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# FINANCING A REVOLUTION: NEW ZEALAND'S STRATEGY TO ELIMINATE POVERTY IN THE SOUTH PACIFIC

*Katherine A. Ginda*



*Ehara taku toa i te toa takitahi, ēngari he toa takitini.  
(My strength is not mine alone, but that of the multitude.)  
— A Māori proverb*

## Introduction

Two years ago, former New Zealand Prime Minister Helen Clark expressed growing concern for the stability and prosperity of her Pacific neighbors. “The South Pacific in the twenty-first century is not quite how Rodgers and Hammerstein portrayed it in the 1958 film,” Clark said. (Clark) Despite pristine white-sand beaches, hypnotic blue lagoons, and warm tropical breezes, the island nations of the South Pacific face serious, and seriously debilitating, challenges. The dangers are both internal and external and span a range of geographic, cultural, economic, political, environmental, and global issues. Fragile physical environments, limited natural resources, rapid population growth, high unemployment rates, low primary school enrollment, deep-seated ethnic tension, violent military coups, inadequate health care services, deteriorating financial systems, corrupt public officials, and dysfunctional law

and justice systems are a glimpse of the Pacific reality. In addition to these domestic disabilities, failing Pacific Island states struggle to cope with transnational concerns such as human and drug trafficking, refugees, identity fraud, money laundering, infectious diseases, and environmental degradation, while threats of international terrorism and nuclear proliferation further jeopardize the peace and security of the Pacific region.

New Zealand cannot afford to overlook the problems facing its neighboring Pacific islands. New Zealand itself risks facing domestic instability if the diverse challenges of failing Pacific Island states are not addressed. “The Pacific is at risk of falling victim to all the wasted potential and social and economic chaos that poverty brings. Unless we want these problems eventually to become our own, New Zealand, as a strong and prosperous neighbour, must try to prevent this happening,” says Winston Peters, former New Zealand Minister of Foreign Affairs.

(Peters) As Pacific Island nations struggle to establish credible political institutions, sophisticated economic policies, equitable social conditions, and sustainable environmental practices, it is in New Zealand's best interest to assume a proactive leadership position within the region and remain involved in affairs abroad. "What happens in the Pacific impacts directly on New Zealand, and on the quality of life, safety, health, and security of every New Zealander. The more successful the Pacific is, the better it is for us," Peters says. (Peters)

In order to provide the direction and resources that failing Pacific nations so desperately need, the New Zealand government conceived and launched in June 2008 a comprehensive development program designed to significantly reduce poverty and hardship throughout the Pacific region by 2015. The resulting Pacific Development Strategy (PDS) was a political milestone, New Zealand's first regional assistance program dedicated to poverty elimination in the Pacific. But, with the region at a pivotal "crossroads between poverty and prosperity" (Peters) that will inevitably impact New Zealand's own internal stability, the Pacific Development Strategy has been criticized by government officials as incomplete and inadequate. The PDS leaves questions about its ability to achieve long-term sustainability; and without devoted leadership, responsible management, clear objectives, and prioritized goals, it will struggle to achieve a meaningful difference in the lives of Pacific Islanders.

This article provides a critical analysis of the Pacific Development Strategy and examines, in particular, its potential to revolutionize, and revitalize, the Pacific region. The first section explores in greater detail the crushing challenges facing poverty-stricken Pacific Island states and the need for considerable financial assistance and forceful intervention in order to initiate recovery. The following section introduces New Zealand as a regional leader and committed activist, and outlines the goals and initiatives of its Pacific Development Strategy. The third section discusses the strategy's shortcomings and presents recommendations for revision. The final section suggests that the Pacific Development Strategy must be amended in order to be a success; unchanged, it will fail to realize the ambitious results it hopes to achieve.

