

# Southern Perspectives on Development: Dialogue or Division?

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**Key Note Address**

*A view on contemporary development issues from the South Pacific:  
Where's the level playing field?*

**Prof Vijay Naidu**  
**University of the South Pacific**  
**Suva, Fiji**

I would like to thank Dr Jenny Bryant for her kind introduction. I would like all of us to stand and keep a minute's silence to mark:

World Aids Day in memory of all those who have died and the millions suffering from this pandemic.

Please keep standing, to commemorate West Papua's 'Morning Star' flag raising day. There are people in that occupied country risking their lives to raise the flag that symbolises their struggle for self determination.

Pacific Greetings!

I would like to thank Andrew McGregor and his colleagues in the 'The Poverty, Inequality, and Development (PID) Research Cluster', Otago University's Conference Organising Committee and the DevNet for inviting me to be one of your key note speakers.

PID is a university-wide inter-disciplinary and multi-disciplinary research cluster is a novelty that other universities, including Victoria University of Wellington can learn from. I acknowledge and pay my respect to Ngai Tahu and to Mr Huata Homes, their representative.

My heartfelt thanks to the people of this land for their warm welcome and blessings to the conference and conference participants. I am humbled by the invitation to be the replacement speaker for my University of the South Pacific colleague, Associate Professor Joeli Veitayaki of who could not make it to the conference. Following on from Hon Luamanuvao Winnie Laban's lucid opening address to the conference, I know that I have a hard act to follow.

I would like to express my gratitude to his Worship Mr Peter Chin, the Mayor of Dunedin, for his warm welcoming speech and his song about southern hospitality. He is special, it is rare to find a mayor that sings and even rarer to find one that sings so well!

I would like to acknowledge the presence of Professor Robert Chambers whom I know from about 25 years ago at Sussex University. He was at the IDS and was held in awe because of his participatory development work in Africa and Asia. He is an engaged scholar and a quiet revolutionary. His impact on the development community internationally is immeasurable.



Since my address is likely to be mostly negative, it is important to note that being in the South, at the 'margins' does not necessarily mean being unhappy. This is certainly testified by the singing Mayor of Dunedin who appeared to be most happy!

As I am likely to forget the most important messages of my address, let me make three points at the outset. First, if the structures behind global inequality were dismantled, 'development' will not be such an issue. This point was made by Elizabeth Mackie of the Christian World Vision at the annual Council for International Development (CID) annual awards. She and Pat Webster were made life members of CID for their long time dedication to international development work. On receiving her life time membership of CID, Elizabeth said that the business of assisting others to develop will be significantly reduced if the policies of rich countries were to be changed. She said that development NGOs should engage in self reflection and advocate changes in their government's policies towards developing countries. For instance, there appears to be significant differences between NZAID's more nuanced approach to the development problems of Pacific island countries (PICs) compared to the hard-nosed approach of the Ministry of Foreign Affairs and Trade. As a New Zealander, she said that CID and its affiliates should engage more actively in this advocacy.

Second, with respect to advocacy, I support, CID's campaign for the 0.7 percent developed countries' GNI for aid. The increased aid will help achieve the Millennium Development Goals (MDGs) and also help towards 'levelling the playing field'. Sub-Saharan Africa and the PICs (especially Melanesia) are lagging behind in the achievement of these goals. They need considerably more support in their efforts to attain the MDGs.

Third, I am holding up a single white lolly, compliments of Air New Zealand in one hand and a packet of jelly beans that came in the conference package in the other. The white lolly is of one colour, reflecting a mono-cultural approach, the dominant paradigm, and the asymmetrical relations of power between North and South countries; the jelly beans symbolise diversity, equality, and plurality. This better represents the goal of equitable international development.

#### Development? What Development?

With the advent of Post-Development theorizing in the wake of the challenges posed by feminist scholars to male centred development thinking, development academics, practitioners and NGO activists realize that 'development' is value laden and political. As such it is important to lay one's cards on the table and say who you are and what is your stand point rather than pretend to be completely impartial and objective. Joseph Stiglitz in his 'Globalisation and its Discontents' (2002) makes rather critical remarks about the World Bank and especially, IMF which expose their ideological and political leanings. Jenny Bryant has partially situated me in her introduction. To complete the picture, I consider myself 'left of centre' in politics and in my analysis of development, I consider myself a feminist. The standpoint that I will be articulating today is that of small island states in the Global South.

