

to a broadly held consensus on the need for peace, order and stability, something perhaps akin to the slow development of similar norms in other parts of the world that are often seen as being part of the development of the rule of law or of the emergence of civil society. Bougainville experience suggests that it may be necessary to take a long view of instability and chaos and their consequences, and perhaps to rethink some policies.

GUNS, MONEY AND POLITICS: DISORDER IN THE SOLOMON ISLANDS

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For many observers, the elections scheduled for late 2001 offered a possible circuit breaker to Solomon Islands' deepening political crisis. Behind the crisis lay four years of ethnic tensions, a *de facto* coup in June 2000, and a progressive collapse of the economy and, in many places, law and order. The incumbent Sogavare administration had come to power as a result of the coup instigated by an ethnically-based militia group, the Malaitan Eagle Force (MEF), and elements of the paramilitary police field force. As a result, it had little legitimacy in the eyes of many Solomon islanders and, moreover, appeared quite incapable of providing the leadership necessary to restore peace and stability. During its period in office, the economy had gone into free fall, with all major commercial enterprises suspended, and there was growing evidence of systematic corruption and plunder among political leaders, senior officials, and their militant associates. Since the coup, Honiara, the national capital on Guadalcanal, had been under the effective control of bands of armed militants. The police force remained deeply divided and was no longer able or willing to enforce the law.

Sadly, the new government formed after the December 2001 elections and led by Sir Allan Kemakeza has not lived up to expectations. It is made up of remnants of the Sogavare administration and includes several high-profile former members of the MEF. While there have been some signs of improvement, including in the critical area of disarmament, the national economy continues to verge on bankruptcy, essential services have ceased in many places, public servants go unpaid, and corruption and lack of security remain serious concerns. The Kemakeza government appears incapable of leading the Solomon Islands out of its current predicament and, in the view of many observers, there is a clear need for far greater engagement by the main regional players, notably Australia and New Zealand.

Background to the conflict

The deeper roots of the current crisis lie in the legacies of colonial rule, the performance of successive post-independence governments, and the impacts of more recent processes of globalization. As with Papua New Guinea and Vanuatu, the challenges of nation-building in such a diverse and fragmented environment are formidable. There is still little sense of unity binding the disparate communities scattered throughout the archipelago. Over eighty languages are spoken among a population of less than half a million people. The weak post-colonial state has little presence in the daily lives of most Solomon Islanders, the vast majority of whom are subsistence farmers in rural villages. Primary identities and allegiances remain implanted in language and kin-based associations rather than in abstracted notions of 'nation' and 'citizenship'.

The centralization of political power has been resisted actively at local levels since the beginning of colonial administration. In the period immediately preceding independence in 1978, several districts sought to loosen or sever ties with the political centre, including the well-known 'breakaway' movement in what is now Western Province (Bennett 1987: 327-330). The provincial government system established in 1981 did little to allay suspicions of central government in Honiara (Larmour 1985). Wealthier provinces continue to resent the meagre benefits received from central government in return for the substantial contribution they make to national revenues through logging and fishing.

When the national capital was relocated to Honiara after the Second World War, migrants were drawn to Guadalcanal from other parts of the country. Large numbers came from the densely populated and resource-poor island of Malaita. They were attracted by the prospect of employment in the plantations, in the government departments and businesses in Honiara, or, since 1997, in the Gold Ridge mine to the east of the capital. Resentment towards 'settlers' grew among Guadalcanal communities, often inflamed by opportunist local leaders. It has been most marked among those living in the least developed and least accessible parts of Guadalcanal, notably the Weather Coast in the south of the island. Malaitan settlers, in particular, are accused of being aggressive and insensitive to local *kastom* and are viewed by many to have prospered unfairly at the expense of indigenes.

These tensions are bound up with deeper anxieties about land, development, and identity, that are shared by most Solomon islanders. They have been aggravated

on Guadalcanal by the fact that customary land has been sold to outsiders. This has created enormous resentment among a younger generation of Guadalcanal people who have thereby been dispossessed of their inheritance. Rather than blaming those who sold the land, anger has been directed against the Malaitans who have bought, rented or squatted on land in north Guadalcanal. In December 1998, these grievances crystallized into indigenous demands for rent for the use of Honiara as the national capital, compensation for local people killed by settlers, plus restrictions on citizens from other provinces owning land on Guadalcanal (*Petition by the Indigenous People of Guadalcanal*, 1998).