## Island "Paradise"

Geographically remote, culturally diverse, economically underdeveloped, politically volatile, and environmentally fragile, the island nations of the South Pacific make up one of the most unique, and uniquely challenged, regions in the world. More than 10,000 islands, the majority uninhabited, dot the Pacific. ("Oceania") Scattered across an ocean desert exceeding 63 million square miles, these nations are virtually isolated from the rest of the world and are nearly inaccessible. ("Pacific Ocean") Thousands of miles of open ocean separate most South Pacific islands from the closest major international city. Nadi, Fiji, the center of the South Pacific, is more than 1,300 miles from Auckland, New Zealand; nearly 2,000 miles from Sydney, Australia; and more than 5,500 miles (a 10-hour flight) from Los Angeles.<sup>1</sup> Fast, direct travel between island destinations is nearly impossible; the infrastructure simply does not exist, and the travel and trade industries that do exist are unsustainable. In 2008, the Samoan and Tongan governments turned to New Zealand in desperation and requested support for air routes to and from Los Angeles, vital tourism arteries for the two island destinations. In February 2009 the New Zealand government announced its decision to underwrite the routes for the next year in order to help retain the crumbling assets. (McCully, "Time . . .") Financially strapped and internally unstable, many Pacific Island nations are unable to maintain crucial transport networks; and without outside investment, future access to the Pacific Islands may be further limited, and the islands themselves further isolated.

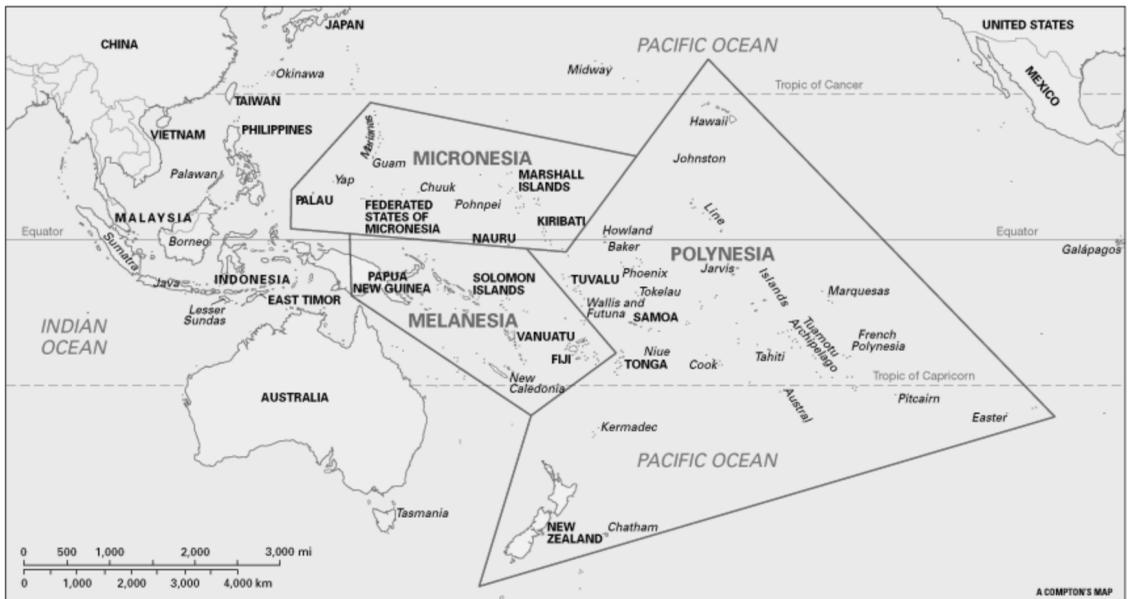
Despite this pronounced geographic insulation from the outside world, the Pacific people are one of the most culturally diverse populations in the world. As Figure 1 shows, Pacific Islanders are roughly divided into three broad ethnogeographic groups — Melanesian, Polynesian, and Micronesian — but the individual Pacific Island states face even further cultural variation within their own populations. Eight hundred and twenty different indigenous languages, over one-tenth of the world's total, are

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<sup>1</sup>According to calculations by mapcrow.info and airpacific.com.

Figure 1

Oceania: Micronesia, Melanesia, and Polynesia



Source: *Encyclopædia Britannica*.

