Corruption

in Pacific Island Countries

UNDP
Pacific Centre

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Acronyms

ACP-EU	Africa, Caribbean and Pacific – European Union	NBF	National Bank of Fiji
ADB	Asian Development Bank	NIS	National Integrity Systems
ALACs	Anti-corruption Legal Advisory Centres	NISPAC	National Integrity Systems Pacific Islands Study
AML	Anti-Money Laundering	NGOs	Non-government Actors
AMLAT	Anti-Money Laundering Assistance Team	OCO	Oceania Customs Organisation
APGML	Asia-Pacific Group on Money Laundering	OECD	Organisation for Economic Cooperation and Development
CCAC	Community Coalition Against Corruption	PALP	Pacific Anti-Money Laundering Programme
CCF	Citizens' Constitutional Forum	PCPI	Pacific Centre for Public Integrity
CHARM	Customs Heads of Administration Regional Meeting	PEFA	Public Expenditure and Financial Accountability
CTF	Counter Terrorism Financing	PICs	Pacific Island Countries
CTT	Corruption Targeting Team	PIDC	Pacific Immigration Directors' Conference
DAC	Development Assistance Committee	PILOM	Pacific Islands Law Officers Meeting
DG TAXUD	European Union Taxation and Customs Union Directorate-General DoFT Department of Finance and Treasury	PJDP	Pacific Judicial Development Programme
		PNG	Papua New Guinea
		PPF	Participating Police Force PPP Purchasing Power Parity
EKT	Ekalesia Kelisiano a Tuvalu	RAMSI	Regional Assistance Mission to Solomon Islands
ERU	Economic Reform Unit		
EU	European Union	SIPF	Solomon Islands Police Force
FATF	Financial Action Task Force on Money Laundering	SPASAI	South Pacific Association of Supreme Audit Institutions
FICAC	Fiji Independent Commission Against Corruption	SPCPC	South Pacific Chiefs of Police Conference
FIU	Financial Intelligence Unit	TI	Transparency International
GDP	Gross Domestic Product	UNCAC	United Nations Convention Against Corruption
HDI	Human Development Index		
HRBA	Human Rights-Based Approach	UNDP	United Nations Development Program
IDC	Inter-Departmental Committee	UNODC	United Nations Office on Drugs and Crime
LDCs	Less-Developed Countries	USP	University of the South Pacific
MDGs	Millennium Development Goals	VNPF	Vanuatu National Provident Fund
MOG	Machinery of Government		

Contents

Executive Summary

The small island developing states of the Pacific face a set of particularly demanding development challenges in their limited geographical size, dependence on narrow resource bases, limited international trade opportunities, distance from major capital and goods markets, coupled with their particular vulnerability to natural and environmental disasters. In few other regions have societal changes over the past two decades been as dramatic and pervasive as in the Pacific region, engulfing significant political, economic, social and technological transformation. However, the lack of economic growth in the face of growing populations has contributed to rising unemployment and hardship in the region. Pervasive poverty among the Pacific Island Countries (PICs) has exerted pressure on available resources, exacerbated rural-urban migration and emigration of skilled labour to other developed countries thereby threatening the viability of their economies. While there has been progress in several countries towards achieving some of the core Millennium Development Goals (MDGs), these improvements are unlikely to achieve agreed targets within the next ten years.

It is generally perceived that the lack of significant progress in poverty reduction and improvements in public services have not corresponded to the level of assistance provided. One of the major reasons is poor governance exacerbated by the effects of civil conflicts and political instability in some of the PICs (e.g. Solomon Islands, Fiji, Tonga and Vanuatu). Corruption, due to a lack of and/or weak transparency and accountability is often cited as one of the key reasons for poor governance. The most recent survey on the national integrity systems of PIC conducted by Transparency International in 2004 found that national accountability institutions are generally ineffective in addressing corruption. A recurrent issue that comes out of various surveys and consultations is the complex interrelationships between culture and traditional systems in shaping people's understanding and perception of corruption and how culture influences corrupt behaviour. The objective of this project was to conduct a study on corruption in Pacific Island Countries (PIC) with the view of highlighting the nature of corruption in the Pacific, its impact on human development, and how culture/ tradition 'interacts' with corruption.

By world standards the PICs possess relatively good levels of human development. There is little extreme poverty in the Pacific with famines, for example, being generally unknown. However, economic growth is relatively stagnant in the region and in some areas of the Pacific there is growing social malaise.

The Human Development approach is based on a multi-dimensional view of poverty and development. Unfortunately, the same cannot be said for work on corruption. Definitions of corruption still tend to be monodimensional. Given that the key idea behind the human development approach is the realization that human beings ought to be entitled to lead the types of lives they wish to lead, one of the key planks upon which the capability approach is built is the right to live one's life within the norms and values of one's own culture. As such, we cannot make simple distinctions between 'good' modern governance systems and 'corrupt' traditional systems as, in the Human Development framework, culture is both a key intermediate input to social and economic development as well as a welfare-enhancing developmental outcome itself. This means that in order to approach the issue of corruption within a human development and human rights framework we need to explore the idea that corruption is, at least in part, something dependent upon context. Given these conditions the report utilised the broadly accepted definition of corruption as 'the misuse of entrusted power for private gain' with proviso that confusion may result where individuals and groups occupy a range of roles, and that the power with which they are vested with may come from a number of sources.

Colonial penetration of the Pacific was not a homogenous process. The small island states of Polynesia and Micronesia were more fully colonised than the countries which comprise modern day Melanesia. This 'late contact' was a function of a number of factors – the most relevant to our present discussion being the rugged geography and extreme cultural heterogeneity of the region. The result of the various waves of human settlement by Papuan, Austronesian, European and Asian settlers is that the Pacific is comprised of an assortment of overlapping cultural and legislative structures. Rule by successive colonial powers means that some countries legal and administrative structures draw on a number of traditions – both introduced and local.

An important point to note, and something that is directly related to both the pattern of colonisation of the Pacific and the different geographic endowment of the respective countries of the Pacific region, is the differential penetration of state structures in the region. In countries like Papua New Guinea and Solomon Islands there is a low degree of state penetration such that the state is unable to exercise effective control over the entirety of the country's land mass. In practice this means that the provision of state services is, in many aspects, a function of distance from the government capital. This issue is mirrored in some other parts of the Pacific – more specifically multi-island countries like Kiribati and Cook Islands – where massive ocean distances separate the various islands that constitute these countries, thereby making service provision a very time and money consuming effort. This gap has traditionally been taken up, in part at least, by non-state actors like the Churches.

In terms of anti-corruption activity the weak penetration of the state can play out in a number of ways. The functions of the state may be weak or non-existent in the quality of services provided (such as health and education); weak or non-existent in the quality of regulatory/compliance functions (such as those found in the fisheries and forestry sectors); and weak or non-existent in the context of central oversight functions (such as those found in parliament, audit institutions, and ombudsman's offices). Low state penetration means that opportunities are created for corruption to flourish as well as incentives created for corrupt behaviour. This dynamic is especially important from an anti-corruption perspective. A lack of state penetration means that an anti-corruption strategy can not just focus on enhancing the various central oversight functions of a particular country but must also focus on service provision and regulatory/ compliance functions as well. Thus an effective anti-corruption strategy must highlight mainstreaming anti-corruption into these aspects of state function. Additionally, an effective anti-corruption strategy must also address non-state actors who are engaged in these roles (such as the churches and NGOs). Also, it should be noted that if there is limited state penetration, then traditional forms of governance may provide an avenue for playing an effective anti-corruption role. In this respect, as will be discussed in more detail later in the report, tradition and culture are not just a factor relevant to corruption, but potentially an important factor in anti-corruption efforts as well.

Corruption in the Pacific, like in many other LDCs, is generally found in certain sectors. In the Pacific these sectors include:

- police
- customs
- land and titles administration
- mineral and petroleum extraction
- forestry
- fisheries
- ports
- health
- education

- retirement funds
- tendering
- trade in the tokens of sovereignty (passports, internet domain names)
- offshore banking (but not offshore trust funds)
- access to public office

Patterns of corruption are not uniform across the Pacific. The key difference in patterns across the Pacific is the corruption that accompanies the large-scale mineral and petroleum extraction industries that operate in Melanesia. The resource-poor countries of Micronesia and Polynesia are, almost by definition, without the problems of large-scale corruption that plague the mineral and petroleum extraction industries in Melanesia. Increasingly, however, fisheries are becoming a site for corruption, and this is a worrying development for the smaller countries of Polynesia and Micronesia.

Broadening the definition of corruption in light of the need to rethink the concept in relation to the issue of human development means we need to think again about issues which earlier forms of analysis may not have identified as corrupt. One example in the Pacific is the issue of political participation and its relationship to issues of free-speech. Issues such as the crackdown on pro-democracy leaders in Tonga following rioting the nation's capital in late 2006 and the detention of opponents of the latest Fijian coup by the Fijian military raise serious questions as to how we define corruption. Is the detention of political opponents a form of corruption?

The problem in the Pacific, as for the rest of the world, is that it is difficult to gauge the precise impact that corruption has on other activities. The shadowy nature of corruption, and associated activities such as bribery, means that there is no simple way to collect data on either its prevalence or magnitude. The second issue is that in the Pacific various capacity constraints mean that there are very real gaps in the data available in a number of sectors.

And, where data is available its reliability is often questionable. These data problems combined mean that it is extremely difficult to obtain reliable information on either the prevalence or magnitude of corruption. At a very general level though there is general agreement that corruption has a detrimental effect on people's lives. These negative impacts operate at not only an economic level but also at a social level as well. In terms of poverty alleviation and development corruption has been shown to have various adverse effects.

At an international level there appears to be growing support within the Pacific for anti-corruption efforts. A number of international instruments thus help provide a framework for Pacific Island Countries' anti-corruption efforts including the: UN Anti-Corruption Convention; UN Transnational Organized Crime Convention; ADBOECD Asia Pacific Action Plan; the OECD Anti-Bribery Convention; and Financial Action Task Force/Asia-Pacific group on Money Laundering. Combined, these international instruments help provide a highlevel framework upon which effective regional and domestic regulatory and accountability frameworks can be constructed.

In addition, at the domestic level many Pacific countries have relatively well developed domestic legislative and policy frameworks for dealing with corruption. The problem is that these frameworks do not appear to be functioning effectively. Part of the answer can also be found in the realisation that the integrity/anti-corruption frameworks and/or programmes present in the Pacific may be inconsistent with the capacity of the organisations that have to implement them. The problem is that these forms of framework are often created without any real sense of the resources required to implement them,thus complicating the affordability of government. In addition, some of these

frameworks are not a close cultural fit with their environment which can place an even greater drain on the capacity of the organisations in question.

The problem then is how to overcome these capacity shortfalls. An initial answer discussed in the report would be to look for examples of success in the Pacific and use those to construct models which can then be usefully transferred to other regions and jurisdictions within the Pacific. By utilising examples of structures and processes that have managed to work successfully in a low capacity context in the Pacific you achieve a number of things: help overcome issues of capacity misfit; help overcome issues of cultural misfit (both organisational and societal); and promote local ownership.

There are a number of anti-corruption initiatives being carried out in the region. At the bilateral level Australia and New Zealand are particularly active in the region. The USA and the European Union are also active in anti-corruption activities in the region. At the multi-lateral level work is being done by international agencies such as the ADB, OECD, UNDP as well as regional bodies such as Pacific Islands Forum Secretariat. Useful work is also being done by a number of regional peak bodies which bring together representatives of the various sectors which play a part in anti-corruption activities including the Oceania Customs Organisation (OCO), the Pacific Immigration Directors' Conference (PIDC), the South Pacific Chiefs of Police Conference (SPCPC) and the Pacific Islands Law Officers Meeting (PILOM). The Non-Government and Private sectors in the region are also active in anti-corruption activities.

One of the most innovative aspects of this study was its focus on culture and corruption. One of the key findings was that as traditional societies in the Pacific possessed traditional accountability structures much could usefully be taken from these older systems in constructing effective anti-corruption programmes in the region. This 'taking culture seriously' approach should not be seen as merely a return to cultural relativist excuses for corrupt activities. Rather it should be seen as an opportunity to utilise the 'best of both worlds' in anti-corruption activity and in doing so help academics and policy -makers understand why some programmes of reform succeed where others fail. In distinguishing how these traditional cultural practices lead to corruption, we need to acknowledge that it is not the practice of say gift-giving itself that is inherently corrupt but rather that the structures of the modern state have provided a source of previously unimaginable power and wealth and so provided opportunities for some elites to exploit these opportunities in pursuit of their own interests. The point to note is that in defining how and when traditional cultural practices such as gift-giving become corrupt there are a number of issues at play, including: intent, scale and the public or private nature of the 'gift'. Traditional cultural value systems in the Pacific will not just go away, thus work is required to explore how traditional and modern systems can be used synergistically to provide robust anti-corruption tools and frameworks.

Corruption is a problem in the Pacific. It exists in a number of sectors and has a negative impact on human development in the region. While the various countries of the region possess relatively well-developed regulatory and accountability frameworks the effectiveness of these systems in preventing corruption needs to be questioned. A number of issues might be behind this lack of effectiveness. One might be a lack of 'fit' between introduced institutions and practices and local context. Another might be a lack of political will. The key issue though would appear to be a lack of capacity. In short, capacity shortfalls are a key lever behind issues of corruption in the Pacific. They provide not only opportunities for corruption but also inhibit the effective operation of existing anti-corruption policies and programmes. More data is required about why these frameworks and systems are not working. In increasing this capacity we should 'take culture seriously' and not just see it as an excuse for corrupt practices but a valuable resource to be utilised in constructing anti-corruption processes and structures that utilise the 'best of both worlds'.

In conclusion the report argues that less work is required in building more anti-corruption institutions, or in trying to promote drastic political reform such as the construction of strong political parties in the Pacific but rather should be focused on five key areas, these being:

- Find out what is working in the Pacific, identify the critical success factors behind this success and then explore through pilot studies how these models an be successfully transplanted to other parts of the Pacific in order to facilitate learning;
- More work is required exploring how 'traditional integrity systems' work in order to help us understand how traditional and modern systems can be used synergistically to provide robust anti-corruption tools and frameworks which can then be trialled through pilot studies;
- Develop programmes of civic education in the Pacific and other nation building measures which can be tied into work educating groups about the impact that corruption has on their everyday lives.
- Look at how regional networks can help reduce the capacity load on individual countries' anti-corruption institutions
- Work with national governments, in a regional framework, to improve data gathering within countries and so improve monitoring abilities within the region

I. Introduction

Background

The small island developing states of the Pacific face a set of particularly demanding development challenges in their limited geographical size, dependence on narrow resource bases, limited international trade opportunities, distance from major capital and goods markets, coupled with their particular vulnerability to natural and environmental disasters. In few other regions have societal changes over the past two decades been as dramatic and pervasive as in the Pacific region, engulfing significant political, economic, social and technological transformation. However, the lack of economic growth in the face of growing populations has contributed to rising unemployment and hardship in the region. Pervasive poverty among the Pacific Island Countries (PICs) has exerted pressure on available resources, exacerbated rural-urban migration and emigration of skilled labour to other developed countries thereby threatening the viability of their economies. While there has been progress in several countries towards achieving some of the core Millennium Development Goals (MDGs), these improvements are unlikely to achieve agreed targets within the next ten years.

It is generally perceived that the lack of significant progress in poverty reduction and improvements in public services have not corresponded to the level of assistance provided. One of the major reasons is poor governance exacerbated by the effects of civil conflicts and political instability in some of the PICs (e.g Solomon Islands, Fiji, Tonga and Vanuatu). Corruption, due to a lack of and/or weak transparency and accountability is often cited as one of the key reasons for poor governance. The most recent survey on the national integrity systems of PIC conducted by Transparency International in 2004[3] found that national accountability institutions are generally ineffective in addressing corruption. A recurrent issue that comes out of various surveys and consultations[4] is the complex interrelationships between culture and traditional systems in shaping people's understanding and perception of corruption and how culture influences corrupt behaviour.

Objectives of the Study

The objective of this project was to conduct a study on corruption in Pacific Island Countries (PIC) with the view of highlighting the nature of corruption in the Pacific, its impact on human development, and how culture/tradition 'interacts' with corruption.

The specific objectives of the study were as follows:

1. Describe the nature of corruption as it relates to public perceptions of, and citizens understanding of corruption, and the magnitude of corruption;
2. Describe previous and on-going efforts and initiatives by governments and other stakeholders (including civil society) to fight corruption;

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[3] Transparency International, National Integrity Systems – Pacific Islands, 2004. For more on this study see www.transparency.org.au/nispac.php. For an academic summary see Peter Larmour and Manuhuia Barcham (2006) "National Integrity Systems in Small Pacific Islands" *Public Administration and Development* 26 (2): 173-184.

[4] United Nations Development Program. Report of the Pacific Stakeholder Consultation, November 1415, 2006, Suva, Fiji.

3. Describe and analyse the link between culture or tradition and corruption and how this impacts on human development; and

4. Suggest possible entry points for advancing anti-corruption efforts in particular i.e., aspects of culture and tradition as possible entry points to be taken into account in the design and implementation of initiatives aimed at improving transparency and accountability in PICs.

Methodological Discussion

The research for this project was conducted utilising a mixture of primary and secondary data. More emphasis was placed on secondary data, as the key focus of this research project was both exploratory and integrative. Given the Pacific focus of the work, the research process concentrated on outputs from the region. In the research process the collections at a number of regional libraries were consulted, including the collections at: Auckland University, Massey University, Victoria University, New Zealand National Library and the library of the University of the South Pacific. In addition, general research data-bases such as the Social Science Citation Index were accessed and a number of regional data-bases, including: Index New Zealand (INNZ), Hawaii Pacific Journal Index, Newz Text Plus, and Newzindex. In the research process a number of regional newspapers were also consulted including: Samoa News, Cook Islands Herald, Cook Island News, Niuean, Samoa Observer, Tonga Star, Matangi Tonga, Taimi Tonga, Fiji Daily Post, Fiji Sun, Fiji Times, National, Post Courier, Solomon Star and the Vanuatu Daily Post. Finally, along with the data drawn from printed material, knowledge obtained from a number of key individuals with expertise in anti-corruption efforts in the Pacific was also utilised in the construction of this report.

Structure of the Report

The report utilises the following structure. Section One provides an overview of the background to the report and the methodologies used in its writing. Section One also provides an overview of human development in the Pacific as well as a discussion of the relationship between human development and corruption. Section Two provides an overview of the history, politics and culture of the Pacific Island Cultures. Section Three looks at the issue of corruption in the Pacific, looking at the sectors where it is present and the forms of corruption that occur in the region before moving on to a discussion of the impacts of corruption. This section also looks at anti-corruption efforts in the Pacific with a particular focus on the efforts of bi-lateral and multilateral actors. The section ends by exploring the work being done by regional bodies and non-government organisations. Section Four looks at the interrelationship between culture and corruption in light of the human development approach. Section Five then provides a conclusion and summary of possible areas for concrete action.