Incompetent and corrupt governments have contributed to the legitimacy crisis of the post-colonial state. This manifests itself in growing levels of popular disenchantment with the formal political process and, in many provincial islands, in a spread of autonomy sentiments. Unemployment and limited economic opportunities are a major impediment to the aspirations of a young and rapidly growing population. The narrow economic base inherited from colonial times has meant a high level of dependence on the vagaries of international commodity markets. Low commodity prices, rising oil prices and the Asian financial crisis have all had adverse impacts in recent years and Solomon Islands is increasingly dependent on international development assistance and commercial loans.

The coup

Groups of young Guadalcanal men began stockpiling homemade and rehabilitated Second World War weapons as early as 1996 (Kabutaulaka 2001). Organized disturbances started in late 1998 and spread rapidly throughout rural parts of the island. Militant groups – known initially as the Guadalcanal Revolutionary Army (GRA) and later renamed the Isatabu Freedom Movement (IFM) – embarked on a violent campaign of harassment and intimidation, directed mainly against Malaitan settlers. Up to 20,000 people were displaced from their homes in rural Guadalcanal and forced to seek refuge in Honiara or return to their islands of origin. Violent confrontations occurred between the GRA/IFM and the Royal Solomon Islands Police (RSIP). In June 1999, the government declared a state of emergency in Guadalcanal.

In response to a request from the SI government, the Commonwealth sent former Fijian Prime Minister, Sitiveni Rabuka, as a special envoy to help conclude a peaceful resolution to the crisis on Guadalcanal. A series of peace agreements brokered by Rabuka committed the government to address the concerns of the rural Guadalcanal population and restrain police operations, and

called on the militant groups to disband, surrender their weapons, and return to their home villages. However, they failed to stem the spreading militancy.

With the IFM in effective control of rural Guadalcanal, Honiara became a Malaitan enclave. Another armed group – the Malaita Eagle Force (MEF) – emerged at the beginning of 2000. This group, with close links to the paramilitary police field force, claimed to represent the interests of displaced Malaitans and demanded substantial compensation for the lives of Malaitans killed by the IFM and for damage and destruction to their properties. The MEF had access to high-powered police weapons, uniforms and equipment, and began attacking and intimidating suspected IFM members and sympathizers in the Honiara area. With the security situation on Guadalcanal, particularly around Honiara, deteriorating rapidly, the SIAC (Solomon Islands Alliance for Change) government made a desperate plea for armed assistance from Australia and New Zealand. However, neither government was prepared to intervene and called upon the parties to devise appropriate local solutions.

On 5 June 2000, MEF militants, together with members of the paramilitary police field force, seized control of key installations in Honiara, including the well-stocked national armoury. Prime Minister Bartholomew Ulufa'alu was forced to resign and was replaced by the opposition leader, Manasseh Sogavare. Following this *de facto* coup, acts of intimidation and reprisals against civilians by militants increased. Honiara was under the control of an illegal 'joint operation' between the MEF and elements of the police. The new government was neither capable of challenging, nor inclined to challenge, the heavily armed militant group that had brought it to power. Attacks were launched by the joint operation against suspected IFM positions on the outskirts of the capital and an Australian-donated patrol boat was used to shell positions on the eastern shoreline. Homes and property belonging to those deemed opposed to the armed takeover were looted or destroyed. Vehicles were stolen and business houses intimidated. Honiara was effectively cut off from the rest of the country.

These events had a disastrous impact on the national economy. Operations were suspended at the Gold Ridge mine after the coup, as they had been earlier at Solomon Islands Plantations. Government revenue dropped dramatically. As the impact of events in Honiara sank in, shock turned to anger in many other parts of the country. There were reports of intimidation against Malaitans in the Western Province (*SIBC* 18 June 2000). These led to reprisals against non-Malaitans in Honiara, setting off a vicious cycle of retaliatory actions. There was also concern about possible spillover effects from Bougainville, which was emerging from a protracted civil war (see Regan, this volume). Members of the

Bougainville Revolutionary Army (BRA) were reported to be providing security in Choiseul and Western provinces against incursions by the MEF (*The National* [Papua New Guinea] 12 June 2000). Autonomy sentiments were re-ignited in several provinces.

