

# Our Failing Neighbour

## Australia and the Future of Solomon Islands

AN ASPI POLICY REPORT

### 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.

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- The second phase would focus on building Solomons 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 Solomons 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.

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