



Our Failing Neighbour

Australia and the Future of Solomon Islands

AN ASPI POLICY REPORT



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Armed rebel from the Malaita Eagle Force near Honiara International Airport, 12 June 2000. AP via AAP/Koji Sasahara © 2000 The Associated Press



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Cartography by Keith Mitchell

Director's introduction

A little-known clause in Australia's Constitution assigns to the Federal Government responsibility for managing 'The relations of the Commonwealth with the islands of the Pacific'. When the clause was debated in the constitutional convention, Edmund Barton explained why this power should be conferred separately from the external affairs power. He said 'a very large number of people look forward with interest to the Commonwealth undertaking, as far as it can as part of the British Empire, the regulation of the Pacific Islands'. If that happened, he implied, Pacific Island affairs would not be external, but internal.

In the event things turned out differently. Colonial authority in the Pacific was shared out among a number of powers, before being largely swept away in the last surge of the worldwide wave of decolonisation that followed the Second World War. But the clause in the Constitution nonetheless remains, testifying to the permanence of Australia's strategic interests in the pattern of islands that punctuate the approaches to our island continent, and to the enduring challenges that Australia faces in upholding those interests in such small, remote, complex and socially fragile lands.

Now Australia faces a new challenge: how to promote our interests in these island territories as they struggle to achieve viability as independent sovereign states in a tough world. Many of them are, to a greater or lesser degree, failing. In the process they are calling into question the sustainability of the policy approaches we have adopted towards our Pacific Island neighbours since they became independent—policies characterised by generous aid and a hands off approach.

Our most acute challenge is in Solomon Islands where, despite active Australian and other international support, the process of state failure is now far advanced. The purpose of this paper is to explore whether there are new policy approaches that Australia might try, that would offer a good

chance of arresting the otherwise seemingly inevitable collapse of Solomon Islands as a functioning state.

Our conclusion is that there are; and this paper sketches one such proposal in broad outline. We offer this proposal fully aware of the costs and risks that it would entail, and of the consequent seriousness of a decision to adopt it. Such decisions should only be based on a clear sense of the scale of the national interests involved, and on an understanding that the choice is a complex one, and that others may draw different conclusions from the ones presented here.

Our tentative hypothesis is that the costs and risks are worth taking. Our interests, both current and contingent, are substantial. The costs can be shared, and the risks minimised by drawing on the lessons that others have learned in recent years in many parts of the world in helping failed and failing states to rehabilitate themselves.

Nevertheless our purpose here is less to advocate a particular solution than to stimulate thinking. We have been helped in this by many people. Our key contributors have been Quinton Clements, Mary-Louise O'Callaghan and Greg Urwin. They have been central to the work. Special thanks go to two most eminent Solomon Islanders, Sir Fr John Ini Lapli and Sir Peter Kenilorea, who have provided their own views of the issues in separate perspectives for this paper. We are honoured by their interest in our work.

Many others have helped too, including academics and officials who have given freely of their time and ideas. To them and to our researchers here at ASPI, Victoria Wheeler and Stuart Wilkinson, many thanks.

Finally I would like to thank my colleague, Dr Elsina Wainwright, director of our Strategy and International Program, for her outstanding work in preparing this paper.

With so many people involved, we have not sought consensus. Many of those involved will not necessarily agree with everything we say within these covers. Responsibility for the views herein lies with Dr Wainwright and myself as Director.

Hugh White

Director

Executive summary

A failing neighbour

Solomon Islands, one of Australia's nearest neighbours, is a failing state. Over the past five years, a slow-burning political and security crisis has paralysed the country's capital, stifled its economy, disrupted government, discouraged aid donors, and inflicted suffering and hardship on its people. It has virtually ceased to function as an effective national entity.

The consequences for Australia are serious. A failing state on our doorstep engages Australia's interests at many levels, from short-term economic, consular and humanitarian concerns to our most enduring strategic imperatives.

Throughout the crisis Australia has been active, with other countries, in trying to address the problems in Solomon Islands. But we have not so far succeeded in turning the situation around and arresting Solomon Islands' decline. There is little expectation that the current measures being taken by Australia and the wider international community—valuable though they are—will do more than palliate the crisis. Nor is there any evidence to suggest that Solomon Islands can pull itself out of a fatal dive towards state failure.

There is more that Australia, and others, could do. But to do more would take us across a major threshold, and challenge the foundations of our policy in the Southwest Pacific, which involves providing countries with aid, but expecting them to solve their own problems. The point has now been reached in Solomon Islands that simply providing more aid to the government there is unlikely to fix the problems and could well end up exacerbating existing problems.

Australia's policy challenge is to find an approach to Solomon Islands which will address the acute law and order problems and establish a foundation upon which Solomon Islanders can rebuild their country. Such an approach must avoid the perils of neocolonialism and be implemented at levels of cost and risk that are proportionate to and justified by the scale of our national interests.

A possible solution

A new approach might look like this. Australia could initiate and support a sustained and comprehensive multinational effort, which, with the consent of Solomon Islands, would undertake a two-phase program to rehabilitate the country.

- The first phase would focus on solving the immediate short-term problems of violence and corruption. To restore law and order in and around Honiara, a substantial police force of around 150 personnel drawn from donor countries, along with judicial and correctional personnel, would be deployed to Solomon Islands for up to a year. To get around the problem of compromised political leadership in Solomon Islands, the police would be under the control of an ad hoc multilateral agency representing donor governments and acting on behalf of the people of Solomon Islands. The same agency would take temporary control of government finances.
- The second phase would focus on building Solomon Islands' capacity for effective government, by helping to build new political structures and security institutions, and helping to address underlying social and economic problems.

We estimate it might cost around \$85 million per year for up to ten years, of which Australia could expect to pay perhaps half.

A tough decision

The tough question for Australia is whether the costs and risks of this kind of deeper engagement in the problems of our neighbours are justified by the scale of our interests. But our present cautious policy approach offers no real prospect that Solomon Islands can be turned around. The most likely outcome is therefore a relentless decline in government capacity, leading to the cessation of effective government. It would be a very serious step for Australia to decide that this was an acceptable trajectory for our immediate neighbourhood.



Cartography by Keith Mitchell

CHAPTER

1

Australia's policy challenge

One of our neighbours is failing

Solomon Islands, one of Australia's nearest neighbours, is a failing state. Over the past five years, a slow-burning political and security crisis has paralysed the country's capital, stifled its economy, disrupted its government, discouraged aid donors, and inflicted suffering and hardship on its people. The country has virtually ceased to function as a sovereign state, and on its present trajectory there is a high risk that its land and people will become effectively ungoverned.

The consequences for Australia are serious. A failing state on our doorstep engages Australia's interests at many levels, from short-term economic, consular and humanitarian concerns to our most enduring strategic imperatives. Earlier this year, Australian Foreign Minister Alexander Downer described the situation as 'one of the most troublesome issues we face in our immediate region'.¹

Throughout the crisis Australia has been active, with other countries, in trying to help the people of Solomon Islands address their problems. But despite these efforts we have not so far succeeded in turning the situation around and arresting Solomon Islands' decline. And there is little expectation that the current measures being taken by Australia and the wider international community—valuable though they are—will do more than palliate the crisis. Nor is there any evidence to suggest that without more help Solomon Islands can pull itself out of a fatal dive towards state failure.

There is more that Australia, and others, could do. But to do more would take us across a major threshold, and challenge the foundations of our policy in the Southwest Pacific. Until now, we have adhered to the principle that fixing the Solomon Islands' problems is their responsibility, not ours.



Bart Ulufa'alu, the then Solomon Islands Prime Minister, in Honiara, 13 June 2000.
AP via AAP/Koji Sasahara © 2000 The Associated Press

The point has now been reached that simply providing more aid to the Government in Honiara is unlikely to fix the problems, and could well end up exacerbating them, because the Solomon Islands Government is now incapable of using further aid effectively. So if we are to do more, we will need to become more deeply engaged on the ground ourselves. Continued reliance on the Solomon Islands Government alone means accepting state failure as the most likely outcome.

Australia therefore faces demanding and important decisions about what we can or should do to stop this dive towards state failure, and help restore Solomon Islands to viability. These decisions are demanding because they will require Australian policymakers to consider commitments which may be both costly and lengthy. And they are important not only for what they will mean in Solomon Islands, but also because they will have implications for Australia's responses to the wider problems of the Southwest Pacific.

While Solomon Islands is the most acutely troubled of our neighbours, most countries in the Southwest Pacific face major problems of political and economic viability, and some of them could go the way of Solomon Islands. What we decide to do about Solomon Islands will shape Australia's overall approach to the problem of maintaining stability among the island states in our immediate neighbourhood. Solomon Islands is a small country. If we cannot help there, it is doubtful that we can help any of our neighbours if and when they fall into serious trouble.

Paradigm under pressure

Deciding what to do about Solomon Islands will require us to reconsider the policy paradigm that has shaped Australia's approach to our Southwest Pacific neighbours ever since they became independent. This policy

paradigm has given top priority to ensuring that our new neighbours take and retain responsibility themselves for solving their own problems. We have worked hard to avoid becoming too closely involved in their internal affairs, and have bent over backwards to avoid being seen as infringing upon their sovereignty.

A failing state on our doorstep engages Australia's interests at many levels, from short-term economic, consular and humanitarian concerns to our most enduring strategic imperatives.

There have been good reasons for this approach. As a former colonial power and branch office of the British Empire, we have had to be careful to avoid any suggestion that we might be trying to reestablish an Australian imperium in the Southwest Pacific. Our small neighbours themselves have been committed to finding their own ways as independent states, and have often been suspicious that Australia harbours imperial ambitions. And we have not wanted to accept the costs and risks of a much deeper engagement in solving our neighbours' more intractable problems.

But this policy paradigm has come under increasing pressure over the past fifteen years or more, as it has become evident that the problems among many of the Pacific Island states are not simply transitional but systemic. Over that time, several crises and issues have confronted Australia with hard choices about our ability to remain detached from the internal problems of our neighbours.

These have included the coups in Fiji, Libyan involvement in Vanuatu, and Soviet involvement in Kiribati. But the biggest challenges have come in Papua New Guinea (PNG). The Bougainville crisis was the first critical test. After the civil war erupted there in 1988, the then Australian Government took a fairly detached approach, reflecting both hostility towards Australia among Bougainvilleans, and Canberra's reluctance to be drawn too deeply into efforts to fix a problem that Port Moresby should have been addressing. But the Coalition Government, after it came into office in 1996, undertook a major review of Australia's policy approach to the Bougainville crisis, and determined to take a more active and committed approach to helping find a way forward. This approach has contributed significantly to the progress that has now been made towards a settlement in Bougainville.

Another test was the Sandline crisis of 1997, when the Australian Government took a forthright and engaged approach. It pushed the then PNG Government to repudiate the employment of mercenaries, and indicated a clear willingness to intervene in Port Moresby to protect constitutional government against the threat of a military coup.

So Australian governments have shown themselves willing to move to a more active engagement in the internal affairs of our neighbours when they judged that the circumstances required it. The crisis in Solomon Islands has generally been less spectacular than either the Bougainville or Sandline crises. But its implications for the fabric of Solomon Islands, and for its viability as a functioning nation state, have been more profound.