The Sogavare government commenced its peacemaking efforts by paying SIS10 million to provincial and militant representatives from Malaita and Guadalcanal for a range of outstanding grievances on both sides. Dispensing large amounts of compensation was to become the central pillar of the government's peacemaking strategy. Compensation has a long history in parts of the Solomon Islands as a means of settling disputes between groups. Over the years it has been extended beyond the *kastom* context to a variety of non-traditional situations, including claims against the state (Akin 1999). In practice, it has become increasingly commercialized, with monetary payments replacing traditional items of wealth. This has opened up new opportunities for self-enrichment and abuse. While by no means the first government to employ this practice, the use of compensation by the Sogavare administration has contributed significantly to the disorder over the past two years.

The Townsville Peace Agreement

Having declined earlier requests for assistance by the Ulufa'alu government, reinvigorated efforts were made by Australia and New Zealand to bring the militant groups to the negotiating table. The immediate priority was to end the fighting between the militant groups. Talks brokered by the Australians resulted in the signing of a Ceasefire Agreement in August 2000. The next step was to conclude a substantive peace settlement between the combatants. Approximately 130 delegates were flown to an Australian military base in Townsville for this purpose. They included militant leaders, representatives from the various provincial authorities, and the national government. The Townsville Peace Agreement (TPA) was signed on 15 October 2000.

Under the provisions of the TPA, members of the police who had abandoned their posts to engage in militant activities were eligible to return to the force without fear of sanctions. An act of parliament was to provide a general amnesty to members of militant groups for criminal acts committed during the course of the 'ethnic crisis', as well as for any civil liability arising from such acts. In return, militants were to surrender all weapons and ammunition within thirty days of the signing of the agreement under the supervision of an International Peace Monitoring Team (IPMT). A Peace Monitoring Council was to be established 'to monitor, report on and enforce the terms of the

agreement'. Former combatants were to be repatriated to their home villages in Guadalcanal and Malaita and provided with counselling and rehabilitation services. The government was to seek international assistance to help recompense those who had suffered material loss as a result of the conflict.

The TPA succeeded in ending the fighting and its signing was greeted by spontaneous celebrations on the streets of Honiara. In retrospect, however, it did not provide a sustainable framework for the peace process and its shortcomings have become increasingly apparent with the passage of time. Its provisions reflected the views of the militant groups, in particular those of the more powerful and articulate MEF leadership. The voices of the wider Solomon Islands civil society, who had been the most active proponents of peace and moderation, were excluded. The provisions of the TPA assumed that the two militant groups were cohesive and structured bodies capable of fulfilling their obligations under the agreement. In reality, divisions had always existed in both entities based around loyalties to particular leaders, places of origin, language, kinship ties and so on. Harold Keke, a maverick Guadalcanal militant from the Weather Coast, refused to be a party to the agreement. Factionalism increased in both groups after the signing of the TPA. In the case of the former IFM, this degenerated, in some places, into armed feuds between rival leaders – who were often related to each other. The process of fragmentation hinted at the critical role of a more complex and dynamic local politics being played out beneath the rubric of ethnic tensions and discrete militant groups.

Under the TPA, the disarmament process was to be driven by the former militant groups themselves, rather than by an independent enforcement body. Weapons in the possession of the militants were to be handed over to their commanders and then placed under the control of unarmed members of the IPMT at selected sites in Guadalcanal and Malaita. The role of the IPMT, comprising 35 Australians and 14 New Zealanders, was to monitor and observe the disarmament process, rather than enforce it. The fragmentation of the militant groups complicated matters by dissolving the chains of command that were necessary to progress disarmament under the agreement.

While civil society groups had called for any amnesty provisions to be linked to a truth and reconciliation process, the TPA allowed those who had engaged in serious human rights abuses to escape any form of personal accountability. This failure to address issues of justice added greatly to the challenges of restoring the rule of law. It was hard to promote the authority of law when known criminals had been granted total immunity for the consequences of their actions. Likewise with the provisions allowing former militants to rejoin the police.

Many retained their illegally acquired weapons and maintained links with militants. Their presence, particularly among senior ranks, intimidated other officers and contributed to the continuing paralysis of the force. In the eyes of ordinary Solomon islanders, the police had become a tainted, partisan and corrupt institution.

The use of monetary compensation as the principal instrument for redressing grievances raised unrealistic expectations on the part of thousands of people affected by the conflict, generated further divisions between claimants, and provided ample opportunities for abuse. One of the most fundamental weaknesses of the TPA was that it sought to provide a single comprehensive settlement. By contrast, the Bougainville peace process has involved a rolling series of negotiations and agreements. The TPA constituted a static agreement that was incapable of adjusting to the rapidly changing circumstances on the ground. It was also premised on quite unrealistic assumptions about the capacity of the profoundly weak Solomon Islands state to implement its provisions.