spoken in Papua New Guinea alone. (“Papua New Guinea”) Solomon Islanders speak another 120 indigenous languages. (“Solomon Islands”) This extreme cultural diversity is often cited as an underlying cause of cultural instability and ethnic conflict. Over the past two decades, severe violence has erupted between clashing cultures in Papua New Guinea, the Solomon Islands, and Fiji. These three island nations, in particular, have been seriously weakened by internal conflict and continue to struggle to solve their deep-seated issues of ethnicity and repair their damaged governments, economies, and people. Though relatively peaceful now, these countries will require strengthened governments capable of maintaining law and order, restructured economies conducive to youthful and entrepreneurial ambitions, accountable leadership endowed with integrity and selflessness, and “considerable external assistance” in order to find permanent solutions. (Levine, p. 617) In addition to ethnic strife, many Pacific Island populations also exhibit high growth rates. As Table 1 shows, Papua New Guinea, the Solomon Islands, and Vanuatu all face annual population growth rates approaching

three percent, which well exceed annual economic growth rates. For example, 40 percent of people in Papua New Guinea already live in poverty, while its population of approximately 6 million is expected to double in only 25 years. (“NZ Aid Making a Difference in Papua . . .”) This rapid population growth is often the source of poor economic conditions.

Pacific Island economies are some of the most volatile and vulnerable in the world. As Table 1 illustrates, poverty and hardship are widespread. The estimated GDP per person in the Solomon Islands and Papua New Guinea, two Melanesian countries with the lowest standards of living in the region, is U.S. \$513 and U.S. \$695, respectively. Thirty-eight percent of people in Kiribati and 26 percent in Vanuatu earn less than U.S. \$1 per day. Most Pacific Island economies are severely underdeveloped, focusing on agriculturally based and low-value products. Eighty percent of the population in Vanuatu are subsistence farmers and live in rural areas, while 75 percent in the Solomon Islands rely on subsistence farming and fishing for their livelihoods. (“NZ Aid Making a Difference in Vanuatu,” “NZ Aid Making a Difference in

**Table 1**  
**Poverty and Hardship in the Pacific, 2003**

	Population	Land Area	GDP Per Person	Human Development Index	% Below U.S. \$1/Day	Infant Mortality
	Total population (annual growth rate)	km <sup>2</sup>	U.S. \$1	Rank	Value	Per 1,000 live births
Kiribati	90,000 (2.2%)	730	633	n/a	0.515	43
Papua New Guinea	5,800,000 (2.5%)	462,840	695	137	0.523	69
Solomon Islands	521,000 (2.8%)	28,900	513	128	0.594	66
Tuvalu	11,000 (1.6%)	26	1,346	n/a	0.583	22
Vanuatu	213,000 (2.7%)	12,190	1,472	118	0.659	31
New Zealand	4,098,000 (1.37%)	270,530	19,800	19	0.933	6

Source: "Pacific Strategy . . .," p. 11.

Solomon . . .") In Papua New Guinea, approximately 85 percent of the population lives in rural areas, while income disparity and poverty continue to grow. ("NZAID Making a Difference in Papua . . .") In addition, many Pacific Island nations face natural and human resource constraints, limited skill bases, high transaction costs, and diseconomies of scale. ("Pacific Strategy . . .," p. 9) These economic disadvantages are often compounded by complex social issues.

Pacific Islanders face low health and education standards, and for many these basic needs are not met. Many Pacific children do not receive an elementary education. Only 56 percent of school-age children in the Solomon Islands are currently enrolled in primary school, and less than half the population over age 15 has attained a primary level education. ("NZAID Making a Difference in Solomon . . .") A significant number of Pacific Islanders do not have access to basic health services. In Vanuatu, 20 percent are without health care. ("NZAID Making a Difference in Vanuatu") Many Pacific Islanders suffer from deadly, but treatable and preventable, diseases. Up to 75 percent of all deaths in the Pacific are caused by heart disease and diabetes, while malaria, tuberculosis, and pneumonia also remain prevalent. ("NZ Com-

mitted . . .") In Papua New Guinea, average life expectancy is 57 years, and 8 out of every 100 children die before age 5. ("NZAID Making a Difference in Papua . . .") As Table 1 illustrates, infant mortality rates are high, especially in the Solomon Islands and Papua New Guinea. Papua New Guinea itself faces the highest incidence of HIV in the Pacific region, and without intervention the HIV/AIDS epidemic is predicted to infect more than 500,000 people by 2025, with drastic consequences. The PNG workforce will have declined by more than 12 percent, nearly 117,000 children will have lost their mothers to AIDS, and 70 percent of all hospital beds will be needed for AIDS patients. ("HIV/AIDS . . .")