Nonetheless, when the then Solomon Islands Prime Minister, Bart Ulufa'alu, asked Australia in 2000 to send police to assist in protecting himself and his Government from a coup, the Australian Government declined. It had good reasons. Australia had provided resources to the Commonwealth response that included a small detachment of police from other South Pacific countries. To have sent Australian police to take a share of direct responsibility for law and order in Honiara would have been a major intrusion into the internal affairs of a neighbouring country. And the Australian Government judged that sending a few police would not solve the underlying problem. However, the coup happened, and the problem has grown. So now we need to think again.

The perils of neocolonialism

The Australian Government is very aware of the scale and significance of the problems in Solomon Islands, and of the likelihood that any new policy approach that has a real chance of success would require much deeper engagement by Australia. But the Government has been concerned that deeper engagement by Australia would risk being seen as neocolonialism.

This is a real and serious risk. Australia has been right, in the years following independence, to draw back and allow our Pacific Island neighbours to make their own way. And we are right to be cautious about allowing ourselves to be drawn into their problems more deeply than our interests require, our capabilities allow, and the international community will accept. Any policy approach to the problems of the Southwest Pacific must avoid the perils and mistakes of neocolonialism.

The question for Australian policymakers is whether there are policy options available for us to take a more active role in helping Solomon Islands without running these risks or making these mistakes. Is there a middle option between our present detachment and an attempt to reassert colonial rule? Can we intervene to help, and still respect the

sovereignty and right to self-determination of our neighbours? Could such action attract support internationally? Are there options which might be within our resources? And how confident can we be that we can return responsibility to the people of Solomon Islands once the acute crisis has passed?

We are not alone

These are tough questions. But the good news is that we are not the only ones who have been wrestling with questions like them. In fact over the past decade there has been a worldwide reexamination of these issues as the international community has come to terms with the challenges posed by failed and failing states, and more recently by the need to respond to the risks posed by rogue states like Iraq.

Starting with the collapse of Yugoslavia and the successive crises in the Balkans, the international community has developed new principles and practices for dealing with what had previously been regarded as the internal problems of sovereign states. The doctrine of humanitarian intervention has been developed, refined and implemented in many different situations from Bosnia and Kosovo to Somalia, Haiti, Rwanda, Sierra Leone, and of course East Timor.

None of these situations exactly matches the problems we face in Solomon Islands, but they all share key similarities. In particular, they all represent attempts to reconcile the need to help states and peoples in trouble with the need to avoid the dangers of neocolonialism. There is much we can learn from them.

Australia's policy challenge is to find an approach to Solomon Islands which will address its acute problems and establish a foundation upon which Solomon Islanders can rebuild their country.

The policy challenge

Australia's policy challenge is to find an approach to Solomon Islands which will address its acute problems and establish a foundation upon which Solomon Islanders can rebuild their country. Such an approach must avoid the perils of neocolonialism and be implemented at levels of cost and risk that are proportionate to and justified by the scale of our

national interests. And it must recognise that in the end, only the Solomon Islands people can make their country work. We do not assume that there is a workable policy option available that would pass these tests. But the recent experience of the international community is that innovative policy solutions have been found in similar situations.

Of course it is possible that Solomon Islands is simply not viable as an independent state. If this is the case, we have even bigger challenges, and we need to start thinking what we should do about them. But we should not accept this gloomy diagnosis until we have tested more carefully what could be done to help make it work. To do justice to the interests we have at risk in Solomon Islands, we need to work harder than we have so far to test whether such a solution is available. That is the purpose of this paper.

CHAPTER

2

Identifying Australia's interests

Like every aspect of Australia's international posture, our policy towards Solomon Islands must be designed with the aim of serving our national interests. The calculus of national interest is especially important in judging the risks and costs that we should be prepared to accept to achieve policy objectives. In examining new policy approaches we must weigh the costs and risks of different options against the significance of the national interests involved. This chapter aims to provide an outline of Australia's interests in Solomon Islands against which policy proposals should be weighed.

The Deakin doctrine

Australia's national interests in Solomon Islands derive in the simplest and most fundamental way from its geographical proximity. Concern for the stability and security of the islands that surround our continent was the earliest—and has proved the most enduring—of Australia's national security concerns. It was the subject of our first substantial strategic policy initiative, when in 1887 Alfred Deakin took Australian worries about French intrusion in Vanuatu to London and made them listen.

It was a key issue in the movement for Federation, and a major factor in Australia's policy during the First World War, when we sought to limit the scope for Japanese intrusion into our neighbourhood.

Of course those concerns proved justified in the Pacific War of 1941–45, when Australia's security depended on our ability to regain control of the islands across our northern approaches. Solomon Islands was one of the keys to that campaign, and the toughest fighting in the South Pacific took place around what was later to become the country's capital, Honiara—the Battle of Guadalcanal.



US marines land on Guadalcanal supported by US and Australian naval forces in 1942.
Australian War Memorial Neg. P02018_130

Tomorrow's problems

The worlds of Deakin and Curtin may seem remote from our concerns today. But our interests remain as closely engaged in our immediate region as they have ever been. Today we can identify a hierarchy of interests in Solomon Islands that have much in common with those of the nineteenth and twentieth centuries, though with new twists and angles.

Our most immediate interest is in preventing Solomon Islands becoming a vector in the region for the kind of transnational problems that are so common elsewhere in the world. In today's globalised world, the failure of Solomon Islands as a modern nation state would not simply mean that its people would revert to the Pacific Island idyll of subsistence prosperity among the palm trees. The Sandline crisis in PNG gave us a taste of what might be in store instead.

A petri dish for transnational threats

Without an effective government upholding the rule of law and controlling its borders, Solomon Islands risks becoming—and has to some extent already become—a petri dish in which transnational and non-state security threats can develop and breed. Despite its poverty, there is wealth in Solomon Islands for those with the will to extract it: gold, timber and fish. If the state cannot provide security and a legal framework in which such extraction can occur, others will. And their methods will be far from attractive.

The reality is that in the absence of effective government, our neighbour risks reverting, not to a pre-modern tropical paradise, but to a kind of post-modern badlands, ruled by criminals and governed by violence.

Does this matter to Australia? Yes, for two reasons. First, this kind of legal vacuum so close to our shores would make Australia significantly more vulnerable to transnational criminal operations based in or operating out of Solomon Islands—drug smuggling, gun-running, identity fraud and people smuggling, for example. Perhaps even terrorism: the weakness of security institutions means that Solomon Islands' capacity to monitor people movements is poor.

Second, there would be a high likelihood that such problems would prove contagious to other countries in the region. The violence in Solomon Islands has been nurtured in part by the example of disturbances elsewhere in the Southwest Pacific. These include Bougainville's decade-long civil war, just over the border in PNG, and the coups in Fiji. Collapse in Solomon Islands would make it all the harder for other weak states to hold the line; and once transnational criminals had become established in Solomon Islands, it would be that much easier for them to penetrate and expand operations in other regional neighbours.

A missed economic opportunity

The collapse of Solomon Islands is depriving Australia of business and investment opportunities which, though not huge, are potentially valuable. Prior to the ethnic conflict, bilateral merchandise trade between Australia and Solomon Islands peaked in 1997–98 with \$106 million (comprising \$101 million in exports and around \$5 million in imports). Since then it has almost halved to a low in 2000–01 of \$56 million (\$52 million in exports and \$4 million in imports), before recovering slightly in 2001–02 to \$64 million, comprising exports of \$62 million, but only \$2 million in imports.

And prior to the 2000 coup there were about 100 Australian companies doing business in Solomon Islands, with about 30 having operations there. Since the breakdown in law and order this has declined to only a handful having operations on the ground. This amounts to significant economic loss for Australia.

The crisis in Solomon Islands also poses serious threats to the safety of the thousands of Australians who continue to live or visit there. A troubled neighbour will always be a more expensive neighbour, no matter how limited our involvement, as the trebling of Australian aid to Solomon Islands in the past four years attests.

A challenge to our credentials and values

Australia's interests are also engaged in other ways. In a subtle but important sense, state failure in the Southwest Pacific reflects badly on Australia. Other countries, including major allies and friends, expect

Australia to take a leading role in this part of the world, and judge us in part on how well we discharge what they tend to see as our responsibilities here. Australia's standing in the wider world—including with the United States—is therefore at stake.

A legal vacuum so close to our shores would make Australia significantly more vulnerable to transnational criminal operations based in or operating out of Solomon Islands.

Australians themselves may also start to feel uncomfortable if democratic institutions collapse in a region in which we tend to see ourselves as the primary representative of the international community. The Government's recent Foreign and Trade Policy White Paper gave special emphasis to the direct Australian interests engaged in the support and promotion of liberal democracy throughout the world. The collapse of representative government in our own immediate neighbourhood must therefore be an issue of keen concern.

And Australians have persistently shown their concern about the humanitarian disasters that can result from state failure and political collapse. This was true in places as far away as Somalia and Rwanda, as well as nearer to home in East Timor. The situation in Solomon Islands does not yet compare with anything like the scale of these disasters, but the levels of hardship and suffering have been high, and the potential for major deterioration is very real. We have a clear interest in doing what we can to prevent that happening.

A flaw in our defences

Finally, state failure and political collapse in Solomon Islands would be bad for Australia's long-term security from conventional military attack. The risk of such an attack by any major power is at present of course very low. But our strategic planning and policy must think about the long term, and circumstances can change surprisingly quickly. Successive Australian governments have therefore always given a high priority to ensuring that Australia can defend itself against any credible conventional adversary.

The security of our immediate neighbourhood is critical to that capacity for self-defence. If any potentially hostile major power could operate

forces from bases in our immediate neighbourhood, the task of defending Australia would become much harder—as Alfred Deakin recognised in the 1880s and as we discovered in 1942.

As the Government’s Defence White Paper in 2000 emphasised, this concern remains relevant to our security today: ‘We have a key interest in helping to prevent the positioning in neighbouring states of foreign forces that might be used to attack Australia’.

Since our island neighbours became independent, we have aimed to develop and sustain a strong sense of shared strategic interests with them, in order to ensure they do not allow unwelcome forces to intrude into our immediate region. The collapse of effective government in Solomon Islands undermines our ability to protect this vital long-term strategic interest. The fact that the Solomon Islands Government is bankrupt means that it is vulnerable to external influence—both state and non-state actors. This may involve such schemes as dumping toxic waste; money laundering; providing a transit point for transnational crime and terrorism; the selling of sovereignty; and, ultimately, resorting to the use of mercenaries to restore control in some areas in exchange for extraction rights. Bougainvillean mercenaries are believed to have been engaged for a planned operation to restore the Ulufa’alu Government to power after the June 2000 coup. And elements of the Bougainville Revolutionary Army (BRA) have been employed to provide security services to the Western Province provincial government.

Any power that wanted to operate forces in Solomon Islands might find it easy to secure ready acquiescence at a low price. If Australia is not robustly engaged in Solomon Islands, others may fill that space. In future we may deeply regret the absence in Honiara of an effective and responsible government with whom we can work to protect ourselves and our neighbours.