The instrumentalization of disorder

A priority after the signing of the TPA was to disarm and demobilize former militants. Approximately 500 high-powered weapons, with ammunition, had been seized from police armouries by the MEF in the lead-up to the coup. While they possessed some automatic weapons, the IFM arsenal consisted largely of homemade and rehabilitated Second World War weapons. When the thirty-day deadline for surrendering weapons expired in mid November 2000, approximately 800, mainly homemade, guns had been handed in. The deadline was extended several times over the following year and a half. Disarmament was impeded by lack of an effective enforcement process. Former militants and others also appreciated the strategic value of the gun in an environment where law enforcement had effectively collapsed.

On the matter of demobilization, the government agreed to pay repatriation allowances in order to induce former militants to return to their villages of origin. Further payments were provided for accommodation and the hiring of vehicles and canoes. For some, repatriation schemes became an opportunity for making money. For example, many former militants who had been repatriated to Malaita simply turned around and returned to Honiara to collect further payments. By the end of April 2001, the government had reportedly paid out S\$40 million to ex-militants (*Pacnews* 1 March 2001). The manner in which these funds were distributed by ex-militant leaders generated further conflict, as

did rumours that some individuals and groups and were being paid more than others (*SIBC* 23 November 2000).

Another scheme to absorb ex-militants was their appointment as special constables, ostensibly to help in the restoration of law and order. Each special constable was put on the government payroll. Like the repatriation allowances, this scheme was highly susceptible to abuse. By the end of 2001, the number of, mainly Malaitan, special constables had grown to nearly 2000 and the scheme had become a major drain on scarce government resources. Ill-disciplined special constables with access to illegal weapons became a source of lawlessness in many areas. On several occasions Sogavare proposed that former militants become the nucleus of a new Solomon Islands Defence Force. This proposal met with vigorous opposition from many quarters and, fortunately, proceeded no further.

In the post-Townsville period, escalating lawlessness and the deteriorating economic situation became the outstanding concerns, surpassing the original ethnic tensions on which the TPA peace process was based. Honiara was the hub of growing disorder involving the activities of former militants, criminals, corrupt leaders and assorted opportunists. The line between ex-militants and criminals became blurred in practice. In view of the weakness of government and police, those with guns could act with impunity. Ministers, public servants and business people complained of regular harassment by ex-militants in respect of compensation demands (*SIBC* 7 October 2001). As the financial situation deteriorated, ex-militants began threatening bank staff who refused to accept government cheques (*SIBC* 1 February 2001). The practice of demanding compensation on the slightest pretext was widespread and often amounted to little more than criminal extortion.

While these problems were concentrated in Honiara, the dispersal of former militants and guns was followed by an increase in criminality and banditry in many rural areas, particularly in Guadalcanal and Malaita.

The Peace Monitoring Council attempted to initiate a review of the TPA in September 2001 (*Radio Australia* 14 September 2001). This had to include the parties to the initial agreement. A notable irony was that the review process entailed reconstituting the original militant entities that had, in large part, dispersed and disbanded in the period since the TPA was signed. In the event, the review was suspended after the former IFM delegation withdrew following the brutal murder of a one of their ex-commanders (*Pacnews* 24 September 2001).

Funding the increasingly corrupted compensation process was a major challenge. More than 50 per cent of compensation claims were fraudulent, according to the acting auditor general (*SIBC* 12 July 2001). With little prospect of assistance from donors, the government negotiated a large commercial loan from a private Taiwanese bank (*Sydney Morning Herald* 10 April 2001). Shortly after the arrival of the first tranche, the deputy prime minister, Sir Allan Kemakeza, and his permanent secretary were accused of allocating themselves payments of SI\$800,000 and SI\$700,000 respectively for properties allegedly destroyed during the conflict (*SIBC* 26 July 2001). Both were dismissed for misleading cabinet and having 'serious, personal vested interests' in the compensation scheme. At the same time, the administration was granting generous duty remissions and tax exemptions to selected individuals and businesses. This was a way of rewarding supporters, repaying political debts, and compromising potential critics. It was also a response to intimidation and threats, and a way of buying off the more troublesome ex-militant leaders. Despite the acute financial crisis, millions of dollars of national revenue were foregone in remissions on cigarettes and beer imports (*SIBC* 18 July 2001).