Dysfunctional state institutions and political misconduct exacerbate the region's instability. Small island communities are often controlled by corrupt elites, average citizens are rendered helpless, weak guardians are unable to protect the innocent, and the demand for transparent, accountable government results in regular coups and riots. According to Transparency International's Corruption Perceptions Index for 2008, on a scale of zero to 10, from highly corrupt to highly clean, Papua New Guinea falls within a range of 1.6–2.3. In a rank-

ing of 180 countries, from least to most corrupt, PNG came in at 151, while the Solomon Islands and Vanuatu tied at 109. In April 2008, the Vanuatu chapter of Transparency International (TI) issued a press release titled "Has the Government Lost Control of the Country?" With more consultants now working in Vanuatu than police officers, and with claims that not a single pair of handcuffs exists in the entire country, the TI chapter argues that it is no surprise the people of Vanuatu feel the government has handed over its country to criminals. "The lack of law and order is becoming the single most overwhelming problem facing this nation, the one problem that on its own can destroy this country because without law and order and a feeling of personal security felt by the citizens — all else crumbles," the press release said. ("Has the Government . . .")

Apart from internal strife, the Pacific Islands remain physically threatened by natural disasters and climate change. In 1999 two Kiribati islands disappeared under water due to global warming and the rising sea level. At 280 square miles, the country's total inhabitable land could fit inside New York's city limits, and it continues to shrink. Kiribati President Anote Tong has said he expects the region will become unlivable in 50 years, and its nearly 100,000 residents will become the world's first environmental refugees. (Weir) Fearing a similar fate, Tuvalu, one of the lowest-lying nations in the world with a total surface area of only 10 square miles, has asked Australia and New Zealand to open migration channels for its 10,000 citizens and, in a worst-case scenario, accept the entire population and allow them to function as a sovereign nation within foreign borders. With the sea level rising at 5.7 millimeters per year, forecasters predict Tuvalu, like Kiribati, will be uninhabitable by the end of the century. (Crouch)

The Pacific region continues to face new and serious challenges as globalization quickens. The black market and organized crime are healthy international enterprises in the Pacific. Here, illegal drugs, false documentation, identity fraud, money laundering, human trafficking, and resource theft are robust and lucrative businesses; and New Zealand feels its effects. In June 2009 a New Zealand man was arrested for allegedly issuing fake residency stamps

and visas to Pacific Islanders who had immigrated to New Zealand and stayed beyond their visitor's permits. *The New Zealand Herald* reports that Māori activist Gerrard Otimi admitted to accepting NZ \$500 per document from at least 50 Pacific Islander overstayers. In exchange, Otimi offered certified acceptance into his Māori tribe, or *hapū*. Otimi says he was trying to help Pacific Island families who are desperate to stay in New Zealand by granting them Māori membership and providing the necessary immigration documents to notarize their stay. In reality, the documents Otimi authorized have no status with the Immigration Department and do not give Pacific Islanders any legal rights to stay in New Zealand. ("Police Question Man . . .") *Radio New Zealand* reports that police have seized NZ \$40,000 in cash and 5,000 *hapū* membership certificates from Otimi's home. ("Gerrard Otimi . . .") Otimi has also been forced to surrender his New Zealand passport. ("Courts Have No Right . . .") This case is especially significant because it establishes New Zealand's susceptibility to international organized crime; with New Zealanders capitalizing on Pacific strife and Pacific Islanders now victimized on New Zealand soil, New Zealand is no longer immune.

The expansion of international terrorist networks to rogue Pacific Island states has also become a debatable threat. "Since the September 11 tragedy, concern has risen that so-called 'failed states,' losing the struggle to maintain law and order at home, could become springboards for terrorism," says Tarcisius Tara Kabutaulaka, a native of the Solomon Islands who argues that his country, which recently settled a civil war that rocked the nation for five years and is still in the process of resolving the turmoil completely, is among those "failed states" susceptible to terrorist exploitation. (Kabutaulaka) In June 2003, in order to prevent possible terrorist influence and occupancy in the Solomon Islands and to ensure regional security, the Australian government launched the Regional Assistance Mission to Solomon Islands (RAMSI) and intervened militarily in the civil unrest wreaking havoc on the crippled island nation. The intervention resulted in the removal of thousands of weapons from the country and the arrest of hundreds of delinquents and was considered an immediate suc-

cess; but it failed to address the underlying causes of ethnic conflict, and it leaves questions about its ability to initiate long-term peace and build a nation capable of preventing the establishment of terrorist regimes. (Kabuta-laka) Today, the Solomon Islands and other failing Pacific Island nations remain potential havens for terrorist activity and therefore jeopardize the stability of their developed neighbors. To ensure its own security, New Zealand must keep watch for terrorists who can easily prey on, lurk in, and attack from failing Pacific states.