A major and unique stake

These are important and enduring interests. They justify a substantial commitment of national resources to protect. And these are issues on which only Australia can lead. On many other major questions that bear upon Australia’s long-term security—the threat of terrorism, the problem of weapons of mass destruction, the stability of the wider Asia Pacific, even the future trajectory of Indonesia—we are only one player among many who have their interests engaged and an influence over the outcome.

But the case of Solomon Islands, Australia is the critical player. If we do nothing, no one will, because quite simply no other capable country has interests as direct and important as ours in what happens in this corner of

the Pacific. We have security interests in many parts of the globe, but only in the Southwest Pacific are they our interests alone. Only in the Southwest Pacific do we have to take the lead in helping these island states. If we do not, others might move in to exploit the situation, to our detriment.

Our major and unique stake in the future of Solomon Islands does not mean that we must be prepared to pay any price to achieve peace and stability there. There are clear limits to the costs and risks we should accept, and there is no point in pursuing forlorn hopes or desperate measures which offer little chance of success. But there is every reason to look hard to find effective approaches which, at reasonable levels of cost and risk, offer reasonable prospects of success.

To do that we first need to understand better the nature of Solomon Islands' problems.

CHAPTER

3

Understanding the problem

Solomon Islands is not a hopeless case. Its problems are not necessarily the inherent and inevitable consequences of its geographic and social endowment. We need not despair of the hope that Solomon Islands—and other small Southwest Pacific Island nations like it—can work through its problems to become a sustainable and viable political community, providing a rewarding life for its citizens and contributing to Australia's interest in regional stability.

But its problems are nonetheless real, with deep historical roots. Without a lot of help, Solomon Islands has very little chance of surviving in the form envisaged at the time of independence. If Australia is to provide some of that help, we need to make a sustained effort to understand the issues we are dealing with. This chapter offers only a preliminary sketch; our aim is to provide enough background to suggest the nature of an appropriate Australian response.

In essence, Solomon Islands' story is simply told, and its elements are all too familiar from troubled areas throughout the post-colonial world. The disparate ethnic and language groups drawn together for the convenience of imperial administrators. The parsimonious colonial rule, with little or no investment in the human, social and institutional capital needed for nationhood. The rush to independence on a timetable dictated from afar, resulting in poorly designed institutions of statehood. The weak post-independence governments with inadequate revenue bases struggling for legitimacy against older, more deeply rooted political and social traditions. The poor economic performance and high population growth that fuels disappointed expectations and tensions over land. The tribal differences sparking violence on a level that challenges the capacity and authority of the state. The state's role replaced by non-state actors working with or without the trappings of constitutional office. The rule of law collapsing, and the descent into corruption and criminality.



HMAS Manoora stands off Solomon Islands, June 2000. ABPH Dic Prideaux, HMAS Albatross Photographic Section, © Royal Australian Navy

This is the more or less universal pattern of post-independence state failure around the world, and all these elements are reflected in Solomon Islands' experience. But the violence on Guadalcanal that started the current crisis in 1998, and the consequences of the violence for the Government of Solomon Islands, had origins much further back in Solomon Islands' history and geography.

A tough inheritance

Solomon Islands was named by Spanish explorers inspired by the belief that King Solomon's mines were to be found there. There is in fact gold in Solomon Islands, but the reality is more prosaic. Today's country covers a thousand islands, occupied by more than 500,000 people speaking over sixty languages. GDP per head is US\$530 (similar to East Timor or the Congo) and most people rely on a mixture of small-scale cash cropping and subsistence fishing and agriculture. Exports were few; timber, fish, palm oil, and gold. Now, the sole export is timber. And the population is growing at 3.3% per year—among the fastest in the world, resulting in a marked demographic youth bulge.

Solomon Islands were colonised somewhat reluctantly by Britain in the late nineteenth century, for reasons that are familiar to us today. At Australia's urging, London moved into Solomon Islands to curtail what we would now call transnational crime, especially blackbirding, and to ensure that no other imperial power established a presence there. The colonial administration of Solomon Islands was perfunctory, and little effort was made to develop the country economically or socially. The colonial presence has left little imprint on the country today—especially when compared to neighbours like Fiji or Vanuatu.

The outside world really hit Solomon Islands in 1942, when Japanese forces built an airstrip on the north coast of Guadalcanal to support naval operations against Australia and the US in the Southwest Pacific. In August 1942 the US, with support from Australia and New Zealand, launched a major assault to capture the airstrip. Stiff Japanese resistance resulted in the Battle of Guadalcanal—one of the decisive battles of the Pacific War. The airstrip is still there, as Solomon Islands' main airport, and the adjacent capital, Honiara, grew out of the base built by the US after the airfield had been secured.

Britain took over from the Americans again at the end of the war, but attempted and achieved little by the time of formal independence on 7 July 1978. Solomon Islands was ill prepared. The formal machinery of national government had been established, but the capacities and institutions needed for effective government were lacking. So was a sense of nationhood amongst the Solomon Islands' diverse and dispersed population. As former Solomon Islands Prime Minister Solomon Mamaloni has said, Solomon Islands was a state 'conceived but never born'. This sentiment is widely held among Solomon Islanders today—a feeling that the country was not given a decent chance from the outset because it was so poorly prepared for independence.

The primary problem besetting Solomon Islands is law and order. The incipient civil war was averted, only to be replaced by endemic, low-level violence and intimidation by former militants.

After independence British attention was quickly withdrawn. Australia felt little of the responsibility towards Solomon Islands that we felt—as the former colonial power—towards PNG. Some impressive individuals did their best to build responsible and effective government, but made little headway. By the late 1980s Solomon Islands had developed a reputation for somewhat erratic leadership. Growing levels of corruption under successive governments led directly to increasing levels of popular disenchantment with centralised government and the formal political process. Foreign interest in Solomon Islands' natural resources—especially its timber—provided opportunities for corruption to become entrenched in public life in Honiara. Economic development stagnated. Population pressures grew. Service delivery declined. The expectations of a semi-educated, semi-urbanised sector of the population were not met. The vast majority of the Solomon Islands population continued to reside in rural villages, with the state being merely a remote presence in their daily lives.

In the early 1990s the Bougainville crisis intruded into this stagnant but volatile mix. Guadalcanal became a haven and base for Bougainvilleans fighting for independence. They brought with them the experience of a violent civil conflict and direct action, as well as small arms. The displaced Bougainvilleans' accounts of rebellion had a significant impact upon Guadalcanal men.

Over the edge

These problems and pressures meant that Solomon Islands had very little chance of making headway, and that it was vulnerable to disturbances and disruptions which could push the government and state over the edge. This push came in 1998 and 1999, in the form of disputes between ethnic groups over land in and outside Honiara. Over many years, starting when the US established Honiara as a military base, people from the neighbouring island of Malaita moved to Guadalcanal to work. They settled throughout rural Guadalcanal, intermarrying and buying traditional lands from Guadalcanalese landowners. Over two generations Malaitans came to dominate both Guadalcanal's agricultural economy and a large proportion of the jobs in Honiara itself, including the public service.

Resentment among Guadalcanalese (who passed their land matrilineally through their married women) towards Malaitans (who maintained their patriarchal traditions even in the face of their host's culture) grew as conditions became tougher in the decades following independence. In 1998 groups of Guadalcanal men presented the government with a set of demands, including compensation for people killed allegedly at the hands of Malaitan settlers. When the government did not respond positively, groups of the Guadalcanal men—some loosely organised into nascent militia variously called the Guadalcanal Revolutionary Army or the Isatabu Freedom Movement (IFM) and armed with homemade guns, bush knives, and bows and arrows—started to use violence and intimidation to force Malaitans occupying land on Guadalcanal to return to Malaita.

The campaign was largely successful; in 1999 some 20,000 Malaitans were forced into Honiara, from where many were repatriated to Malaita. It became apparent that some of these Malaitans had responded by forming a militia of their own—the Malaitan Eagle Force (MEF)—with Malaitans still in town. Clashes between the two escalated, with significant casualties on both sides.

The MEF drew on the large numbers of Malaitans in the Royal Solomon Islands Police (RSIP), and especially its relatively well armed Field Force. They quickly came to control Honiara. The government became paralysed in the face of these problems, especially as the police themselves were now deeply split along ethnic lines. Law and order collapsed. The key export earners—the Gold Ridge gold mine, a handful of tourist resorts and the country's main oil palm plantations—ceased operations. The economy faltered, government revenue plummeted, and public services were disrupted.



A Malaitan Eagle Force rebel in a bunker in Honiara, 12 June 2000. AFP/AAP/Arthur Wate © 2000 AFP

International concern grew, reflected in an effort led from London by the Commonwealth to mediate between the two sides. Sitiveni Rabuka, former Prime Minister (and coup leader) of Fiji, was tasked to mediate. Meanwhile the Government of Prime Minister Ulufa'alu struggled to restore some kind of authority and perception of neutrality—especially as it began receiving counter claims from the Malaitan side for large cash compensation for the killings and displacements.

The low point came in mid-2000. In late April Ulufa'alu, fearing a coup, called for Australia to send a detachment of police or military to protect the government and start to restore order. Australia had already provided support to the Commonwealth response; we declined Ulufa'alu's request, and the coup followed. On 5 June 2000 Solomon Islands police officers aligned with the MEF seized control of a well-stocked national armoury. They deposed Ulufa'alu at gunpoint, taking control of the capital and effectively usurping the rule of law.

This rapid and dramatic decline in the security environment, exemplified by the presence of armed gangs roaming the streets of Honiara, led Australia and New Zealand to organise the evacuation of foreign nationals. A Royal Australian Navy ship was deployed off Honiara. Diplomatic efforts were made by Australia and New Zealand to reestablish constitutional government by having parliament meet to elect a new Prime Minister. The former opposition leader Manasseh Sogavare was installed as the Prime Minister at the end of June, and a peace conference was organised in Townsville in October to try to resolve the crisis. Solomon Islands' women's groups, media, church groups and youth groups were at the same time instrumental in fostering an environment for peace.

Since Townsville

The Townsville Peace Agreement (TPA) was signed on 15 October 2000. It was a significant step back from all out anarchy, but only a partial success. Under the TPA, an early ceasefire was to become permanent, and an Australian led and funded International Peace Monitoring Team was to receive and impound weapons surrendered under a disarmament program. An orderly process was to be set in train to provide compensation for those affected by the crisis, and an inclusive, indigenous Peace Monitoring Council was established to 'monitor and enforce' the agreement.

But by the time the TPA expired in October 2002, only the ceasefire had been maintained, and that imperfectly. The weapons surrender was only very partially successful. Little has been done to repair the damage to the fabric of Solomon Islands society and government. Indeed the long-term consequences of the events of 1999 and 2000 have if anything become more entrenched and corrosive as time passes, and extortion in the guise of compensation claims has become Solomon Islands' growth industry.

The primary problem besetting Solomon Islands is the absence of law and order. The incipient civil war was averted, only to be replaced by endemic, low-level violence and intimidation by former militants in Honiara and parts of rural Guadalcanal and Malaita, as well as periodic problems in Western Province. The disarmament planned under the TPA has only been partially realised and mostly on the Guadalcanal side. High-powered weapons are still common around Honiara (although now rarely seen on the streets) and in some rural areas. They are both a symptom and a cause of the growing gang culture among youths which seems to be taking deep root in some parts of the country. The militias are no longer fighting one another, but there is frequent intimidation by those who still possess weapons. The dubious motives of 1999 and 2000 have gradually shaded into a broader pattern of outright criminality facilitated by the availability of firearms and the absence of an effective police force.