Overview of Development in the Pacific

One of the most influential shifts in developmental thinking in the last thirty years has been the emergence of the concept of human development. Drawing on the working of influential theorists such as Amartya Sen, the human development approach became a mainstay of UNDP work with the establishment of the Human Development Report series in 1990 under the leadership of Mahbub El Haq. In his own words he argued that:

> "the basic purpose of development is to enlarge people's choices. In principle, these choices can be infinite and can change over time. People often value achievements that do not show up at all, or not immediately, in income or growth figures: greater access to knowledge, better nutrition and health services, more secure livelihoods, security against crime and physical violence, satisfying leisure hours, political and cultural freedoms and sense of participation in community activities. The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives."[5]

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[5] El Haq, Mahbub, nd, *Human Development: what is it* accessed on Wednesday 13 June 2007 at 7:11am at http://hdr.undp.org/hd/

Building on the general shift in development thought in the preceding twenty years, this new approach was based on the belief that while economic growth was still a valid developmental goal there were other developmental goals that were equally worthy of being pursued. This shift in thinking occurred as part of a broader movement in development thought away from focusing purely on economic growth and instead focusing in alleviating poverty. Drawing on Sen, human development can be seen as the promotion of capabilities.[6] Capabilities include basic freedoms such as being able to meet one's bodily requirements or the enabling opportunities provided by schooling. They also include social freedoms "such as the capability to participate in the life of the community…[or] to participate in political decision-making.[7]"

The notion of capabilities is intricately connected to the idea of freedom – the freedom to pursue the type of life one wishes to pursue. This notion of freedom is itself linked to the concept of human rights. While human rights always involve a claim that one person has over others (be they another individual or a group), these rights can take a number of different forms but:

> "diverse as these rights are, they share the characteristic of entailing some entitlements to help from others in defence of one's substantive freedoms. The claim to help may involve a demand for positive support and facilitation, or take only the negative form of assurance that there will be no hindrance from others. But all of these claims are aimed at securing the freedoms of the persons involved—to do this or be that—in one way or another. In this way, human rights are also ultimately grounded in the importance of freedoms for human lives.[8]"

The human development framework is thus connected in a number of ways to the human rights-based approach (HRBA) to development. In the human rights-based approach, corruption would be viewed as a leading to and undermining the enjoyment of human rights such the right to education, the right to the highest attainable standard of physical and mental health, the right to water, etc.

Human Development in the Pacific

Each year's Human Development Report publishes the human development index (HDI), an index that looks beyond GDP to a broader definition of well-being. The HDI provides a composite measure of three dimensions of human development:

- living a long and healthy life (measured by life expectancy);
- being educated (measured by adult literacy and enrolment at the primary, secondary and tertiary level); and
- having a decent standard of living (measured by purchasing power parity (PPP) income).

In the 2006 Human Development Index the highest ranked Pacific Island country was Tonga which ranked 55 th and the lowest was Papua New Guinea which ranked 139th out of 177[9]. In their annual ranking process this means that one PIC, Tonga, is categorised as having High Human Development while the remainder of the PICs are all included in the Medium Human Development band. No PICs were identified in 2006 as having Low Human Development.

6 For his most clear cut argument along these lines see Amartya Sen, (1999) *Development as Freedom* (Oxford: Oxford University Press).
7 UNDP, (2000) *Human rights and human development* (New York: Oxford University Press), p. 19.
8 UNDP, (2000) *Human rights and human development* (New York: Oxford University Press), p. 20.3
9 It should be noted that only the following seven Pacific Island Countries (excluding Australia and New Zealand) are included in the annual Human Development reports: Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu. The figures in the table below are taken from the forthcoming Pacific Human Development report. The point to note is that in this forthcoming publication Solomon Islands now has the lowest level o human development.

Country	Life expectancy index	Education index	GDP index	HDI value 1998	1998 HDI Rank	HDI value 2006	2006 HD Rank
Cook Islands	0.77	0.95	0.65	0.822	2	0.789	1
Palau	0.73	0.92	0.68	0.861	1	0.774	2
Niue	0.75	0.91	0.57	0.774	3	0.741	3
Samoa	0.80	0.94	0.45	0.590	7	0.731	4
Tonga	0.76	0.95	0.44	0.647	6	0.718	5
Tokelau	0.75	0.92	0.37	NA	NA	0.679	6
Federated States of Micronesia (FSM)	0.70	0.84	0.50	0.569	9	0.678	7
Fiji	0.69	0.85	0.46			0.667	8
Marshall Islands	0.71	0.88	0.40			0.665	9
Tuvalu	0.64	0.94	0.38			0.653	10
Nauru	0.51	0.86	0.59			0.652	11
Kiribati	0.65	0.88	0.24			0.592	12
Vanuatu	0.71	0.76	0.30			0.586	13
Papua New Guinea	0.49	0.50	0.25			0.414	14
Solomon Islands	0.60	0.63	0.00			0.410	15

Table 1: The Human Development Index for Pacific Island countries: Comparative values and rankings for 1998 and 2006

Sources: Life expectancy: SPC Population/Demography Programme population census data, available at: www.spc.int/demog. Nauru is a provisional estimate; literacy statistics: generally from country national statistics offices and Internet websites, available at: www.spc.int/prism for PNG, the 2000 National Census; for Tuvalu, the 2002 Population and Housing Census; for Fiji and Tonga, the 1996 census results and latest available (national MDG reports).

A quick analysis shows that by world standards the PICs possess relatively good levels of human development (see Table 1). There is little extreme poverty in the Pacific with famines, for example, being generally unknown.[10] However, economic growth is relatively stagnant in the region and in some areas of the Pacific there is growing social malaise.[11]

Human Development and Corruption

One of the results of this shift in the re-conceptualisation of poverty and development is that the Human Development Reports utilise a broad range of indices in their measurement of development. And so, rather than development being measured in purely economic terms other indices such as child mortality, literacy and life expectancy are increasingly utilised to give a multi-dimensional view of poverty and development. While this broadening of focus was useful in many respects, in some respects this new goal may itself be problematic as what it is that constitutes poverty (apart from in its more extreme forms) and its relationship to capabilities is itself a question for debate. Unfortunately, the same cannot be said for work on corruption. Definitions of corruption still tend to be mono-dimensional. In general, corruption is primarily seen as being an economic issue, both in its content (the exchange of money for favours) and in its most important effects (on economic growth, development,etc).[12] In categorising corruption, academics and policy-makers have utilised a number of techniques with distinctions being made according to its scale, its location, or its prevalence.[13] Common distinctions include those between:

10 There are occasional instances of famine in places like the Highlands of Papua New Guinea.
11 Examples include the pro-democracy riots in Tonga in late 2006, the latest coup in Fiji in 2006 and the violence associated with the upcoming 2007 elections in Papua New Guinea.
12 Hindess, Barry, (2007) *Introduction* (Edited Book Manuscript – 'Corruption: Expanding the Focus').
13 See Francis Hutchinson, (2005) "A review of donor agency approaches to anti-corruption" *Asia Pacific School of Economics and Government – Policy and Governance Discussion Paper* No. 05-03, Canberra.

- 'petty' and 'grand' corruption[14] ;
- 'bureaucratic' and 'political' corruption[15] ;
- 'state capture' and 'administrative corruption'[16] , and
- 'isolated' and 'systemic' corruption.[17]

All these distinctions have one thing in common in that they are all seen as involving a blurring of the distinction between the public and private spheres. While certain government acts such as the Solomon Islands Leadership Code (Further Provisions) Act (1999) contain provisions to clearly delineate the public and private responsibilities of individual leaders, the problem in the Pacific is that community perceptions of corruption by leaders rarely distinguish between the public and private realms.[18] Realisation of the problems of this blurring then helps us understand two of the most commonly cited definitions of corruption as either the 'abuse of public power for private gain'[19] or 'the misuse of entrusted power for private gain.'[20] But, as Mark Philp has recently pointed out, these distinctions fail "to distinguish corruption from other types of malfeasance, such as outright theft or misappropriation.[21] " Philp argues that despite various definitional ambiguities:

> "all corruption has the same conceptual structure: a recognition of certain formal responsibilities, which imply constraints on permissible interests; the violation of rules and norms concerning the exercise of the role of office; the harming of one set of interests identified by the rules and norms as legitimate, to serve others deemed impermissible; the benefiting of those not formally entitled to benefit." [22]

As a concept then, Philp argues that corruption "has a hard conceptual core based around the idea of public office as something other than an opportunity for private or sectional gain, but that core is fleshed out in any given context by local norms and judgments and practices.[23] " Philp is thus aware of the definitional problems that ensue once local context is taken on board in coming up with a clear definition of what actually constitutes corrupt activity.

Philp's definitional work is helpful to those wanting to demonstrate a linkage between corruption and human development in that it shows how these monodimensional views of corruption are becoming increasingly inappropriate in light of our broadening views of what constitutes the goal of development. For one, these forms of definition are predicated on a clear distinction between the public and private spheres. If this distinction is not clearly made then this form of definition looses its analytical edge. And so, "from an anthropological point of view, this [form of] definition is too restrictive as it does not fully capture how people in a particular context determine what is a corrupt practice and what is not"[24].

14   NORAD, (2000) *NORAD's Good Governance and Anti-Corruption Action Plan 2000-2001* (Oslo: NORAD), p. 8.
15   Morgan, A.L., (1998) *Corruption: Causes, Consequences, and Policy Implications: A Literature Review* (Washington DC, The Asia Foundation), p. 15.
16   World Bank. (2000) *Anti-Corruption in Transition: A Contribution to the Policy Debate* (Washington DC: World Bank).
17   World Bank, (1997) *The State in a Changing World* (New York: Oxford University Press), p. 10.
18   For more on this see Peter Larmour, (2006) "Culture and Corruption in the Pacific Islands: Some conceptual issues and findings from studies of National Integrity Systems" *Asia Pacific School of Economics and Government – Policy and Governance Discussion* Paper No. 06-05, Canberra, p. 18.
19   World Bank, (1997) *The State in a Changing World* (New York: Oxford University Press), p. 6.
20   http://www.transparency.org/news_room/faq/corruption_faq
21   E-mail from Mark Philp [mailto: mark.philp @politics.ox.ac.uk] sent: Wed 6/06/2007 11:39 p.m. to: ap-hdnet@groups.undp.org with the subject: QUERY: Asia Pacific HDR e-discussion (Part I) on Political Economy.
22   E-mail from Mark Philp [mailto:mark.philp@politics.ox.ac.uk] sent: Wed 6/06/2007 11:39 p.m. to: ap-hdnet@groups.undp.org with the subject: QUERY: Asia Pacific HDR e-discussion (Part I) on Political Economy.
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24   Hutchinson, Francis, (2005) "A review of donor agency approaches to anti-corruption" *Asia Pacific School of Economics and Government – Policy and Governance Discussion Paper* No. 05-03, Canberra.

Given that the key idea behind the human development approach is the realization that human beings ought to be entitled to lead the types of lives they wish to lead, one of the key planks upon which the capability approach is built is the right to live one's life within the norms and values of one's own culture. As such, we cannot make simple distinctions between 'good' modern governance systems and 'corrupt' traditional systems as, in the Human Development framework, culture is both a key intermediate input to social and economic development as well as a welfare-enhancing developmental outcome itself. This means that in order to approach the issue of corruption within a human development and human rights framework we need to explore the idea that corruption is, at least in part, something dependent upon context. For, as Sissener points out, 'people's own assessments of courses of action do not ar[i]se from a set of culturally universal, invariable norms that helps to decide if certain actions are to be classified as "corrupt" or not. Rather, what is seen as corruption varies from one context to another. Given such variations, explorations of how the actors themselves evaluate social practices are required."[25]

Returning to Philp, there is much to be taken from the idea that despite all the definitional disputes there is a hard conceptual core to corruption, possibly based around the idea of public office as something other than an opportunity for private or sectional gain. However, we need to take seriously the view that this core is fleshed out in any given context by local norms and judgments and practices.[26] In doing this we are not providing a device whereby corruption is excused because of culture. Rather, we are instead merely taking the more nuanced approach that what constitutes corruption is itself, at least in part, defined differently by different cultures. As to impose external ideas of what constitutes corruption is to return to older modernisation style development ideas wherein development was seen as achieving the economic development of the West.

Instead, in the more nuanced Human Development approach we must take seriously the various developmental goals that different groups see as being worthy of pursuing as well as the different conceptual frameworks that underpin those approaches. Good governance and the accompanying goal of reduced levels of corruption are both positively linked with Human Development, as the ability for human beings to lead the type of life they wish to live, which is at the core of the Human Development approach, is something which is intricately connected to the proper functioning of a country's institutions.

Given these conditions we can come up with a working definition of corruption within a human development approach. We can still usefully utilise the broadly accepted definition of corruption as 'the misuse of entrusted power for private gain' with the realisation that confusion may result where individuals and groups occupy a range of roles, and that the power with which they are vested with may come from a number of sources.[27] We need to realise though that these conflicting roles, be they traditional, cultural, modern or otherwise, cannot be easily divided. The occupying of various roles and responsibilities by public officials occurs in all countries. The question that needs to be asked

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25 Tone Sissener, (2001) *Anthropological perspectives on corruption* (Oslo: Michelson Institute), p. 2.

26 E-mail from Mark Philp [mailto:mark.philp@politics.ox.ac.uk] sent: Wed 6/06/2007 11:39 p.m. to: ap-hdnet@groups.undp.org with the subject: QUERY: Asia Pacific HDR e-discussion (Part I) on Political Economy.

27 We need to be wary too of the use of the term private. The case of passport selling where the country itself may benefit from the proceeds of the corrupt transaction push the bounds of what we mean by the term private. However, we can still retain this definition when we see that only certain aspects of the government of the country in question might gain from the sale of passports.

though is how, and why, do these roles come into conflict. Is it a result of lack of opportunity for achieving a benefit through appropriate channels, or conversely the creation of opportunities for achieving a benefit through inappropriate channels? Is it instead a reflection of incentives – the incentive for acting in a particular way and not in another? Or is it more simply a matter of two roles having conflicting duties? However, as will be noted later in the report there are ways in which we can make distinctions between corruption and cultural practices in terms of discussions of where does one draw the line between gifting and bribes. It should be noted that the key issues here are often those of intent and scale as well as the public or private nature of the 'gift'.

The other issue of note in our discussion of corruption and its relationship to human development is the issue of ethics and values. The 'flip side of the coin' of anti-corruption activities is thus the promotion of personal and organisational integrity. While there is no room in this report for a sustained discussion of the role of ethics and values in anti-corruption activity it should at least be noted that this is an option in terms of the various levers available to governments, communities and individuals in order to enact change. With this in mind in the Pacific context Elise Huffer and Ropate Qalo have thus called for the development of a Pacific Political Ethics.[28] Looking more deeply at the values which drive individuals and groups in the Pacific we may be able to discern more clearly the various motivating factors leading to individuals and groups performance of corrupt activities and so too come up with ways to promote local solutions through the empowerment of local values.

This section of the report has discussed the concept of human development and human rights and presented a brief rundown of the status of human development in the Pacific. This section has also provided a discussion of the relationship between human development and corruption and the problems we may run into with too narrow a definition of corruption. It also considered some of the issues that arise when we talk about linkages between the issues of culture and corruption as in the human development approach culture is both a key intermediate input to social and economic development as well as a welfare-enhancing developmental outcome itself. Finally, the section ended with a discussion of how we can still usefully retain the definition of corruption as 'the misuse of entrusted power for private gain' as long as a number of provisos are made.

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28   Elise Huffer and Ropate Qalo, (2004) "Have we been thinking upside-dwn?: the contemporary emergence of Pacific theoretical thought" *The Contemporary Pacific* 16, 1: 87-116.

II. Overview of History, Politics and Culture of PICs

Initial Settlement

Human settlement of the Pacific first occurred 60,000 years ago as people began to migrate to what is now modern day Papua New Guinea[29]. This first wave of migration by Papuan language speakers led to the settlement of what now constitutes the modern states and territories of Papua New Guinea, Solomon Islands, Vanuatu and New Caledonia. Here these groups developed advanced agricultural and farming systems as well as intricate systems of commodity production and exchange.

Possibly due to the rugged geography of these islands these initial migrants became extremely linguistically heterogeneous. To this day this area constitutes the region with the highest degree of linguistic and cultural heterogeneity in the world. Modern day Vanuatu with a population of just over 200,000 people has over 100 different indigenous languages as well as the three lingua franca of English, French and Bislama[30]. These linguistic/cultural groups range in size from groups such as Engans in the highlands of Papua New Guinea who have over 180,000 speakers of Engan through to groups such as the inhabitants of Wutung in Sundaun Province in Papua New Guinea who have less than a thousand speakers of their language[31].

Some 50,000 years later a second wave of migration into the Pacific occurred. Starting from present day Taiwan in about 5000 BCE this second wave of Austronesian-speaking migrants gradually moved down through the Philippines group along the edges of Papua New Guinea and the other areas originally settled by Papuan peoples before moving out in the Pacific Ocean proper. From here these migrants moved North and East. The islands of central Polynesia (Fiji, Tonga and Samoa) were settled by 3000 BCE with New Zealand being the last major land mass to be settled in the Pacific in about 1200 CE.

Early European explorers of the Pacific grouped the people that they found into three broad linguistic/cultural areas: Melanesia, Micronesia and Polynesia (see Fig. 1)[32]. These broad cultural areas, while now often dismissed by Pacific scholars do hold some analytic utility for our discussion especially in terms of the broad distinction between the geographic ruggedness, cultural heterogeneity and resource-rich nature of Melanesia and the relative cultural homogeneity and small island-based geography with an accompanying lack of any large land based resource deposits which is typical of Polynesia and Micronesia.

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[29] See Patrick Kirch, (2000) On the Road of the Winds: An Archaeological History of the Pacific Islands Before European Contact (Berkeley: University of California Press

[30] http://www.adb.org/Vanuatu/country-info.asp

[31] http://www.ethnologue.com/show_language.asp?code=enq

[32] Serge Tcherkézoff, (2003) "A long an unfortunate voyage towards the 'invention' of the Melanesia/Polynesia distinction 1595-1832" *The Journal of Pacific History* 38, 2: 175-196. The countries of Melanesia are typified by the darker skin colouring of their inhabitants (hence the prefix Mela-) as well as the high degree of heterogeneity of the cultures found within this region. While some Melanesian cultures traditionally operated under hierarchical forms of social organisation, as a region it is best known for its social egalitarianism with social rank not being ascribed by birth. Melanesia includes: Fiji; New Caledonia; Papua New Guinea; Solomon Islands; and Vanuatu. Fiji is sometimes seen as being part of Polynesia. Micronesia obtained its name due to the extreme smallness of the islands found in this region of the Pacific (hence the prefix Micro-). Micronesian cultures are traditionally organised along hierarchical lines under the rule of chiefs. Micronesia includes: Federated States of Micronesia; Guam; Kiribati; Marshall Islands; Nauru; Northern Mariana Islands; and Palau. Polynesia was given its name due to the number of islands found within this region (hence the prefix Poly-). Traditionally Polynesian societies are relatively stratified and operate under hierarchical forms of leadership. Polynesia includes:American Samoa; Cook Islands; French Polynesia; Hawaii; New Zealand; Niue; Pitcairn; Samoa; Tokelau; Tonga; Tuvalu; and Wallis and Futuna.
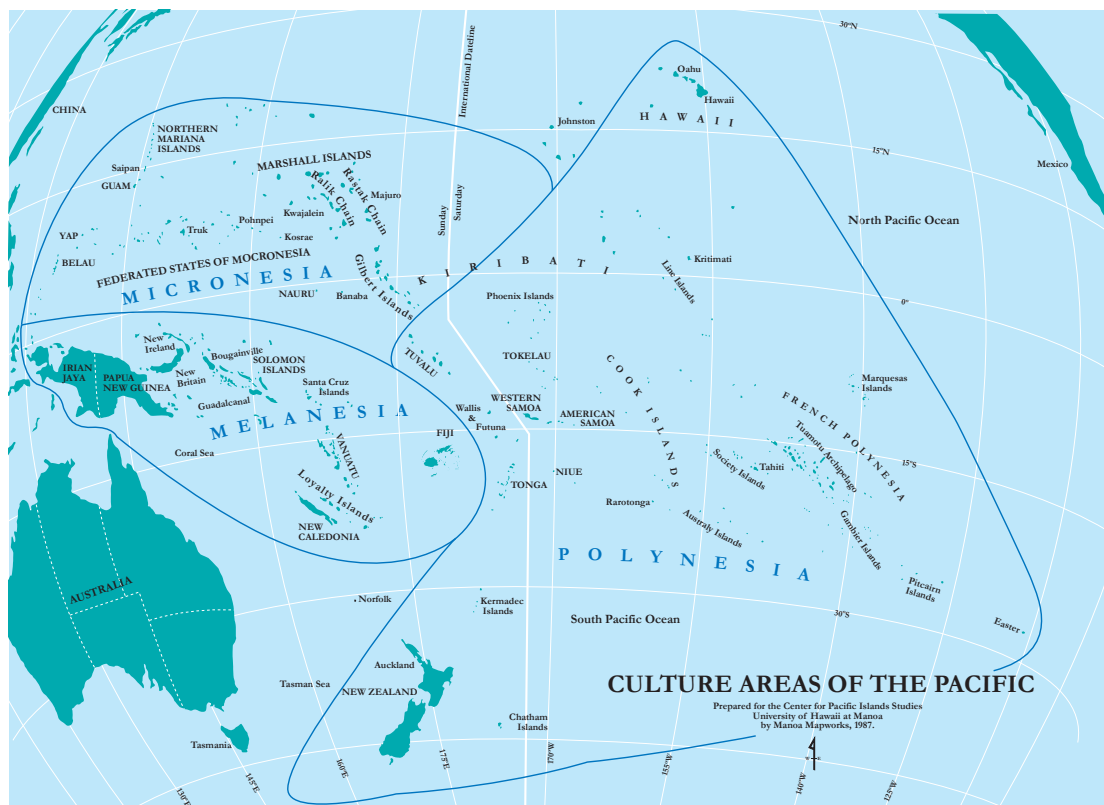
Fig. 1: Pacific cultural areas Source: Larmour (2006: 20)

The geographic endowment of these respective regions means that Melanesian countries, such as Papua New Guinea, Solomon Islands and Vanuatu thus rely heavily on resources extraction (including forestry) industries to provide jobs and economic development. Polynesian and Micronesian countries in contrast rely much more heavily on service industries, such as tourism in Fiji and Samoa, or niche marketing of export goods, such as Black Pearls in Cook Islands, in the provision of jobs and economic development. The only real exceptions to this are fisheries – which provide a substantial contribution to the economy of many Pacific Island countries – and the various manufacturing and agricultural industries found in the larger island groups such as Fiji.[33]

European Settlement
Like the settlement of the Pacific by the earlier Papuan and Austronesian migrants later European settlers also came in waves. The first to enter the Pacific were Spanish, Dutch and Portuguese traders and explorers in the sixteenth century. These early explorers were followed in the eighteenth century by other European groups, notably British and French whalers and settlers, although Russian and German, and later American, ships regularly traversed the Pacific. The nineteenth century witnessed the beginning of a scramble for colonies in the Pacific and by the end of the century almost all the Pacific had been divided up between European and American powers.[34] World War One saw the

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33 These agricultural and manufacturing industries, while relatively well-developed in a number of these countries, are still heavily dependent on protective structures such as those found in the former Lomé Agreements and current EU-ACP arrangements.

