

# Australia-New Zealand colonial agenda dominates Pacific Islands Forum

**John Braddock**  
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Australia and New Zealand used a special meeting of the 16-member Pacific Islands Forum in Auckland last month to assert further direct control over the tiny states of the South-Western Pacific. New Zealand Prime Minister Helen Clark, the Forum's current chairperson, convened the mini-summit in order to push through major changes to the organisation's operations. In particular, sweeping new powers were given to the secretary-general, Australian diplomat Greg Urwin, to deal with so-called "regional crises".

The mini-summit, conducted in the wake of the Australian-led military intervention in the Solomon Islands and subsequent police action in Papua New Guinea, was timed to pre-empt the normal Forum meeting, due to be held in Samoa in August. It was called to consider a 60-page Pacific Plan, designed to cement Australian and New Zealand domination over the internal affairs of the Pacific states. Clark described the plan as the most important review of the Forum in its 33-year history.

En route to Auckland, Australian Prime Minister John Howard set the tone for the summit, praising the recent Solomons incursion—which paved the way for Australian government and private sector personnel to take over the island's administration—as a "watershed for regional co-operation".

"Regional co-operation" is a euphemism for the revival of neo-colonialism in the region under the guise of the "war on terror". Australia and New Zealand, having been intimately involved in the US military subjugation of Afghanistan and Iraq, are now embarked on a drive to assert their own interests across the western Pacific. This involves well-developed plans for the establishment of a Pacific economic and political "community" covering the region's six million inhabitants and including a common labour market and regional free trade zone, with the two main powers directly controlling the political affairs of the Pacific states.

At the instigation and insistence of Australia and New Zealand, the 2003 Forum summit did away with the tradition of appointing a Pacific Islander to occupy the position of secretary-general. Over objections by the Pacific nations, Howard and Clark strong-armed the Forum into accepting Urwin as well as a "broad review" of the role of the organisation and its secretariat.

A review group of "eminent persons", chaired by Julius Chan, a former prime minister of Papua New Guinea, was established to set the process in motion. The group was carefully selected to avoid the appearance of undue New Zealand or Australian

influence but, as the chair of the forum, New Zealand supplied the group's professional staff. It held some 400 meetings with regional governments, opposition parties and non-government organisations. This prompted Clark to boast that there had been a high level of "buy-in" by regional leaders. "I think the review really does reflect the voices of the Pacific," she declared.

In fact, the Pacific governments had very little choice in the matter. Australia and New Zealand dominate their trade, economic affairs, population movements and political life. New Zealand allocates \$100 million of its \$245 million aid budget to the region, and Australia even more. The two countries are the major funders of the Forum secretariat in Fiji, with an annual budget of \$US8.5 million. Clark announced in the lead-up to the April meeting that New Zealand would consider increasing its aid to the Pacific—so long as it could be proved to lift "economic well-being", fight health epidemics and secure "law and order" in the "troubled states".

The agenda of the two major powers has, however, nothing to do with humanitarianism. They are cynically utilizing the deep-going social and economic crisis of these tiny Pacific states, to bully them into line. Kiribati President Anote Tong told Radio New Zealand on the eve of the conference that a preoccupation with "security" by the two larger nations should not come at the expense of addressing more pressing economic issues.

The Forum leaders were persuaded to approve an expanded role for secretary-general Greg Urwin, giving him the power to call early meetings of leaders, foreign ministers or their representatives to respond to "crises" deemed a threat to regional "security". While the Forum's Biketawa declaration of 2003—which provided diplomatic cover for military intervention in the Solomons—was designed to give the secretary-general stronger powers, it is now regarded as insufficient. Australia and New Zealand want Urwin to have a more "pro-active" role. They also pushed through the appointment of a second deputy-secretary.

By the conclusion of the two-day summit, Forum leaders had unanimously approved all 32 recommendations of the "Pacific Plan". Primarily, this means Forum members must move away from the so-called "Pacific way". The principle of non-interference in the domestic affairs of other states is to be jettisoned with the Pacific Plan calling for "new thinking" about the "relationship between sovereign states". This is needed to overcome "variable standards of governance" deemed responsible for "instability, violence, corruption and a breakdown of the

democratic process”.

The recurring demands for improved “governance” are a lever for Canberra and Wellington to progressively take over the administrations of the island states. This includes sending teams of economic experts, political advisors, consultants, police and officials from the Forum secretariat to run the domestic affairs of the islands. High on the agenda is the task of imposing the dictates of the IMF and World Bank, and ensuring the continued domination of Australian and New Zealand business interests.