Outside Honiara itself, the worst affected area is the southern coast of Guadalcanal, called the Weather Coast. One of the leaders of the IFM, Harold Keke, is an outlaw on the Weather Coast and has established what appears to be a sinister cult among his small group of followers. Police and others sent to deal with him (including a government minister) have been killed, and only Guadalcanal police are able to serve on this part of the Weather Coast which is generally a no-go area for the government.

In and around Honiara the police themselves have been a major part of the problem. Many officers throughout the RSIP retain close links with the MEF and are closely implicated in intimidation, extortion and corrupt activities, using former militants who retain their high-powered weapons. Many MEF members were drafted into the police force as Special Constables by leaders of the coup within the police force. This has only increased their strength, and has had serious consequences for both the security

environment and good governance. It has also severely undermined the remaining integrity of the force, contributed directly to law and order problems, and cost large amounts of money that has been diverted from the provision of legitimate government services.

In and around Honiara the police themselves have been a major part of the problem.

Members of the police force continue to use intimidation against the government, and several are suspected of the murder earlier this year of Sir Fred Soaki, a highly respected former Police Commissioner who was monitoring the demobilisation of the Special Constables and its impact on the peace process. As an illustration of the nature of the problems in Solomon Islands, the chief suspect, a former policeman, was apprehended and brought to Honiara for trial. He recently escaped, probably with assistance, from prison, and has allegedly since shot two more people.

The government itself is paralysed. Key members of the government have close links with former militants, depending on them for their political and economic survival. Others are deterred from decisive action to restore law and order by threats from ex-militants, including from within the police force. And they lack a loyal and effective enforcement capability. The government's revenue base has disintegrated as the economy has stagnated—falling by 35% in 2001. The payroll bill alone now greatly exceeds revenues.

There is no effective Cabinet process; real power and decision making occurs outside the formal political arena. A shadow state has emerged in Solomon Islands—a patronage system centred on the ruling cabal's control over resources.² The state has been gutted from the inside, and parliament largely serves as an avenue for access to dwindling resources by political players.

The culture of corruption has deepened since the coup. Substantial sums of money have been paid to government figures for remission of export duties on timber, for example. Meanwhile the government has virtually ceased the provision of basic services throughout Solomon Islands.

The attempt under the TPA to provide compensation to those affected by the violence and dislocation since the crisis began has proved to be another major problem. Very few legitimate compensation cases have been settled, but large sums have been disbursed to political leaders, former militant leaders and their associates, corrupting what remains of the peace process. Much of the money has come from grants made by Taiwan in return for Solomon Islands' diplomatic recognition of it.

All this has meant that the national government has little credibility or authority. It is widely—and largely correctly—seen as being subordinate to the interests of the Malaitan gangs. It is also seen as having become progressively criminalised itself. Early last year, hundreds of Solomon Islanders marched through Honiara on a Walkabout for Peace.

Furthermore, the economy has collapsed. GDP fell by 14% in 2000 and 10% in 2001. Exports have fallen 60% between 1996 and 2001. GDP per capita has halved in real terms since independence in 1978.

Hands across the sea

Solomon Islands has not been left to deal with these problems unassisted. In 1999 the Commonwealth, strongly encouraged by Australia and New Zealand, sent Sitiveni Rabuka to mediate, and organised and supported the small deployment of police from other South Pacific countries to help restore law and order. When these steps failed to avert the crisis of June 2000, Australia stepped in to organise and support the Townsville Peace Conference. Along with others, we funded and supported the International Peace Monitoring Team which was intended to oversee key aspects of the TPA. Australia has spent an estimated \$22 million on supporting the peace process since the TPA was signed. The Pacific Island Forum (PIF) also made a distinct contribution to the regional response.

Australia has also been active in other ways in supporting locally generated movements for peace and addressing the wider consequences of the crisis in Solomon Islands. Our significant aid program includes:

- A Law and Justice Institutional Strengthening Program, which involves capacity building in the judiciary, prisons and police. Support to Solomon Islands police includes measures to improve management, administrative systems, human resources development and operations, and the training of new police recruits
- Advisory support to the Finance Ministry on economic reform, public sector reform and debt management. Coordination of a multi-donor economic governance project to create a strategic framework
- Management of the Health Sector Trust Account, which funds the health sector in Solomon Islands for the provision of basic health services. Australian support to the health sector since May 2001 has been nearly \$18 million
- Community and peace support. This consists of funds and training to support community-level rehabilitation, resettlement and ex-combatant reintegration, and includes support for the Solomon Islands National Peace Council
- Assistance in forestry and lands activities
- Scholarships for Solomon Islanders for study in Australian and other higher education institutions throughout the region.

All of this costs real money. In response to the recent crisis, Australian aid has trebled in recent years to \$35 million in 2002–03. Including the money spent to support the peace process directly, we have spent about \$80 million in the past two years.

The Australian Federal Police (AFP) also has a presence in Solomon Islands, both in an advisory and a liaison capacity: there is one AFP liaison officer and one criminal investigations officer, both in Honiara. They are part of Australia's Law Enforcement Cooperation Program (LECP) in the Pacific region, which is designed to address transnational crime in the Pacific.

New Zealand also has an aid program for Solomon Islands. In addition, it has deployed ten police officers who have a mentoring—not in-line—role with their Solomon Islands counterparts. And Britain has provided (and the European Union is funding) a Police Commissioner, William Morrell, who is working to provide the leadership, discipline and sense of direction that the police force desperately needs.

The European Union (EU) is providing funding to the education sector, including US\$15 million to pay unpaid fees of Solomon Islands students at various institutions, such as the University of South Pacific in Fiji. The UN Development Program (UNDP) has also established a sub-office in Honiara. Its focus is improving governance and assisting ex-militants returning to civilian life, as well as a program (funded by Australia) to demobilise the special constables.

But support from other donors has dwindled because of the crisis. At a meeting in June 2002, international donors to Solomon Islands agreed that assistance should be conditional on the Solomon Islands Government addressing the problems of law and order and economic decline. And real reform has been negligible, despite the flow of appropriate, donor-inspired rhetoric. As a result many aid funds have dried up.

A gloomy future

Overall it would be fair to say that international support—much of it from Australia—has been critical in preventing Solomon Islands falling apart completely, and has helped initiate the few upward steps that have been seen in recent years. The UNDP is sponsoring a review of the Solomon Islands' Constitution. Thanks to Australian, New Zealand and British efforts, there have been a few signs of improvement in policing: police patrols are more evident in the Honiara area, some investigations have been progressed, and there have been some arrests.

But there is very little chance that these efforts will be sufficient to turn the problems in Solomon Islands around. The problems are too deep-seated, and too self-reinforcing, to respond to the relatively piecemeal approach being taken by the international community.

Solomon Islands has always been weak. Recent events are in many respects the culmination of many years. In the South Pacific, the introduced institutions of the modern nation-state have been overlaid on top of a multiplicity of indigenous political structures. The latter have proven to be remarkably adaptable and their resilience in the face of colonial and post-colonial transformations provides the broader basis for the continuing weakness of the state.

The crisis in Solomon Islands is less about the collapse of a coherent, functioning state, and more about the unravelling of the apparatus of colonial rule. But the international community deems it to be a state, at least juridically, and Australia's approach to protecting our interests is based on our capacity to deal with a sovereign Solomon Islands Government.

Could Solomon Islands continue to teeter, but not totally collapse? Perhaps—it has already done this for a few years. But the decline is not being reversed, and the risk is that it will take generations to repair. Without a decisive change in direction, the best we can hope for is that the present political and economic paralysis will continue, with an ever-diminishing band of people feeding on scraps at the centre, and everyone else reverting to an uncomfortable but still possible subsistence existence. Violence will be a survival strategy for some and local disputes and conflicts will at times escalate. This will have serious consequences for services such as health, and will deny the next generation formal education. So any future reconstruction will be all the more difficult.

What we see in Solomon Islands is a classic vicious circle. Weak institutions, corrupt governments, criminalisation of politics, poor law and order, insufficient revenue, economic stagnation, social dislocation, disaffected and alienated youth, a growing culture of violence, international neglect, collapse of government services, disillusioned and passive populations, and a plentiful supply of guns. Each of these elements reinforces the others to create a trap from which there appears no escape. On present trends it seems likely that the violence of 1998–2000 has fatally damaged a country that was already very fragile and in many ways barely functional.

But there is hope. Many Solomon Islanders remain committed to making their country work. There is a ready acceptance of the need for deep reforms and big changes. There is also a ready acceptance of the need for help from outside on a larger scale than has been provided so far. Furthermore, there appears to be a recognition that help from outside will do nothing if the people of Solomon Islands themselves are not prepared to take responsibility for their own future.

Other countries have faced problems as grave as those in Solomon Islands, or worse, and have started to rebuild. Over the past decade especially the international community has learned a lot about how it can help these processes. There may be much we can learn from them.

CHAPTER

4

Policy paradigm

State failure as a policy paradigm

State failure is now one of the key issues on the international security agenda. There is a lot of thinking about the security challenges that failed states present, particularly post-September 11, and how they can be addressed.

The phenomenon of state failure represents a spectrum from weak states to states in total collapse. But the security challenges posed by a teetering state are often as grave as those posed by a failed state. Characteristics of state failure include economic deterioration, dramatically falling living standards, declining governance, failing institutions, and an incapacity to deliver services for citizens. Governments cannot project power over all of their territory, and often government employees such as police, teachers and civil servants are no longer paid. Misrule and corruption are common. There is often ethnic tension. Law and order breaks down, the state loses control of armed force, and groups look to their own kind to provide security. People have little sense of loyalty to the state. Instead, this loyalty is given to the tribe, clan, group or warlord.³

Sub-Saharan Africa contains many examples of profoundly weak states that were created out of colonial borders and have never been successful. They continue to stagger on long after one would have anticipated collapse. Western notions of statehood stem from the prolonged and often turbulent process of state consolidation in Western Europe. In Sub-Saharan Africa and the South Pacific, many states have an extremely short history, and this process is still underway. Somalia is a classic example.

Throughout the 1990s, there was growing international acknowledgment of the threat that weak and failing states pose to regional and global security. There was also an increasing understanding that states cannot protect themselves from the internal crises in other states—there are too



Commonwealth special mediator Sitiveni Rabuka from Fiji with George Grey of the Isatabu Freedom Fighters on Guadalcanal, Solomon Islands. AFP/AAP/Mike Field © 1999 AFP

many regional security consequences, including refugee flows and transnational crime. The collapse of Yugoslavia made Western Europe realise that the destabilising effects of a civil war could bleed into the broader region. The EU is still experiencing the spillover effect from the Balkan wars of the 1990s—transnational crime emanating from the Balkans is one of the security challenges Europe continues to face. And European states among others are having to rebuild Bosnia and Kosovo.

September 11 and the war on terror have made international policymakers even more aware of the need to address the problems of weak and failing states because they can be havens for terrorists—for example, Somalia.