34 It should be noted that Japan too had colonial interests in the Pacific – specifically in a number of states in Micronesia.

administration of former German colonies turned over to European powers such as Britain or to local countries such as Australia and New Zealand.

Colonial penetration of the Pacific was not a homogenous process. The small island states of Polynesia and Micronesia were more fully colonised than the countries which comprise modern day Melanesia. So, while all of modern day Papua New Guinea was claimed by one or other European power by the close of the nineteenth century, effective control of that country was not achieved until the mid-twentieth century. Indeed, the oldest inhabitants in the highlands of Papua New Guinea have a living memory of European contact. This 'late contact' was a function of a number of factors – the most relevant to our present discussion being the rugged geography and extreme cultural heterogeneity of the region. Only with the advent of flight were large sections of countries like Papua New Guinea able to be easily explored. Indeed, largescale mineral extraction in Melanesia has occurred largely in the wake of the introduction of the helicopter. This legacy of later colonial penetration and rugged geography means that service delivery to the more remote parts of Melanesia remains challenging to this day.

These later waves of European settlement also attracted settlers from other regions of the globe including Asia. From almost as soon as permanent European settlement was established in many of these Pacific territories, Asian traders began to ply their trade. This influx of Asian settlers has had a long-term effect on a number of Pacific Island countries. Notably, almost half of Fiji's population is of Indian descent. These are the descendants of indentured labourers brought over from the sub-continent to work the Fiji's sugar plantations in the late nineteenth and early twentieth centuries. So too, Chinese ethnic minorities still play a major role in the private sector of many Pacific Island countries. This migration continues to the present day and large numbers of immigrants from Mainland China are now entering the Pacific. This influx of new Chinese immigrants is causing tensions in a number of Pacific Island countries as large numbers appear to be entering illegally[35] and these 'new' Mandarin-speaking Chinese immigrant populations run up against the older, and often Canton-esespeaking Chinese minorities which are already established in these countries.

The result of these various waves of human settlement by Papuan, Austronesian, European and Asian settlers is that the Pacific is comprised of an assortment of overlapping cultural and legislative structures. Rule by successive colonial powers means that some countries legal and administrative structures draw on a number of traditions. A specific example is the modern state of Vanuatu which was jointly ruled by both the British and French and so has a legal system which draws on both a Common law and Roman law heritage as well as the various aspects of customary society that have been incorporated in the country's modern legal and administrative systems.

The wave of decolonisation that swept the globe in the wake of World War Two was late coming to the Pacific.[36] The first Pacific Island country to become independent was Samoa in 1962. And, while

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35   Moore, Clive 'No more long walkabout Chinatown: Asian Involvement in the Solomons Economic and Political Processes' Workshop Paper, 'Solomons: Where to Now?' Conference, held at the Australian National University 5 May 2006.

36   *Tonga, of all the Pacific territories, was never colonised and so has never gone through a period of decolonisation.*

the majority of Pacific Island countries obtained their formal independence in the following decades, a number of Pacific territories still remain the colonial dominions of regional powers such as New Zealand and Australia. In becoming independent the majority of Pacific Island countries, like other newly independent states across Asia and Africa, adopted one of two general forms of government, these being either the Westminster or Presidential systems.[37]

Each of these systems was modified in their adoption, however, such that no real example of either a pure Westminster or Presidential system currently exists in the Pacific. In addition, during the decolonisation process a number of customary elements were often included in the newly independent countries' constitutions and/or administrative structures such as the inclusion of Upper Houses composed of traditional chiefly leaders.

From microstates such as Niue and Tuvalu with populations in the low thousands and no real land based resources to speak of, through to Papua New Guinea with a population close to 6 million and untold mineral wealth locked in its valleys and mountains, the modern Pacific political landscape is one of great diversity (see Fig. 2).

Fig. 2: Pacific political jurisdictions Source: Larmour (2006: 19)

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[37] *For more on the political systems in the Pacific see Ron Crocombe, (2001) The South Pacific (Suva: University of the South Pacific).*

An important point to note, and something that is directly related to both the pattern of colonisation of the Pacific and the different geographic endowment of the respective countries of the Pacific region, is the differential penetration of state structures in the region. Countries like Samoa have a degree of state penetration similar to that in Western countries, in that the government is able to exercise effective control over the entire country. In countries like Papua New Guinea and Solomon Islands there is a low degree of state penetration such that the state is unable to exercise effective control over the entirety of the country's land mass.[38] In practice this means that the provision of state services is, in many aspects, a function of distance from the government capital. Many parts of remote highland Papua New Guinea or Western Solomon Islands receive very little in the way of service delivery from central or provincial government. This issue is mirrored in some other parts of the Pacific – more specifically multi-island countries like Kiribati and Cook Islands – where massive ocean distances separate the various islands that constitute these countries, thereby making service provision a very time and money consuming effort.[39] This gap has traditionally been taken up, in part at least, by non-state actors like the Churches. These problems are further compounded by a lack of infrastructure, physical and human capital.[40] In recent years these issues have become even more pressing due to problems of corruption.

In terms of anti-corruption activity the weak penetration of the state can play out in a number of ways. The functions of the state may be weak or non-existent in the quality of services provided (such as health and education); weak or non-existent in the quality of regulatory/compliance functions (such as those found in the fisheries and forestry sectors); and weak or non-existent in the context of central oversight functions (such as those found in parliament, audit institutions, and ombudsman's offices). Low state penetration means that opportunities are created for corruption to flourish as well as incentives created for corrupt behaviour. This dynamic is especially important from an anti-corruption perspective. A lack of state penetration means that an anti-corruption strategy can not just focus on enhancing the various central oversight functions of a particular country but must also focus on service provision and regulatory/ compliance functions as well. Thus an effective anti-corruption strategy must highlight mainstreaming anti-corruption into these aspects of state function. Additionally, an effective anti-corruption strategy must also address non-state actors who are engaged in these roles (such as the churches and NGOs). Also, it should be noted that if there is limited state penetration, then traditional forms of governance may provide an avenue for playing an effective anti-corruption role. In this respect, as will be discussed in more detail later in the report, tradition and culture are not just a factor relevant to corruption, but potentially an important factor in anti-corruption efforts as well.

This section has provided a brief overview of the history, politics and culture of the Pacific Island countries. The various waves of human settlement by Papuan, Austronesian, European and Asian settlers means that the Pacific is comprised of an assortment of overlapping cultural and legislative structures. A history of diverse patterns of colonisation of the Pacific, various levels of cultural homogeneity and the different geographic endowment of the respective countries in the region have led to a differential penetration of state structures in the region. In combination, these factors mean that despite its low total population numbers the Pacific region is one of great diversity.

38 Barcham, Manuhuia, (2005) "Conflict, Violence and Development in the Southwest Pacific: Taking the Indigenous Context Seriously" *Centre for Indigenous Governance and Development Working Paper Series No.* 4/2005, Palmerston North.

39 For a discussion of how some of these issues can be overcome through participator reform processes see Manuhuia Barcham, (2007) "Participation in Practice: Participation, Consensus and Cooperation in the Achievement of Economic Reform in the Cook Islands" *Centre for Indigenous Governance and Development Working Paper Series* No. 1/2007, Palmerston North.

40 For more on this in the Pacific context and a discussion of how some of these problems might be overcome see Manuhuia Barcham, (2006) "New Public Management and the Alternative Service Delivery Decision Framework: Matching Structure to Context" *Development Bulletin* 70: 13-16.

III. Corruption in the Pacific

As was noted in Section One, there are problems in utilising simple public office centred definitions of corruption if one utilises the Human Development framework. These problems are further compounded when you are dealing with a region that is as developmentally-heterogenous and as culturally diverse as the Pacific. In an attempt to overcome some of these issues and to provide a baseline of anti-corruption data in the Pacific, a survey was made of the National Integrity Systems (NIS) of 12 Pacific Island countries in 2003-2004. This section of the report extends on this initial data through a discussion of the types and forms of corruption found in the Pacific before returning to an analysis of the NIS data to explore to what extent this corruption is related to the lack of an effective regulatory and accountability framework. The section then looks at other non-economic forms of corruption in the region before launching into a discussion of the impacts of corruption – with this discussion focusing on the problems of data collection. The section ends with a discussion of initiatives being taken by governments of the region and other stakeholders.

Challenges in defining corruption in the Pacific

There are multitudinous definitional problems in dealing with corruption. These problems are found within the Pacific region itself. The Tongan NISPAC report thus found a 'lack of consensus' about what counts as corruption.[41] In Vanuatu the word and concept tended to be applied to any bad behaviour in non-traditional urban contexts.[42] In Tonga, which is a constitutional monarchy, nobles did not feel particularly accountable to commoners.

And, in some places in the Pacific, contrary to Western distinctions between public and private spheres, some see public and private morality as continuous, including 'personal as well as professional indiscretions'[43]. Combined these issues mean that defining exactly what constitutes corruption in the Pacific can be a conceptual minefield. However, despite all the conceptual difficulties people in the Pacific are still able to agree that corruption does occur in the region. Where exactly it is that corruption occurs and what impacts it has on broader society vary across the Pacific.

In what sectors is corruption prevalent?

Corruption in the Pacific, like in many other LDCs[44], is generally found in certain sectors. In the Pacific these sectors include:

- police
- customs
- land and titles administration
- mineral and petroleum extraction
- forestry
- fisheries
- ports
- health

41   Kerry James, (2004), *'Tonga' Transparency International Country Study Report* (Australia: Transparency International-Australia).

42   Tess Newton Cain, (2004), *'Vanuatu' Transparency International Country Study Report* (Australia: Transparency International-Australia).

43   Paul Roughan, (2004), *'Solomon Islands' Transparency International Country Study Report* (Australia: Transparency International-Australia).

44   We should be careful not to conflate smallness with a lack of development. Small states like Singapore, New Zealand and Norway have been very successful and have extremely low levels of corruption.

- education
- retirement funds
- tendering
- trade in the tokens of sovereignty (passports, internet domain names)
- offshore banking (but not offshore trust funds)
- Access to public office [45]

Patterns of corruption are not uniform across the Pacific (see Table 2). However, that said, the key difference in patterns across the Pacific is the corruption that accompanies the large-scale mineral and petroleum extraction industries that operate in Melanesia.[46] The resource-poor countries of Micronesia and Polynesia are, almost by definition, without the problems of large-scale corruption that plague the mineral and petroleum extraction industries in Melanesia. Increasingly,[46] however, fisheries are becoming a site for corruption, and this is a worrying development for the smaller countries of Polynesia and Micronesia.[47]

Table 2: Patterns of corruption in the Pacific			
	Melanesia[48]	Polynesia[49]	Micronesia[50]
Resource Extraction			
Forestry	X[51]		
Mining	X		
Oil and Petroleum	X		
Fisheries	X	X	X
Public Administration			
Police	X	X	X
Customs	X	X	X
Land and titles administration	X	X	X
Ports	X	X	X
Health	X	X	X
Education	X	X	X
Access to public office	X	X	X
Other			
Retirement funds	X[52]		X
Tendering	X	X	X
Offshore banking		X	X
Trade in the tokens of sovereignty	X	X	X

Source: Various (see footnotes)

45 Peter Larmour and Manuhuia Barcham, (2004) *National Integrity Systems Pacific Islands: Overview Report* (Australia: Transparency International-Australia) p. 6.

46 An interesting point to note is that in many countries anti-corruption activities are designed, at least in part, to reduce corruption so as to attract foreign direct investment (FDI). However, in countries like Papua New Guinea where large extractive industries make up the majority of FDI the link between FDI and corruption is more complicated. Indeed, FDI in the extractive industries might even promote corrupt activity in terms of foreign firms obtaining access to contracts and concessions. However, while this may lead to a temporary reduction in transaction costs for the foreign firms involved long term growth (and lower transaction costs over the long-term) for both foreign firms and the individual states in question would probably be better served by the operation of a transparent and non-corrupt market place.

47 Phone discussion with Tony Prescott on Thursday 7 June 2007.

48 Unless otherwise cited data for Melanesia is taken from the Melanesian NISPAC studies.

49 Unless otherwise cited data for Polynesia is taken from the Polynesian NISPAC studies.

50 Unless otherwise cited data for Micronesia is taken from the Micronesian NISPAC studies.

51 Tan, Lee, and Andrea Babon, (2006) "Bulldozing Progress: Large-Scale Logging, Human Rights Abuses and Corruption in Papua New Guinea" *Habitat Australia* (October), pp. 16-17.

52 Michael Morgan, (1998) "Political Chronicles: Vanuatu 1995-1998" *The Journal of Pacific History* 33 (3): 291-292.

As a general rule smaller countries like Niue (pop. 1,600) tend to have less corruption than larger countries like Solomon Islands (pop. 500,000) or Papua New Guinea (pop. 5,500,000). And, where corruption does exist in these smaller countries it tends to occur at a smaller scale[53]. There are two possible reasons for this: one would be the lack of opportunity afforded for undertaking corrupt activities in smaller countries and the other would be the operation of informal networks helping keep people honest.

Also, the lack of large scale mineral extraction industries means that the corruption occurring in sectors such as the trade in tokens of sovereignty or offshore banking makes a much greater impact in the smaller countries of Polynesia and Micronesia than it does in the lager countries of Melanesia.

Corruption, violence and retirement funds in Vanuatu

In December 1993 the Vanuatu National Provident Fund (VNPF) – the mandatory retirement fund for public servants – and the Vanuatu Ministry of Finance established a Housing Loan scheme using monies from the VNPF. However, after expending millions of Vatu over the first two years only 150 people had benefited from the scheme. Between 1994 and 1995 the Korman Government had directed the VNPF management to offer special conditions on these loans to government officials, and furnished lists of appointees and ministers to whom they were to be offered. On 18 December 1997 Ferrieux Patterson tabled a 100-page report exposing these operations. Disgruntled VNPF members demonstrated in the streets and on 23 December they began applying for similar loans to those offered to politicians. When those requests failed demands were made for the withdrawal of their contributions from the fund although that this was illegal under the VNPF Act. Then, on 12 January, unable to withdraw their contributions or gain low rate loans, disgruntled VNPF members and a growing crowd of unemployed youths rampaged through the nation's capital, Port Vila, causing an estimated 200 million vatu-worth of damage.

Source: Morgan (1998): 291-292

It is important to note that there are a few areas where corruption does not appear. In the Pacific there is a general lack of corruption in:

- national judicial systems, and
- electoral administration.[54]

These results are especially surprising given that the majority of Pacific Island countries lack a specific electoral commission office. Why this is the case is a cause for speculation. Also, unlike in many other LDCs there is very little visible petty corruption in the Pacific such as routine small payments for services rendered. This might be attributable to the absence of extreme poverty in the Pacific. In the 2004 NISPAC study only three of the country studies described this as a problem.[55] Petty corruption also appears to be an issue in Fiji and Papua New Guinea.[56]

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53 Compare the NIS reports for SI and PNG with that of Niue.

54 Peter Larmour and Manuhuia Barcham (2006) "National Integrity Systems in Small Pacific Islands" Public Administration and Development 26 (2): 175.

55 Asafou So'o et al, (2004), 'Samoa' Transparency International Country Study Report (Australia: Transparency International-Australia), Kerry James, (2004), 'Tonga' Transparency International Country Study Report (Australia: Transparency International-Australia), and Donald Schuster, (2004), 'Palau' Transparency International Country Study Report (Australia: Transparency InternationalAustralia).

56 Albert Mellam and Daniel Aloi, (2003) National Integrity Systems Transparency International Country Study Report – Papua New Guinea (Berlin: Transparency International) and Hari Singh and Mosese Daikunivosa, (2001) National Integrity Systems Transparency International Country Study Report – Fiji (Berlin: Transparency International).

Other Sources and Forms of Corruption

Broadening the definition of corruption in light of the need to rethink the concept in relation to the issue of human development means we need to think again about issues which earlier forms of analysis may not have identified as corrupt. One example is the issue of political participation and its relationship to issues of free-speech.

In late 2006 rioting broke out in the Tongan capital Nuku'alofa. The rioting was a result of the adjournment of the country's Legislative Assembly which, despite promises to the contrary, had done nothing throughout the year to promote democracy in the country's government. The Legislative Assembly has 27 seats. Nine representatives are selected by the King, nine are reserved for nobles with the remaining nine being elected by the rest of the country's 90,000-strong population. The prodemocracy movement has long fought for a more representative legislature. In response to a continued lack of movement on this front, a crowd of prodemocracy advocates took to the streets in protest on 16 November 2006. The protest eventually turned violent as people in the crowd began tipping over cars and looting and burning buildings. The crackdown following these riots saw a number of influential leaders of the pro-democracy movement detained by the police.[57] The Tongan government has a long history of using a heavy hand when dealing with the country's prodemocracy movement. In early 2003 the government banned the Taimi o Tonga – an independent newspaper which has a strong prodemocracy slant. This was overturned by the Tonga Supreme Court as an illegal act which was in violation of the national constitution.[58]

Matai: Chiefly power in practice

In broadening our conception of corruption we need to begin to ask questions such as whether or not a restricted ability to hold public office count as a form of corruption? The Samoan Fono (legislature) consists of 49 members serving 5-year terms. Of these 49 seats 47 are elected from territorial districts with the two remaining seats being chosen by non-Samoans with no chiefly affiliation. While universal suff-rage was extended in 1990 only matai (chiefs) may stand for election to the 47 Samoan seats. With a population of 176,848 (2001 est.) more than 25,000 individuals hold matai titles with about 5% of these being women.