This conference is about dialogue and division relating to development. So what is development? It is very much a contested term as it impacts people differently and at

times adversely. Amratya Sen equates it with the liberation of people from 'unfreedoms' and capacity deprivation, and with the exercise of choice and the enjoyment of various freedoms. According to Wolfgang Sachs and some post-development theorists "The idea of development stands like a ruin in the intellectual landscape. Delusion and disappointment, failures and crimes have been the steady companions of development and they tell a common story: it did not work....

Nevertheless, the ruin stands there and still dominates the scenery like a landmark." It is a 'ruin in the intellectual landscape' and a bad smell that lingers on. Development is linked to displacement, to environmental degradation and social and environment disintegration, to conflict and deception.

In Fiji as the 2000 coup unfolded a group of landowners took over the country's largest hydro-electricity dam and incapacitated the turbine by throwing empty 44 gallon drums into the machinery. The blackout surprised urban dwellers in the main island of Viti Levu and they asked why the 'Colo' (inland or bush) people had done this mindless act which had inconvenienced them and cost the country millions of dollars in lost productivity. For the landowners whose land and forests had been inundated and who still lived without electricity for over 25 years of the hydro-dam's existence, this was an act of rebellion that expressed their frustration with the apparent deception by those in authority. They had been short-changed in terms of compensation and while the rest of the island enjoyed the benefits of electricity, they continued to live without the power from the neighbouring hydro-plant.

There are numerous examples, including the Narmada and Three Gorges dams, of such development projects that have displaced or otherwise harmed communities the world over. Development that has been experienced is unequal in terms of its distribution of benefits to people in a country and over the world's peoples and countries. The predicament of indigenous first nation peoples in many developed countries provide very clear example of this grossly unequal and unjust pattern.

In any case the idea of development as pursued in the West is outlined by W.W.Rostow's, *The Stages of Economic Growth: A Non-Communist Manifesto* has as its ultimate goal, the 'mass consumption' society as epitomized by the United States raises questions about unrestrained (and often wasteful) materialism being the ultimate goal of development. Marshall Sahlins in his chapter in Tony Hooper's edited book, *Culture and Sustainable Development in the Pacific*, questions whether shopping malls are the final goal and symbol of the highest stage of human civilization.

Besides its admirable sustained economic growth, the US has gross inequality and entrenched poverty, gated communities, persistent racism, widespread substance abuse, violent crimes, sexual violence and pornography. The US has the largest stockpile of weapons of mass destruction and is the largest manufacturer and exporter of arms. The US development model comes with huge environmental and social costs and its adoption has serious consequences for the planet.

In our world today, 40% of its inhabitants are enjoying the 'good life', while 60% are denied it but encouraged to aspire towards it. If a majority of the world were to achieve western middle class life styles based on contemporary technology, there will



be a global environmental catastrophe. As we know, this calamity is likely to occur even before the benefits of this form of development became widely shared. The question is, 'Is this the end goal of growth economics oriented International Financial Institutions?'

According to Dennis A. Pantin of the Sustainable Development Unit of the University of the West Indies, Trinidad and Tobago, there are very serious challenges facing the world that requires a shift from unsustainable to sustainable development:

"The world is facing critical challenges: increasing urbanization, acceleration in anthropogenic induced climate change and natural disasters, together with growing pollution, loss of both bio- and cultural diversity, alongside linked pandemics of poverty, unemployment (particularly among youth), HIV-AIDS, drugs and crime. A global liquidity glut, simultaneous with the apparent intractable and growing pandemics of health, poverty, drugs/crime and environmental damage reinforces the conclusion that there is need for a dramatic shift in the nature of our economic and social policies, from unsustainable to sustainable development. This assertion begs the question of what exactly is meant by sustainable development and, more importantly, how can it be achieved together with suitable progress indicators."

He goes on to say that small islands can serve as laboratories for testing theories and related strategies and policies for sustainable development:

"..... small islands could illuminate the theoretical and strategy/policy challenges of sustainable development by simultaneously creating fully employed, globally competitive economies, adapting/building resilience to natural events/climate change, as well as creating consumption and production patterns which within the eco-cultural carrying capacities of small places" (from *A World of Islands* (2007) edited by Godfrey Baldacchino).

