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State Failure in the South Pacific and its Implications for
New Zealand Security Policy

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Abstract:

The concept of state failure is complex, encompassing many aspects of the decline in a state, from its institutional and political capacities, to its social cohesion and economic performance. In the South Pacific, the term “failing” has been used to describe the Solomon Islands before the regional assistance mission RAMSI intervened. Its continued use to describe other countries in the region, such as Papua New Guinea or Fiji is controversial, mainly because the states of the South Pacific are generally considered much more peaceful than those in other regions labelled failing. Importantly, the geographical nature of the region itself provides a vastly different strategic context to African and European failing states which are often situated in landlocked geographies. It follows on that if Pacific Island states do experience aspects of failure (as opposed to being completely collapsed or failed) then their incapacities would breed unique security implications for the South Pacific region. This thesis aims to discern what those implications are for New Zealand policy in the South Pacific region. The method used will be to assess seven countries (Fiji, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu, and Vanuatu) and their degree to which they measure up against twelve indicators of state failure. These indicators have been borrowed from the Fund for Peace’s annual Failed States Index (with their permission) and they provide the structure for the assessment.

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List of Acronyms:

ABG	Autonomous Bougainville Government
ADB	Asian Development Bank
AFP	Australian Federal Police
ANU	Australian National University
ASF	Australian Conservation Foundation
ASPI	Australian Strategic Policy Institute
BFF	Bougainville Freedom Fighters
BRA	Bougainville Revolutionary Army
CELCoR	Centre for Environmental Law and Community Rights
ECP	Enhanced Cooperation Programme
EU	European Union
EEZ	Exclusive Economic Zone
FLP	Fijian Labour Party
GCC	Great Council of Chiefs
GDP	Gross Domestic Product
GNI	Gross National Income
HIES	Household Income and Expenditure Survey
HPI	Human Poverty Index
HRPP	Human Rights Protection Party
IFF	Isatabu Freedom Fighters
IFM	Isatabu Freedom Movement
IMF	International Monetary Fund
MAP	Mutual Assistance Programme
MDF	Me'ekamui Defence Force
MEF	Malaita Eagle Forces
MFAT	Ministry of Foreign Affairs and Trade
MOD	Ministry of Defence
NGO	Non-Government Organisation
NIS	National Integrity System
NPF	National Provident Fund
NZAID	New Zealand's International Aid and Development
Agency	
NZDF	New Zealand Defence Force
ODA	Official Development Assistance
PIC	Pacific Island Country
PIF	Pacific Islands Forum
PNG	Papua New Guinea
PNGDF	Papua New Guinea Defence Force
PPF	Participating Police Force
PPP	Purchasing Power Parity
RAMSI	Regional Assistance Mission to the Solomon Islands
RFMF	Royal Fijian Military Forces
RSIP	Royal Solomon Islands Police
SDUP	Samoa Democratic United Party

SHP	Southern Highlands Province
SNDP	Samoa National Development Party
SOPAC	South Pacific Applied Geoscience Commission
SPC	Secretariat of the Pacific Community
TI	Transparency International
TMC	Tuvalu Media Corporation
TPA	Townsville Peace Agreement
UNAIDS	Joint United Nations Programme on HIV/AIDS
UN	United Nations
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCO	United Nations Educational Scientific and Cultural Organisation
UN-Habitat	United Nations Human Settlements Programme
UNHCR	United Nations High Commission on Refugees
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNODC	United Nations Office on Drugs and Crime
USA/US	United States of America
USD	United States Dollars
VMF	Vanuatu Mobile Force
VPF	Vanuatu Police Force
WHO	World Health Organisation
WHP	Western Highlands Province

Executive Summary:

- This paper aims to identify the aspects of state failure within South Pacific states and to distinguish their implications for New Zealand's security policy in the region.
- The framework for this investigation is part of the Fund for Peace's methodology for their Failed States Index – namely their 12 indicators
- The countries included in this investigation are Fiji, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu, and Vanuatu. These countries have been chosen for the wide variety of cultures and societies they represent in the Melanesian and Polynesian sub-regions. They also represent different political and economic situations that provides contrast among the countries in the research.
- Overall, the indicators show that the assessed South Pacific countries are weakened by various levels of corruption, and poor performing economies that are vulnerable and dependent on ODA and in most cases remittances.
- This carries over into state performance; as state institutions are weakened and become more prone to corruption, the delivery of public services becomes uneven or deteriorates, and there is a general inability to contain the detrimental effects of population growth, demographic pressures, or alleviate poverty.
- In Melanesian countries like the Solomon Islands and Papua New Guinea, a mixture of demographics, poverty, cultural and political factionalism, corruption and state institutional incapacity provide a

social milieu where violence and conflict has become (or was) a staple of life.

- In countries such as Vanuatu and Fiji, there are significant, and in some cases growing, indicators of poverty and poor government administration. Both states have had, or are currently having problems between civil and military establishments.
- Tonga and Samoa both rate relatively highly when it comes to development indicators, and both are very stable politically. However, their heavy dependence on remittances as well as aid (like other PICs) underlines weak and stagnant economies. Furthermore, Tonga's violent and destructive riots of November 2006 destroyed an illusion of peace and demonstrated that Polynesian populations do have the capacity for violence on the scale seen in Honiara of April 2006.
- Tuvalu paints a different picture of a state struggling with its demographic and geographical realities. Poverty levels have increased over the years, and poverty in regards to infrastructure and opportunities characterise the nature of the development challenges facing the small Tuvaluan government, which itself is subject to bouts of low-level factionalism and political instability.
- These indicators have a cyclical and cumulative effect upon one another, where, for instance, corruption and poverty will facilitate and exacerbate increasingly unstable social and political environments, which in turn will exacerbate corruption and poverty, resulting in an increasingly weakened state.
- The key regional security concerns that stem from these aspects of failure within these states are:

- Internal instability and humanitarian emergencies stemming from conflict or natural disasters.
 - Increasing transnational criminal activities in the region, including illegal drug manufacturing and trafficking, people smuggling, and illegal fishing, carried out by extra-regional criminal organisations and terrorist groups.
 - The proliferation of guns.
 - Political instability from strained civil-military relations having political and economic effects for the wider region.
- Subsequently, the fear of state failure has driven states such as Australia and New Zealand towards a new paradigm in assessing threats to regional security, focusing more upon state capacity building as means to address these threats. This does call upon greater involvement in the region by New Zealand and Australia, but this involvement has to be balanced against respecting countries sovereignty and constitutionalism.
 - Intervention is an indication of the extent to which New Zealand and Australia are willing to get involved in situations of conflict in PICSS, but it is an extremely drawn out and expensive commitment that is fraught with risks, as has been demonstrated by the Solomon Islands experience.
 - Regionalism is becoming an increasingly important vehicle for regional capacity building and this is evident in the wide scope envisaged in the Pacific Plan. But regionalism also involves heavy engagement from New Zealand and Australia, because without them there would be no impetus or resources to allow regional initiatives to achieve full implementation.

- Other important aspects of capacity building are New Zealand's bilateral development and governance assistance programmes which are targeted at structural capacity building as a means to resolve conflict peacefully and to alleviate poverty. While ODA has been a significant pillar of New Zealand engagement in the South Pacific for decades, the drivers behind it, its delivery, and its aims have evolved over recent years to meet the change in security perceptions.
- The implications for New Zealand's defence policy have meant a broadening in the role of the NZDF in the South Pacific, as well as requiring that New Zealand's own defence forces go through capacity building. Additionally, cooperation programmes are increasingly important in improving the professionalism and discipline in PICs' defence and police forces in order to lessen their potential as sources of political and social instability.
- Police are becoming much more needed in the region, and New Zealand's capacities and programmes will need to gradually reflect this evolution.
- More research needs to be done on the social, economic and political impacts of Asia in the region. In particular, the impacts from the influence of the two China's bidding for South Pacific countries' recognition, the impacts from Asian criminal organisations spreading into the region, and also the impacts of foreign investment from these countries' companies, particularly in regards to the extent they facilitate corruption and social instability.

Introduction:

2006 proved to be an eventful year regionally and domestically for Pacific Island countries (PICs). For instance, there were the Solomon Islands riots in April after the Parliamentary elections. The riots destroyed most of Chinatown in Honiara and were blamed on Taiwanese influence. In September, King Tupou IV of Tonga died, his seat has been taken over by his son, the controversial Crown Prince. In November, there were riots in Tonga, that destroyed a large portion of Nuku'alofa and were perceived to be caused when Parliament had been closed for the end of the year without addressing the important issue of democratic reform. Finally, the whole world watched the Fijian coup unravelling in Fijian time, hesitantly but inevitable.

These events have played out against a number of complex trends and issues that have been festering and subverting development and political progress in PICs for years. In some academic and political discussions, PICs have come to be seen as reflecting trends and issues that are found in other struggling states around the world, so that terms like “Africanisation” and “failing” have been used to describe the region and particular states. The use of such dramatic terms has stimulated discussion over the development challenges and governance issues prevalent in many PICs.

The term “failing state” has gained a high level of credence in academic circles world wide and has been used to describe the condition of a number of countries around the world such as Somalia, Bosnia, and Haiti. The concept of state failure is complex, encompassing many aspects of the decline in a state, from its institutional and political capacities, to its social cohesion and economic performance. Failed or completely collapsed states can be effectively conceived as empty borders. No single authoritative administration holds sole territorial control, but instead warring factions compete for control within borders that remain internationally recognised. For other countries,

failed and failing states are widely perceived as security concerns, particularly if one is a neighbour with such a state. In the South Pacific, the term “failing” has been used to describe the Solomon Islands before the regional assistance mission RAMSI intervened. Its continued use to describe other countries in the region, such as Papua New Guinea or Fiji is controversial, mainly because the countries of the South Pacific are generally considered much more peaceful than those in other regions labelled failing. Importantly, the geographical nature of the region itself provides a vastly different strategic context to African and European failing states which are often situated in landlocked geographies. It follows on that if Pacific Island states do experience aspects of failure (as opposed to being completely collapsed or failed) then their incapacities would breed unique security implications for the South Pacific region. This thesis aims to discern what those implications are for New Zealand policy in the South Pacific region. The method used will be to assess seven countries (Fiji, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu, and Vanuatu) and their degree to which they measure up against twelve indicators of state failure. These indicators have been borrowed from the Fund for Peace’s annual Failed States Index (with their permission) and they provide the structure for the assessment.

To present this research, this thesis has been split into three sections with the first briefly outlining the central tenets of the concept of state failure followed by a literature review of the discussion of state failure in the South Pacific. In this first section there will also be a brief explanation of why the seven countries have been chosen, a brief outline of the twelve indicators, and a note on the sources used. The second section will be structured into twelve separate parts, as per the twelve indicators. Each part will have an explanation of the indicator, the research involved, and the importance of the findings. The third section will start with a brief summary of the findings of the indicators, as per country, followed by an account of the region’s insecurities that can be put down to aspects of failure with South Pacific states. Finally, this thesis will go

into the implications these insecurities have for New Zealand policy and aspirations in the region.