## Kiwi Strategy

New Zealand is attentive to these regional challenges and is at the forefront of Pacific aid and development programs. The New Zealand Agency for International Development (NZAID), the Wellington-based government agency responsible for managing New Zealand's Official Development Assistance (ODA) program, provided nearly NZ \$180 million in assistance to the Pacific in 2007–2008, an increase of more than NZ \$17 million from the previous financial year. ("NZAID Annual Review . . .") To fund its bilateral and regional programs for 2008–2009, NZAID allocated an additional NZ \$60 million to the Pacific region. At NZ \$242.7 million, assistance to the Pacific accounts for more than 50 percent of the total aid budget and 70 percent of total bilateral aid. ("Launch . . .") Furthermore, in May 2009 the New Zealand government announced its decision to steadily increase total overseas development assistance over the next four years, from NZ \$500 million in 2009–2010 to NZ \$600 million in 2012–2013, with the percentage allocated to the Pacific region set to increase each year. ("Aid Increases . . .")

In June 2008, former Minister of Foreign Affairs Winston Peters officially launched the Pacific Development Strategy — an unprecedented eight-year, NZ \$2 billion aid program designed to significantly reduce poverty and hardship across the Pacific region by 2015. ("Launch . . .") The strategy, which defines New Zealand as a uniquely influential player in promoting Pacific development due to its historical and cultural linkages to the region, sets four primary goals:

1. strengthen governance,
2. achieve economic growth,
3. improve health and education,
4. reduce social and environmental vulnerability. ("Pacific Strategy . . .," p. 4)

The purpose of the Pacific Development Strategy is to help the Pacific region not only achieve poverty elimination but to reach an even greater set of goals, called the Millennium Development Goals (MDGs). This collection of eight goals, decided upon by the United Nations in September 2000 and reaffirmed in 2005, sets international poverty reduction and development targets to be met by 2015. ("Launch . . .") The MDGs include eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality, reducing child mortality, improving maternal health, combating HIV/AIDS and other diseases, ensuring environmental sustainability, and fostering global development partnerships. ("Pacific Strategy . . .," p. 36) The Pacific is currently the most off-target and least likely region in the world to achieve the MDGs, after sub-Saharan Africa. ("Pacific Strategy . . .," p. 9) The Pacific Development Strategy was designed to help Pacific states get back on track and indeed accomplish the UN's lofty development goals by 2015. ("Pacific Strategy . . .," p. 3)

The first goal of the Pacific Development Strategy is to strengthen governance across the region. "New Zealand places a priority on this area because we know that a stable and prosperous Pacific requires good governance at all levels," Peters says. (Peters) Effective governance is considered not only a priority but a prerequisite for poverty reduction. ("Pacific Strategy . . .," p. 15) The PDS argues that in the absence of functional political systems, the greater challenge of regional poverty elimination becomes an impossible feat. Therefore, the first step in the development process is to address and correct the destructive people, policies, and practices that currently govern the Pacific region. Within the goal of strengthened governance, the strategy establishes three targets:

1. responsible leadership,
2. democratic decision-making processes,
3. efficient and accountable state institutions. ("Pacific Strategy . . .," p. 15)

The strategy outlines a wide range of initiatives designed to help the region achieve these targets; among the most significant are those that revolve around capacity-building. These initiatives help Pacific communities develop the capacity to solve their own problems, rather than relying solely on foreign intervention and financial aid for development. For example, the strategy puts forth an initiative to help raise public awareness across the region about the roles and responsibilities of effective political leaders. (“Pacific Strategy . . . ,” p. 15) This initiative enables Pacific Islanders to assume a much-needed watchdog role over their governments and to form their own opinions about their community leaders. With this knowledge, Pacific Islanders are then able to act on those opinions and call Pacific communities to action in order to better society. Another notable initiative that the strategy puts forth is to provide Pacific leaders with the training and mentoring opportunities necessary to help them develop and practice effective leadership skills. (“Pacific Strategy . . . ,” p. 15) This initiative provides a forum for Pacific leaders to develop themselves and, in turn, their communities. Both initiatives are part of the strategy’s repertoire of capacity-building initiatives, and each is designed to educate Pacific Islanders to be educated — to be aware, to be concerned, and to be involved. This is a life-long lesson, and one that will undoubtedly help the Pacific region achieve its goal of strengthened governance.