Wow! I say to this vision! But it is overly ambitious and most probably unsustainable! However, the capacity of small island states of the world varies considerably to achieve the demanding bottom lines of sustainable development as their development trajectories are dependant very much on bigger countries of the world, especially those in their immediate neighbourhood.

This brings us to the relationships between the Global South and Global North in terms of the direction of global development being pursued in the contemporary period. The extent of participation in decision making (dialoguing) about the nature and direction of development most often (if not at all times) depends on the size of a country and level of development is has attained. Military might also matters. Specifically with respect to participatory development, the level of development discourse matters immensely. The extent of participation by the supposed beneficiaries of development reduces as one proceeds from the local community level to the national, the international (or regional) and world stages. Local communities and village representatives do not have much say at the international and global levels.

We also need to take the historical and contemporary contexts into account with respect to dialoguing about development. These came up in a recent discussion with a

senior NZAID hand. There are historical contextual dimensions on the extent that structures and processes established during the colonial era persist and influence contemporary economic, political, social and even psychological outcomes in post-colonial developing countries. Even in former white dominions like Australia and New Zealand, there is a readiness on the part of some colleagues to accept that there is on-going 'colonial cringe'. The story of indigenous people in these countries who together with numerous other settler dominated regions constitute the 'fourth world' continues to be very said on account of the persistent structural violence imposed on them in the name of colonial and post-colonial development. The capacity of post-colonial societal representatives to voice their views and have these given serious attention is compromised by their long standing subordination.

Colonialism just simply did not go away. It left behind structures and modes of thinking that persist. There is an international division of labour which is a colonial construct. Initially, after the Second World War there was a social compact in progressive social democracies of Western Europe which allowed workers and their families to enjoy the benefits of post-war development and to access education, health and financial welfare provisions. There also appeared to be a social compact with former colonies.

During the 1950s to the early 1970s, some former colonizing powers accepted the responsibility of their exploitation of colonial resources and peoples. They accepted that some harm had been done, some gaps left behind and there was a shortage of capital and capacity. They sought to make amends for this. Overseas development assistance by metropolitan countries could be interpreted as reparation for many short-comings left behind in the wake of colonialism and for resourcing unfinished 'business' such as human capital development. A number of us owe our education to such aid; we are beneficiaries of such aid. But this social compact was thrown out of the window in the 1980s and 1990s when the Washington Consensus had taken root manifesting itself in Reaganomics and Thatcherite policies. Neoliberalism backed by the Wall Street and free marketers had its hay day. The debt burden of many developing countries was unscrupulously exploited together with conditional aid (no longer a social compact) to force through reforms that ultimately benefited banks and financial institutions in G7 group of countries. IFIs led the charge by preaching neoliberalism and the rolling back of the state.

In the Pacific, Australia and New Zealand combined to use regional organizations such as the Pacific Islands Forum Secretariat to push reforms and to use bilateral aid as leverage for what was considered to be the right medicine for lackadaisical natives in the region. Tremendous hardship was caused in the Global South without any significant gains. If anything most 'patients' recovery had been adversely affected by this treatment. Unfortunately, the push for reforms continues in the guise of the discourse around 'trade effectiveness' in the current period. Often times the objectives and outcomes of aid is determined in the capitals of powerful global and regional states rather than in consultation with supposed 'development partners'. While the Paris Agreement and the push towards harmonization and to pursue 'best practice' with respect to aid by donor countries may provide a 'bigger bang for every aid dollar', questions can be raised about the asymmetry of power relations between them and recipient countries –and indeed about neo-imperialism and neo-colonialism.



### Southern Perspectives: Dialogue or Division or Imposition?

A very fundamental dimension in the relationship between North and South countries is the asymmetry of wealth and power, might and propaganda possessed by the two sets of countries. The 'Southern' voice is eclipsed and marginalized, manipulated and distorted by western mainstream media. Generally, the latter's portrayal of the South is negative. Here we have the majority of the world's people but their needs and aspirations, challenges and successes are of little interest to mainstream media. Regular reporting of disasters is accompanied by occasional, superficial and patronizing coverage of their achievements. Take for instance the publicity given to George Bush and Tony Blair who are on the way out of leadership positions in their respective countries. They are destined to the garbage heap of history and should be tried for violating international law and for crimes against humanity. Yet, everything they say and do just about gets reported in the media. Their every utterance is reported by BBC and CNN. New Zealand mainstream media faithfully bring these pronouncements to us.