The report stops short of spelling out plans for a European Union structure or common currency—proposed last year by an Australian senate committee—but advances Australian demands for further “integration”. A formal Pacific union is part of the longer-term agenda, with Fiji Prime Minister Laisenia Qarase confirming it as an option for consideration “in the future”. For tactical reasons, Howard said that talk of a formal union was premature, emphasising that the Pacific Forum faced a period yet in which it needed to “crawl” before it could “walk”.

Nevertheless, there is a certain impatience in Australian and New Zealand ruling circles over the pace of change. The *Australian Financial Review* commented acidly on the failure of the report to spell out how the Forum was to deal with the contradiction between the “slow, consensus-seeking Pacific Way” and “21st Century Realities”. While short on precise detail, the report laid out that the “pooling of resources” across the region should begin with the streamlining of requirements and standards for customs, financial and legal systems, the establishment of a regional panel of judges, a regional shipping industry and a regional “financial intelligence unit”. Pacific governments continue to resist demands for rationalisation of other critical assets, such as airlines.

Australia and New Zealand want to impose policies of trade liberalisation, economic integration and public sector downsizing throughout the Pacific. At the 2001 Forum, two key agreements—the Pacific Island Countries Trade Agreement (PICTA) and the Pacific Agreement on Closer Economic Relations (PACER)—were pushed through. They established Australia and New Zealand as dominant parties in a single regional market and provided for a full trade liberalisation timetable by the year 2011.

Auckland University Law professor Jane Kelsey, in a paper entitled *Big Brothers Behaving Badly*, published to coincide with the Forum meeting, claims that Australia and New Zealand have bullied the Pacific members into speeding up the timetable for free trade discussions. Under the European Union’s Cotonou Agreement, all Pacific countries must establish a free trade area by 2010 to qualify for further aid from the European Union.

Australia and New Zealand are seeking to create their own regional trade bloc to ward off economic competition from the European Union, which has a foothold in the Pacific via French possessions in New Caledonia and Tahiti. According to Kelsey, the Pacific Forum’s two most powerful members are insisting the island nations start negotiations now because some have already begun trade talks with the EU. She describes an atmosphere of “arrogance and intimidation”, created by Australian officials and mirrored by New Zealand, over the setting up and implementation of the 2001 agreements. “The events surrounding PACER have left a sour taste in the mouths of many Pacific politicians and

officials and deepened existing tensions within the Pacific forum,” she says. “No one should underestimate the animosity felt towards Australia and New Zealand.”

At stake for Australia and New Zealand are critical economic and strategic interests. Pacific trade imbalances work in New Zealand’s favour by \$NZ700 million a year, and in Australia’s by \$NZ8.5 billion a year. Major corporations—all of which guard their Pacific operations as their own “back yard”—have significant investments in mining, transport, tourism, plantations, financial investment, fishing and clothing manufacture.

In the Forum’s aftermath, Australia and New Zealand will seek to impose the full neo-liberal economic and social agenda contained in the PICTA and PACER agreements—deregulation of domestic economies, privatisation of public services, reform of financial systems and the public sector, of legal and institutional arrangements and labour market “flexibility”—on the vulnerable economies of the region. The reversal of the doctrine of “non-interference” and with a regional police training facility based in Fiji already approved, the basis for police and military operations to put down any popular opposition to the implementation of such a program is being prepared.

During the Forum meeting, Clark proclaimed the need for the implementation of “reform” as necessary to combat the “marginalisation” and increasing impoverishment of the region. But the major problems besetting the Pacific region - poverty, underdevelopment, chronic unemployment, cultural backwardness, depopulation and a looming environmental crisis - have their roots in colonial oppression. The colonial powers, initially Britain, France, Germany, with more direct roles taken by Australia and New Zealand from the beginning of last century, profited from the exploitation of resources and provision of cheap labour, while providing a base of operations for their local companies.

Underlining the history of colonial exploitation, underdevelopment and the precarious position of all the Pacific Islands is the fate of Nauru, the sole Forum member unable to be represented at the meeting, due to what Clark euphemistically called its “hard economic times”. Nauru, due to its deposits of phosphate, was once the richest state in the Pacific and one of the wealthiest per head of population in the world. Australia and New Zealand over time stripped the tiny island of its phosphate deposits, leaving the island bleak, denuded and virtually useless - except as a detention centre for Howard’s unwanted refugees.

While the Forum meeting was underway in Auckland, the government of Nauru was fighting off financial default, with a United States financier ready to seize the nation’s last remaining assets. The country has failed to meet several payment deadlines, so its representatives were forced to go cap in hand to Canberra to negotiate a rescue package—and the terms of its very existence.



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