The second goal of the Pacific Development Strategy is to achieve broad-based economic growth. While strengthened governance is considered a prerequisite for poverty reduction, “good governance alone will not lift people out of poverty,” Peters says. (Peters) Like effective governance, economic growth is a necessary component of poverty alleviation, but “no country in the world has achieved one without the other.” (Peters) Both government and economy must evolve together in order to combat poverty. Within the goal of economic growth, the strategy establishes three targets:

1. policies that encourage increased economic activity and competition,
2. markets that support the poor,
3. strengthened rural livelihoods. (“Pacific Strategy . . . ,” p. 17)

This goal puts forth an even lengthier list of initiatives than the first, but the message remains the same: capacity-building is crucial in order to attain the targets. For example, the strategy includes an initiative to provide Pacific women and youth with business and vocational training. (“Pacific Strategy . . . ,” p. 19) Another initiative introduces producers and employers to basic marketing and business management skills. (“Pacific Strategy . . . ,” p. 19) These initiatives deliver results indirectly, providing tools instead of dollars in order to effect change. This arrangement discourages dependency on regular financial assistance from New Zealand and other overseas development partners. Instead, these initiatives ensure self-sufficiency and empower Pacific communities. In this way, Pacific Islanders learn to work with the tools at hand and acquire the skills necessary to repair and strengthen their own economies, independently.

The third and fourth goals of the strategy — improving health and education, and reducing social and environmental vulnerability — work hand-in-hand with the previous two. Without basic health care services, strong educational systems, and sustainable social and environmental practices, economic opportunities disappear, standards of living plummet, and communities crumble. Development efforts become severely limited in the midst of social chaos. The PDS recognizes that strengthened governance and economic growth both play a direct role in poverty elimination, but it also recognizes that development remains impossible without adequate health, education, social, and environmental conditions. These components play a supportive role in the fight against poverty but are equally important elements of the development campaign. Within the goal of raising health and education standards, the strategy establishes four targets:

1. increased school attendance and access to quality basic education,
2. increased scholarship opportunities and formal training programs,
3. accessible primary health care services,
4. improved health care delivery systems.

(“Pacific Strategy . . . ,” p. 22)

Additionally, the fourth goal of the strategy — reducing environmental and social vulnerability — establishes three targets:

1. communities capable of resolving social conflict,
  2. sustainable resource management,
  3. improved responses to natural disasters.
- (“Pacific Strategy . . . ,” p. 25)

Corresponding initiatives for the third and fourth goals include an array of programs; and, again, the focus is on capacity-building. For example, the third goal — improving health and education — includes one initiative that provides medical training for the treatment, management, and prevention of a range of illnesses, including malaria, measles, pneumonia, heart disease, and diabetes. (“Pacific Strategy . . . ,” p. 23) The fourth goal — reducing environmental and social vulnerability — puts forth another initiative to provide instruction on responsible resource and waste management. These capacity-building initiatives help the Pacific people help themselves by providing communities with the knowledge that is critical to development. As soon as Pacific Islanders learn to tackle and solve their own problems, long-term solutions are put into place. This underlying theme of capacity-building is apparent and, as previously mentioned, runs throughout the Pacific Development Strategy. According to Gerald McGhie, former director of the New Zealand Institute for International Affairs, it is the one true solution to development success. “Imported solutions can only go so far. What is needed is imported partnerships, the aim of which would be to engage the community at all levels to seek their own answers.” (McGhie)

## **Realistic Expectations and Warranted Skepticism**

Former Foreign Affairs Minister Winston Peters touts the Pacific Development Strategy as a “well-coordinated” and “focused” program that can help make “a real, lasting and positive impact on people’s lives.” (“Pacific Strategy . . . ,” p. 1) It is a promising, and potentially ground-breaking, strategy; but Peters also recognizes that it is merely a framework for success and not a guarantee. In fact, Peters says the Pacific Development Strategy is only “part of the answer” to the question of poverty in the Pacific. (Peters) While the PDS is propelled and funded by the New Zealand government, Peters emphasizes that the strategy is not a unilateral effort.