Source: Tcherkézoff 2000 and http://www.govt.ws

The latest Fijian coup in December 2006 has also presented difficulties in terms of defining what exactly constitutes a corrupt act. In seizing control of the country's government, Commodore Baini-marama claimed that the military takeover was to 'clean up' the corrupt Qarase administration[59]. However, despite claiming that the coup was designed, amongst other things, to bring an end to corruption in government certain actions by the military in the wake of the coup look decidedly suspicious. In the wake of this latest coup, a number of opponents of the coup were detained by the Fijian military. These detainees included professional journalists as well as members of the country's NGO sector.

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57 http://www.scoop.co.nz/stories/WO0701/S00206.htm
58 http://www.rsf.org/article.php3?id_article=5037   59 http://www.scoop.co.nz/stories/WO0701/S00206.htm
59 http://www.scoop.co.nz/stories/WO0701/S00206.htm

Both of these issues raise serious questions as to how we define corruption. Is the detention of political opponents a form of corruption? Given the important focus placed on the right of free speech and freedom of information in the human development framework one would be inclined to argue that these acts are corrupt. Indeed, one could even include these acts within older public-office centred definitions as in both cases it looks as if the respective governments are overstepping the line in terms of the power entrusted them. The problem with both, however, is that no power has been entrusted to them by the broader population. Instead both hold power by very different means, through hereditary right in the Tongan case and through military force in the Fijian case. These then are further examples of how we need to be careful when we talk about corruption in the Pacific. Other issues which make us think about broadening our definitions of corruption include the impact of overseas aid.

Overseas Aid

An often neglected area of possible corruption is that of overseas aid. With the shift in recent years towards an increasingly multi-polar world, broader international struggles for position are being played out once again in regions such as Africa and the Pacific. This positioning often involves large sums of money being made available for 'aid projects' with the payoff for the 'donor' country being support in international fora.[60]

In the Solomon Islands for instance, Taiwan has been providing funding to the Constituency Development Funds of national MPs in the tune of Solomon Dollar $1.0 Million per MP per year.[61] The funds are channelled through MPs to support constituency projects with hardly any accounting of how the funds are used. Not only does this raise a number of accountability issues, but by going straight to the communities and bypassing the provincial government this process is helping undermine the viability of provincial governments – something which is only now finally being rebuilt after the events of 2000.

In a related manner Japan has consistently provided money to Pacific LDCs for development projects and programmes in support for their support for Japan at the International Whaling Commission. Greenpeace has identified Japan's vote-buying as a form of corruption[62].

Globalisation

Increasing levels of globalisation may also present opportunities for increased corruption in the Pacific. Stagnating economic growth across the region, threatened ACP -EU trading regimes and bad flight connections across the Pacific constitute a possible recipe for trouble. Small countries like Niue and Tuvalu are both extremely remote from markets and have extremely limited natural resource endowments – apart from the possibility of fisheries. This makes them easy prey for industries such as passport buying, off-shore banking and the like. So too the continued growth of the North and

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60 This of course is very similar to the similar struggles for international recognition that plagued much of Africa and Asia during the Cold War era.

61 Graeme Dobell (2007) "China and Taiwan in the South Pacific: Diplomatic Chess Versus Pacific Political Rugby" *Lowy Institute Policy Brief* (Sydney: Lowy Institute), p. 11.

62 "Japanese vote buying sinks South Pacific Whale Sanctuary" accessed at 4:47pm on 9 June 2007 at http://www.greenpeace.org.uk/ media/press-releases/japanese-vote-buying-sinks-south-pacific-whalesanctuary. In an interview broadcast on Australian TV in mid-July 2001, a senior Japanese official, Mr Komatsu, admitted that Japan saw development aid as 'a major tool' in ensuring that key developing countries voted in favour of whaling at the IWC.

Southeast Asian economies may impact negatively on the supply side of corruption in the region. As these countries' economies grow they are increasingly looking further a field for the raw resources they require to maintain their growth. Korean, Malaysian and Chinese companies are already heavily involved in a number of industries in the Pacific including logging, fishing and oil palm. In addition, as these countries' industrial growth continues so too their search for new sources minerals, metals and petroleum products will also increase. Already Chinese companies are coming under attack for their practices in their operations in Papua New Guinea.[63] Increased competition for access to natural resources may drive foreign companies and countries to attempt to utilise corrupt practices to gain a competitive advantage. The key question to be asked is what is the impact of this, and other forms of corruption in the Pacific?

Impacts of Corruption

The problem in the Pacific, as for the rest of the world, is that it is difficult to gauge the precise impact that corruption has on other activities. In the Pacific (as for many other LDCs) reliably measuring the impact of corruption is nearly impossible because of two issues. The first issue concerns the shadowy nature of corruption, and associated activities such as bribery, which means that there is no simple way to collect data on either its **prevalence** or **magnitude.**

The second issue is that in the Pacific various capacity constraints mean that there are very real gaps in the data available in a number of sectors. And, where data is available its reliability is often questionable. These data problems combined mean that it is extremely difficult to obtain reliable information on either the prevalence or magnitude of corruption. And, without this data, it is nearly impossible to provide objective accounts of its impact. That said, there are very effective ways of measuring the impact and prevalence of corruption that are based on epidemiological methods of tracking disease. The NGO CIET specialises in this – their Service Delivery Surveys permit very accurate pictures of how corruption affects different people.[64] They can be done very easily in small countries but can be extremely expensive to run. The cost may be prohibitive to many countries in the Pacific but may be an area in which donors would be able to help provide support.

Collapse of the National Bank of Fiji

The National Bank of Fiji (NBF) crisis was, to date, the biggest financial scandal in Fiji. Established as a government-owned commercial bank in 1976, in the four years following the 1987 coup the NBF tripled the numbers of its staff and increased its advances fourfold. In mid-1995 the state-owned bank was running bad debts of at close to F$90 million. Over the next three years the figure rose until it hit F$220 million, or 8% of Fiji's then GDP. In the face of public outrage and ever increasing media scrutiny the government of the day resisted demands for a public inquiry and declined to provide police and the Office of the Director of Public Prosecutions with resou-rces to investigate corruption in the running of the bank. Things came to an end in late 1998 when the government drew down from the country's national provident fund to make good the financial shortfall. While a number of senior bank executives were investigated in relation to the bank's collapse none were ever successfully prosecuted and all the major prosecutions mounted by the Office of the DPP were thrown out of the courts. Almost ten years after its eventual collapse Fijian taxpayers still continue to pay for its failure.

Source: Grynberg and Munro 2002.

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63 For more on this see Rowan Callick, (2007) Chine, Chinese Businesses and Citizens *Islands Business*. Accessed on Thursday 14 June 2007 at 7:54 am at http://www.islandsbusiness.com/islands_business/index_dynamic/containerNameToReplace= MiddleMiddle/ focusModuleID=17355/overideSkinName= issueArticle-full.tpl

64 For more on their services and methods see http://www.ciet.org/en/

Given these constraints in obtaining objective data, the majority of corruption indices have been based on perceptions of corruption. A number of international organisations utilise these form of perception-based indices. These organisations include: the World Bank with their Governance Indicators; the World Economic Forum with their Executive Opinion Survey; Transparency International with their Corruption Perception Index; and Freedom House [65] with their work on political and civil liberties and freedom of the press. In addition, the Public Expenditure and Financial Accountability (PEFA) framework provides objective data for monitoring fiscal procedures, and Global Integrity's [66] Public Integrity Index provides relatively robust measures of the social and institutional aspects of corruption. We need to note that although these indices are based on perception they can have very real outcomes such as deterring foreign direct investment and undermining state and political legitimacy. We need to be very careful then not to draw too much from these forms of perception based indices although they do have a useful role to play in the anti-corruption toolbox.

Combined these indices have helped provide evidence of not only corruption's economic cost but also its social cost and its impact on values. An important point to note with perception measures is that while more corruption is probably taking place than is ever reported we need to remember that "perceptions may work both ways…[and] small societies [such as those found in the Pacific] are often vulnerable to suspicion and jealousy of neighbours, and people may imagine more corruption than there is"[67]. And so, in the Pacific, a long history of rent-seeking forms of politics in Samoa and Cook Islands has created an air of suspicion about politics and its corruption in both countries [68]. As a result of this particular historical trajectory, the authors of the NISPAC reports for those two countries found that perceptions of corruption were much higher than empirical evidence would tend to suggest.

At a very general level though there is general agreement that corruption has a detrimental effect on people's lives. These negative impacts operate at not only an economic level but also at a social level as well. In terms of poverty alleviation and development corruption has been shown to have the following adverse effects:

- higher corruption leads to lower investors' confidence, which in turn lowers domestic and foreign investment thereby limiting opportunities for countries to eliminate poverty;
- the politicisation and the purchasing of public positions translates into a misallocation of talent;
- corruption exacerbates gender inequality as women are on average poorer than men;
- corruption presents a barrier to economic and institutional engagement by the poorest
- widespread corruption within government agencies interacting with the private sector clouds the business environment, hampering enterprise growth;
- corruption exacerbates ethnic inequality as some groups are on average poorer than other ethnic groups;
- the linkage of corruption to the unofficial economy means that the state collects lower revenues which might otherwise have been used for stimulating economic development or direct poverty reduction measures;

65   www.freedomhouse.org
66   Global Integrity have expressed an interest in beginning to do work in the Pacific and the Australian government are looking at possibly supporting an assessment of Vanuatu.
67   Larmour, Peter, and Manuhuia Barcham, (2004) *National Integrity Systems Pacific Islands: Overview Report* (Australia: Transparency International-Australia) p. 6.
68   Reference the Cook Islands Political Review Commission and the Samoa NIS report

- undermining of state effectiveness and so too state and political legitimacy which can exacerbate state fragility;
- can lead to the unsustainable exploitation of natural resources, particularly when inducements are offered to bypass normal licensing procedures the rentseeking associated with corruption leads to distortions in budget allocations which can in turn lead to the deterioration of existing physical infrastructure;
- corruption reduces public revenues and weakens rule of law;
- state capture by the corporate elite biases the laws and policies of a country, allowing few to obtain selective benefits at the expense of the rest of the society, undermining the growth of output and investment of the enterprise sector and exacerbating inequality;
- corruption diverts public expenditure from essential services,
- misgovernance and corruption act as regressive taxes on households and firms; and
- corruption is associated with lower quality of public service provision.[69]

In terms of the global economic effects of corruption recent World Bank estimates place it at unlikely to be less than US$600 billion at the low end of likely ranges and up to US$1.5 trillion at the high end. Their Governance Indicators have also provided valuable longitudinal data on six key dimensions of institutional quality or governance, measured through two indicators each, these being the political, economic and institutional dimensions of governance. These six dimensions are:

- Voice and Accountability – measuring political, civil and human rights;
- Political Instability and Violence – measuring the likelihood of violet threats to, or changes in, government, including terrorism;
- Government Effectiveness – measuring the competence of the bureaucracy and the quality of public service delivery;
- Regulatory Burden – measuring the incidence of market-unfriendly policies;
- Rule of Law – measuring the quality of contract enforcement, the police, and the courts, as well as the likelihood of crime and violence;
- Control of Corruption – measuring the exercise of public power for private gain, including both petty and grand corruption, and state capture.[70]

While this data set grows every year as of 2006 it contained data from the following 20 Pacific countries or territories: American Samoa, Australia, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Looking at the data from the latest iteration of this annual data collection process we can see that while a number of Pacific countries have improved their control of corruption a number, of which the most striking is Tonga, have actually moved backwards.[71]

69 Kaufmann, Daniel, Francesca Recanatini and Sergiy Biletsky (2002) Assessing Governance: Diagnostic Tools and Applied Methods for Capacity Building and Action Learning a paper prepared for the WBI Staff Learning Course on Assessing Governance held on June 17-18, pp. 8-9. For further work on these specific impacts of corruption see Johnson, Simon, Daniel Kaufmann and Andrei Shleifer, (1997) "The Unofficial Economy in Transition" Brookings Papers on Economic Activity 2, pp. 159239; Johnson, Simon, Daniel Kaufmann, and Pablo Zoido-Lobaton, (1998) Corruption, Public Finances and the Unofficial Economy, Mimeo; Johnson, Simon, Daniel Kaufmann, John McMillan, and Christopher Woodruff, 2000, "Why Do Firms Hide? Bribes and Unofficial Activity after Communism" Journal of Public Economics 76, pp. 495-520; and Friedman, Eric, Simon Johnson, Daniel Kaufmann, and Pablo Zoido-Lobaton, (2000) "Dodging the Grabbing Hand: The Determinants of Unofficial Activity in 69 Countries" Journal of Public Economics 76, pp. 459-493; Mauro, Paolo, (1998) "Corruption and the Composition of Government Expenditure" Journal of Public Economics 69, pp. 263-279; and AusAID, (2007) Tackling Corruption for Growth and Development (Canberra: AusAID).
70 Kaufmann, Daniel, A. Kraay and M. Mastruzzi, (2005) "Governance Matters IV: Governance Indicators for 1996-2004" World Bank Policy Research Working Paper 3630 (Washington DC: World Bank).
71 To see this data go to http://web.worldbank.org/WBSITE/EXTERNAL/WBI/EXTWBIGOVANTCOR/0,,contentMDK:2077 65~menuPK:1866365~pagePK:64168445 ~piPK:64168309~ theSitePK:1740530,00.html The graph uses data collected in 2005 and sets its year of comparison as 1996. It should be noted that although certain countries may be included in the WBI Governance Indicators list they may not have data provided for certain of the indicators, in this case the 'control of corruption' indicator. Also, countries may not have data for the entire period covered by the graph.

A quick analysis of this data would tend to suggest that anti-corruption efforts are not working in the Pacific. And, when combined with other data, such as that obtained in the various national integrity system studies that have been completed in the region, this data would tend to indicate that given the relatively complete national integrity systems that exist within the countries of the Pacific region the effectiveness of these institutional systems needs to be questioned. However, in looking at the data provided by the World Bank Institutes Governance Indicators we need to be aware that some forms of corruption are not quantified through this approach (such as budgetary leakage or asset theft within the public sector) and there is always going to be a margin of error in the data available. A combination of data drawn from these various indices could provide a useful baseline data set for Pacific Islands countries themselves and bi-lateral and multi-lateral donors to work from in the construction of appropriate anti-corruption programmes and projects.

Much of the data made available by these indices is at a very broad aggregate level. More in-depth, fine-detail data would be useful for helping to drill down into the consequences of corruption for particular sectors or regions. Possible proxies that researchers could use in helping to measure the impacts of corruption could include:

- Benchmarking anti-corruption agencies
- Benchmarking media: print and broadcast
- Regular 'report cards' of select agencies or political districts
- Opening a complaints bureau or a 'hotline' and tracking number of claims
- Constitutions and laws
- Number of times 'corruption' or 'bribe' is mentioned in the print media
- Incorporation of ethics and values into school curriculum
- Number of types of taxes paid by individual/businesses
- Number of clearances required (eg to start a business)
- Undocumented costs in education and health access
- Corruption typologies
- Audit reports
- Ombudsman reports
- Ombudsman complaints data
- Financial Intelligence Unit (FIU) data
- Court cases and transcripts

More than anything else, this section highlights the fact that one of the key areas for further action in combating corruption in the Pacific is in the area of monitoring and information provision. In terms of this lack of data, work could usefully be done in increasing the monitoring capacity of Pacific Islands' countries.[72] The small size and high literacy rates found in many Pacific Islands mean that these measures could be very effective.

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72 For more information see UNODCCP, (1999) Involving the Public in Curbing Corruption: The Use of Surveys to Empower Citizens to Monitor State Performance (Vienna: United Nations Office for Drug Control and Crime Prevention) and UNODCCP, (2001) Empowering the Victims of Corruption through Social Control Mechanisms (Vienna: United Nations Office for Drug Control and Crime Prevention).

Given this spread and impact of corruption across the Pacific we next have to ask to what extent is this related to the lack of an effective regulatory and accountability framework? At an international level there appears to be growing support within the Pacific for anti-corruption efforts. A number of international instruments thus help provide a framework for Pacific Island Countries' anti-corruption efforts (see Appendix 1). The five most pertinent to the Pacific region are the: UN AntiCorruption Convention; UN Trans-national Organized Crime Convention; ADBOECD Asia Pacific Action Plan; the OECD Anti-Bribery Convention; and Financial Action Task Force/Asia-Pacific group on Money Laundering. While the OECD convention is only directly applicable to Australia and New Zealand the high levels of trade between these two countries and the countries of the Pacific means that its take up by Australian and New Zealand businesses will have an impact on anti-corruption efforts in the Pacific. Only Australia and New Zealand have so far signed up to the UN Anti-Corruption Convention but the majority of the Pacific Island countries have, through the Pacific Forum Secretariat, committed to moving towards signing and ratifying the Convention. A number of Pacific Island Countries have signed up to the UN Transnational Organized Crime Convention and the ADB-OECD Asia Pacific Action Plan and a number of other are working towards this goal. Ten countries in the Pacific region are full members of the Financial Action Task Force/Asia-Pacific group on Money Laundering while four other countries in the region possess observer status. Combined, these international instruments help provide a high-level framework upon which effective regional and domestic regulatory and accountability frameworks can be constructed.

However, while the existence of these international instruments provide a useful international framework upon which concrete anti-corruption strategies can be constructed there is an obvious question of sequencing both in signing, ratifying and implementing these forms of international agreements, but more importantly in the order of which anti-corruption reforms are pursued. In addition, as there is limited capacity and limited resources in many Pacific Island countries, reforms must be prioritised and this prioritisation must also ensure that some wins can be achieved in order to gain and maintain longer-term momentum towards reform. However, before concrete anti-corruption activities can be undertaken there must first exist a framework (preferably both domestic and international) upon which they can be based. And so, returning to the question posed above about the existence of frameworks for supporting anti-corruption activity, looking at the available evidence and using the NISPAC data as a baseline we could provisionally answer yes, many Pacific countries have relatively well-developed domestic legislative and policy frameworks for dealing with corruption although more work could be usefully done looking at how these could be strengthened or reinforced. The issue, however, is not that there is a lack of a regulatory and accountability framework. Instead, the problem may lie, as was suggested above in the discussion of the WBI Governance Indicators, in the effectiveness of these frameworks.

National Integrity Systems
In 2003-2004 a survey was made of the National Integrity Systems of 12 Pacific Island countries. Run out of the Australian National University, the study was funded by AusAID and Transparency International-Australia. The NISPAC Study included the following countries: Cook Islands, Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The NISPAC study did not include studies of Fiji, Papua New Guinea, Australia and New Zealand as they were completed as part of other National Integrity System projects.

The National Integrity System is based on the idea that corruption is a systemic phenomenon that can be addressed by reducing opportunities for corruption and increasing disincentives for corrupt behaviour. The model is based on the existence of a number of pillars including agencies such the

judiciary, civil society groups including the media; the private sector; and other groups including those working in the field of international cooperation, who work together to promote integrity within a country.

In the NISPAC study 11 pillars were utilized. These pillars included: legislative assemblies; executive; judiciary; auditor-general; ombudsman; watchdog agencies; public services; media; civil society; private sector and the international community. Almost all of the 12 countries of the NISPAC study possessed an almost complete complement of these pillars (see Appendix 2). So too, Fiji and Papua New Guinea possessed almost all the pillars utilized in the studies that they were respectively involved in.

The key notable gap was the lack of any watchdog agency in the majority of the countries. Solomon Islands was the only country that possessed this pillar in the 2004 study, with this being their chapter of Transparency International. This is somewhat misleading as Vanuatu also possessed a chapter of TI in 2004 but this was identified in as a civil society organization which is actually probably a better fit given that Transparency International is an international non-government organisation. Papua New Guinea and Fiji also had chapters of TI when their NIS studies were performed. The other notable gap was the absence of the Office of an Ombudsman in half of the countries involved in the NISPAC study. In the ensuing three years no new Ombudsman's Offices have been established in those countries although the creation of an Ombudsman's Office and an accompanying Leadership Code in Nauru has been raised in recent constitutional discussions.[73] Other key gaps included: the absence of media as a pillar in Tonga and Niue due to problems respectively with media freedom and the extremely small size of the country; the lack of an active civil society in Nauru; and the absence of an active private sector in Tuvalu. In general then, on paper the countries of the Pacific possess relatively national integrity systems from an institutional perspective. How these pillars work together and to what extent they work in practice is another question.