While these developments were taking place, other parts of the country were suffering the consequences of the prolonged crisis at the political centre. Health and other provincial grants had fallen into serious arrears. Public sector unions, representing around 8000 members, threatened a nationwide strike unless they received their pay and unless all duty remissions were cancelled (*Radio Australia* 7 September 2001). Provincial premiers issued a joint communiqué in August 2001 claiming that the central government owed the provinces and Honiara City Council more than SI\$16,800,000 in grants and arrears. The already fragile character of national unity was threatened further by growing pressures for autonomy in several island provinces.

The Kemakeza government – continuing decline

The overwhelming desire for change on the part of ordinary voters was reflected in the December 2001 election results. Only 18 sitting members of the 50-seat national parliament were returned. Unfortunately the post-election process of government formation was less susceptible to the weight of public opinion. The civil society network alleged that large sums of money were offered to the 32 new members to back particular candidates for the position of prime minister (*PINA Nius Online* 16 December 2001). Sir Allan Kemakeza's People's Alliance Party (PAP) emerged as the largest coalition, with 20 seats. Ousted Prime Minister Ulufa'alu's Solomon Islands Alliance for Change (SIAC) won

12 seats. However, amid rumours that there would be another coup if Ulufa'alu returned to power, SIAC changed their nomination for prime minister to Pattison Oti. Ulufa'alu promptly withdrew from SIAC, taking 6 Liberal Party members with him, thereby scuttling SIAC's chances of resuming office. Sir Allan Kemakeza was declared prime minister on 17 December 2001.

Many Solomon Islanders greeted the announcement of the composition of the 'new' government with dismay. Kemakeza had been discredited and eventually sacked for his handling of the compensation scheme as a minister in the Sogavare administration, and was known to have close links to the MEF. Snyder Rini, who had been Sogavare's Finance minister and had approved up to SI\$80 million in duty remissions (*SIBC* 15 December 2001), became the new deputy prime minister. In addition, a number of former MEF leaders were appointed as ministers, raising the spectre of deepening collusion between government leaders and militant elements. They included former member of the MEF supreme council and Honiara businessman, Alex Bartlett, who was appointed foreign minister. The post of minister for Police, National Security and Justice was given to another former militant, Benjamin Una. He had previously commanded one of the Australian-donated patrol boats used to attack Guadalcanal positions after the coup. Another ex-militant, Daniel Fa'afauna, was appointed minister for Economic Reform and Structural Adjustment.

The policy priorities of the new administration were the restoration of law and order and revival of the economy (*Sydney Morning Herald* 18 December 2001). These were also the conditions for securing much-needed international development assistance. On the law and order front, this meant getting the police force working again. Initial signs were not promising. No arrests had been made for a number of outstanding crimes, despite the fact that the identity of the suspects was common knowledge. These included the alleged killers of the former IFM leader, Selwyn Saki, whose murder had derailed the review of the TPA. They also included the person responsible for killing a New Zealand consultant in Honiara in mid-February (*Solomon Star* 13 February 2002). Prime Minister Kemakeza approached the Australian and New Zealand governments requesting overseas police to work alongside SI officers (*PINA Nius Online* 24 March 2002). Australia declined but has continued its institutional strengthening with the Solomon Islands police, using advisers rather than officers in line positions. New Zealand has agreed recently to send ten officers to work with local police (*SIBC* 19 August 2002), while the United Kingdom government will provide a replacement for the current police commissioner when his contract expires later in the year.

At the beginning of 2002 several incidents involving Bougainvillean gunmen were reported from Western province, including a spectacular shooting spree in Gizo township (*Solomon Star* 4 February 2002). In late February, two Malaitan special constables were allegedly killed by Bougainvilleans in Noro, Western Province. This immediately led to retaliatory acts by Malaitan ex-militants against Westerners in Honiara. Matters relating to the presence of Bougainvilleans in the Western Province, and also of Solomon Islanders in Bougainville, are now the subject of border talks between authorities in Honiara and Port Moresby (*PINA Nius Online* 6 March 2002).