By contrast, the recent state visit by the President of Chile, Her Excellency Michelle Bachelet, the first woman to hold this most important position in that country and who was a victim of torture during Pinochet's dictatorship was hardly mentioned in the New Zealand media. A woman president's visit in a country where women hold a number of very influential positions appears to have been of little interest to the mainstream media here. A couple of years ago, the South Pacific Games were held in Fiji. Although this was the most significant event in the sporting calendar of PICs, it was barely received attention in New Zealand. It is in this manner that the South is kept at bay and remains voiceless, even here in New Zealand.

Moving on to global governance structures – the UN System, the World Bank, the International Monetary Fund and the World Trade Organisation, we find a crystallization of global structural inequality and policy making that perpetuates this inequality. These multilaterals preach to the world and especially to the global South, 'good governance'. Yet their organizational structures are dominated by North-country interests and personnel. There is for instance, an understanding with respect to the two Bretton Woods institutions that if one has an American as its head, the other must have an European and vice versa. This type of arrangement would be unacceptable if there is an open merit based system of recruitment. How can anybody say that Paul Wolfowitz appointment as President of the World Bank was anything but cronyism? Where were the transparency and the accountability that this institution has been insisting on with respect to Wolfowitz's appointment as its head? His behaviour since his appointment reflects the personal predilections associated with cronyism.

We have a problem with free trade that is being pushed by the multilaterals, especially IFIs. The General Agreement on Tariff and Trade has been superseded by the World Trade Organisation (WTO). This is potentially a very powerful organization that can make rules on trade and compel countries, especially those from the South to comply. Such rules may even be at the detriment of developing countries. WTO rules extend over goods and services as well as intellectual property rights. The multilateral agreement on investment has been put into the back burner for the time being. From the perspective of a democratic country, the major issue is that once a government

signs into the dotted space, the country is irreversibly locked into the agreement. This means that both national sovereignty and policy space are constricted. Does this not compromise participatory democracy?

It appears that global economic institutions have sought to lock in the current status quo of North and South countries. Ha Joon Chang and Oxfam have said the same thing in different ways about 'kicking away the ladder' so that developing countries are stuck at the bottom. North countries are pushing policies and rules that they themselves did not follow on their road to development, mainly to hold down South countries.

Other issues such as the 'war on terror' divide countries along North and South lines. The UN accepts that the invasion of Iraq was illegal but who will bring the perpetrators of this war to justice? Will they be tried in international courts of justice? This is again an issue that relates to power dynamics on the world stage. There are some areas of disagreement between North and South but there are some areas of agreement as well. There is consensus on the need for development and that cooperation between North and South is likely to make this feasible. A good example of this cooperative approach is the Millennium Development Goals (MDGs) which are high moral and noble goals. A hundred and ninety-one countries have signed the Millennium Declaration of which the MDGs are a part. There is also considerable agreement on tackling HIV/AIDS on a world-wide basis. Addressing other potential global pandemics also brings North and South together.

### Globalisation- the level playing field?

This brings me to the question of globalization and its consequences for the South. That there is globalisation there is little doubt. Manuel Castells and Anthony Giddens have written volumes about the global network society. Other scholars have said that the ICT revolution is of industrial revolution proportions. Time and space have indeed shrunk. The rapidity of movements of ideas, money, goods and people are unprecedented. Billions of dollars are moved across the world in a matter of seconds. Events in one remote corner of the world can be observed in real time in another corner of the planet. On a daily basis the internet and our e-mail keep us informed about matters of interest that each of us has globally. While this is amazing, there is nothing inevitable about it. There are claims that globalization is inevitable and there nothing that can be done about it. But it is not an act of God or even entirely due to technology! That is technology gone wild! There are powerful interests that are driving globalization and 'Free Trade'.

Globalisation is a human creation and to say that there is no alternative (TINA) is defeatist. Just as it is driven by powerful economic interests, it can be managed for the best outcomes for humanity as a whole. The WTO is promoting the freeing up of trade for corporate interests based in the North. There is talk of level playing field in a global free market rule based system. Regional and bilateral FTAs are also being negotiated and or forced down the throats of developing countries. Free trade has adverse consequences for small island states.