In the National Integrity System model the number of pillars is variable but the key aspect is the relationship between and within the pillars.[74] Vertical accountability systems within pillars point upwards to key managers within those organisations, including Ministers for government agencies, and downwards to stakeholders such as voters. There is a need, however, to also achieve horizontal accountability between these pillars. Transparency International sees this horizontal accountability operating as a strategy of coalitions between groups.

In a perfect case the pillars are inter-dependent, with the pillars with greater capacity helping the other pillars to uphold the country's integrity system. However, as the NISPAC study showed this is not always the case. The country with the 'best' National Integrity System on paper was the Solomon Islands, with a complete set of all 11 pillars.[75] However, these pillars were largely 'hollow' with many agencies having little, if any, capacity to fulfill the anti-corruption activities they were obliged to discharge.[76] Questions thus need to be asked as to what extent these institutions are appropriate for their environment. This lack of internal capacity could have been improved through horizontal forms of integration with other agencies in the provision of information, advice and person hours. A similar issue is apparent in Vanuatu.

73   Nauru Constitutional Review Commission, (2007) The Nauru Constitutional Review Commission 'Naoero Ituga' Report (Nauru: Nauru Constitutional Review Commission). See especially Chapter 12.
74   Larmour, Peter, and Manuhuia Barcham, (2004) National Integrity Systems Pacific Islands: Overview Report (Australia: Transparency International-Australia) p. 5.
75   Larmour, Peter, and Manuhuia Barcham, (2004) National Integrity Systems Pacific Islands: Overview Report (Australia: Transparency International-Australia) p. 24.
76   Paul Roughan, (2004), 'Solomon Islands' Transparency International Country Study Report (Australia: Transparency International-Australia).

Under current legislation the Vanuatu Ombudsman's Office is empowered to investigate allegations of breaches of the country's leadership code. However, as the legislation currently stands if the person under investigation resigns their position then the Ombudsman Office's investigation must halt as they no longer hold the leadership position that they were being investigated for. More problematic is that should serious allegations have arisen in the course of that investigation which could have led to a criminal investigation by the Police there is no way in which the information obtained by the Ombudsman's Office can be given to the Police. Instead the Police must initiate their own, separate investigation. There is thus a need to ensure both vertical and horizontal integration within and across organisations and agencies involved in anti-corruption work. Combined these two aspects of **vertical** and **horizontal** accountability provide an environment of mutually reinforcing accountability. The key impediment to this integration is a general lack of capacity.

Part of the answer can also be found in the realisation that the integrity/anti-corruption frameworks and/or programmes present in countries like Solomon Islands may be inconsistent with the capacity of the organisations that have to implement them. These inconsistencies then lead to the further undermining of morale within the organisation. The problem is that these forms of framework are often created without any real sense of the resources required to implement them, thus complicating the affordability of government. In addition, some of these frameworks are not a close cultural fit with their environment which can place an even greater drain on the capacity of the organisations in question. This in turn brings us back to the importance of issues of prioritising and sequencing when creating and implementing anti-corruption programmes and frameworks.

Capacity deficits

One of the defining features of LDCs generally, and the countries of the Pacific Islands are no exception to this, is a general lack of capacity in the public and private sector. This capacity deficit is present in differing degrees across sectors as well as geographically. Thus, as was discussed earlier, states in the Pacific tend to have greater capacity in their capital cities and surrounding districts, with this capacity diminishing as you move further away from the centre of government. This capacity deficit has two aspects: **internal** and **external**. *Internal capacity refers to the ability of an organisation to operate its own internal processes effectively.* This includes, for example, the ability of an agency to manage its staff through appropriate human resource policies and processes, to ensure that their staff are adequately compensated for the work that they do (which in some case means ensuring that their staff get paid regularly) as well as ensuring, amongst other things, that policies created at the organisation's head office are implemented following their original intent at regional offices. *External capacity, by contrast, refers to the ability of an organisation to project its presence in the external environment.* External capacity thus includes the ability of an organisation to interact and manage its relationships with others, including its ability to mobilise and build partnerships within and outside the government. For a Ministry charged with providing effective roading for a country, for example, their external capacity would include their ability (or lack of ability) to effectively build and maintain road networks across the country. For other service provision Departments/Ministries their external capacity would consist of their ability (or lack of ability) to provide the services they are charged with providing.

In terms of opportunities for corrupt activity this lack of capacity may play out in an organisation's inability, for example, to properly monitor financial transactions thus providing opportunities for misdirection of funds. This idea of low organisational internal and external capacity also plays out in other ways. In terms of the perceived monitoring role of NGOs in any anti-corruption process we must realise that civil society organisations in LDCs in the Pacific also generally possess low levels of

internal and/or external capacity. A low level of external capacity may thus effectively hamstring an NGO's ability to effectively act as an anti-corruption watchdog. In short, capacity shortfalls, in both an internal and external aspect, are a key lever behind issues of corruption in the Pacific. They provide not only opportunities for corruption but also inhibit the effective operation of anti-corruption policies and programmes. The problem then is how to overcome these capacity shortfalls.

An initial answer would be to look for examples of success in the Pacific and use those to construct models which can then be usefully transferred to other regions and jurisdictions within the Pacific. By utilising examples of structures and processes that have managed to work successfully in a low capacity context in the Pacific you achieve a number of things:

- help overcome issues of capacity misfit;
- help overcome issues of cultural misfit (both organisational and societal); and
- promote local ownership.

An important point to make in terms of promoting maximum stakeholder buy-in to any anti-corruption policy or programme is the idea of ownership. Ownership of an idea or process by a community, be it a policy community such as a group of Departments working in a particular sector or social community such as a village or country, helps promote implementation[77]. And, one such way to help bring about local ownership is to build on local successes. By local I mean using structures and processes which have emerged in the general region – which in the context of this report means the Pacific broadly construed. By building on local success stories you thus help promote local ownership thereby increases your chances of successful uptake and implementation.

Building on local success stories in order to use them as the basis for the construction of new anti-corruption structures and processes in different jurisdictions within the Pacific is an example of South-South policy transfer. South–South policy transfer mechanisms provide an opportunity to avoid the problems of low capacity and cultural misfit that plague North–South forms of transfer.

South-South transfer: the case of the Melanesian Ombudsman model

The Melanesian Ombudsman model developed in Papua New Guinea where in addition to the usual focus on issues of maladministration, the PNG Ombudsman Commission has the additional role of policing the PNG Leadership Code. One of the key results is that despite the criticism of what is seen as a weak and faulty leadership code, the PNG Ombudsman Commission (as well as the other independent authorities and judiciary) is seen as one of the "redeeming features of Papua New Guinea's constitutional system", and "has prevented the decline of the executive and Parliament into total irresponsibility and unaccountability". Working together the Office of the PNG Ombu-dsman helped implement a number of reforms in Vanuatu which saw the successful extension of the role of the Vanuatu Ombudsman's Office to the policing of that country's leadership code.

Source: Ghai (2001): 53 and Barcham (2003) Source: Grynberg and Munro 2002.

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[77] In terms of these arguments being applied in an anti-corruption perspective see Daniel Kaufmann, Francesca Recanatini and Sergiy Biletsky (2002) Assessing Governance: Diagnostic Tools and Applied Methods for Capacity Building and Action Learning a paper prepared for the WBI Staff Learning Course on Assessing Governance held on June 17-18, p. 17.

The establishment of the Vanuatu Ombudsman Office is an example of the many positive aspects of South–South forms of policy transfer. South–South forms of policy transfer seem to provide an answer to the problems of disparities between state capacity and cultural context that often bedevil North–South policy transfer with successful structures and processes developed in similar countries being able to act as the template for successful transfer.

A key point to note though is that we need to be clear before we implement any wholesale adoption of South-South forms of transfer in the region about why it is that the structure or process worked in its original form. Was it a question of appropriate structure or was it instead a matter of political will, effective capacity, appropriate resources, sound leadership, effective donor support, engagement from stakeholders, or indeed a combination of these factors? Without first identifying what the critical success factors were behind the operation of the original structure or process we run the risk of promoting costly institutional transfer for the sake of institutional transfer. In building on local successes we thus need to ensure that adequate time is spent exploring how and why those original structures worked.

One other important point to note is that by building on local successes we also begin to move away from a deficit model of governance which focuses almost exclusively on what is wrong with a governance system rather than building on what is successful. Building on local success stories thus helps garner both community support and political will – both necessary aspects of any successful anti-corruption programme.

Successful anti-corruption initiatives involve multi-faceted interventions both internal and external to organisations. Nonetheless, countries can have good regulatory systems, structures and laws but if there is lack of leadership and the will to uphold the law then everything can fall apart. Values and personal integrity are important dimensions of leadership in fighting corruption as strong leadership can provide the political will which is often required for successful anti-corruption programmes. The issue of personal values to one side the question that needs to be asked is how can political will to fight corruption be developed? External pressure is one possibility. Aid conditionality is one way of achieving this but the externally imposed aid conditions based on narrow objectives and driven by political and strategic interest of donors can work in negative way. Aid conditionality has thus, in some instances, created perverse incentive structures which could actually be detrimental to anti-corruption efforts. Experience with many structural adjustment programs in many developing countries indicate that externally imposed aid conditionality without or with weak national ownership do not work. Political will is thus also shaped or influenced by pressures from a well-informed citizenry. In addition, political will is reinforced by broad-based ownership. Programmes which are built on broad-based ownership have greater chances of success than those that are supported by narrow political and economic interests.

However, in order to ensure that any new institutions or new functions of older institutions created to help in anti-corruption efforts do not just add another layer of bureaucratic burden on states already struggling with a capacity deficit, we need to ensure that there is no unnecessary doubling up of functions. This will only occur through a stocktake of existing anti-corruption laws and institutions in specific countries and within the region as a whole. While this report itself is a move towards that direction, a more concerted effort to explore what already exists and provide some analysis as to why or why not they are successful would help before money is spent constructing programmes of reform. Understanding what already exists and why it works or does not work will help ensure that any programmes of reforms adopted are appropriately targeted, thus saving time and money in the long run.

A number of Pacific Island countries have initiated reforms to fight corruption since the 2004 NISPAC reports were completed. One of the most widespread has been the creation of Financial Intelligence Units (FIUs) in a variety of Pacific Island countries including Cook Islands, Solomon Islands and Vanuatu.[78] And, in probably the most high profile anti-corruption move in the region, the interim Fijian government established the 'Fiji Independent Commission Against Corruption (FICAC) ' in early 2007. An independent organisation, the Commissioner of the FICAC will be directly accountable only to the President of Fiji. The new body has new and significantly enhanced legal powers of surveillance in order to be able to successfully investigate, arrest, detain and prosecute offenders of corruption.[79] FICAC has, in its short history, already made a very vocal start to its work with high profile raids on a number of Ministries and the detention and charging of a high ranking Police Officer for corruption. In addition to these local efforts a number of bi-lateral and multi-lateral donors are actively providing support to Pacific Islands Countries in the fight against corruption. The next section of the report looks at these.

Anti-Corruption Initiatives in the Region

There are a number of anti-corruption initiatives being carried out in the region. (For more information on these specific initiatives see Appendix 3)

Bilateral Donors

There are a number of bi-lateral actors in the Pacific which promote anti-corruption activities as part of their work in the region. The two key bi-lateral donors in the region are Australia and New Zealand. The Australian government's commitment to fighting corruption in the region was underlined in the Australian Government's White Paper on Aid to the Pacific.[80] In March 2007 the Australian government released a new policy booklet entitled *Tackling Corruption for Growth and Development* which outlines the Australian government's focus on anti-corruption activities in the region. In an attempt to provide a degree of coherency to their approach, the new policy calls for the Australian government to utilise a whole-of government approach linking up the various overseas programmes being run by the various Australian government agencies with overseas activities. The Australian government sees anti-corruption activities as playing a vital role in their future longterm engagement with the region. While the New Zealand government does not have a specific anti-corruption policy there are aspects of anti-corruption work contained within their good governance programmes. New Zealand's anti-corruption work in the Pacific includes supporting the Pacific Judicial Development Programme (PJDP), a programme designed support participating Pacific judiciaries to strengthen the rule of law and governance through the provision of training to magistrates and court officials across the region as well as through the provision of direct funding to Transparency International-New Zealand who have been engaged in anti-corruption work in the Pacific. The European Union is undertaking some work in this area in the Pacific. Many of their governance profiles of their partner countries in the region have included specific anti-corruption activities. At a more direct level the European Union is also providing funding to Transparency International-Vanuatu to enable them to update their 2004 NISPAC country study. The US State Department has been doing some work in the Pacific with the UNODC in the creation of a Pacific Anti-Money Laundering Programme (PALP).

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78 See www.fincen.gov/int_egmont.html

79 "Fiji Anti-Corruption Unit Receives 400 Cases" Fiji Times Tuesday 27 March 2007. "Rasiga to appear in court" accessed on Friday 15 June 2007 at 2:09pm at http://www.fijilive.com/news/show/news/2007/05/10/Fijilive09.html

80 Australian Government, (2006) Australian aid: promoting growth and stability (Canberra: Australian Government).

Multilateral Actors

There are a number of multi-lateral actors and groups which operate in the Pacific which either have anti-corruption strategies as part of their work streams or are themselves focused on anti-corruption activities as part of their core business. The Financial Action Task Force on Money Laundering (FATF) Asia/Pacific Group has ten members in the region while four other countries in the region possess observer status.[81] The Asian Development Bank (ADB) and the OECD have combined to create an Asia-Pacific Anti-Corruption initiative.[82] Seven countries from within the Pacific region have signed the Action Plan, these are Australia; Cook Islands; Fiji; Palau; Papua New Guinea; Samoa; and Vanuatu. Under the Pacific Plan the Pacific Forum Secretariat has begun to more explicitly address the issue of corruption. As an immediate policy priority the Pacific Plan has called for the strengthening of anti-corruption institutions in the region.[83] The proposal includes the establishment of:

- a regional ombudsman;
- a regional audit service;
- regional capacity to assist the collection of customs revenue; and
- a regional anti-corruption agency.[84]

In pursuit of this, the Pacific Forum Secretariat is looking to commission a study looking at the pros and cons of a regional anti-corruption agency and these other proposed institutional support mechanisms at the regional level. The Regional Assistance Mission to Solomon Islands (RAMSI) provides an example of a joint regional effort to fight corruption. One of the key bodies created by RAMSI to combat corruption in Solomon Islands is the Participating Police Force (PPF) Corruption Targeting Team (CTT). With 14 police investigators drawn from both the SIPF and RAMSI's regional Participating Police Force, investigations by the CTT have already led to charges being laid against two senior government officials, two senior statutory officer-holders, three former provincial premiers, five former national ministers and two former prime ministers. Through their Machinery of Government programme RAMSI are also working with the Auditor General's Office to increase its monitoring capacity. The accompanying increase in capacity has seen the Office of the Auditor General table 10 special audits in parliament in the last year alone. The last audit to be tabled by that office before now was in 1987. There are still problems, and the lack of an Ombudsman is a clear example of the issues that still need to be sorted out in Solomon Islands.

Finally the United Nations Development Program (UNDP) through its Country Offices and the UNDP Pacific Centre is supporting initiatives to improve transparency and accountability. Working through the various Parliamentary Support Projects, UNDP is helping develop the capacity of Parliamentary Public Accounts Committees to enable them to effectively exercise their oversight functions. Other initiatives implemented through the Pacific Centre include support to the development of Information Disclosure Policy, promotion of Freedom of Information and the establishment of the Regional Ombudsman in partnership with the PIFS and Commonwealth Ombudsman of Australia.

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81 The APG members in the region are Australia, Cook Islands, Fiji, Marshall Islands, New Zealand, Niue, Palau, Samoa and Vanuatu. The countries with observer status within the Pacific region are Kiribati, Nauru, Papua New Guinea and Tonga.
82 For more information on this see http://www1.oecd.org/daf/ASIAcom/
83 See Section 12.1 of the Pacific Plan.
84 Pacific Islands Forum Secretariat, (2005) The Pacific Plan: For Strengthening Regional Cooperation and Integration (Suva: Pacific Islands Forum Secretariat).

Regional Peak Bodies

Within the Pacific, a number of peak bodies operate which bring together representatives of the various sectors which play a part in anti-corruption activities. One of the largest of these organisations is the Oceania Customs Organisation (OCO) which consists of twenty-three customs administrations within the Pacific.[85] At their regional meetings, discussions focus on the promotion of harmonised and simplified customs procedures, the introduction of new methods and a forum for a general exchange of information.[86] In respect to the issue of money laundering, the OCO has developed a working relationship with the Asia Pacific Group on Money Laundering Secretariat. Other regional peak bodies of importance to anti-corruption efforts include the Pacific Immigration Directors' Conference (PIDC)[87], the South Pacific Chiefs of Police Conference[88] (SPCPC)[89] and the Pacific Islands Law Officers Meeting (PILOM).[90] Initial meetings have been held towards the creation of a regional network of ombudsmen support services among Pacific Island, Australian and New Zealand ombudsmen. Work by the ADB is also helping strengthen the audit functions of the members of the South Pacific Association of Supreme Audit Institutions (SPASAI).[91]

Non-Government Organisations and the Private Sector

Transparency International (TI), the international anti-corruption NGO, has a number of chapters in the Pacific region.[92] In 2004, together with AusAID, Transparency International-Australia ran a 12-country study of National Integrity Systems in the Pacific (NISPAC).[93] As individual chapters they have been quite vocal in their anti-corruption advocacy work. The Papua New Guinea chapter, for example, has been pivotal in the establishment and running of a Community Coalition Against Corruption (CCAC). The churches have been vocal in their condemnation of corruption in the region. In the late 1990s the hierarchy of the Catholic Church in Papua New Guinea made a number of claims about the levels of corruption in the national government and called for change.[94] So too in the Solomon Islands a number of prominent church leaders have been outspoken in their opposition to what they see as corrupt practices in government.[95]

Corruption in the church

While churches can be powerful advocates against corruption it does not mean that they themselves are immune to corruption from within. A senior minister of the Ekalesia Kelisiano a Tuvalu (EKT) church in Tuvalu was thus dismissed from his position following allegations involving church funds and inappropriate use of overseas training. He was subsequently jailed for his role in the misappropriation of funds from an NGO.

