solar energy. CSIS senior associate Ethan Zindler, Sol Systems CEO Yuri Horwitz, and the U.S. Department of Energy's Elaine Ulrich will explore developments in the solar energy sector and its market potential in the coming years. The event will take place from 10:00 a.m. to 11:15 a.m. at CSIS, 1616 Rhode Island Ave., NW. To register, please [click here](#).

Lecture on privacy protections in Australia and Japan. The Woodrow Wilson Center will host a discussion on August 6 on privacy protections instituted by Australia and Japan since the 1980s. Minnesota State University's Eiji Kawabata will examine the development of privacy policies in the two countries and their implications for national security. The event will take place from 4:00 p.m. to 5:00 p.m. on the fourth floor of One Woodrow Wilson Plaza, NW. Please [click here](#) to RSVP. ▲

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