Collaboration with Pacific communities is crucial, and the PDS is equally dependent on Pacific enterprise to effect change.

Peters uses a Polynesian proverb to draw an analogy. The proverb states, “To reach its destination, the canoe must be paddled on both sides.” (Peters) Success, he argues, is a joint effort; and executing the Pacific Development Strategy, like paddling the canoe, must be a joint venture between the New Zealand government and its Pacific counterparts. “This strategy is not just about us: There is paddling to be done on both sides,” Peters says. (Peters) New Zealand expects its Pacific neighbors to not only participate in the development process but to assume the responsibility themselves and to “do the work necessary to lift their own citizens out of poverty.” (Peters) Pacific governments must strive for self-improvement and must be fully invested, and interested, in achieving their development goals before progress can be made.

While responsive and dedicated Pacific leadership is an essential component of the strategy’s success, Peters also recognizes the importance of effective aid delivery. He insists that the Pacific Development Strategy is a smart campaign — a package of “well-managed and strategically planned aid” that will result in tangible improvements across the Pacific region. (Peters) But current New Zealand Minister of Foreign Affairs Murray McCully questions this assertion, arguing that the government’s overseas development aid has historically been largely ineffective in achieving its goals for the Pacific. (McCully, “Speech . . .”) Peters notes that New Zealand’s previous aid to the Pacific has helped increase school attendance, improve the quality of health services, combat the spread of HIV/AIDS, and build vital infrastructure; but McCully is skeptical. In spite of these achievements, overall progress has been limited, McCully argues, and living conditions across the Pacific region remain “unacceptable.” (McCully, “Speech . . .”) As he states further, “On the basis that a key objective of our aid strategy should be to reverse the negative trends that we see in our own region, by any objective measurement our policies simply have not succeeded.” (McCully, “Speech . . .”)

McCully argues that New Zealand aid has not produced significant or promising results because it is poorly managed and often directed

to unproductive Pacific bureaucracies or to New Zealand bureaucrats themselves. An “unacceptable level of ticket-clipping” often takes place within the New Zealand Agency for International Development and among its international development partners, McCully notes. (McCully, “Speech . . .”) Because of this, New Zealand’s development aid is often butchered and incomplete upon delivery. “I cannot tell you precisely how much of the aid budget actually gets, in cash or kind, to the intended recipients — and that in itself is something of an indictment of our system,” McCully says. (McCully, “Speech . . .”) He does, however, note that approximately eight percent of the entire aid budget is spent on employing NZAID staff members and officials. (McCully, “Speech . . .”) The total aid budget reached NZ \$471.9 million in 2008–2009. (“Aid Increases . . .”) According to this statistic, NZAID employees were the recipients of nearly NZ \$38 million last year. This does not bode well for the Pacific Development Strategy. Considering its reputation for excessive “ticket-clipping,” NZAID has potentially set itself, and its policies, up for failure. (McCully, “Speech . . .”) The agency has allocated an initial NZ \$2 billion in development aid to the Pacific region through the Pacific Development Strategy; but strict management of the aid budget will be necessary in order for its successful execution. Without responsible and attentive New Zealand leadership, the funds budgeted for PDS initiatives will not likely reach their intended recipients in full, and what remains may not be enough to achieve significant or enduring results.

McCully also cites abstract vocabulary, “lofty rhetoric,” and misguided priorities as responsible for past ineffective aid policies. (McCully, “Speech . . .”) He again traces the problem back to the New Zealand Agency for International Development, the source of the Pacific Development Strategy. He argues that NZAID’s mission to alleviate poverty is an overambitious and unrealistic directive, one too broad and ambiguous to guarantee results. New Zealand’s international aid agency has grown too fond of what he calls the “mantra” of “poverty alleviation.” (McCully, “Speech . . .”) But he labels this as an inadequate objective for the overwhelming task of international development. “Poverty alleviation is too lazy and