Source: Taafaki 2004: 15

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85   The twenty-three member countries are American Samoa, Australia, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, FSM, Nauru, New Caledonia, New Zealand, Niue, Norfolk Island, Commonwealth of the Northern Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu and Wallis and Futuna.
86   For more information see www.ocosec.org
87   The PIDC is the official regional forum for Official Pacific Immigration Agencies of the Pacific Region. The principal objective of the PIDC is to promote consultation and co-operation among immigration agencies within the region. The Conference also provides for the exchange of ideas, the dissemination of information and the provision of technical assistance between its members. For more information see: http://www.pidcsec.org/
88   The current members of SPCPC are American Samoa, New Zealand, Australia, Niue, Cook Islands, Northern Mariana Islands, Federated States of Micronesia, Papua New Guinea, Fiji, Palau, French Polynesia, Samoa, Guam, Solomon Islands, Kiribati, Tonga, Marshall Islands, Tuvalu, Nauru, Vanuatu, New Caledonia.
89   For more information see www.pcpc.org
90   PILOM is the annual meeting of the Attorneys-General, Heads of Justice Departments, SolicitorsGeneral, Crown Counsel and Directors of Public Prosecutions of the Pacific Island Forum member states provides a forum for sharing information on major legal issues and developments relevant to government law officers in Pacific Island Forum countries.
91   For more on the work of SPASAI see www.sapsai.org
93   The NISPAC Study included the following countries: Cook Islands, Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The NISPAC study did not include studies of Fiji, Papua New Guinea, Australia and New Zealand as they were completed as part of other National Integrity System projects. For copies of all 16 of these reports go to www.transparency.org.au/nispac
94   http://archives.pireport.org/archive/1999/april/04-08-03.html
95   http://archives.pireport.org/archive/2005/february/02-01-com.htm

There is a long history of media reporting against corruption in the Pacific although it has often led to threats against the media. In Palau the radio reporter Alfonso Diaz had three cars firebombed while a newspaper editor in Solomon Islands has been physically intimidated by thugs associated with publishers have been deported from Vanuatu and Palau.[96] In some Pacific Island countries formal and informal controls on the media are strong such as in Tonga where the government has amended the constitution to allow it to ban newspapers.[97] In addition to the work being carried out by Transparency International which focuses exclusively on anti-corruption activities, there are several other NGOs doing work in this area in the Pacific as well. The Pacific Centre for Public Integrity (PCPI) based in Fiji is a relative newcomer, working regionally with a specific anti-corruption mandate. A variety of other NGOs include anti-corruption activities within their work on democracy and human rights, women's rights, good governance and/or community development. In Fiji, the Citizens' Constitutional Forum (CCF), has been doing work in this area since the late 1990s, including community education and advocacy on the need for legislation to implement freedom of information and code of conduct provisions of the Constitution, and advocating greater follow-up on apparent cases of corruption identified by the Auditor-General. In the Pacific the Private Sector has supported anti-corruption efforts in a number of ways including support of organisations such as Transparency International as well as more direct lobbying of government. In Solomon Islands in early 2007, for example, the local chamber of commerce and industry has raised questions about the performance of the lands department. Questioning the legality of certain land dealings and ownership transfers the chamber of commerce has called on the government to commit itself to attacking corruption, inside and outside the government and public service.[98]

This part of the report has discussed two key aspects of corruption in the Pacific. After touching briefly on definitional issues the first section explored where corruption is found before looking in more depth at some of the problems encountered in trying to measure the impacts of corruption. The second part of this section then looked at the anti-corruption efforts of donors and others in the region – looking first at bi-lateral donors before discussing the work of multi-lateral donors, regional peak bodies and non-government organisations.

96 Donald Shuster, (2004), 'Palau' Transparency International Country Study Report (Blackburn: Transparency International-Australia), p. 17 and Peter Larmour and Manuhuia Barcham, (2004) National Integrity Systems Pacific Islands: Overview Report (Australia: Transparency InternationalAustralia) p. 14.

97 Peter Larmour and Manuhuia Barcham, (2004) National Integrity Systems Pacific Islands: Overview Report (Australia: Transparency International-Australia) p. 14.

98 http://www.rnzi.com/pages/news.php?op=read&id=31072

IV. Role of Culture and Tradition

There is a long running discourse in both the academic and policy literature on the 'incompatibility' of traditional and modern governance systems. This is especially so in the Pacific where, in some countries, modern state structures have only really been in existence for less than 50 years. A large part of this discourse of incompatibility between governance systems is devoted to exploring the linkages between culture and corruption. In this section of the report, the links between culture and corruption are discussed through a brief examination first of the general literature on the topic before looking more closely at what some authors have said about the link between these two concepts in the Pacific. From there, a more in-depth analysis is made of the issue of gift-giving looking at how a distinction can be made between traditional practices and corruption. The section then ends by discussing what else can be done in terms of exploring in more detail the relationship between culture and corruption.

In terms of identifying the role of culture in corruption we need to first define what we mean by culture. A generally accepted definition of culture is that it is the shared system of values, beliefs, customs that the members of a group utilise in their interactions with one another and others. However, following Samuel Huntington, in utilising this definition of culture we need to be careful that we do not, by defining it too broadly as a 'way of life', end up explaining nothing.[99]

In a survey of 33 countries the researchers found some correlation between membership of a hierarchical religion, such as Catholicism or Islam, and corruption. Protestantism also seemed to be negatively correlated with corruption.[100] Following Putnam, the key aspect here would appear to the type of links between members of society. Strong hierarchical forms of relationships led to the formation of particularist forms of bonds between members of society which effectively exclude others who are not part of the group and leads to the formation of intermediaries who convey information between members of the hierarchy. This use of intermediaries, with its associated lack of a free and transparent flow of information, provides an opportunity for corruption to occur. This hierarchical form of relationship which, as noted above, is found in certain religious traditions is also found in many affective social organisations such as clans and tribes around the world, including the Pacific. Conversely, weak horizontal forms of social relationship, such as those characterising Christian Protestant religions, with an associated lack of intermediaries controlling the flow of information help to prevent corruption by allowing a free and transparent access to information.

In a more in-depth case study, Alena Ledeneva analysed the system in the former Soviet Union of low level exchanges of favours (blat) by which people worked around bureaucratic difficulties, and mobilised relatives and acquaintances to 'get by'.[101] So too in looking at the issue of culture and corruption Elizabeth Harrison has related corruption to the exercise of official discretion by field officers in Africa,[102] while Akhil Gupta has looked sympathetically at the role of cultural middlemen in the interactions of clients and bureaucrats in India.[103]

99   Huntington, Samuel P., (2000) "Introduction" in Lawrence E. Harrison and Samuel P. Huntington (eds), Culture Matters: How Values Shape Human Progress (New York: Basic Books), p. xv.

100   Rafael La Porta, Florencio Lopez-De-Silanes, Andrei Shleifer and Robert W. Vishny (1997), "Trust in Large Organisations" The American Economic Review, Papers and Proceedings 137 (2), p. 337. This is a very similar view to that found in Robert Putnam's influential book (1993) Making Democracy Work: Civic Traditions in Modern Italy (Princeton: Princeton University Press).

101   Alena Ledeneva, (1998) Russia's Economy of Favours: Blat, Networking and Informal Exchange (Cambridge: Cambridge University Press).

102   Elizabeth Harrison, (2004) "The 'Cancer of Corruption' in Africa'", in Italo Pardo (ed), Corruption: Between Morality and Law (Aldershot: Ashgate Publishing).

103   Akhil Gupta, (2005) "Narrating the State of Corruption" in Cris Shore and Dieter Haller (eds), Corruption: Anthropological Perspectives (London: Pluto Press).

Big-man politics in Melanesia

Some aspects of Melanesian society, particularly non-Austronesian aspects, are characterised by a certain form of social leadership structure described by some as a Melanesian-type big-man system. In these forms of traditional system segmented lineage groups are held together by faction-leaders who compete for power in the social structure of horizontally arranged and principally equal groupings. Leadership in a 'big-man' system is not ascribed but rather gained through action and competition with other ambitious men. The position of this form of leader is always challenged by other different bigmen, and aspirant big-men, that compete with one another in an on-going process of material and political transactions. Traditionally big-men were always struggling to balance the opposing pulls of securing his own renown through distributing resources to other big-man groups whilst also redistributing resources to the people of his own group in order to maintain their support. This cultural artifact has been transferred over to modern politics. In Melanesia public office has thus become an attractive opportunity for personal and group gain. Election to national parliament offers local people avenues for becoming more influential big men and gaining greater access to state resources for redistribution. In Melanesia government ministers have used their official powers to appropriate entire national policies or divert public resources to their own personal agendas due in part to a belief that the accumulation of wealth is an essential element of political status.

Sources: Dinnen (2001); Godelier and Strathern (1991); May (2004); Morgan (2002); Sahlins (1963); and Stewart and Strathern (1998)

Given that culture is both a key intermediate input to social and economic development as well as a welfare-enhancing developmental outcome itself, in the Human Development framework we need, however, to avoid creating a simple binary between 'good' modern governance and 'corrupt' traditional ways. The Pacific Plan explicitly identifies culture as an area of importance for the development of the Pacific. And, the 2004 Eminent Person's Group report, *Voices of the Region,* listed culture as one of the seven areas that deserved immediate attention, and recommended that the strengthening of cultural identity be a key focus of Forum leaders. Indeed there may be many positives to be found in traditional cultures in combating corruption. In the Pacific context Elise Huffer has thus argued that "no satisfactory framework for analyzing corruption in the Pacific context has been developed...[and we need to] find out how people of all sections of society define and understand corruption, and how they think it can be dealt with"[104]. This research would be part of what she and Ropate Qalo have elsewhere called the development of a Pacific Political Ethics.[105]

In a similar vein, in their analysis of Samoa's National Integrity System, the authors of that country's NISPAC study called for greater analysis of that country's 'traditional integrity system'. They argued that:

"in order to understand better the whole area of gift giving and conflict of interest rules in a society like Samoa which is not only relatively small but with such a strong family-orientated and reciprocal culture, it would be worthwhile in the long term to conduct an in-depth study of Samoa's 'traditional' integrity system in order for both donors and Samoans to understand better the similarities and differences between the national integrity systems and the 'traditional integrity system'. Such understanding would hopefully lead to a better appreciation of the national integrity system. The off-the-cuff conclusion is that elements of the two systems could never be mixed as it would ultimately create opportunities for corrupt activities to take place. Perhaps there is some way in which elements of one system would enhance the effectiveness of the other."[106]

Traditional societies in the Pacific possessed accountability structures which were well known by members of these communities. Sanctions for corrupt activity included weaker processes such as social pressure and pubic embarrassment through to stronger forms of deterrent including violence and possible capital punishment. Colonial rule saw these older systems partially displaced by introduced structures. And, in the modern world older forms of deterrence such as violence would be frowned

104   Elise Huffer, 2005 "Governance, Corruption and Ethics in the Pacific' The Contemporary Pacific 17(1), pp. 122-123.
105   Elise Huffer and Ropate Qalo, (2004) "Have we been thinking upside-down?: the contemporary emergence of Pacific theoretical thought" The Contemporary Pacific 16, 1: 87-116.
106   So'o, Asafou, et. al. (2004), 'Samoa' Transparency International Country Study Report (Australia: Transparency International-Australia), p. 30.

upon by most in the international community. That said, there is still much that could usefully be taken from these older systems which still continue to operate in a modified form throughout much of the Pacific.

<div style="background:black;color:white;padding:4px">Custom and corrupt intent in elections in Samoa</div>

In 2006, Tautoloitua Farani Posala, a candidate in the Samoan general election for the seat of Alepata Itupa i Lalo brought a case against Paepae Kapeli Su'a, the winner of the election in that constituency, arguing that Su'a had illegally won the election through corrupt practices. In their ruling the three presiding justices held, that, contrary to the Electoral Act 1963 (s.96), Su'a was guilty of bribery and so declared his election void. In their judgment the justices reasoned that while "the preamble to the [Samoan] Constitution states the combination of Christian principles and historic custom and tradition as the foundation of the Independent State of Samoa (§14)" nonetheless "the law prevails over custom in the event of a conflict (§119)." Despite a discussion of the role of intent in deciding whether or not an act was corrupt (§23) the justices agued in this particular case that, despite the exemption in s.97A of the gift-giving customs of o'o or momoli from the offences of bribery illegal or corrupt practice during a prescribed period, the effect of s.99A was to impose an absolute prohibition on the acts of giving or exchange of food, money or other valuable at a ceremony or activity, except at funeral, during a prescribed period described as the "period of election" (§122-123). Furthermore they held that under s.99A "it is not required that such acts of giving or exchange be accompanied by a corrupt intent in order to constitute an illegal practice (§123)." In this particular case we see an example where introduced law has trumped custom in terms of deciding the corrupt nature or not of particular customary acts as no recourse can be made to the issue of intent when the law specifically states when customary giftgiving is allowed and when it is prohibited.

Source: Posala v Su'a [2006] WSSC 29 (16 August 2006)

Building on this approach, in a recent paper Peter Larmour has discussed how we need more work exploring the relationship between culture and corruption in the Pacific. But rather than treating the differences between understandings of corruption as a preamble or impediment he argues for the need for more work on "how and why some activity that is regarded as corrupt by one group may not be regarded as such by another; how academic understandings can differ from those of policy makers, and public opinion; how the law may differ from public opinion; and how such differences may impact on anti-corruption activity.[107]"

However, this 'taking culture seriously' approach should not be seen as merely a return to cultural relativist excuses for corrupt activities. Rather it should be seen, in light of the discussion by the authors of the Samoan NISPAC study, as an opportunity to utilise the 'best of both worlds' in anti-corruption activity and in doing so help academics and policy-makers understand why some programmes of reform succeed where others fail.

Gift-giving as an example

In discussions of culture and corruption one of the most-often cited problems is that of gift-giving. Susan Rose-Ackerman, for example, notes that one important reason why the identification of corruption is often a matter of dispute is that conduct may be understood in different ways in different cultures as "one persons bribe is another person's gift"[108]. Ackerman goes on to argue that in cases where the giving and receiving of gifts which she sees as corruption appears to be culturally sanctioned, she observes, it shows that the culture in question is a legacy of the past that "no longer fits modern conditions"[109]. Ackerman's claim is, given the fact that culture is both a key intermediate input to social and economic development as well as a welfare-enhancing developmental outcome itself in the Human Development Framework, problematic to say the least.

107 Larmour, Peter, (2006) "Culture and Corruption in the Pacific Islands: Some conceptual issues and findings from studies of National Integrity Systems" Asia Pacific School of Economics and Government – Policy and Governance Discussion Paper No. 06-05, Canberra, p. 3.

108 Rose, Ackerman, Susan, (1999) Corruption and government: causes, consequences and reform (Cambridge: Cambridge University Press), p. 5.

109 Rose, Ackerman, Susan, (1999) Corruption and government: causes, consequences and reform (Cambridge: Cambridge University Press), p. 5.

The question thus begs to be asked where does the distinction lie between a gift and a bribe? Gift-giving has been and continues to be a key part of many Pacific Island cultures. This traditional practice played a very real social function. In many societies gift-giving placed the donor and recipient in an ongoing exchange relationship. This relationship was important as, using modern jargon, these successive exchanges increased trust between the two members of the relationship which in turn led to the building of social capital which thereby reduced transaction costs between them. These reduced transaction costs thus helped maintain social solidarity both within groups and between groups.[110]

In distinguishing how these practices lead to corruption, we need to acknowledge that it is not the practice of gift-giving itself that is inherently corrupt but rather that the structures of the modern state have provided a source of previously unimaginable power and wealth and so provided opportunities for some elites to exploit these opportunities in pursuit of their own interests.[111]

The point to note is that in defining how and when traditional cultural practices such as gift-giving become corrupt there are a number of issues at play, including: intent, scale and the public or private nature of the 'gift'. And so, as an example, if an elected representative visits a village in their constituency and receives cigarettes and alcohol as a gift which they at some later point reciprocate with gifts of pigs this then is not corruption. If, however, the representative receives tens of thousands of dollars from the village and reciprocates with the initiation of a public works programme in that village then that clearly is a case of corruption. The key points of difference between traditional gift-giving (which continues on throughout the Pacific to the present day) and corrupt practices disguised by corrupt officials as gift-giving is thus the intent behind the giving of the 'gift', the scale of gift given and the public or private nature of the 'gift'. The problem, however, still lies in defining where the distinction should be made. When is it that a gift becomes a bribe? This is a relatively clear cut problem to pursue although its answer will always be context dependent. There is a large corpus of anthropological data available to help national governments provide official limits on gift-giving, thereby helping remove the 'culture excuse' from corrupt official's lexicons.[112]

A point to note here in terms of intent is that traditional leaders often accumulated wealth not for private consumption per se but rather to redistribute to members of their community.[113] This redistribution helped the community in terms of the redistribution of food and other valuable commodities as well as increased the status of the leader amongst their people. Modern-day traditional leaders accumulating wealth for private gain in a corrupt manner with no plan for redistribution should thus be seen as corrupt in customary terms as well as in modern terms.

110   See for example Robert J. Foster, (1995) Social reproduction and history in Melanesia : mortuary ritual, gift exchange, and custom in the Tanga Islands (Cambridge: Cambridge University Press).

111   Barcham, Manuhuia, (2005) "Conflict, Violence and Development in the Southwest Pacific: Taking the Indigenous Context Seriously" Centre for Indigenous Governance and Development Working Paper Series No. 4/2005, Palmerston North.

112   An interesting aside is that changes in the mode of supporting traditional leaders have led to ambiguity about what is considered as corruption. Traditional leaders continue to perform many functions at the local level including conflict resolution and the like. However, old systems of informal support to chiefs for the provision of these services such as gardening, provision of food to chiefs and upkeep of the house have often been replaced by gifts of equivalent values in cash. In some circles receiving cash like this is seen as corrupt and so this form of giving has been discontinued with the ramification being that no-one is fulfilling these traditional functions. Comment made at the roundtable meeting convened by the UNDP on June 21, 2007, Suva, Fiji.

113   Comment made at the roundtable meeting convened by the UNDP on June 21, 2007, Suva, Fiji.

Gift-giving in Kiribati

In 1996 a case was brought in the High Court of Kiribati where Teatao Teannaki, a former President of the country, claimed that Teburoro Tito, the country's current president, had unfairly rigged the presidential elections through bribery. The point of contention was the issue of te mweaka, that is, a traditional form of gift-giving. Teatao Teannaki claimed that Teburoro Tito had corruptly influenced people to vote for him by giving them gifts, drinks, passage and offering free tobacco as te mweaka. In his judgment, Chief Justice Lussick found that as far as he could ascertain, when mweaka is presented to a maneaba (public meeting house) for the purposes of the ceremony the maneaba is seen as being composed of three elements: the building itself, the people in it, and the spirits, or non living. The mweaka, in the form of tobacco, is presented in the manea-ba (one part) for the blessings of the spirits (a second part) and is later consumed by the people (a third part). This is why he argued mweaka cannot be described as a gift in the ordinary sense of the word. The custom is not simply the giving of tobacco to those in the maneaba. The presentation is to all three aspects the maneaba, the people present and the spirits, and the paramount purpose is to obtain the blessing of the maneaba, not to enrich the people present, even though it is realized that the tobacco will be shared among them. Following on from this Chief Justice Lussick ruled that Teburoro Tito had not presented te mweaka in order to influence electors to vote for him but rather that he did no more than was necessary to comply with custom.

Source: Teannaki v Tito [1996] KIHC 3; HCCC 30.94 (28 February 1996)

There is an associated problem that needs to also be considered though when we discuss the intersection of modern state practices with customary systems. In traditional times leaders were expected to provide for their people. To not do so, would be to corrupt the leadership institution that they held, be it an acquired or an inherited role. These traditional roles may, however, conflict with other roles they may hold as public officials. In this respect, modern political representatives who represent constituencies where they maintain strong affective ties (and this is especially true for areas where elected officials also hold traditional leadership roles) are in a double bind. Many of their constituents may not see a clear distinction between the role that they hold as a traditional leader (be it an inherited or an acquired role) and that they hold as an elected representative in a modern democratic state. This is especially so in the Pacific where, as noted above, various factors have meant that the power of the state does not extend uniformly across the geographic territory of the country. For many Pacific Islanders, the state is a remote, monolithic force which has very little impact on their day-to-day lives. Apart from when they may band together around a television to watch one of their national sport's teams take on the team of another country the idea of the nation-state has very little purchase for many Pacific Islanders. Instead their most immediate and pressing identity is that of a member of clan X or tribe Y.

Combined these factors mean that many Pacific Islanders expect their elected leaders to provide material support for them. Indeed, to provide support to another group (which could feasibly be a traditional enemy of the government representative's group) at the expense of providing for your own group could, in some instances, be seen as a form of corruption. That is, a corruption of the traditional role that they fill, and that they have been entrusted to hold by the community.[114] This example helps us begin to understand how a more in-depth analysis of traditional systems would help us not only understand why certain activities occur, but also why they are seen as corrupt by some but not by others.

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114 The similarities between this and the commonly cited definition of corruption as 'the misuse of entrusted power for private gain' should be apparent.