With the phasing out of non-reciprocal preferential trade agreement such as the Cotonou Agreement between the European Union and the African, Caribbean and



Pacific (ACP) countries the economic and social conditions in these countries are likely to deteriorate. This is very worrying from the standpoint of small island states. If anybody tells me that Fiji and Jamaica can compete with China on a level playing field, I'll ask him to have his head checked. Where is the comparative advantage? Fiji's garment industry has contracted over the last 5 years by about 75% as companies shift their operations to China and other Asian countries. This is because the non-reciprocal preferential trade agreements that were the bases of their establishment are not compliant with WTO rules. Fiji's sugar industry is on a steep nose dive partly because of internal factors but also because the Cotonou Agreement between EU and ACP countries governing sugar prices has been deemed to be non-compliant with WTO rules. Our 'good friend' Australia with Brazil and Thailand have litigated successfully against the EU. As a result sugar prices are likely to fall to a point where it is not worth the while of farmers to cultivate this crop. The livelihood of about a quarter of Fiji's population is likely to be affected by this turn of events.

Similar trends no doubt are affecting African and Caribbean countries with respect to textiles and other commodities that they have been dependent on. The loss of the trade preferences with EU mean that Fiji can no longer expect higher than world market price for its sugar exports to the EU. The loss of trade preference as a result of the phasing out of SPARTECA and other bilateral trade agreements mean has meant the closing of most garment factories in the country. More and more people are leaving their farms and opting to move to towns and cities to add to the number of slum dwellers in the urban areas. Unemployment and poverty are on the rise in Fiji and many ACP countries. Professor Wadan Narsey of USP and Professor Jane Kelsey of Auckland University have made critical commentaries on PICTA and the impending PACER and EPA negotiation.

Intra-regional trade among PICs is very small, and already there have been a 'biscuit war' and a 'corned beef' war between Fiji and Vanuatu and Papua New Guinea and Fiji respectively. In Vanuatu local biscuit manufacturers felt threatened by Fiji-made biscuits while producers of canned meat in the latter country did not like competition from Papua New Guinea. Behind the tiff between governments and factory owners are the jobs of workers in countries where employment prospects are very limited. It has been observed by them that these agreements favour the larger and powerful partners, depriving the smallest island states of the limited value-added activities that they currently may have and that there has been no social or environmental impact assessments of the envisaged trade regimes.

Free trade has serious implications for Pacific islands fisheries as it is likely that European Union ships will join other distant water fishing nations to exploit this resource in an unsustainable way. Although more than US\$2 billion is generated by Pacific fisheries annually, only US\$50 million accrue to island states. With the arrival of European ships the balance in favour of foreign countries is likely to increase, and worse still, Pacific fisheries are likely to be depleted in the same way as north Atlantic fisheries. The Pacific Plan envisages regional economic integration as part of its 4 pillars of economic growth, sustainable development, governance and security. It is critical that the economic integration process does not end up further deteriorating the circumstances of the smallest states in the region. Their development indicators must be a measure of how well 'free trade' and regional economic integration are contributing to the well being of the peoples of the region.

#### Diversity in the South

I have commented on the enormous difference between countries of the south when I mentioned China in comparison with Fiji and Jamaica. The fact of the matter is that it is not only a matter of dialogue and dissent between North and South. Over the last 60 years there has been considerable change in the situation of post-colonial countries. The South is extremely diverse and do not have similar interests in all matters. There is a diversity of views in the South. We all know about the oil rich countries. OPEC's decisions on crude oil output and price have affected both rich and poor countries over the last 40 years.

With contemporary economic trends, 'big is better', the 'bigger the better! Most investors have headed to China; India too is doing very well. These countries and Brazil, Mexico, Indonesia and in time, Nigeria are likely to join the Asian Tigers. They would share many attributes of developed countries that belong to OECD. Their industrialization has little regard to environmental degradation. They pay lip service to 'sustainable development'. With the USA and Australia, they are fully committed to the notion, 'economic growth first and environment later'. They therefore have interests in common with rich polluting countries rather than small island states. The latter are suffering the brunt of global warming and rising sea level. This is not something that will happen in the future, actually it is happening now.