Sovereignty versus intervention

There is a growing recognition of the need to intervene in failing and failed states—that it is in the interests of regional and global security to reconstruct the institutions, governance and economy of such countries. While the principles of sovereignty and nonintervention are still the cornerstones of the international system, there has been a change in the concept of sovereignty, and a growing body of thinking about the place of intervention within the international system.

Preventive diplomacy has been proven to be a far cheaper option. It simply costs less in the long run to act preventively and arrest further decline. British involvement in the Balkans in the last ten years provides a stark example. Britain did little to assist Bosnia until civil war had racked Bosnia for several years. It has now outlaid at least £1.5 billion for Bosnia's reconstruction. Britain responded more promptly to the crisis in Kosovo, which has cost British taxpayers £200 million. But Macedonia, where the

warning signs were heeded and preventive action taken before conflict erupted, has cost Britain only £14 million. This spread of economic cost would roughly equate to the difference in magnitude of the human cost of each of these crises.

Throughout the 1990s, there was growing international acknowledgment of the threat that weak and failing states pose to regional and global security.

The issue of the consent of the affected state is an important and potentially problematic one. But consent to cessions of sovereignty does occur. For example, the Government of Bosnia and Herzegovina consented to an international peacebuilding presence. And states in the European Union have agreed to the cession of sovereignty in certain areas, such as human rights and monetary policy. There is also an increasing belief that the best prospects for stability and prosperity for entities such as Bosnia and other parts of the Balkans are as not so much sovereign entities but as part of a regional community—in this instance to aim for European Union membership.

The concept of state failure brings with it a number of useful analytical tools, including the lessons from international experience, for example Somalia and Sierra Leone. It is also important to heed the lessons of statebuilding from Bosnia, Kosovo, and East Timor. Bosnia and Kosovo are international transitional administrations run by Western diplomats, although Kosovo remains part of Serbia and Montenegro.

International policymakers have also recognised that there must be a political dimension to assistance to failed states—support cannot just be humanitarian or military. A higher degree of intervention and a deeper long-term commitment is necessary because of the depth of the institutional decline in failed states. There is a need to think in broader terms about an integrated, wide-ranging approach. Statebuilding requires the following elements: the restoration of security, the creation of a rule of law, the construction of robust and durable institutions, economic reform and development, and reconciliation after any conflict.

The security challenges presented by failed states have forced international policymakers to overcome many post-colonial hangups. There remains a deep and understandable reluctance to intervene in conflict-ridden or post-conflict states. Interventions require a multilateral presence, with broad-based international or regional support. But statebuilding need not be neocolonialism. It borrows as much from UN Trusteeships and the postwar reconstruction of Germany and Japan as it does from the colonial experience. And it should if at all possible involve the consent of the affected state.

Australia's policy paradigm

Since their independence, Australia has provided our Pacific Island neighbours with aid, but has expected them to solve their own problems. This policy has been based on an abandonment of colonialism, a respect for state sovereignty, and an assumption that the statehood conferred at independence left behind a set of more-or-less fully formed states that would acquire enlightened self-government without too much help from outsiders.

There has clearly been a good deal of virtue and common sense in this approach. But it is one that is tested by the Solomon Islands situation in a number of ways. Our policy approach suggests that we will tolerate, with resignation if not equanimity, a range of quite adverse developments in the region, even in locations quite close to us. Given the shifts in security perceptions which Bali and other developments over the past few years have produced, we have to ask whether such an approach still best protects our interests.

There is little to be gained by dwelling on whether an Australian and New Zealand intervention in early 2000 would have avoided subsequent events. But we need to be in a much better position to assess and respond to future requests, and to be willing to take preventive action where appropriate.

A byproduct of our policy approach has been a level of ignorance and complacency in Australia about our Pacific neighbours for the first time in generations. The Australian public is no longer much aware of or interested in Solomon Islands. For example, coverage of the ethnic conflict in the Australian media was sporadic and did not generate any of the domestic political resonance that coverage of the violence in East Timor did in 1999.

And our approach has produced a view of Australia in Solomon Islands which is an awkward mixture of expectation and disappointment. There is quite a strong sense among the political elite that Australia has not given Solomon Islands the attention it merits. This view has been reinforced by our unwillingness to play a more assertive peace-making role during the ethnic conflict.

Costs and benefits

Given Australia's interests in Solomon Islands, it is difficult to see how we can view its ongoing decline with resignation. There is much common sense in emphasising the role that the Solomon Islands Government and people must play in the country's rehabilitation. But it is clearly not sustainable as a complete policy approach. Nor is there a practicable policy option of withdrawing aid and support, and allowing the crisis to take its course. So we need to look carefully at the alternatives.

The challenge for Australia is to see whether there is a way of applying the state failure and statebuilding models developed elsewhere over the past decade to our problems in Solomon Islands.

A Solomon Islands perspective

**SIR FR. JOHN INI LAPLI, GCMG
GOVERNOR-GENERAL**

Recent history from 1998 to 2003

Recent events in Honiara and on Guadalcanal especially during these years have been well documented and publicised. The taking up of weapons and the ethnic confrontations of 1998 to 2001 between some Malaita men and Guadalcanal men have been observed as ethnic tension. But what remains with leaders of the country, keen observers, development partners and donor agencies to make sense of in the long term are the implications and negative consequences of that conflict for Solomon Islands, and what to do to reconstruct the shattered country.

The Guadalcanal militants claimed that their original land rights were not being recognised and respected by Malaita settlers. They took up firearms and threatened Malaitans who made their homes outside Honiara, and they fled into Honiara and later made their way back to their island of origin. Other demands too were made on the national government, and among these demands was a call on the government to hand back all the alienated land in the capital to the original land owners and Guadalcanal Province. To date none of those demands have been attended by the government, due to the violent confrontations between themselves and their targets, except the payment of SI\$2.5 million as compensation for a series of murders blamed on individual Malaitans in Honiara some years back.

Today the Isatabu Freedom Movement is disbanded, after the signing of the Townsville Peace Agreement. Before the TPA was reached the IFM broke up, and the more uncompromising faction has not been brought into the peace and reconciliation process. This is being used by some ex-Malaita militants as an excuse to hold onto stolen weapons to this day.

The young militants of Guadalcanal and their supporters took the law into their own hands. When they did, the authority of parents, elders and chiefs, church leaders and even their Members of Parliament went dormant. It will take a long time yet before these leaders are given back their full and rightful authority in the various communities around the island.

Malaitans, who were victims of what appeared to be attempts at ethnic cleansing, retaliated. As to be expected in the law of rudimentary justice, they formed a counter militant group. Because they had their number in the police force they took advantage of it and made an alliance with them, to fight the Guadalcanal militants. Together with almost 50% of the police in Honiara, the joint force brought down an elected government.

The Sogavare Government was never allowed to govern freely and with mandated authority. Thereafter that government bowed to almost every demand presented by these militants before and after the TPA.

And still any financial claims put to the government by any persons or groups known to be in possession of weapons or to have had association with former militant groups, receive priority consideration and payment. The present Kemakeza Government seems not to be allowed to govern the affairs of Solomon Islands as citizens want, and the laws of the country stipulate.

While the TPA brought an end to ethnic confrontation, it was not fully respected and is still not being respected by those who signed the Agreement. This partly explains the difficulty the government faces in dealing with demands made by ex-militants, as well as the uncontrolled recruitment of former combatants as Special Constables. Encouragingly, however, the Special Constable Demobilisation program sponsored by the UNDP appears to be progressing well, although there are some points of hesitation.

As a result the government is not free to govern in a transparent and accountable manner. Government Ministers, including the Prime Minister, have to walk a cautious path. They fear for their life, which is why they must not offend these armed ex-militants. The Police Force also still has influential men, still armed, and who were instrumental in the formation of MEF, and the involvement of some policemen in the overthrow of the Ulufa'alu Government and the counter fights against Guadalcanal militants.

Although there is a much welcomed new Commissioner of Police in the post, he will require all the help he can get and can be given to him, to get the force back to its impartial status and recognition, and as an effective law enforcement agency of government. There is nepotism in the force that must be eradicated to restore credibility in the police. Government even acknowledges that more outside help will be needed to help the police to get back to where it was before the ethnic tension.

The recent murder of Sir Frederick Soaki on 10 February 2003 in Auki, Malaita Province, reminded Solomon Islands that law and order is still far from normal. As usual in Solomon Islands, there are already rumours of possible motives for the assassination.

Australia's involvement and response

Australia's response and involvement during these years have been notable. And the people of Solomon Islands have appreciated this gesture of goodwill, partnership and friendship. The provision of logistical support to secure a ceasefire between the warring parties, the eventual securing and signing of the Townsville Peace Agreement, and later the support given to the Peace Monitoring Council, have all been instrumental in helping to bring about the relative peace Solomon Islands is now enjoying. It is on record that Australia, along with other donors, fully financed the last general elections in Solomon Islands.

The Community, Peace and Rehabilitation project funded by AusAID is helping some rural communities with their infrastructure requirements. This is especially welcomed when communities cannot rely on government funded services, and when they are waiting for businesses to come around to buy their copra and cocoa, their principal means of income.

Health is another area in which Australia has put a lot of money to assist the people of Solomon Islands, although some have questioned where the assistance has gone to.

Solomon Islands' attitudes towards Australia's policy

The people of Solomon Islands have been waiting for their governments since independence in 1978 to deliver the goods promised in national election campaigns. They want an improved standard of living and increased opportunities for education, and easy access to health services.

The question of Solomon Islands' attitudes towards Australia's policy in the country represent the views of their leaders in government circles, not so much the entire population. The people are not interested in speculating and debating the pros and cons of foreign policies of other countries towards Solomon Islands. They wait for what positive assistance donor countries will give to Solomon Islands during these hard times.

Even among government ministers attitudes are mixed. Some perceive Australia as reserved and noncommittal at a time when Solomon Islands needs foreign assistance badly. Some question why Australia appears slow to come forward with aid promised to the country. This wait-and-see attitude is deplored by some as a show of lack of sympathy by Australia of the pressing urgent needs of Solomon Islands. They say Australia should have stepped in earlier militarily, either under a Commonwealth or UN mandate, to put down the violent confrontations between the MEF and IFM or to act as a deterrent to the warring parties.

There are some who observe that Australian Police Advisors, who are helping Solomon Islands Police, do not seem to make a significant impact in terms of bettering the performance of local officers.

Others think that Australia should do more for Solomon Islands, but also understand and expect the government to do even more before expecting foreign governments to help. Australia, they say, is quite entitled to follow its own policy, but blame Australia for a wait-and-see attitude which influences the policy of other donor countries. This is also responsible for the slow return of investor confidence, especially in the tourism sector.

