

# Political Settlement in Solomon Islands: A Political Economic Basis for Stability after RAMSI?

## Political Settlement: Part 3



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Political settlements and pacts now feature prominently in donor narratives about transitions from conflict and institutional fragility to peace and prosperity (Hickey 2013). Ten years after the Regional Assistance Mission to Solomon Islands (RAMSI) intervention, political settlement analysis offers fresh perspective on core questions: Are governing arrangements in Solomon Islands stable and sustainable? Where might they be ineffective and vulnerable?

Following Khan, 'political settlement' describes the underlying or emerging 'social order based on political *compromises* between powerful groups in society that sets the context for institutional and other policies ... more precisely [it is] a *combination* of power and institutions that is mutually compatible and also sustainable in terms of economic and political viability' (2010:4, our emphasis). Post-conflict political settlements, their compromises and combinations can develop out of 'pacts' between political and economic elites that, as they become institutionalised, provide a durable kind of stability and order (Craig and Porter in press). Two factors that determine the scope and depth of the settlement are the 'grasp' and 'reach' of the pacts and of the institutions that grow from them (Mann 1988). 'Grasp' refers to the ability of the pact to pull together powerful interests, often centrally, and then to clasp together the resources needed to govern via institutions: especially political power and economic rents. 'Reach' refers to the ability of central actors and institutions to project power and resources out to places where people live, including them in the settlement by delivering services, livelihoods and other opportunities. Pacts can have a powerful grasp (making them stable, short term) but a weak reach (making them less inclusive, and perhaps less stable longer term).

Different kinds of pacts take different pathways, and produce different sets of institutional strengths and weaknesses. Slater (2010), considering long-term political stability and settlement in South-East Asian countries, describes two forms of pacts and two different pathways: 'protection' and 'provisioning' pacts. 'Protection pacts' are heavy on central grasp, and have produced durable (though authoritarian) stability. They are created (centrally) when political and economic elites respond to threats from communal, urban, class-based violence, pact together and contribute economic rents to make formal state and political structures work. By

contrast, 'provisioning pacts' are less focused on central grasp or local reach, and more on holding the pact together, short term. They are made when political elites need to secure support from others by providing them with a share of rents and resources. This puts the central state's resources directly into the hands of political actors who might or might not use these resources to extend the state's reach through effective machineries delivering services. Provisioning pacts could result in powerful reach through strong resourcing; but more often they result in unsustainable spending, and can corrode and exhaust both the grasp and reach of state systems. According to Slater, this leads to either fragmentation or militarisation (armed groups in control).

In terms of Slater's discussion of protection versus provisioning pacts, Solomon Islands' pacts (and the settlements emerging from them) demonstrate some aspects of protection. The RAMSI security intervention suppressed central, urban communal violence and led to a consolidation of central powers and rents, albeit one driven more by external actors than by local ones. Business elites seeking protection contribute powerfully to a form of central pact formation, funding it directly and off budget. In Solomon Islands, as internationally, experience is that economic actors make what Tilly (2005) calls 'clientage payments' to political actors in exchange for protection and provision — including concessions. In Solomon Islands, resource (especially timber) rents and concessions, but also import and other tax concessions, have been crucial sources of clientage money, received by individual actors at the expense of national revenues. And this money is recycled quite directly into formation of coalitions and pacts.

There are, however, structural difficulties in achieving durable, protection-oriented compromises and combinations between Solomon Islands political and economic elites. There, economic elites face the challenge of institutionalising their influence across an ethnic cleavage. In other nation settings, pacts between elite political and business groups are consolidated variously: business families entering politics, intermarriage, routine contributions by business to stable political parties. But in Solomon Islands, arrangements for forging pacts seem especially one dimensional — involving money, channelled into direct personal allegiance. Especially after elections and before confidence votes, clientage payments enable a whole informal machinery of short-

term pacts among political actors. This form of 'grasping' and 'reaching' takes money out of the formal provisioning and policy-based electoral claims making. The political pacts it enables are corrosive in their policy influence and inherently unstable, even though familiar faces reappear over time. There are also questions about the sustainability of revenues, as timber rents, both formal and informal, are projected to decline.

Overall in the Solomons case, 'provisioning' remains the most important driver of pact formation. Solomon Islands faces extreme challenges and demands in provisioning. Challenges include the provisioning of services to geographically dispersed communities, which is difficult and expensive; local demand for public services is rarely met. Provisioning demands include private concessions (e.g. tax breaks), which undermine central grasp. Politicians demand funds for direct provisioning of their local supporters and projects. Whether by granting concessions or joining pacts to access provisioning money, national politicians are preoccupied with getting a share of the rents concentrated in Honiara to take home. These short-term goals focused on provisioning undermine the formation of stable political parties to contest elections and distribute rents on a policy, not patronage basis (Corbett and Woods 2013).

Recently, direct, short-term and questionably sustainable provisioning has become much more important to pact formation and institution building. Politicians have expanded constituency development funds (CDFs) — amounting to around 15 per cent of total budget outlays — and tertiary scholarships. These funds 'grasp' resources out of mainstream line ministry budgets and into provisioning arrangements with national members of parliament who insist they are better placed to 'reach' down to provision local communities. But CDFs have put significant pressure on the budget, and are likely to undermine fiscal discipline and override other priorities (IMF 2013).

Will Solomon Islands pacts institutionalise fundamentally unstable, unsustainable provisioning arrangements? Could the CDF grasp and reach arrangements be gradually folded into mainstream state mechanisms, which can shape a sustainable political settlement? It seems possible that together, the various 'layers' of provisioning arrangements, including those propped up by international co-production arrangements (security, justice, education, health) may be enough to avoid relapse into violent conflict. Much will depend on whether a shift from logging to mining rents occurs

(Allen 2011), and either enables grasp and reach, or gets 'provisioned' away. Effective protection and provisioning by donors matters too, especially if it provides for urban development and enables access to international labour markets. But donors must be more alert to how their provisionings affect incentives for politicians to invest in central grasping (via fewer concessions) and local provisioning reach, rather than leaving this to co-production in central ministries, donor programs and unreliable CDFs.

### Author Notes

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