So, for example, the good governance literature in general assumes that popular opinion is opposed to corruption, and is available as a resource to be used in anti-corruption programmes. But as Peter Larmour has recently pointed out while "there is popular grumbling about 'corruption', and anger against elites can be easily mobilised...popular opinion often seems in two minds – against corruption, but in favour of politicians who provide local or personal events or of timber companies who promise development".[115] Many of the NISPAC reports thus described a reluctance on people's behalf when it came to act when corruption had taken place. However, this issue was not one of relativism or of different understandings what constitutes corruption but rather that people were either fearful of intimidation, reluctant to rock the boat by public criticism or were merely particularly forgiving – particularly of kin. Cultural factors, in this respect, were thus not causing corruption to happen per se but rather were allowing it to continue unchallenged.

Given the factors presented above, there appear to be two clear paths forward in terms of harnessing the relationship between culture and corruption for anti-corruption efforts. The first is that there is a need for programmes of civic education in the Pacific and other nation-building measures. The state is an abstraction for many people in the Pacific. If misunderstandings between traditional and modern ideas are to be removed then more work is required to inform people of what they should and should not expect in terms of the state and its representatives. Useful work can also be done educating groups about the impact that corruption has on their everyday lives. Successful examples of this type of approach have been utilised in the Pacific by groups such as the Solomon Islands Development Trust. This type of approach is useful in that linking anti-corruption discourse to concrete issues such as access to vaccines and free education as opposed to abstract concepts like 'justice' and 'integrity' can help increase its uptake. The second is that more research is required exploring how 'traditional integrity systems' work. Given the need to take culture seriously in light of both the Pacific Plan and the Human Development framework simple programmes of reform which promote the modernisation of people's views and values simply will not do. The traditional cultural value systems will not just go away, thus work is required to explore how traditional and modern systems can be used synergistically to provide robust anti-corruption tools and frameworks.

We should be aware that so far the discussion in this section of the report has been based on a dichotomy between traditional and modern practices whereas the reality is more complicated than that. Instead of a strict dichotomy between ideal-types the reality is that most Pacific Island countries and communities sit somewhere along a continuum where various elements of 'modern' introduced systems sit, often uneasily, along older customary forms. This is the case, for example, in periurban settlements where more traditional forms of custom have been displaced in the move to the city but introduced systems have not fully taken over. In these types of regions a form of hybrid system has emerged which has aspects of both ideal-types. These non-traditional systems sometimes operate through very different structures and processes that those found in 'traditional' communities and so it is a mistake to try and understand the communities through a 'traditional' lens. This is not to say that these communities do not possess their own community structures and systems – they do. It is rather that the agencies wanting to work through these structures need to realise that they should not assume that they will work along 'traditional' lines. Cultures are dynamic and ever-changing and so we should be wary of those who wish to talk about culture as if it was a static phenomenon – with present day circumstances seen as being merely a degraded from of earlier 'traditional' culture. The many cultures of the Pacific are alive and well and draw from a number of traditions, both customary and introduced. This then brings us back to one of the key points of this report which is that in constructing anti-corruption programmes we need to be aware of the importance of context.

115   Larmour, Peter, (2006) "Culture and Corruption in the Pacific Islands: Some conceptual issues and findings from studies of National Integrity Systems" Asia Pacific School of Economics and Government – Policy and Governance Discussion Paper No. 06-05, Canberra, p. 18.

V. Conclusion/Recommendations

Corruption is a problem in the Pacific. It exists in a number of sectors and has a negative impact on human development in the region. While the various countries of the region possess relatively well-developed regulatory and accountability frameworks the effectiveness of these systems in preventing corruption needs to be questioned. A number of issues might behind this lack of effectiveness. One might be a lack of 'fit' between introduced institutions and practices and local context. Another might be a lack of political will. The key issue though would appear to be a lack of capacity. In short, capacity shortfalls, in both an internal and external aspect, are a key lever behind issues of corruption in the Pacific. They provide not only opportunities for corruption but also inhibit the effective operation of anti-corruption policies and programmes. More data is required about why these frameworks and systems are not working.

There are a number of measures that could be usefully utilised in promoting anti-corruption efforts in the Pacific that have been successfully utilised in other parts of the world. These include:

- Increased Political Will
- Political Parties
- An Independent Commission Against Corruption
- National Strategies
- Codes of Practice
- Demand-side Approaches
- Coalition strategies
- Accountability and Transparency
- Report cards
- Use of IT
- Better measurement
- Hotlines
- Inter-agency task forces for investigating prosecuting corruption
- National policy committee
- Civil remedies regimes
- Anti-corruption Legal Advisory Centres (ALACs)
- Sectoral strategies
- Traditional elders (eg. Great Council of Chiefs)
- Civic education
- Civil society coalitions
- One-stop shops that bring local services closer to people [116]

Some of these measures are already under-way in the Pacific and/or have a long history as suggested points of entry in promoting anti-corruption efforts. However, given the findings of this report and the findings of earlier research, including the 2004 NISPAC study, I would argue that less work is required in building more anti-corruption institutions, or in trying to promote drastic political reform such as the construction of strong political parties in the Pacific.[117] Instead I would argue that work should be focused on 5 key areas.

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[116] Larmour, Peter, and Manuhuia Barcham, (2004) National Integrity Systems Pacific Islands: Overview Report (Australia: Transparency International-Australia), pp. 14-18.

[117] The belief that strong political parties would help promote stability, and in doing so reduce opportunities for corruption amongst other things, has a long history in the Pacific but no real traction has ever developed within the Pacific Island Countries' political systems in support of this idea. I would argue that nearly 50 years of empirical evidence would tend to suggest that strong political party systems will not emerge at any near future date in the Pacific and so it would be better for academic and policy debate in the Pacific to move on to more fertile and useful grounds for possible avenues of reform.

- Find out what is working in the Pacific, identify the critical success factors behind this success and then explore through pilot studies how these models can be successfully transplanted to other parts of the Pacific in order to facilitate learning;
- More work is required exploring how 'traditional integrity systems' work in order to help us understand how traditional and modern systems can be used synergistically to provide robust anti-corruption tools and frameworks which can then be trialled through pilot studies;
- Develop programmes of civic education in the Pacific and other nation-building measures which can be tied into work educating groups about the impact that corruption has on their everyday lives.
- Look at how regional networks can help reduce the capacity load on individual countries' anti-corruption institutions
- Work with national governments, in a regional framework, to improve data gathering within countries and so improve monitoring abilities within the region

Find out what is working in the Pacific, identify the critical success factors behind this success and then explore through pilot studies how these models can be success-fully transplanted to other parts of the Pacific in order to facilitate learning.

Building on local success stories in order to use them as the basis for the construction of new anti-corruption structures and processes in different jurisdictions within the Pacific may provide opportunities to avoid the problems of low capacity and cultural misfit that plague current reform efforts in the Pacific. The successful transfer of the 'Melanesian Ombudsman Model' to Vanuatu from Papua New Guinea demonstrates some of the advantages of South–South forms of policy transfer. South–South forms of policy transfer seem to provide an answer to the problems of disparities between state capacity and cultural context that often bedevil North–South policy transfer with successful structures and processes developed in similar countries being able to act as the template for successful transfer.

More work is required exploring how 'traditional integrity systems' work in order to help us understand how traditional and modern systems can be used synergistically to provide robust anti-corruption tools and frameworks which can then be trialled through pilot studies.

In order to understand better the whole area of culture and corruption in the Pacific it would be worthwhile to conduct in-depth studies of various Pacific Island cultures' 'traditional' integrity system. This research would help lead to a better appreciation of why there are mismatches between traditional and introduced systems and how elements of one system can enhance the effectiveness of the other. By utilising the 'best of both worlds' in anti-corruption activity this work should help academics and policy-makers understand why some programmes of reform succeed where others fail and so help them construct more robust and appropriate programmes of reform and action.

Develop programmes of civic education in the Pacific and other nation-building measures which can be tied into work educating groups about the impact that corruption has on their everyday lives.

The state is an abstraction for many people in the Pacific. If misunderstandings between traditional and modern ideas are to be overcome then more work is required to inform people of what they should and should not expect in terms of the state and its representatives. Useful work can also be done educating groups about the impact that corruption has on their everyday lives. type of approach is useful in that linking anti-corruption discourse to concrete issues such as access to vaccines and free education as opposed to abstract concepts like 'justice' and 'integrity' can help increase its uptake.

Civic education processes can also help show communities how better to hold government and others to account for corrupt activities.

Look at how regional networks can help reduce the capacity load on individual countries' anti-corruption institutions

Regional organisations (such as the Pacific Forum Secretariat) and regional peak bodies (such as the Oceania Customs Organisation) provide a useful way to reduce the capacity load on individual states. There are other advantages to this process as well. So, for example, the use of judges drawn from other jurisdictions to sit on various countries' High Courts not only provides a way to overcome shortfalls in human capital capacity within a country it also helps provide increased levels of impartiality by providing staff who are not embedded within networks of affective ties.[118]

Work with national governments, in a regional framework, to improve data gathering within countries and so improve monitoring abilities within the region

The World Bank has suggested the use of broad-based monitoring processes including not only national statistical agencies but also other government agencies, members of the private sector and civil society groups as this multi-pronged approach facilitates the achievement of:

- a greater local capacity to evaluate governance allows countries thereby allowing better prioritisation, monitoring, and development of both appropriate governance indicators and policy reforms;
- encourages a more integrated and collaborative debate between government and civil society stakeholders over the policy making process; and
- promotes a wider sense of ownership of the data and analysis, guaranteeing a true integration of the results into the policymaking process and greater longterm monitoring capacity.[119]

In a sense, this form of stocktake process has already begun in the Pacific. The NISPAC study has provided a body of baseline data which can be built on to provide vital information in helping anti-corruption efforts in the Pacific. In addition, the World Bank Institute's ongoing longitudinal study of governance indicators also provides another set of data which can be usefully woven together in any corruption monitoring process. Work with an organisation like CIET could also help. Combined these processes would provide an invaluable in-depth longitudinal country diagnostic at the country level. The information obtained from this monitoring can then be usefully woven into anti-corruption programmes.[120]

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118 The associated problem of course is that the lack of local connections of the incoming person could be disadvantageous in some positions eg Police Commissioners.

119 Kaufmann, Daniel, Francesca Recanatini and Sergiy Biletsky (2002) Assessing Governance: Diagnostic Tools and Applied Methods for Capacity Building and Action Learning a paper prepared for the WBI Staff Learning Course on Assessing Governance held on June 17-18, p. 17.

120 We should note that while it may always be nearly impossible to gain reliable data on corrupt activity itself we would be able to more clearly identify where corruption is occurring through clearer monitoring of financial systems, for example, so that we could see where leakage is occurring if better information was available. Indeed, better monitoring could actually act as a deterrent to corrupt activity as it may increase the chances o detection.

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Appendix 1: Signature (S), Ratification (R), Accession (A), Endorsement (E) and (I)

Implementation of International and Regional Anti-Corruption Instruments by Pacific Countries

Convention				
Pacific Countries	UN Anti-Corruption Convention	UN Transnational Organized Crime Convention	ADB-OECD Asia Pacific Action Plan	OECD Anti Bribery Convention
Australia	S + R	S + R	E	S,R + I
Cook Islands	-	A	E	-
Fiji	-	-	E	
FSM	-	A	-	-
Kiribati	-	-	-	-
Marshall Islands	-	-	-	-
Nauru	-	S	-	
New Zealand	S	S + R	-	S,R + I
Niue	-	-	-	-
Palau	-	-	E	-
Papua New Guinea	S	-	E	-
Samoa	-	-	E	-
Solomon Islands	-	-	-	-
Tonga	-	-	-	-
Tuvalu	-	-	-	-
Vanuatu	-	-	E	-

Original Source: Larmour and Barcham 2004, p. 23. Updated to June 2007.

Appendix 2: Pillars of the National Integrity System in Pacific Island States

Country	Legislative	Executive	Judiciary	Auditor General	Ombudsman	Watchdog Agencies	Public Service	Media	Civil Society	Private Sector	International
Cook Island	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Free association with NZ, Offshore banking
Federated States of Micronesia	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Compact with US
Fiji	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Kiribati	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	
Marshall Island	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Compact with US
Nauru	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	Yes	Offshore Banking
Niue	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes	Free association with NZ
Palau	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Compact with US
Papua New Guinea	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Samoa	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	
Solomon Islands	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Regional Assistance Mission
Tonga	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	
Tuvalu	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	No	

Source: Larmour and Barcham (2004): p.24; Singh and Daikunivosa (2001); and Mellan and Aloi (2003). Updated to June 2007.

Appendix 3: Anti-Corruption Initiatives in the Pacific

Bi-Lateral Donors

There are a number of bi-lateral actors in the Pacific which promote anti-corruption activities as part of their work in the region.

Australia

Australia has a firm commitment towards the promotion of anti-corruption activities in the region. At a generic level, anti-corruption reforms have long been implicitly contained in Australian development assistance in the region such as the Australia, Papua New Guinea Enhanced Cooperation Programme (ECP) initiative which began in late 2003 includes assistance in the areas of public sector reform, law and order, justice, economic management, border control and transport security.[121] In this programme, police personnel and specialists from a variety of law and justice agencies as well as a number of Australian officials from other Federal Government Agencies such Treasury were seconded through to Papua New Guinea to work in finance, economic, planning and spending agencies[122]. Political arguments over issues such as immunity to prosecution and where line management lay meant that this programme was shortlived. Similarly, The Australian governments work in the Regional Assistance Mission Solomon Islands (RAMSI) has contained implicit anti-corruption elements.

The Australian government's commitment to fighting corruption in the region was further underlined in the Australian Government's White Paper on Aid to the Pacific.[123] One of the key outputs of the White Paper was the need for the Australian government to develop a strategy to counter corruption in the region. The White Paper thus outlined a need for Australia to commit to mainstreaming anti-corruption efforts within all Australian aid activities as well as committing to support regional and global anti-corruption initiatives.[124] As a response to this, in March 2007 the Australian government released a new policy booklet entitled Tackling Corruption for Growth and Development which outlines the three elements that they will focus on in its anti-corruption activities. These three elements are:

- building constituencies for anti-corruption reform;
- reducing opportunities for corruption; and
- changing incentives for corrupt behaviour.[125]

In an attempt to provide a degree of coherency to their approach, the new policy calls for the Australian government to utilise a whole-of-government approach linking up the various overseas programmes being run by the following Australian government agencies: AusAID; Department of Prime Minister and Cabinet; Department of Foreign Affairs and Trade; Treasury; Department of Finance and Administration, Department of the Attorney-General and the Australian Federal Police. This whole-

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121 For a discussion of aspects of this process see Denis Ives, (2004) "Public Sector Reform in Papua New Guinea: The Saga Continues" Pacific Economic Bulletin 19 (1): pp. 86-87.

122 Ives, Denis, (2004) "Public Sector Reform in Papua New Guinea: The Saga Continues" Pacific Economic Bulletin 19 (1): p. 87.

123 Australian Government, (2006) Australian aid: promoting growth and stability (Canberra: Australian Government).

124 Australian Government, (2006) Australian aid: promoting growth and stability (Canberra: Australian Government), pp. 60-61.

125 AusAID, (2007) Tackling Corruption for Growth and Development (Canberra: AusAID), p. 9.

of-government approach is focusing on identifying priorities, setting policy and strategy, joint decision making (at a strategic level), oversight of Australia's overseas development efforts and harmonising activities between the various components of the Australian government working overseas. The process itself is being managed through an Inter-Departmental Committee (IDC) involving the agencies named above and chaired by AusAID.

Current work in the anti-corruption field being carried out by Australian government agencies in the Pacific include work by the Attorney-General's Department who are working with regional countries to strengthen legislative frameworks, help build capacity in anti-money laundering processes and help in recovering the proceeds of crime. As part of this initiative the Attorney-General's Department has created an Anti-Money laundering assistance team (AMLAT)[126]. The Treasury and the Department of Finance and Administration are helping to strengthen financial management systems in partner countries while AusAID is helping with public sector reform, community engagement, and improved governance in service delivery. AusAID also provides core funding support to the United Nations Office on Drugs and Crime in support of UNCAC and to the APGML to support their activities as well as support to the ADB/OECD Anti-Corruption Initiative. In addition, the Australian Federal Police is currently engaged in initiatives to improve capacity in the Asia– Pacific region to investigate fraud and corruption as well as more general work on building local capacity in the region in all aspects of policing work including transnational crime investigation.[127]

As part of this process, the Australian government has committed itself to the development of whole-of-government country aid strategies. These documents will act as the key joint planning documents for Australia's assistance to partner countries. Unlike earlier country aid strategy documents they will be updated to include countryspecific anti-corruption plans which will take into account existing anti-corruption policies, donor and local initiatives already under way as well as the country's overall needs and priorities.[128] These more specific projects and programmes will thus link up with other ongoing assistance provided by the Australian government such as work in the law and justice sector more generally, as well as more general work on public sector restructuring including work on building capacity in financial management systems.

In the 2007/2008 budget the Australian government pledged A$16.7 million towards anti-corruption activities in developing countries over the coming fiscal year.[129] Taken in conjunction with Prime Minister John Howard's pledge to increase the amount of money spent on overseas development assistance to A$4 billion by 2010 (with this increase being strongly linked to improved governance and reduced corruption in the region) there appears to be strong evidence that the Australian government sees anti-corrution activities as playing a vital role in their future long-term engagement with the region.

126 High-level direction for AMLAT is informed by a Strategic Priorities Reference Group (SPRG), comprising representatives of the Pacific Islands Forum Secretariat (PIFSEC), Pacific Anti-Money Laundering Program (PALP), the Asia Pacific Group on Money Laundering (APG), the Pacific Financial and Technical Assistance Centre (PFTAC), AUSTRAC, the Australian Federal Police (AFP), DFAT, AusAID, and Westpac and ANZ Banks. For more information on AMLAT see: http://www.ag.gov.au/www/agd/agd.nsf/Page/ RWP469053D44 ECED524CA25727300203C88
127 AusAID, (2007) Tackling Corruption for Growth and Development (Canberra: AusAID), p. 14.
128 AusAID, (2007) Tackling Corruption for Growth and Development (Canberra: AusAID), p. 15.
129 http://www.budget.gov.au/2007-08/bp2/html/expense-19.htm

New Zealand

While NZAID or the New Zealand government does not have a specific anti-corruption policy there are aspects of anti-corruption work contained within their good governance programmes. One interesting initiative is the NZAID-led Pacific Judicial Development Programme (PJDP). Jointly funded by AusAID the PJDP is intended to support participating Pacific judiciaries to strengthen the rule of law and governance through the provision of training to magistrates and court officials across the region. NZAID have also provided direct funding to Transparency International New Zealand who have been engaged in anti-corruption work in the Pacific. In 2004 NZAID thus provided TI-NZ with funding for a for the delivery of public presentations by two eminent speakers in four Pacific Island countries under the auspices of a Pacific Role Models Speakers Tour as well as costs for the development and printing of a resource manual for anti-corruption strategies. There are also plans for the construction of a new governance policy by NZAID later this year. Over the last year they have contributed to the consul-tation process around ant-corruption by the World Bank, DAC and the ADB.

European Union

The European Union is undertaking some work in this area in the Pacific. As part of their regular mainstream development assistance work they construct governance profiles with their partner countries which act as strategic planning documents for five-year periods of European Union funding. These governance profiles have included specific anti-corruption activities with a number of their Pacific partners in their commitments towards promoting good governance within their respective countries. While not all governance profiles contain explicit commitments to anti-corruption activities they nonetheless in general contain commitments to elements of good governance such as increased transparency and accountability. If partner countries achieve the commitments they have agreed to in drawing up these governance profiles then they are entitled to receive extra funding above what had been initially agreed to with the European Union.

At a more local level in 2006 the EU Pacific Delegation funded a Fijian judge to attend a series of EU meetings on corruption and present a paper at a EURO-JUST conference in Vienna. In addition, the European Union is also providing funding to Transparency International-Vanuatu to enable them to update their 2004 NISPAC country study. The European Union Pacific Delegation have done some work in conjunction with the EU Taxation and Customs Union Direc-torate-General (DG TAXUD) looking at tax havens in the Pacific.