incoherent a guide for that very important purpose,” McCully asserts. (McCully, “Speech . . .”) To ensure the efficient and effective delivery of future overseas development aid, McCully initiated discussions to amend the government agency’s own mandate. (McCully, “Speech . . .”) The final revisions were announced in May 2009. The most significant of those revisions was a redefined objective for New Zealand’s development assistance to the Pacific — a shift from “poverty elimination” to “sustainable economic development” as its primary goal. (McCully and Groser) It is important to note that the Pacific Development Strategy makes the same “lazy and incoherent” commitment to poverty and hardship elimination as the New Zealand Agency for International Development. (McCully, “Speech . . .”) Like the NZAID mandate, this must be addressed and amended, according to McCully, in order to be truly effective. To be a successful endeavor, the PDS must redefine its goals and translate its general, ambiguous initiatives to clearly defined, exhaustive prescriptions for Pacific improvement. Dedication to poverty alleviation is simply not enough.

Operating under the “nebulous concept” of poverty elimination, the New Zealand Agency for International Development had previously lacked a clear set of priorities. (McCully, “Speech . . .”) Now, under a revised mandate that clearly establishes sustainable economic growth as the top priority for Pacific development, McCully has established new objectives, starting with the task of expanding trade and building infrastructure. This, McCully argues, is “one of the best ways that we can build the Pacific into a stronger economic unit.” (McCully, “Time . . .”) He emphasizes the vital role international trade will play in this endeavor and has identified the Pacific Agreement on Closer Economic Relations (PACER) as a “key driver” in the push toward economic progress. (McCully, “Time . . .”) PACER — a comprehensive trade agreement designed to tackle poverty and achieve economic growth by correcting the staggering trade imbalance between New Zealand and its Pacific neighbors — serves as the precursor to a free trade agreement between Australia, New Zealand, and Pacific Island countries. As such, McCully asserts that PACER will serve as an exceptionally useful development tool.

It is important to note that the second goal of the Pacific Development Strategy — achieving broad-based economic growth — matches NZAID's new focus on economic sustainability and international trade; but, unlike the revised NZAID mandate, the PDS places an equal, if not greater, emphasis on strengthening governance — an approach McCully criticizes as ineffective. In fact, he considers efforts to improve governance not only ineffective but a waste of both time and money. According to McCully and Minister of Trade Tim Groser, “Far too much has been channeled into [Pacific] bureaucracies. . . . These States are certainly weak. But yet further growth of bureaucracy is not the answer.” (McCully and Groser) What does this mean for the PDS? It must revisit its goals, rethink its priorities, and potentially modify its emphasis on strengthened governance. NZAID must analyze where and how meaningful change can be accomplished in the Pacific, and adjust its aid distribution and development philosophy accordingly.

## **Conclusion**

To be successful, the Pacific Development Strategy must respond to Foreign Affairs Minister Murray McCully and his criticism of the New Zealand Agency for International Development and its previous aid policies. The Pacific Development Strategy must be revised and, in particular, incorporate devoted leadership, responsible management, clear objectives, and prioritized goals in order to ensure a successful development campaign. McCully seems to imply that the PDS is a premature policy — an under-

developed, and unfinished, plan that lacks the necessary focus and level of detail required to bring about significant and lasting change to the Pacific. As is, the Pacific Development Strategy is insufficient; and without modification McCully suggests that it will fall short of its lofty goals.

Fortunately, former Foreign Affairs Minister Winston Peters describes the PDS as a work in progress, and NZAID has promised that the strategy will evolve. The agency plans to review and update the PDS in 2011 to ensure that it is on task and remains relevant to regional changes and needs. (“Pacific Strategy . . . ,” p. 35) Peters recognizes that the Pacific Development Strategy is not a perfect document; and he acknowledges that there will be setbacks, even mistakes and failures, along the path to success that will require humility and adaptability in order to overcome. Peters refers again to the Polynesian proverb:

New Zealand will do its share of the paddling by sticking to its strategy; monitoring it, and being flexible enough to change direction when necessary. We will also be realistic and patient. There is nothing easy about delivering an effective aid programme. . . . But the alternative is to do nothing, and allow others to quickly and perversely fill the void. . . . Instead, we are doing something, so that the Pacific may fulfill its unique and vibrant potential. (Peters)

New Zealand has expressed a genuine and vested interest in the welfare of the Pacific. This, more than anything, will ensure a bright and prosperous future for the region.

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