In Kiribati, Tuvalu and the Maldives - all atoll states - fresh water lenses are becoming more and more brackish because of salt water intrusion. Tidal surges are affecting homes and limited garden areas. Already 2000 people have been relocated from Carteret Islands to Bougainville because their home land has become uninhabitable because of rising sea level. These are the first environmental refugees from global warming and there are likely to be more in the next two decades. However, until recently our biggest neighbour, Australia was not perturbed about rising sea level. It is the major producer of green house gases in this part of the world. I do not need to dwell on the fragility of island ecosystems and the dangers that they face with climate change. They have already limited economic opportunities which are likely to be further constrained with rising sea level.

With respect to limited economic opportunities for the Asian Development Bank and other IFIs, land ownership and control in PICs have been a preoccupation. Communal land ownership is seen as constraining economic development. For indigenous Pacific islanders land has a social, cultural and even spiritual value and it is not a commodity. In fact shared kinship group ownership of land has helped to stave off extreme inequality and poverty. To make the land use more productive, one need not jump from communal forms of ownership to individual ownership. Other options of accessing land through secure leaseholds should be explored. This should be a matter of dialogue rather than dogmatic asserting the notion that all factors of production should be bought and sold freely in the market. Because of limited opportunities for employment and higher education, island people have been migrating to rim countries for some time. This is a matter that was addressed in Hon Winnie Laban's speech.

A number of Pacific island countries have become remittance economies. My colleagues at Victoria University, Geoffrey Bertram and Ray Watters arrived at a



model of development for small island states 25 years ago as an alternative to capitalist industrial development in much larger countries of the world. The reason for this was very simple, in these island states with their very small domestic markets, it is unlikely that the development path will be a movement from agriculture to industrialization and thence to a tertiary sector centred on services. In these places industry will not grow. Bertram and Watters called their model, MIRAB.

Even export oriented industrialization will not grow because of the absence of economies of scale and the high cost of production. Without preferential access to larger markets that help override uncompetitive cost structures, industrial development is unlikely. The Yazaki motor vehicle wiring plant in Samoa and garment factories in Fiji were established only because of the preferential access to the Australasian market made possible by SPARTECA and other trade agreements. As indicated earlier, the loss of the preferential access which involves reduced or zero tariffs mean that these labour intensive industries will migrate to China. Significant increases in unemployment are likely.

Bertram and Watters' MIRAB model also captures the necessity of labour migration from island states and their reliance on remittances. The shift to the 'point system' for long term migrants to Australia and New Zealand has had detrimental consequences for migrant sending Pacific island countries. There is a need to examine how the preference for skilled migrants has negatively affected the development needs of the smaller PICs.

With respect to migration, there is another issue that has emerged in recent times. Pacific Rim countries have adopted a policy of deporting young migrants, often the children of first generation migrants, who have offended against the law, and who do not have satisfactory citizenship documents. In the Nukualofa riots in November, it was discovered that many of the younger people involved were deportees from the United States, Australia and New Zealand. They had grown up abroad and had great difficulties in adjusting to life in the islands. They readily engaged in burning and looting.

There is an enormous trade in-balance between Australian and New Zealand, and PICs. This is of the order of a billion Australia dollars. Given this huge imbalance, there is scope for more development assistance to the island states. Instead of providing aid openly and without strings attached, we now have aid effectiveness as a centre-piece of development discourse. Given the enormous imbalance in the trade between developed and developing countries in the region, one would think that 'aid effectiveness' would not become the sole basis for development assistance. In any case how is effectiveness measured; whose agenda is being followed and who benefits from the measurement of effectiveness.

My former colleague, Dr Asinate Mausio researched Australian Aid to Fiji during the Alliance Party rule in the 1970s and 80s. She found that development assistance had been provided entirely on an ethnic basis and it was for large scale rural development projects. All the projects failed. People like Helen Hughes put the balance of blame for such failures on local people but when one examines on how the projects were conceived and put together and whether the supposed beneficiaries had been consulted, a very different picture emerges. The fact that all procurement of material

and consultants was vested in an Australian firm and were obtained from that country, the Australian government budgetary year was different from Fiji's, and the people at the 'coal face' of the projects actually did not have control over funds to purchase materials that were needed urgently, point to a more collective responsibility for the failure of these projects. Institutions and processes rather than local people and their culture were largely responsible for the series of fiasco. Blaming the victim does not help in clarifying how best to utilize ODA.

