

Former Pacific Islands trade official denounces Australian bullying

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A former senior Pacific Islands Forum (PIF) official has accused Canberra of bullying small states in the South Pacific into accepting trade agreements aimed at benefiting Australian corporations. Former PIF Director of Economic Governance Dr Roman Grynberg has also alleged that the Australian and New Zealand governments exerted behind-the-scenes pressure to ensure that his contract with the PIF Secretariat was not renewed.

Grynberg's article "Who Owns the Forum?"—published by several newspapers in the South Pacific last month—provides an insider's account of the workings of the PIF. The 16-member regional grouping was established in 1971 as a supposedly multilateral body bringing together Australia and New Zealand with the various Pacific states such as Papua New Guinea, Fiji, and Solomon Islands. In addition to annual leaders' summits and regular ministerial meetings, a permanent secretariat is based in Fiji. It acts as the PIF's administrative arm and is responsible for carrying out decisions relating to political and economic policies.

The PIF and its secretariat are supposedly collective bodies, with each member state carrying equal weight, but they have in fact proven to be vehicles for the implementation of the neo-colonial agendas of the Australian and New Zealand governments.

Grynberg outlined how this was done. On economic policy initiatives in the region, he noted: "[T]here is simply no capacity within the Forum secretariat to establish independent policy on most economic issues. The policy either comes directly or indirectly from Canberra and Wellington or through its 'multilateral cover', that is the IMF, the World Bank and the Asian Development Bank."

Grynberg continued: "Who sets the Forum agenda? In the Forum as in all international bodies, a draft agenda for every meeting is sent out to all members and they must all agree.

In reality in most cases only Australia and New Zealand have the capacity to review these documents and make substantive comments and hence they very largely set the Forum's agenda. Not one Pacific island country, even PNG, the largest, has one dedicated official whose sole job it is to work only on Pacific island affairs... As a result they are almost invariably out-gunned by their Australian and New Zealand counterparts at any meeting."

Grynberg explained why little open opposition was expressed by Pacific Islands governments. "It takes a courageous official to question Canberra and Wellington when Australia and New Zealand provide two-thirds of the income of the Forum Secretariat and a very large part of their national aid budget. Careers of officials can be terminated. Prime Ministers will receive letters of complaint about recalcitrant ministers and pressure can be brought to remove governments where they are too strident. All this is part of the normal use of power to retain effective control of countries in Australia and New Zealand's lake."

This testimony from a senior PIF official is a damning indictment of the Australian government. In recent years Canberra has invoked the supposed authority of the 16-member PIF in defence of its military and police interventions into Solomon Islands (2003 and 2006), PNG (2005), and Tonga (2006). The Forum has also provided the means through which the Australian government has pressed its "free market" restructuring program, aimed at opening up trade and investment opportunities for Australian big business.

Grynberg, an orthodox economist who has worked in various official capacities in the South Pacific for more than two decades, is no opponent of Australian imperialism. He has supported, for example, Canberra's drive for the privatisation and deregulation of state-owned assets in the region, and also endorsed its 2003 intervention into Solomon Islands. Grynberg's criticisms of Australian government

policies are largely motivated by concerns that they are counter-productive and will not lead to positive economic growth in the region. He explained that while he has "always been supportive of a genuine development agreement," he opposes trade agreements that "breed bitterness in the long term".

The Australian Rudd Labor government is currently pushing for the implementation of the PACER (Pacific Agreement on Closer Economic Relations) Plus South Pacific free trade deal.

The proposed agreement would see the removal of most tariff and other import and foreign investment barriers by Pacific Island states. Less competitive domestic industries—including up to 80 percent of what little remains of the region's manufacturing capacity—are expected to quickly collapse in the face of more competitive Australian companies, leading to higher unemployment. For those countries where tariff revenues comprise a major part of government revenue, the PACER Plus deal is expected to create immediate pressures for lower public spending on infrastructure and social programs in order to avoid unsustainable budget deficits.

Pacific governments are reluctant to accept the agreement given that their exporters already enjoy preferential access to the Australian and New Zealand markets through the long established South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA). The only incentive on offer is the possibility of Canberra expanding its guest worker program, which allows young men from the region to be used as cheap labour by Australian fruit farmers.

The former Howard government initiated the push for the PACER agreement; Rudd and his colleagues have simply picked up where the Liberals left off. Grynberg noted: "Anyone naive enough to believe the words of Australian Trade Minister Simon Crean that PACER will be about 'development and regional integration' would do well to remember that Australian and New Zealand national commercial interests don't change just because there is a new government."

The Rudd government has refused to authorise the funding of a chief trade negotiator to act on behalf of the Pacific states in the PACER negotiations. Instead, in April last year it issued an absurd invitation for Pacific officials to be trained by Australian trade experts on how to negotiate—with Australian trade experts. The Rudd government also offered special programs in Australia promoting the supposed

benefits of PACER. Grynberg commented: "AusAID is funding what the wags are calling 're-education camps' for Pacific Island trade officials at the University of Adelaide and after the ideologues there have finished with them they will no doubt see the error of their ways."

PACER negotiations are expected to be fast tracked at the Pacific Islands Forum leaders' summit due to be held in Australia next August. There seems little doubt that Grynberg's ousting from the PIF Secretariat is bound up with the Rudd government's manoeuvres.

According to an article by Maureen Penjeuli, coordinator of the Pacific Network on Globalisation, that was published in *Islands Business* earlier this year: "At the Forum Trade Ministers' Meeting in the Cook Islands in July 2008, Pacific trade officials reported bullying tactics, a divide and rule strategy and explicit threats to remove key Forum Secretariat staff. This behaviour was exhibited by both Australian and New Zealand officials, who pushed for the Pacific Trade Ministers to agree to begin negotiations on a wide-ranging free trade agreement during 2009."

These aggressive operations underscore the cynicism of Rudd's pledge, made upon winning office in November 2007, of a "new era" of mutual respect and partnership in the Pacific. Notwithstanding minor tactical adjustments, his strategy is identical to Howard's: maintaining Canberra's geo-strategic hegemony, promoting its commercial interests and excluding rival powers from gaining a foothold in the region.



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