Current problems in Solomon Islands

The following is a list of the main problems:

- Criticisms of lack of transparency and accountability in government
- Government not in control of public affairs
- Weapons still with ex-militants, including some policemen
- Criticisms of corruption in government, police and public officers
- Government spending more than revenues
- Pressure and threats still on government finances
- Slackness and low morale in the Public Service
- Government employees not being paid on time, and no money is ever enough

- Main government services to Provinces not being delivered
- Loan repayments in arrears externally and internally
- Government Ministries and Departments under performing
- Health services reduced to basics
- Education severely affected by lack of government finances
- Sense of security, law and order remain major concerns
- National economy not at all healthy
- Narrow revenue base
- Revenues due to government not being collected
- The private sector fears weapons still in the hands of ex-militia men
- Entrenched criminal elements are holding government to ransom
- Economic infrastructure not up to required standard

Australian-led multinational effort in Solomon Islands

The state of public affairs in Solomon Islands, as briefly discussed in the preceding pages, is such that the country is now not in a position to do a great deal for itself. The police force cannot be relied upon 100% to keep law and order fully yet. The government is under siege by unreasonable elements of ex-militia men and other factors. The morale of public officers and administrators is at the lowest ebb. There is a huge political divide between government and opposition in Parliament. It is not wrong perhaps to say that there is a crisis in leadership, because there are forces at work undermining governance. The long list of national problems, and others unnamed, and the depth of these problems, speak about the formidable economic hardships the country is going through. The road map to the future is not very clear.

Any multinational effort to salvage and reconstruct the economy, infrastructure and social services must be seen against this unfavourable background.

On the question of bringing in a small contingent of military and police personnel as part of a multinational effort to assist Solomon Islands, many would see this as a long overdue step to take. Many would hold this as a criticism against the Commonwealth and UN for not considering this option earlier during the ethnic tension. In fact the Governments of Ulufa'alu and Sogavare thought it would have been a quicker option to bring the country back to normalcy. The current Kemakeza Government has even gone as far as the UN to put a case for this option. If there are elements in the population who would oppose this possibility, it would be those ex-militants who are still illegally holding onto weapons, for their own vested interest.

Having said that, this is something that has to be discussed thoroughly with the new Commissioner of Police, and of course the Solomon Islands Government.

The entire machinery in public administration in government would require assistance to bring the system back to normal function. Aid funding is needed here.

Clearly Australia would be in the best position to lead any multinational effort to help reconstruct Solomon Islands. A way of approach would be that this be done under the umbrella of either the Commonwealth or the UN. This idea is put forward because should the economy and law and order situation not improve, in relation to government not being allowed to function as it should, there may have to be the remote possibility of recommending to the UN to take charge of the administration of the country for a short period of time.

It is no secret to the international community that Solomon Islands right now is aid dependent. The more aid is poured into the country the clearer the country demonstrates that it does not have the means to take care of the welfare of its citizens. So the reason for Solomon Islands permitting, in fact needing, a decisive multinational effort to help salvage her, is that democracy needs to be given back to the population. Such a step is necessary because the situation in the country remains abnormal. This abnormality is caused by unreasonable elements that continue to undermine government authority and the rule of law.

The international community must know, and it does, that good governance and the welfare of people of all nations is a duty that must call for a sense of mission and duty. Those who know, those who have, those who enjoy, those who have greater choices and opportunities, must help those who do not.

February 2003

**RT. HON. SIR PETER KENILOREA, KBE PC
SPEAKER OF THE NATIONAL PARLIAMENT**

I fully support any direct involvement of Australia in the area of the peace process, law and order, revival of our collapsed economy and reconstruction of our social sector—education and medical services.

It is fully acknowledged that the Solomon Islands Government or Solomon Islands cannot now depend upon its own resources—human and financial—to restore our nation to pre-2000. With the continuing uncertainty of the law and order situation and the failure of the government to pay its workers, we have got ourselves to a point where mere advice to do the right thing as a pre-requisite to attract assistance from the international community—bilateral or multilateral—is becoming an insult. How do you expect a drowning man to save himself?

In my humble opinion, our nation's dire situation can never be saved only by the best advice from the best of expertise and professionals. We have got beyond the point where we can take advantage of pertinent expert advice to help ourselves. We are now at a point where we can only benefit from direct executive and supervisory assistance by those who sincerely wish to help. They must be ready and willing to get their hands dirty. Not just advising disinterestedly.

Hence my expressed support for a direct executive/supervisory involvement by Australia or any of our development partners in every area of national reconstruction, including an Australian-led International Peacekeepers party.

With the above, I do strongly feel that for a new policy on Solomon Islands to be sincere in intent and practice, Solomon Islands Executive Government has to be appropriately involved.

February 2003

CHAPTER

5

A policy hypothesis

This chapter aims to present and explore what we might call a ‘policy hypothesis’: that there are policy options available to Australia which would offer a significantly improved prospect of serving Australian national interests by addressing the problems in Solomon Islands, at an acceptable level of risk and cost.

To test this hypothesis we offer a sketch-outline of a specific policy proposal to meet two core objectives: firstly, to address the acute law and order problems in Solomon Islands, and secondly, to establish a foundation upon which Solomon Islanders can rebuild their country.

It is too early to be confident that this proposal will work, but it offers a better chance of success than the current policy approach of incremental ad hoc assistance to a failing government system. It is therefore worth developing and testing the proposal further to establish more clearly the costs and risks involved.

Summary diagnosis

Our starting point is the following set of key judgments based on the preceding chapters of this paper.

- Solomon Islands is suffering from a systemic breakdown of law and order in and around its capital, Honiara, which has disrupted the functioning of government, the delivery of services and the economy, and is engendering a culture of corruption among politicians and of lawless violence among young people. These problems are so serious in a weak and fragile polity like Solomon Islands that they threaten the country’s viability as a functioning sovereign state.



Australian and New Zealand members of the International Peace Monitoring Team register weapons during the first official weapons surrender ceremony. AAP/defence PR©2000 AAP

- Solomon Islands' problems arise from a combination of deep-seated but not insoluble political and social problems, weak institutions (especially the police), and a dysfunctional political system which is incapable of providing effective leadership despite the wishes and capabilities of a number of impressive individuals.
- The weaknesses of Solomon Islands' institutions mean that there is little chance now that they can manage their own reform and fix their own problems, even with significant outside help.
- The policy challenge for Australia—and other outside countries with an interest in Solomon Islands—is to find a way to support stabilisation, reform and reconstruction there which does not directly rely on the capacities of the Solomon Islands Government itself for success.

The elements of a plan

The outline of the plan is simple enough. Australia should initiate and support the establishment of a sustained and comprehensive multinational effort, which, with the consent of Solomon Islands, would undertake a two-stage program to rehabilitate the country. The first stage would be the restoration of law and order. The second stage would be to help the people of Solomon Islands build new political structures and security institutions and address underlying social and economic problems. This two-stage effort would be undertaken by an ad hoc multinational agency which for convenience we are calling the Solomon Islands Rehabilitation Authority—SIRA.

Of course, the elected government of Solomon Islands would persist alongside the SIRA, and would continue to run everything that the SIRA was not taking over.

To be practicable, the approach we are proposing would need to have six key characteristics.

- **Fully engaged.** The problems of Solomon Islands cannot be addressed by providing piecemeal help at arm's length. Australia and other countries will need to become directly engaged in addressing the problems on the ground, and take clear responsibility for the result. And it is vital to tap into local knowledge and identify trusted partners.
- **Consensual.** The people of Solomon Islands would need to consent to what would be a major intrusion on their sovereignty. The form and nature of that consent, and the process by which it would be attained, are key questions. We will address this in more detail in a later section.
- **Multinational.** Australia has the capacity to undertake this task alone, but it would be unnecessary and probably counterproductive to do so. We should therefore focus on promoting a multinational effort. Both in Solomon Islands itself and in the wider region, a solo Australian effort would raise questions about Australian intentions, and bring charges of neocolonialism. It would also deprive us of the skills, expertise and resources which other countries could contribute to the task. And it would involve us in a greater burden of cost and commitment than is necessary.
- **Comprehensive.** Solomon Islands' problems derive from a complex interlinked set of issues, which need to be addressed together if a durable solution is to be found. So our approach needs to be comprehensive. Much is already being done; these efforts and the new steps that are needed should be drawn together into a single integrated effort.
- **Sustained.** The short-term problems in and around Honiara are symptoms of deeper, longer-term weaknesses in the Solomon Islands national fabric. These deeper problems need to be addressed in a long-term, sustained program if a durable improvement in the situation is to be achieved.
- **Well-funded.** A comprehensive, sustained program to rehabilitate Solomon Islands will not be cheap. It will need assured funding over about a decade. If we are not prepared to fund it to work, it would be better not to try at all.

The plan in outline—Phase One: Stabilisation

Phase One of the plan would be a one-year program to stabilise the situation in Solomon Islands by restoring law and order and addressing the other immediate problems which are undermining its viability.

Restore law and order

The first priority is to restore the rule of law in Honiara. This will require a sustained and focused campaign to disarm the ex-militia, disband their gangs, punish those responsible for crimes, and generally restore a security environment in which the country's capital, including its political and economic institutions, can function without intimidation.

Once the situation in Honiara and its immediate environment is stabilised, attention can turn to other areas of Solomon Islands with endemic law and order problems, including the Weather Coast, Malaita and the Western Province.

Australia should initiate and support the establishment of a sustained and comprehensive multinational effort, which, with the consent of Solomon Islands, would undertake a two-stage program to rehabilitate the country.

Police

This is a substantial task. The central requirement is for active, sustained and muscular policing. The force that undertakes the task will need to be well resourced and effectively led. It will need to impose a policy of zero tolerance for violence and intimidation, and be prepared and willing to use significant force, including lethal force, to do so. The police force will therefore need to be insulated from local political and social pressures, and be completely immune from local ethnic rivalries. It will need to operate with scrupulous respect for human rights and for the social, political and ethnic context of Solomon Islands.

It seems most unlikely that the RSIP themselves, even with the support of the expatriate Police Commissioner and advisers, will be able to achieve this essential first step in resolving the crisis in Solomon Islands. Our plan would therefore propose that a substantial international police force be deployed to Solomon Islands to undertake this task. This might be called the Solomon Islands Interim Policing Authority—SIIPA. This authority would focus on the major challenges to law and order, perhaps leaving the RSIP responsible for more routine day-to-day policing.

As a rough guide, we estimate that SIIPA would initially require a force of around 150 well-qualified and well-equipped police for a year to stabilise and pacify the Honiara area. It would be important to ensure that SIIPA had sufficient numbers for the job at the outset, and that it included an element armed, trained and equipped for field operations. The aim must be to create a decisive and unambiguous change in the security environment in which the militants operate, and put them out of business as quickly as possible. Once that is achieved, numbers might be scaled down. To fulfil this task, the police will need to draw on the expertise and local knowledge of the trusted elements of the RSIP.

This would not be cheap. 150 police deployed and supported in Honiara for a year could cost as much as \$60 million for salaries, logistics and other supporting costs. But finding the money would not be as hard as finding the police themselves. Well-trained police are in short supply everywhere, and a deployment on this scale would be beyond the capabilities of Australia's police forces, or of most other countries in the region on their own.

For this reason, among others, the SIIPA would need to be a multinational force. We will discuss the possible range of contributors to the effort in a later section.

We believe that law and order can be reestablished in Solomon Islands by energetic and capable civil policing.

Military

We believe that law and order can be reestablished in Solomon Islands by energetic and capable civil policing. But it may be that some situations could arise in which the capabilities of police would not be adequate to provide the assured superiority of force required to deter resistance. The SIIPA should therefore be backed up by a small military capability which can be called on if needed.