As in the case of the 'aid effectiveness' discourse, one size fits all type of approach is seemingly being applied in the reform agenda in the region. Dr Claire Slatter has shown that the Pacific Islands Forum Secretariat has been very instrumental in pushing reforms on PICs. The Forum of course is heavily dependent on aid from the bigger members and partners. And in this context, we see aid entities in Australia and New Zealand working at cross-purpose with trade entities of these countries. The trade people are pushing for trade reform, reducing trade barriers and promoting free trade whereas the aid people have more nuanced understanding of development issues. There appears to be some problems among them internally within these governments.

There is therefore a need for 'North-North' communication and dialogue within governments and between governments, even before we speak about their dialoguing with northern NGOs. These reforms have serious implications. Most island countries are dependent almost entirely on government revenues from tariffs and duties on imported goods and in some cases on export items. In many countries income tax is very low because the number of people employed in the formal sector is relative small. As the private sector is also modest in size, there is little scope for generating revenue from company tax. With the reduction of tariffs and duties -free trade- there will be a serious decline in government revenue and therefore the public sector's ability to build and maintain infrastructure and to provide basic services such as health and education.

Those who push reform suggest that governments can generate revenue from forms of indirect taxation such as GST and VAT. In Fiji and Samoa there have been large demonstrations against these forms of regressive taxation. Indeed, part of the instability problem in Fiji has to do with anti-poor policies of governments. Public sector reform is a 'big thing' in the islands. There is no doubt a need to make this sector more efficient and responsive to the development needs of the country. However, it is critical that the reforms are carried out with sensitive to the local situation. An issue that requires scrutiny is the part played by public sector reform in the tension, conflict and breakdown in the Solomon Islands. Who pushed reform and how it was carried out is pertinent to the ethnic conflict that exploded in the country that was relatively peaceful till the late 1990s. Reform in the public sector did not take into account its multiethnic nature and its preponderance, especially at the senior management and leadership levels of people from one region. And even if downsizing or 'right sizing' may have affected all ethnicities, it was likely to be perceived in wider society that those behind it were of a particular ethnicity.

Sadly, the role of reform and the public sector debacle in the wake of the 'tension' in the country has not been fully addressed. The real culprits are not there and it is easy to blame it on ethnic dislike and hatred! Why did the conflict blow up in the 1990s?



Why not earlier? When questions like these are asked, then it is realized that merely resorting to ethnic differences and dislike is not adequate explanation for what transpired in the Solomon Islands. The same kind of conflict is likely to happen in Fiji with public sector reform if it is not handled carefully. Ethnic Fijians constitute around 70% of public service employees and at the senior-most levels, more than 90%. Fiji like most other PICs is not a welfare state. If the sector is downsized where will the employees go? What are the implications for wider society? The likelihood of tensions and even conflict will certainly be high if the reform process is not managed carefully and sensitively. A more nuanced understanding is therefore really critical.

What we have learnt about development in the last 50 years is that it is a rather complex multi-dimensional process. There is no set recipe for development and that new lessons about development are being learnt continuously.

#### Development Learning

The term 'Cognitive Justice' which denotes a paradigm shift from our lopsided understanding of things based on dominant world views to more balanced and holistic combination of approaches applied to development thinking and action. A better understanding of development means to move away from slavishly following 'god-like - World Bank' type pronouncements coming from above to other perspectives about development. We have not reached the 'development nirvana' following the dominant approach. It is apparent to me that development is about leaning and grappling for solutions to development challenges together. Local people know about their context as much as or more than an expert may know about the subject matter.

Local understandings need to be respected and taken on board. More generally, 'we may know some things about certain things, and other people may know other things about the some things and still other things', by sharing our knowledge we may find ways forward. It is this kind of more humble and modest approach that we lead us to genuine development pathways. Cognitive Justice is therefore the acceptance of different approaches and ways of thinking. This has been especially recognized with the advent of 'Post-Development' thinking which has strongly attacked grand theories and meta-narratives and has firmly put local and indigenous knowledge, cosmologies and approaches on the development agenda.