The latest, and ostensibly the final, deadline for the surrendering of weapons under the TPA expired on 31 May 2002 and, according to the Peace Monitoring Council, resulted in the surrender of more guns and ammunition than any of its predecessors. While no exact or reliable figures are available, the weapons surrendered included a number of high-powered weapons. The majority of weapons originally stolen from police armouries, however, remain at large (*SIBC* 11 June 2002). The Australian-led IPMT has been phased out, with Australian assistance now being directed at strengthening the Peace Monitoring Council (*PacNews* 22 February 2002). The rationale for the withdrawal was that the IPMT has fulfilled its monitoring mandate under the Townsville Peace Agreement.

Several meetings were held between a senior government envoy and the maverick Guadalcanal leader Harold Keke on the Weather Coast earlier in the year. There had been promising indications that Keke and his Guadalcanal Liberation Front (GLF) were preparing to enter the peace process that they had hitherto rejected. However, this progress came to a sudden halt after the 'massacre' of ten Malaitans who had travelled to the Weather Coast in early June in order to capture or kill Keke (*Pacific Islands Report* 28 June 2002). The exact details of what happened, including the identity of the parties behind the raid, remain unclear, although the killings have been confirmed. Keke has become a ruthless and unpredictable warlord and his Weather Coast territory has become a no-go zone for outsiders, including the police and other government representatives. His latest outrage was the brutal murder in August of a government minister and member for the South Guadalcanal constituency, Father Augustine Geve. Keke has claimed that Father Geve was killed because he had misused funds intended for his constituency (*PINA Nius Online* 23 August 2002). Keke's reign of terror in south Guadalcanal constitutes a major obstacle to peace, and continues to impede the disarmament process. Following Geve's murder, the Police minister appealed to Australia and New Zealand for assistance in apprehending Keke (*PacNews* 27 August 2002).

Although much remains to be done in the area of reconciliation, several key players in the events of June 2000 have made gestures in this direction. Andrew Nori, the former MEF spokesperson, hosted a reconciliation ceremony with some of the members of the former SIAC government that he had helped oust from office (*Solomon Star* 12 February 2002). Foreign Minister Alex Bartlett, a former member of the MEF supreme council, has apologized in parliament for his role in the conflict and expressed his willingness to engage in the reconciliation process (*SIBC* 5 April 02). While understandably greeted with extreme scepticism in many quarters, these gestures might prompt other players to review their personal roles in the events of the past few years. Attempts at reconciliation and peace-building at the grassroots level have been more low-key and have been facilitated by churches, women's groups and community leaders. The Melanesian Brothers, who were courageous agents of peace during the conflict, have continued their role in the area of reconciliation.

In addition to law and order and the peace process, the other major focus of government attention has been the economy. By the beginning of the year, public debt had reached critical levels with rapidly diminishing foreign reserves and a total outstanding debt burden of SI\$1.3 billion (*Solomon Star* 30 July 2002). Immediately after the elections, Kemakeza announced his intention of reducing the government payroll from SI\$200 million to SI\$150 million though details on how this was to be achieved remained vague. A visiting mission from the World Bank, Asian Development Bank, and the International Monetary Fund, made clear their unwillingness to provide further funds until the Solomon Islands had settled outstanding arrears (*Solomon Star* 15 March 2002). Finance Minister Michael Maina introduced a tight budget in March that was, among other things, designed to address the immediate concerns of the multilateral agencies and donor community. He also caught everyone off guard by simultaneously announcing an immediate 25 per cent devaluation of the SI dollar. While this move received support from the Central Bank, it split the Kemakeza cabinet. Strongest opposition came from Snyder Rini and his group of independents who formed the largest bloc in the government. Under mounting political pressure, Kemakeza sacked Maina and the devaluation was subsequently revoked (*PINA Nius Online* 4 April 2002). More recently, Maina's replacement has proposed replacing the SI dollar with Australian currency, despite being advised against this by the International Monetary Fund (*Pacnews* 29 August 2002).

As the economic situation has deteriorated, the government has become more desperate to raise revenue and cut expenditure. In the first six months of 2002,

it had allegedly overspent by SI\$28 million dollars on salaries and wages alone (*PINA Nius Online* 31 July 2002). Attempts to reduce spending by proposing the termination of 1,300 public servants has met with strong opposition from the trade unions (*PINA Nius Online* 30 July 2002). Teachers, medical staff, airport employees and others have resorted to rolling strikes in protest over non-payment of wages. Amid rumours that the final tranche of the Taiwanese loan to pay compensation had arrived, claimants laid siege to the Treasury offices and razor wire has now been erected around key government offices (*SIBC* 5 August 2002).