This capability need not be large—no more than a light infantry company—and it need not be deployed. It should be available on call at a few days' notice. If Australia provided this capability, it could be sourced from the Australian Defence Force's Third Brigade in Townsville, the SAS or the Commando battalion. But equally New Zealand, Fiji and France all have excellent forces based close enough to Solomon Islands to be called upon at short notice if needed. A military liaison officer should be posted to the SIIPA.

This element of the plan would be unlikely to cost more than \$2 million over a year.

Judicial machinery

The SIIPA will need to be complemented by effective judicial machinery to process and punish those found guilty of offences. The SIRA would apply Solomon Islands law, but there is real doubt that the Solomon Islands legal system has the capacity to support an energetic law and order campaign to stabilise Honiara. The aim must be to provide a quick, effective judicial process which is scrupulously independent and fully respects human rights.

There are two alternatives. Either the SIRA could establish a separate, temporary judicial authority to undertake the stabilisation program, or it could supplement the resources of the current Solomon Islands judicial system for the period of the stabilisation phase. The second of these options would be simpler, if it could be made to work.

SIRA may need to support a judicial staff of perhaps twenty people and some facilities. This would be unlikely to cost more than \$10 million over a year.

Correctional services

Solomon Islands has a very inadequate prison system. A key element of the stabilisation program would therefore be the provision of effective correctional services. This would require staff and improvements to facilities, and might cost up to \$10 million in the first year.

Legal and constitutional issues

The most complex aspect of the operations of the SIRA during the Stabilisation Phase would be to establish the legal and constitutional underpinning for its operations. The police and other elements of the stabilisation program must be answerable to authorities that will not be subject to local pressure and intimidation. It seems clear that the current government and political system in Solomon Islands cannot provide this kind of leadership.

We therefore propose that the SIRA should be established as an independent legal authority. The best outcome would be for this grant of authority to be provided by the Solomon Islands Government itself. More work would be needed to establish the constitutional basis for this kind of arrangement.

Alternatively, the SIRA could draw its authority from the international community, acting on behalf of the people of Solomon Islands, in consultation with prominent Solomon Islands leaders, and with the consent of the Solomon Islands Government or as wide a range of Solomon Islands opinion as possible. The structure and governance of the SIRA itself are addressed in a later section.

Curtail maladministration and corruption

Many of Solomon Islands' problems arise from maladministration and serious corruption. An urgent priority for the first phase of the rehabilitation program is to curtail these abuses. Later, in the second phase, attention will need to turn to longer-term solutions. But in the short term the SIRA will need to establish a team to take over the management of Solomon Islands' finances to stop them being siphoned off improperly. This would require a small group of accountants and other financial management professionals, costing perhaps \$5 million for a year.

Coordinate short-term humanitarian aid

Aid agencies, including AusAID, are already providing substantial and effective assistance to address the significant short-term disruption being caused to health and other critical services by the problems in Solomon Islands. SIRA should be given the authority and the expertise to coordinate and prioritise such assistance in the short-term as part of the stabilisation phase. It may also need resources to meet any critical short-term problems not being addressed by existing programs. In particular, the education sector should be an absolute priority; there is an urgent need for primary school students to receive an education. This could cost an extra \$10 million.

Phase Two: Longer-term capacity building

The second part of the comprehensive plan is to undertake a long-term program of capacity building to provide Solomon Islands with the institutions and capabilities it needs to prevent a recurrence of the misfortunes of recent years. This phase would need to start within a few months of the commencement of Phase One. Much work is already underway in many of these areas, with help from a number of governments (including our own) and nongovernmental organisations (NGOs). This work needs to be drawn together, and probably expanded to provide a comprehensive, sustained program to build the capabilities that Solomon Islands needs to manage its own affairs more effectively.

Law and order

The first requirement is to help rebuild the capability of Solomon Islands' law and order institutions. This could build on the good work already being achieved by AusAID's Law and Justice Institutional Strengthening Program. The RSIP will need a major program of assistance to ensure that it is properly prepared when it resumes responsibility for the whole of the Solomon Islands policing task.

The effectiveness of the SIIPA in suppressing violence in and around Honiara will depend among other things on creating a clear expectation that once the SIIPA departs, the RSIP will carry on its work effectively.

Like other countries in the region, Australia has significant experience in supporting police forces in our developing neighbourhood. The AFP does an excellent job with meagre resources, and its skills at working in complicated international situations have been well demonstrated in the Bali bombing investigation. A police capability development program would include a combination of long-term secondments from Australian police forces, training support, and help with equipment and facilities. We should expect it to be a ten-year project, and the annual cost might be in the order of \$10 million a year. In addition, Solomon Islands will need long-term help to develop its judicial system and its prisons. Sustained programs of assistance in these areas might cost a total of \$5 million per year.

Governance

The second major element in a sustained program of assistance to Solomon Islands is the development of the institutions and skills for effective governance. There are several elements to this.

Constitutional reform

Many people in Solomon Islands believe that a major overhaul of the Constitution is an important element of the rehabilitation of their country. In particular, there is strong attraction in Solomon Islands to moving to a

form of federalism to reflect the ethnic diversity of Solomon Islands by giving a measure of local autonomy to the country's different regions.

Federalism has strengths and weaknesses. Effectively applied, it can provide a framework in which regional diversity within a country can be managed and, over time, allow a stronger sense of nationhood to evolve slowly. But poor application of the concept can exacerbate regional differences, degrade the delivery of services, erode the quality of government, and amplify secessionist tendencies.

Whatever the outcome, Solomon Islands needs to undergo a process of constitutional review and reform that actively involves the whole community—it is an important part of nationbuilding for Solomon Islanders. One key function of the SIRA should therefore be to support and facilitate this process. This might take up to two years, and could require total support of up to \$3 million per year.

Institutional and personnel development

In addition to constitutional reform, many of the institutions of government and civil society will need to be strengthened to provide a robust and durable basis for open, effective and accountable government. A lot of effort is already underway in some of these areas. But it needs to be consolidated and extended into a comprehensive and sustained program. This program might cover the parliament, public service, auditing and ombudsman functions, and the press. It seems a long list, but the scale is small and the tasks not in themselves overwhelming.

In many cases—for example the auditing and ombudsman functions—it may be better to provide services from an overseas source than to try and establish a viable local capability. The Solomon Islands Government could 'contract-in' important functions of government, such as treasury and finance functions. In other cases a sustained program of postings of key skilled expatriates into local organisations, and developmental secondments of Solomon Islands personnel into organisations in donor countries, might be the best approach.

And bringing Solomon Islanders to Australia for continued education and special training is a valuable form of assistance. We should start to build the kind of close educational, social and personal contacts which are so significant in the way New Zealand manages its relationships with its closest South Pacific neighbours. Maximising the level of personal contact between Australians and Solomon Islanders should be the foundation for the broadest form of engagement.

Perhaps the hardest and most critical area is the development of parliamentarians' skills in the responsibilities and obligations of representative government.



Simon Merrifield, the DFAT leader of the International Peace Monitoring Team, thanks the villagers in the Reko district during the first official weapons handback ceremony, 29 November 2000. AAP/Defence PR © 2000 AAP

This is an area in which Australia's parliaments, and the parliaments of other regional countries, could make a decisive contribution.

The key to success in this area, as in the police development program, is the willingness to undertake a long-term sustained effort involving the posting of significant numbers of Australians and other foreign nationals to Solomon Islands to help develop the country's institutions and capabilities, and the growth of much closer intimacy between Solomon Islands and other regional countries, including Australia.

This program of long-term institutional and personnel development is hard to scope and cost. A program of \$10 million per year would provide a robust foundation.

Economic and social development

The long-term viability of Solomon Islands will of course depend on its economic and social development. The SIRA program would therefore need to embrace a long-term plan for the development of key economic and social capabilities, including education and health services. One important aspect of this program would be the progressive amelioration of the causes of ethnic/tribal/communal animosities.

Again there are already impressive programs underway in a number of key areas. The task of SIRA would be to coordinate and extend these programs to ensure that they provide comprehensive and cost-effective support to Solomon Islands' own efforts to improve their lot. Support for primary and secondary education is especially vital. There also needs to be a strong focus on stimulating private enterprise, as well as getting exports going again, especially gold, timber, fishing and tourism. This could all cost \$50 million per year.

Costs

How much?

Phase One. On the very rough estimates provided here, the overall costs of the short-term one-year program of stabilisation for Solomon Islands would be \$97 million, broken up as follows.

Police	\$60m
Military	\$2m
Judicial	\$10m
Correctional	\$10m
Financial admin	\$5m
Short-term aid	\$10m
Total	\$97m

Phase Two. The annual costs for a long-term program of capability development for Solomon Islands as outlined here would be as follows:

Police	\$10m
Judicial & correctional	\$5m
Constitutional reform	\$3m [for two years]
Institution building	\$10m
Social and economic aid	\$50m
Total	\$78m per annum, for the first two years, \$75m per annum thereafter

Some of this may be offset against the current aid program, but most will need to be additional.

In round terms this means the rehabilitation program would cost \$97 million plus \$78 million per year for two years, then \$75 million for the next eight years, a total of \$853 million over a decade.

Who pays?

What part of this huge sum might Australia end up paying? That depends partly on how well we can persuade other countries and their governments that they also have an interest in stability and good government in Solomon Islands. We will look at the composition of the SIRA and its supporters in a later section.

But to be realistic, it would be sensible to assume that Australia will end up paying half the costs of the kind of effort we are talking about here. That means the rehabilitation of Solomon Islands would cost Australia in the vicinity of \$40 to \$45 million per year for a decade.

How does that compare with the kinds of costs we have paid and are paying to achieve strategic objectives elsewhere? Here are some examples.

PNG	\$351 million in aid for 2002–03 (est)
East Timor	\$36 million in aid for 2002–03 (est)
Vietnam	\$72 million in aid for 2002–03 (est)

The SIRA

Structure and governance

The Solomon Islands Rehabilitation Authority would be an ad hoc multinational agency established jointly by a group of interested countries and international organisations who are committed to supporting the rehabilitation of Solomon Islands.

SIRA would not take over the government of Solomon Islands completely. Its remit would extend only to those areas—law and order and financial management—in which decisive intervention is urgent. Other functions could continue to operate through the existing Solomon Islands Government structure, though often with substantial input from SIRA in key areas.

Obviously one possibility would be to ask the United Nations to take responsibility for the rehabilitation of Solomon Islands, by establishing a full-blown UN interim administration as they did in East Timor and Cambodia. It is in Australia's long-term interests for the UN to become increasingly engaged in the South Pacific, and it should be encouraged to play such a role. But the UN might prefer regional countries to set up a local solution for a problem which is still small enough to be managed by the region itself.

Other alternatives would be to establish the SIRA under the direct auspices of one of the existing regional multilateral forums such as the ASEAN Regional Forum (ARF) or the Pacific Islands Forum (PIF). However, we believe it would be better to establish an ad hoc grouping that drew together interested countries and organisations specifically for the task.

We would propose that the SIRA should be endorsed by the UN Security Council and that other relevant regional multilateral groupings might be invited to participate in and support its work.

It is too early to be specific about exactly how this model of the SIRA might be established. But there are a number of recent examples of such ad hoc multinational agencies which give an idea how it might work. One example is the Peace Implementation Council (PIC), which was established under the Dayton Accords to oversee the implementation of the peace settlement in Bosnia and Herzegovina. Another example, much closer to home, is the Peace Monitoring Group (PMG) in Bougainville.