It was fascinating to listen to Huata Homes speaking about Maori cosmology and approach to development. He also spoke of a more holistic approach rather than one based on the economy or the political. My colleague, Professor Kabini Sanga has initiated 'rethinking of education in the Pacific islands' to challenge existing ways of thinking about education so that education can be more firmly grounded in local cultures and serve local needs. NZAID has taken a refreshingly new 'hands off' approach in this project.

Another colleague, Professor Joeli Veitayaki is working with local communities in the fifth largest island of Fiji, Gau using 'participatory action leaning' approach to bring about 'integrated conservation and development' to benefit such communities. He has used his knowledge as a marine resources specialist to deepen understanding between coastal communities and their natural environment all the way up to the watershed and mountain forests. He has been addressing livelihood problems including declining

marine and fisheries resources. He has build trust with local people and has advanced traditional modes of resource management which they understand to re-generate coastal and marine resources. A combination of the knowledge of the expert and local people applied in a sustained and long term basis has contributed to development learning and to positive development outcomes.

With feminist scholarship in the last 30 years development as a 'man-centred' phenomenon has been exposed and challenged. Gender equity has been brought firmly into development understanding through gender and development approaches. The 'Rights Based Approach' is also very important as it addressed human rights in the context of citizenship of a country and their entitlements as citizens. 'Make Poverty History' is a global initiative to secure basic needs entitlement for all citizens of this planet. Amnesty International has recently moved away from publicizing and advocating against gross violations of human rights only to a more human security approach towards its work. So its not just human rights on its own but linked to rights to development that includes food security and other forms of security.

Another matter that we need to take on board as an issue for dialogue is the pace of change. My colleague Richard Willis pointed out to me that the speed of change can be difficult to manage with unanticipated consequences for communities. In the case of Maori, for instance, in 1948, 75% lived in rural areas by 1978, 75% had become urban and primarily an urban underclass. This transformation in a generation had all kinds of consequences for Maori communities that have yet to be fully understood and addressed. The rapidity of change has affected how well they have adjusted to the transformation that has engulfed them.

As we well know from Josef Stiglitz's analysis the rapid change in Russia caused widespread havoc and massive hardship as that large country reformed. Inequality and poverty increased geometrically. Similar accelerated pace of change has caught PICs and their inhabitants. Some of you will recollect the Port Moresby was a safe town in the early 1970s; one could walk around the city without any fear at all and one could sleep with windows wide open without burglar bars. The city is quite a different place now on account of muggings and violent crimes. Honiara in the 1980s was again considered in a positive light but a decade later it has acquired a negative image. Homes in Suva city neighbourhoods are characterized by high fence topped by razor sharp barbed wires, electronic security systems and guard dogs as defence against burglary and home invasion. Currently, Port Vila remains as a safe town but for how long? The form and pace of change in PICs has not been equitable, just, or inclusive and unemployment and basic needs poverty have increased most dangerously.

From Mike Davis' '*Planet of Slums*' (2006), we learn that with globalization 'gigantic shift in the zones of the south' from 3.2 billion to 10 billion is likely in the next three decades. He maintains that the 'Big bang' of urban poverty manifested in many ways by slums came about because of 'Structural Adjustment Programmes' (SAPs) pushed by IMF and the World Bank in 1980s/1990s. These destroyed rural small holders. Similar projects are under way in PICs. In Melanesia where more than 80% of the population has been rural and agricultural, urban growth rates are twice as population growth rates. Managing the shift from rural to urban livelihoods is the major challenge for all South countries including PICs.



We need to dialogue about local, national, regional and planetary development and their consequences. We know current forms of development and the quest for Western 'middle class lifestyles' will adversely affect global wellbeing. We need to find alternatives to dominant approaches to development. Local and indigenous knowledge must be taken on board. Sustainable development is likely only if it takes more participatory forms and is seriously mindful of the views of vulnerable and hitherto marginalized groups. On the agenda are putting an end to one size fits all thinking, environmental sustainability and climate change, social sustainability, inequality and effective poverty reduction, managing the rapidity of change, attending to the needs of vulnerable groups and global pandemics including HIV/Aids and the 'bird flu'. Attending to human security of all the planets inhabitants with due regard to the natural environment provide the broad parameters for both North-South development.

Finally, island states of the South and PICs in particular are like canaries in a coal mine, the health and survival of small islands states in this age of globalization and global warming will be a measure of what will befall the bigger and better-off countries of the world.

Thank you, Kia ora and Vinaka vakalevu