A number of ill-conceived fund-raising schemes have been proposed and then abandoned in the face of strong opposition. For example, in April reports surfaced that the government was considering selling 80 per cent of equity in the Solomon Islands Development Bank to Melbourne-based company, ACC-AMCO (*SIBC* 11 April 2002). A year earlier, an adviser to the Sogavare government had signed a memorandum of agreement with AMCO that would have provided the company with extensive rights to engage in mining, tourism, logging, fishing, banking, printing, and a range of service activities. The agreement did not proceed after the Central Bank cast doubts on the company's credentials. The adviser in question had since become minister for Commerce in the Kemakeza government and was lobbying vigorously on behalf of the company. The planned sale was eventually shelved as a result of vigorous opposition by, among others, the board of the Development Bank (*Solomon Star* 23 April 2002).

Even more controversial was the proposal to dump toxic waste from Taiwan on the island of Makira. This was another scheme carried over from the Sogavare administration (*PINA Nius Online* 7 February 2002). It aroused immediate opposition from a range of groups, including senior public servants, opposition politicians, community groups, and local and international environmental groups. After considerable wavering, Prime Minister Kemakeza announced that his government was opposed to any form of toxic dumping in the Solomon Islands (*SICA Press Release* 18 June 2002). There have also been allegations that a Taiwan-based company has been selling Solomon Islands passports in Asia (*SIBC* 11 May 2002).

In retrospect, the high expectations in the lead-up to the 2001 election appear to have been misplaced. Ousting the discredited and compromised Sogavare administration was by no means the sole issue. The more daunting political challenge was to put in place a government capable of providing firm and independent leadership. This required severing the hold that certain parties to

the 2000 coup had been able to exercise over Sogavare and his ministerial colleagues and that had contributed in significant ways to the deepening political and economic crisis. The composition of the newly-formed government suggested that this was unlikely to happen and subsequent developments have borne this out. There has been a reluctance to take hard decisions and a readiness to follow the path of least resistance. The coercive arm of the state – the police force – remains incapacitated and serious crimes, including murder, go unpunished. In large parts of rural Guadalcanal, the rule of law has effectively collapsed and been replaced by brutal family feuds waged between former ethnic allies. As funds for wages and services dry up, the arrival of compensation from Taiwan generates a feeding frenzy among claimants (genuine and bogus) and inevitably leads to further divisions and conflict. Disenchantment with the formal political process has now reached dangerous new levels.

CONVERGING ON THE ARC OF INSTABILITY? THE FALL OF BARAK SOPE AND THE SPECTRE OF A COUP IN VANUATU

Michael Morgan⁸

The constitutional crisis which erupted in Vanuatu in May 2001 initially prompted fears that Vanuatu might follow the examples of the Solomon Islands and Fiji and descend into social unrest, and possibly violent conflict. The greater danger was that the ailing administration of Barak Tame Sope Mau'utamate would mobilize the Vanuatu Mobile Force (VMF) to consolidate its hold on power.

The crisis was triggered by an attempted motion of no confidence in Prime Minister Barak Sope, authored jointly by the Vanua'aku Pati (VP) and Sope's former coalition partner, the Union of Moderate Parties (UMP). The pressing issue for the Vanua'aku Pati was the country's worsening financial situation, especially in light of a clandestine deal between Sope and Indian Thai businessman Amerendra Nath Ghosh, involving the issue of \$US300 million from the Reserve Bank. The UMP had defected to the opposition in the month before the commencement of the parliamentary session. For almost two months during its scheduled first session for 2001 the Vanuatu Parliament was incapacitated because the Speaker, Paul Ren Tari, refused to allow debate on the motion. The Vanuatu Supreme Court upheld the validity of the motion, but Sope claimed that his coalition was the victim of foreign interference and a political conspiracy between the government and the state law offices that culminated in a 'libellous' motion of no confidence. Throughout, Sope and his allies maintained pressure on VP and UMP backbenchers in the hope of inducing defections by marginalized MPs for whom personal allegiance might be considered a tradable commodity. Despite consistent pressure, the government of Edward Natapei emerged victorious from the constitutional crisis and Vanuatu remained peaceful, although the events set in train a year of further political manoeuvring which culminated in the arrest and conviction of Sope on charges of forgery and the intervention of elements of the police and the VMF in national politics.

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