POSSIBLE MODELS: BOSNIA AND PNG

The Peace Implementation Council was established at the Peace Implementation Conference in London on 8-9 December 1995 following the cessation of the hostilities in Bosnia and Herzegovina. It has a total of 55 countries and agencies—the attendees of the Conference—and together they take responsibility for all civilian aspects of the Bosnian reconstruction effort. A smaller Steering Board (comprised of the G8 countries, the EU, the EC and the Organisation of the Islamic Conference) forms the executive arm. Final authority for the day-to-day efforts in Bosnia is vested in the High Representative, who receives political guidance from the Steering Board.

The PIC is not a UN initiative, but it has been endorsed by the Security Council in several Security Council resolutions. The High Representative is nominated by the Steering Board, and then the UN Security Council endorses him or her.

The Peace Monitoring Group in Bougainville was established in 1998 (as the successor to the Truce Monitoring Group) to monitor and oversee the Bougainville peace process. It evolved out of the *Lincoln Agreement on Peace, Security and Development on Bougainville* and the *Agreement between PNG, Australia, Fiji, New Zealand and Vanuatu Concerning the Neutral Truce Monitoring Group for Bougainville* (amended by the *Protocol Concerning the Peace Monitoring Group* of 29 April 1998). The Australian-led PMG has a multinational Peace Process Steering Committee, which consists of one representative from Australia, Fiji, New Zealand and Vanuatu.

The PMG also has the endorsement of the UN Security Council. A UN Observer mission was established in August 1998 at the request of the PNG Government to monitor the situation on the ground.

At this stage we would suggest simply that a group of interested countries and regional organisations be brought together to form a governing body for the SIRA. They would be responsible for working with the Solomon Islands Government, for setting priorities, for the management of resources allocated directly to the SIRA, and for appointing its staff.

The key appointment would be the Chief Executive of SIRA, who might be called the Senior Representative (SR). He or she would be responsible to the governing body for the implementation of the plan on the ground in Honiara. This would be a demanding job for a senior person with experience as a government minister, a senior official or military officer, a senior judicial officer, or a senior businessman or woman with extensive government and international experience.

Whether a smaller executive board was needed to provide more regular guidance to the SR would depend primarily on the number of participants in the full governing body. If there are no more than say twelve members of the full governing council, it may not be necessary to have a smaller executive board.

It would be critical for the credibility of the whole project that Australia did not seek to dominate the governing body, nor to monopolise key positions on the SIRA. Indeed we think it would be best for the SR not to be an Australian, partly for that reason.

Participation

Who might contribute to the SIRA? Our starting point is that Australia would take the lead in energising the regional community and drawing the group together. But provided our lead was strong enough, we believe that a number of other regional countries and groupings might be interested in participating

New Zealand, with its traditional interest in the Southwest Pacific, is the first port of call. Its active support and participation would be virtually essential to the viability of the proposal. That support is likely to be forthcoming. Many people in New Zealand are worried, as Australians are, at the depressing long-term trends in the Southwest Pacific, and about the problems in Solomon Islands specifically. New Zealand identifies as a key national interest the stability and security of the Southwest Pacific, and would welcome more active Australian efforts to address these issues, especially if framed within a cooperative regional multinational context.

Papua New Guinea, Fiji, and Vanuatu would be important both as neighbours of Solomon Islands, and as leaders in the Southwest Pacific community. They might be anxious about any precedent for unwanted intrusion in the affairs of the Pacific Islands countries, but they may also welcome Australian willingness to do something comprehensive about the problems in Solomon Islands. And they would be reassured by the desire of Solomon Islanders themselves to seek effective international help, and would recognise the importance to their security interests of a stable and peaceful Solomon Islands. They have already contributed substantially to earlier peace efforts in Solomon Islands, and have a good understanding of the situation there. Their personnel could make a critical contribution to the effective working of the SIRA.

The Pacific Island Forum and its wider circle of Pacific Island community members would be important both individually and collectively. The support of the wider Pacific Island community would enhance the legitimacy of the project, and the Forum and its members could provide another valuable source of expertise in managing problems of governance and development in the Southwest Pacific. Participation by the PIF in the governing body of the SIRA might be an effective way for the wider Pacific Island community to contribute.

Britain, as the former colonial power and a key contributor to Solomon Islands, would have much to offer, and is likely to support a comprehensive approach to the problems of Solomon Islands if the proposal was well thought out. Britain has a demonstrated commitment to Solomon Islands,

as evidenced by the British Police Commissioner there. And through its role in the Balkans, West Africa and elsewhere, Britain has been at the forefront of the development of new types of international response to internal problems in failed and failing states, similar to those we see in Solomon Islands. Britain would have much to contribute in specific expertise as well.

The European Union (EU) has also demonstrated an interest in and commitment to Solomon Islands. For example, the EU is providing funding in sectors such as education. The EU's involvement in the Balkans (such as the European Union Police Mission in Bosnia, which has this year taken over from the UN's International Police Task Force) means it has considerable statebuilding experience.

France, as a Pacific power in its own right and a major contributor to multilateral security efforts around the world, would also be an important potential participant. It has a clear and direct interest in the stability of the Melanesian arc of which its own territory of New Caledonia is a part, and it might welcome an opportunity to be drawn more closely into regional cooperation on key security issues. France's extensive recent experience in the Balkans and West Africa, and its experience in the Pacific, mean that it would have much to offer the SIRA. And the collegial solution reached under the Matingon/Noumea Accords could provide some helpful lessons in peacebuilding in the Pacific context.

Japan is among the most important potential participants in the proposal. It is a key leader in the Asia Pacific, sharing strong interests with Australia and other countries in the stability of the Southwest Pacific region. Japan would bring not only substantial political and financial weight to the proposal, but also substantial expertise in many forms of development assistance and emergency relief.

Canada has traditionally taken an active interest in the Southwest Pacific, and is, like Britain, at the forefront of international efforts to help failed and failing states elsewhere in the world. We believe that Canada would be worth approaching, and could make a significant contribution of expertise both in the design of the project and in the detailed implementation on the ground.

South Korea, Indonesia and other Southeast Asian countries would also be worth approaching. They all have an interest in the stability of the Southwest Pacific and in the development of effective multinational approaches to regional security problems. All could offer useful support.

Multilateral organisations that might be approached for support—apart from the PIF and the EU—include the Commonwealth, the ARF, and of course the UN itself.

The consent of Solomon Islands

The plan for the rehabilitation of Solomon Islands that we are outlining here depends absolutely on the willingness of the people of Solomon Islands to consent to what amounts to a substantial and sustained intrusion on their sovereignty.

There is strong evidence that the people of Solomon Islands would indeed welcome such an intervention, in order to get their country back on the rails. The statements by two of Solomon Islands' most respected leaders, published in this report, strongly demonstrate the strength of feeling among Solomon Islanders on this issue.

But clearly the willingness of the international community to undertake the major commitments envisaged by the SIRA plan would depend on a clear and unambiguous act of consent by the people of Solomon Islands. This act of consent might come either from the Solomon Islands Government, or perhaps from some other highly credible group recognised as expressing a broadly based consensus among Solomon Islanders that they would welcome the SIRA and the role it is intended to play.

The process will evidently need to proceed in several stages, from early discussions with Solomon Islands leaders to establish the initial viability of the proposal, to more detailed discussions as the concept is firmed up and details emerge.

First steps

There are two steps that would need to be undertaken to move this very broad outline forward.

First, the Australian Government would need to satisfy itself that the kind of policy approach outlined here is viable. This involves both a preliminary discussion with Solomon Islands leaders to ascertain their views and perspectives, and an examination of our interests. We would need to be confident that Australia is prepared to undertake the costs and risks involved in accepting the leading role in developing, promoting and implementing the plan. Our view is that the plan has at least enough promise to warrant further development. If the concept proves workable on closer inspection, Australia's interests in the security of Solomon Islands and the wider Southwest Pacific would justify the costs and risks involved.

Second, Australia would need to initiate discussions with potential participants to determine their interest in the idea, and to get preliminary feedback on the concept. From there, an iterative and intensive process of development and consultation could commence, with the aim of producing a final and detailed proposal.

Notes

1. Alexander Downer, 'Neighbours cannot be recolonised', *The Australian*, 8 January 2003, p. 11.
2. William Reno, *Warlord Politics and African States*, Lynne Rienner, London, 1998, p. 2.
3. As an example of the state failure literature, see Robert I. Rotberg, 'The New Nature of Nation-State Failure', *Washington Quarterly*, Summer 2002, pp. 85–96, and Robert I. Rotberg, 'Failed States in a World of Terror', *Foreign Affairs*, Vol. 81, No. 4, July/August 2002, pp. 127–140.

Contributors

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Perspectives

Sir Fr. John Ini Lapli, GCMG

His Excellency Sir Fr. John Ini Lapli, GCMG, is the Governor-General of Solomon Islands. He is also a Priest and a former Premier of Temotu Province in Solomon Islands.

Rt. Hon. Sir Peter Kenilorea, KBE PC

Rt. Hon. Sir Peter Kenilorea, KBE PC, is the Speaker of the National Parliament of Solomon Islands. He was the first Prime Minister of Solomon Islands and is a former Ombudsman and a former Director of Forum Fisheries Agency.

Acronyms and abbreviations

ARF	ASEAN Regional Forum
ASEAN	Association of South East Nations
BRA	Bougainville Revolutionary Army
EU	European Union
GDP	Gross Domestic Product
IFM	Isatabu Freedom Movement
MEF	Malaitan Eagle Force
NGOs	Nongovernmental Organisations
NZ	New Zealand
PIC	Peace Implementation Council
PIF	Pacific Island Forum
PMG	Peace Monitoring Group
PNG	Papua New Guinea
RSIP	Royal Solomon Islands Police
SAS	Special Air Service
SIIPA	Solomon Islands Interim Policing Authority
SIRA	Solomon Islands Rehabilitation Authority
SR	Senior Representative
TPA	Townsville Peace Agreement
UN	United Nations
UNDP	United Nations Development Program
US	United States



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Our Failing Neighbour

Australia and the Future of Solomon Islands

Solomon Islands, one of Australia's nearest neighbours, is a failing state. Over the past five years, a slow-burning political and security crisis has paralysed the country's capital, stifled its economy, disrupted government, discouraged aid donors, and inflicted suffering and hardship on its people. The consequences for Australia are serious. A failing state on our doorstep engages Australia's interests at many levels, from short-term economic, consular and humanitarian concerns to our most enduring strategic imperatives.

This policy report examines Australia's interests and the problems facing Solomon Islands. It then sets out the following possible policy approach.

Australia could initiate and support a sustained and comprehensive multinational effort, which, with the consent of Solomon Islands, would undertake a two-phase program to rehabilitate the country.

- The first phase would focus on restoring law and order. It would involve a substantial police force of around 150 personnel drawn from donor countries, along with judicial and correctional personnel, being deployed to Solomon Islands for up to a year. An ad hoc multilateral agency representing donor governments and acting on behalf of the people of Solomon Islands would take temporary control of the police and government finances.
- The second phase would focus on building Solomon Islands' capacity for effective government by helping to build new political structures and security institutions, and helping to address underlying social and economic problems.