Other Bi-Lateral Donors

The US State Department has been doing some work in the Pacific with the UNODC in the creation of a Pacific Anti-Money Laundering Programme (PALP). Launched in September 2006 at the Pacific Islands Forum in Fiji, PALP is a regional technical assistance and training programme designed to assist Forum countries in establishing and/or enhancing their anti-money laundering (AML) and counter terrorism financing (CTF) regimes to comply with international standards of the Financial Action Task Force (FATF), relevant UN Conventions and Security Council Resolutions.[130]

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130 Accessed on Wednesday 4 July 2007 at 4:47 pm   http://forumsec.org/pages.cfm/security/palp/?printerfriendly=true

Multi-Lateral Actors

There are a number of multi-lateral actors and groups which operate in the Pacific which either have anti-corruption strategies as part of their work streams or are themselves focused on anti-corruption activities as part of their core business.

Financial Action Task Force on Money Laundering (FATF)/ Asia/Pacific Group on Money Laundering
The Financial Action Task Force on Money Laundering (FATF) was founded in 1989 by the G-7 as the first co-operative policy response to money laundering. An Asia/Pacific Group on Money Laundering was then established in February 1997 as a direct result of FATF efforts. The APG is fully autonomous from the FATF. Membership in the APG is purely voluntary and it is entirely cooperative in nature. Ten countries in the Pacific region are full members of the Group while four other countries in the region possess observer status.[131]

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[131]   The APG members in the region are Australia, Cook Islands, Fiji, Marshall Islands, New Zealand, Niue, Palau, Samoa and Vanuatu. The countries with observer status within the Pacific region are Kiribati, Nauru, Papua New Guinea and Tonga.

Table 3: Pacific Island Country Members and Observers of the Asia/Pacific Group on Money Laundering	
Members	
Australia	Australia has a developed anti-money laundering system and is one of the founding members of the APG and is also a member of the FATF. Australia has ratified the UN Vienna Convention 1988, enacted antimoney laundering laws with respect to narcotic offences and with respect to all serious offences. Australia has established a Financial Intelligence Unit.
Cook Islands	Cook Islands is currently strengthening its anti-money laundering system. The Cook Islands has not yet ratified the UN Vienna Convention 1988 but has recently enacted anti-money laundering laws with respect to narcotic offences and with respect to serious offences. The Cook Islands has established a Financial Intelligence Unit and has a system for reporting suspicious transaction.
Fiji	Fiji has a developed anti-money laundering system having ratified the UN Vienna Convention 1988 and having enacted anti-money laundering laws with respect to narcotic offences and with respect to all serious offences. Fiji Islands has established a Financial Intelligence Unit and has capacity to report suspicious transactions.
Marshall Islands	Republic of the Marshall Islands is currently strengthening its anti-money, laundering system. The Republic of the Marshall Islands has not yet ratified the UN Vienna Convention 1988 but have enacted antimoney laundering laws with respect to narcotic offences and with respect to serious offences. The Republic of the Marshall Islands has recently established a Financial Intelligence Unit for reporting suspicious transactions.
New Zealand	New Zealand has a developed anti-money laundering system and is one of the founding members of the APG and is also a member of the FATF. New Zealand has ratified the UN Vienna Convention 1988, enacted antimoney laundering laws with respect to narcotic offences and with respect to all serious offences. New Zealand has established a Financial Intelligence Unit.
Niue	Niue is currently strengthening its anti-money laundering system. Niue has not yet ratified the UN Vienna Convention 1988 but has enacted anti-money laundering laws with respect to narcotic offences and with respect to serious offences. Niue has not yet established a Financial Intelligence Unit but has a mechanism for the reporting of suspicious transactions in place.
Palau	Palau has a recently developed anti-money laundering system. Palau has not yet ratified the UN Vienna Convention 1988 but has recently enacted a comprehensive money laundering and proceeds of crime law which requires the reporting of suspicious transactions. Palau is in the process of establishing a Financial Intelligence Unit.
Samoa	Samoa has a recently developed anti-money laundering system. Samoa has enacted anti-money laundering laws with respect to narcotic offences and with respect to serious offences. Samoa has not yet ratified the UN Vienna Convention 1988. Samoa has established a Financial Intelligence Unit.
Vanuatu	Vanuatu has a developed anti-money laundering system. Vanuatu has enacted anti-money laundering laws with respect to narcotic offences and with respect to serious offences. Vanuatu has not yet ratified the UN Vienna Convention 1988. Vanuatu has established a Financial Intelligence Unit.
Solomon Islands	Solomon Islands has just recently joined.
Observer Jurisdictions	
Kiribati	Republic of Kiribati is currently strengthening its antimoney laundering system. The Republic of Kiribati has not yet ratified the UN Vienna Convention 1988 but has drafted anti-money laundering laws with respect to narcotic offences and with respect to serious offences. The Republic of Kiribati is in the process of establishing a Financial Intelligence Unit and is developing a system for reporting suspicious transactions.
Nauru	Republic of Nauru is currently developing its antimoney laundering system. The Republic of Nauru has not yet ratified the UN Vienna Convention 1988 but has recently enacted anti-money laundering laws with respect to serious offences. The Republic of Nauru has not yet established a Financial Intelligence Unit but is developing a system for reporting suspicious transactions. Papua New Guinea Papua New Guinea is developing its anti-money laundering system. Papua New Guinea has not yet ratified the UN Vienna Convention 1988 and does not have anti-money laundering laws with respect to narcotic and serious offences.
Papua New Guinea	has not yet established a Financial Intelligence Unit.
Tonga	Tonga ratified the UN Vienna Convention 1988 and enacted anti-money laundering laws with respect to narcotic offences and with respect to some serious offences. Tonga is in the process of establishing a Financial Intelligence Unit and has a system for reporting suspicious transaction.

ADB/OECD Asia-Pacific Anti-Corruption Initiative

The Asian Development Bank (ADB) and the OECD have combined to create an Asia-Pacific Anti-Corruption initiative.[132] Seven countries from within the Pacific region have signed the Action Plan, these are Australia; Cook Islands; Fiji; Palau; Papua New Guinea; Samoa; and Vanuatu. This initiative is useful in the help it is able to provide individual member countries with the construction of National Action plans to help them fight corruption. A regional steering group serves as a forum for the exchange of experiences and is designed to enhance the capacity of those states that have difficulty in implementing their desired reform objectives.[133] However, some members of Pacific regional organisations have expressed concern that the ADB/OECD Asia-Pacific Anti-Corruption Initiative is beginning to become increasingly lost in detail and as a result is losing its effectiveness as a platform for multi-country action.

Pacific Forum Secretariat

Until recently anti-corruption activity has not featured explicitly in the work of the Pacific Forum Secretariat. Instead a number of workstreams on associated matters have acted as a form of proxy anti-corruption work. In financial matters the Forum undertakes a biennial stocktake of the eight principles of accountability that the Forum Economic Ministers agreed to in 1997[134]. They have supported the recent establishment of a Pacific Transnational Crime Coordination Centre in Fiji, with the assistance of the Australian Federal Police, as well as the establishment of Transnational Crime Units and Combined Law Agency Groups (or CLAGs) in a number of Forum Island countries including Samoa, Kiribati and Fiji. In 2003 the Forum Leaders created the Forum Principles of Good Leadership which have since been used as the basis for the development of Leadership Code Legislation which the Secretariat is assisting several member countries to adapt and enact[135]. Then, in 2004, the Leaders communiqué expressed their will, as leaders of their respective countries, to consider signing and ratifying the UN Convention Against Corruption.[136] In terms of achieving this goal the Secretariat was in discussion with UNDP, UNODC, USP, TI and the Government of Papua New Guinea with the aim of convening a number of subregional workshops on the ratification and implementation of this Treaty[137]. In the last year the Forum's focus has changed slightly. Rather than focusing on the ratification of the UN Convention the Forum is taking a staggered approach. The Forum is thus working with member countries in the creation of a National Action plan (following the ADB/OECD initiative). The expectation is that the creation of these National Action plans will allow them to follow the steps necessary for ratification of the UN Convention against Corruption.

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132   For more information on this see http://www1.oecd.org/daf/ASIAcom/
133   For more on this see Francis Hutchinson, (2005) "A review of donor agency approaches to anti-corruption" Asia Pacific School of Economics and Government – Policy and Governance Discussion Paper No. 05-03, Canberra: 8-10.
134   This stocktake draws in part on the IMF Code of Principles and Good Practices on Fiscal Transparency. The stocktake provides a useful basis for identifying action required by its members to implement the various principles. Notes on Pacific Islands Forum Work on Anti-Corruption presented at ADB/OECD Anti-Corruption Initiative for Asia and the Pacific 9 th Steering Group Meeting, Bangkok, 27-29 November 2006, p. 1.
135   Notes on Pacific Islands Forum Work on Anti-Corruption presented at ADB/OECD Anti-Corruption Initiative for Asia and the Pacific 9 th Steering Group Meeting, Bangkok, 27-29 November 2006, p. 2.
136   Only New Zealand and Australia have actually signed the convention and of those two only New Zealand has actually ratified the convention. In signing this convention New Zealand made the provision that their ratification did not extend to Tokelau as New Zealand is committed to the development of self-government in Tokelau and so Tokelau could only be included under their act of ratification after appropriate consultation with that territory.
137   Notes on Pacific Islands Forum Work on Anti-Corruption presented at ADB/OECD Anti-Corruption Initiative for Asia and the Pacific 9th Steering Group Meeting, Bangkok, 27-29 November 2006, p. 2.

The passage of the Pacific Plan – an agreement between Pacific Islands' countries which seeks to move members towards a higher level of regionalism in a number of areas under the key goals: economic growth, sustainable development, good governance and security, has led to a more direct focus on anti-corruption activities by the Forum.[138] The Pacific Plan has thus specified as an immediate policy priority the strengthening of anti-corruption institutions in the region[139]. The proposal includes the establishment of:

- a regional ombudsman;
- a regional audit service;
- regional capacity to assist the collection of customs revenue; and
- a regional anti-corruption agency.[140]

In pursuit of this, the Pacific Forum Secretariat is looking to commission a study looking at the pros and cons of a regional anti-corruption agency and these other proposed institutional support mechanisms at the regional level.

In addition to this specific work on the issue of corruption, other workstreams in the Pacific Plan also impact on anti-corruption activities. There are a number of initiatives grouped under the Good Governance pillar which aim to enhance the quality and integrity of governance in the region. These include:

- Support to key governance institutions such as audit and ombudsman's offices, the judiciary, the courts and attorney-general departments;
- Initiatives to promote professional and ethical leadership for both public sector officials and elected members – including steps towards the creation of a Leadership Code for Forum member states;
- An initiative to upgrade and extend statistical information systems and databases across all sectors in the region;
- Improving governance mechanisms for resource management;
- Investigating how to optimise the harmonisation of traditional and modern governance values and structures;
- Promote a commitment to enhance freedom of information across the region;
- Develop a strategy to promote participatory democracy in the region;
- Strengthen the participation of women in governance in the region; and
- Develop common regional approaches to financial regulation.[141]

Under the Security pillar, a number of initiatives will also have a positive impact on anti-corruption initiatives in the region. These include:

- Support to strengthen regional customs capacity and infrastructure;
- Work to update the regional model legislation developed in the late 1990s on Extradition, Mutual Assistance in Criminal Matters and Proceeds of Crime as well as assistance in implementing this legislation by countries requesting help; and

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138   For more on the Pacific Plan see www.pacificplan.org
139   See Section 12.1 of the Pacific Plan.
140   Pacific Islands Forum Secretariat, (2005) The Pacific Plan: For Strengthening Regional Cooperation and Integration (Suva: Pacific Islands Forum Secretariat).
141   Notes on Pacific Islands Forum Work on Anti-Corruption presented at ADB/OECD Anti-Corruption Initiative for Asia and the Pacific 9th Steering Group Meeting, Bangkok, 27-29 November 2006, pp. 34.

- Creation of a mentoring programme to help Forum Island Countries to strengthen their institutional capacity to combat money laundering.[142]

Regional Assistance Mission Solomon Islands (RAMSI)[143]

The regional assistance mission to Solomon Islands provides an example of a joint regional effort to fight corruption. One of the key bodies created by RAMSI to combat corruption in Solomon Islands is the Participating Police Force (PPF) Corruption Targeting Team (CTT). With 14 police investigators drawn from both the SIPF and RAMSI's regional Participating Police Force, investigations by the CTT have already led to charges being laid against two senior government officials, two senior statutory officer-holders, three former provincial premiers, five former national ministers and two former prime ministers.

In addition, a Financial Intelligence Unit[144] has been established by Solomon Islands government with support from RAMSI's Economic Governance Program and Anti-Money Laundering Assistance Team (AMLAT). The unit operates as an autonomous department under the auspices of the Central Bank and it is beginning to play a role in the prevention and detection of money laundering, the gathering of intelligence on the suspicious movements of money through the country's banks and other financial institutions, as well as suspect cash dealings. Other work being done through the Economic Governance Program includes working with the Inland Revenue Department to establish transparent and accountable processes including the relaunch of a code of conduct specifically for Inland Revenue staff last year. RAMSI Economic Governance program is also providing assistance in a range of areas including strengthening financial management through building the capacity of the Department of Finance and Treasury (DoFT) to undertake responsible financial management and to provide advice and assistance to other government departments. The economic governance pillar is supporting the Economic Reform Unit (ERU) of the DoFT to develop and implement economic reforms and targets the economic regulatory environment. In addition to these activities, RAMSI is capacity building in the Customs and Excise Division of DoFT, the Inland Revenue Division of DoFT, supporting the Solomon Islands National Statistics Office, and assisting various parts of the Central Bank of Solomon Islands.

Within the RAMSI Law and Justice pillar, work is continuing to strengthen a range of justice sector agencies and institutions including the Courts and the Director of Public Prosecutions and considerable work is ongoing in strengthening the Solomon Islands Police Service.

The RAMSI Machinery of Government (MoG) pillar continues to undertake a range of relevant activities including strengthening the primary government accountability institutions of Ombudsman's Office, Office of the Auditor-General and Leadership Code Commission. The MoG program is also supporting the parliament through UNDP including strengthening the parliamentary committee process, strengthening government transparency via supporting the government's use of ICT, enhancing the \broader mechanisms and processes of public service administration through strengthening the Public Service Commission, supporting the Solomon Islands media, and developing new important programs in key areas of civic education, women-in government and electoral support. Through their Machinery of Government programme RAMSI are also working with the Auditor General's Office

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142 Notes on Pacific Islands Forum Work on Anti-Corruption presented at ADB/OECD Anti-Corruption Initiative for Asia and the Pacific 9th Steering Group Meeting, Bangkok, 27-29 November 2006, p. 3. This last point is the PALP initiative discussed above funded by the US State Department.

143 This section draws heavily from a speech given by RAMSI Special Coordinator Tim George to Transparency International Pacific Regional Conference Dinner in Honiara, Solomon Islands on Wednesday 28 March, 2007.

144 For more information see http://www.cbsi.com.sb/SIFIU/SIFIU.htm

to increase its monitoring capacity. The accompanying increase in capacity has seen the Office of the Auditor General table 10 special audits in parliament in the last year alone. The last audit to be tabled by that office before now was in 1987. There are still problems, and the lack of an Ombudsman is a clear example of the issues that still need to be sorted out in Solomon Islands.

United Nations Development Programme (UNDP)

The United Nations Development Program (UNDP) through its Country Offices and the UNDP Pacific Centre is supporting initiatives to improve transparency and accountability. Working through the various Parliamentary Support Projects, UNDP is helping develop the capacity of Parliamentary Public Accounts Committees to enable them to effectively exercise their oversight functions. Other initiatives implemented through the Pacific Centre include support to the development of Information Disclo-sure Policy, promotion of Freedom of Information and the establishment of the Regional Ombudsman in partnership with the PIFS and Commonwealth Ombudsman of Australia.

Regional Peak Bodies

Within the Pacific, a number of peak bodies operate which bring together representatives of the various sectors which play a part in anti-corruption activities. One of the largest of these organisations is the Oceania Customs Organisation (OCO) which consists of twenty-three customs administrations within the Pacific.[145] Previously known as the Customs Heads of Administration Regional Meeting (CHARM), OCO brings together the Heads of the Pacific's various Customs administrations for an annual meeting. At these meetings, discussions focus on the promotion of harmonised and simplified customs procedures, the introduction of new methods and a forum for a general exchange of information[146]. OCO is actively working with other agencies and regional organisations in developing coherent regional approaches to particular issues of concern. And so, in respect to the issue of money laundering, the OCO has deve-loped a working relationship with the Asia Pacific Group on Money Laundering Secretariat.

Other regional peak bodies of importance to anti-corruption efforts include the Pacific Immigration Directors' Conference (PIDC)[147], the South Pacific Chiefs of Police Conference[148] (SPCPC)[149] and the Pacific Islands Law Officers Meeting (PILOM).[150] These specialist law enforcement organisations in the region regularly liaise and interact with one another[151]. Representatives from these various agencies regularly attend each others annual meetings as observers. This degree of cooperation extends to the creation of joint documents such as the presentation of a joint paper by OCO, SPCPC and PIDC to the 2002 Pacific Islands Forum Regional Security Committee meeting.

145 The twenty-three member countries are American Samoa, Australia, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, FSM, Nauru, New Caledonia, New Zealand, Niue, Norfolk Island, Commonwealth of the Northern Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu and Wallis and Futuna.
146 For more information see www.ocosec.org
147 The PIDC is the official regional forum for Official Pacific Immigration Agencies of the Pacific Region. The principal objective of the PIDC is to promote consultation and co-operation among immigration agencies within the region. The Conference also provides for the exchange of ideas, the dissemination of information and the provision of technical assistance between its members. For more information see: http://www.pidcsec.org/
148 The current members of SPCPC are American Samoa, New Zealand, Australia, Niue, Cook Islands, Northern Mariana Islands, Federated States of Micronesia, Papua New Guinea, Fiji, Palau, French Polynesia, Samoa, Guam, Solomon Islands, Kiribati, Tonga, Marshall Islands, Tuvalu, Nauru, Vanuatu, New Caledonia.
149 For more information see www.pcpc.org
150 PILOM is the annual meeting of the Attorneys-General, Heads of Justice Departments, Solicitors General, Crown Counsel and Directors of Public Prosecutions of the Pacific Island Forum member states provides a forum for sharing information on major legal issues and developments relevant to government law officers in Pacific Island Forum countries.
151 In some respects this history of cooperation can be traced back to the 1992 Honiara Declaration on Law Enforcement Cooperation which set in place a requirement for Pacific countries to create new law, or harmonise their laws in the area of money laundering, forfeiture of assets of the proceeds of crime, mutual assistance in criminal matters and extradition. In this Declaration a series of administrative remits to assist and speed up inter-agency co-operation were adopted and regional financial institutions were urged to co-operate as fully as possible with law enforcement in an effort to deter money laundering and other serious financial crime.

In a concerted effort to create more coherency in the regional approaches to the issue of crime and terrorism, the Forum Secretariat convened an Expert Working Group composed of Australia, Fiji, Kiribati, Marshall Islands, New Zealand, Papua New Guinea, Samoa, Vanuatu and two representatives from each of the specialist law enforcement organisations in the region (OCO, PIDC, SPCPC and PILOM) in order to develop a framework for the drafting of model legislation to combat Terrorism and Transnational Organised Crime.

Initiatives are currently underway to create one new regional network and strengthen another. Initial meetings have been held towards the creation of a regional network of ombudsmen support services among Pacific Island, Australian and New Zealand ombudsmen. Work by the ADB is also helping strengthen the audit functions of the members of the South Pacific Association of Supreme Audit Institutions (SPASAI).[152]

These forms of organisation are useful as they can help to reduce the capacity load on individual states through information sharing and the like. And, in some cases, they can reduce capacity load in other ways. One example would be where customs officials might take processes and structures from discussions at their regional meeting and adopt them into their work practices without needing to wait for legislative changes.

Non-Government Organisations and the Private Sector

Transparency International

Transparency International (TI), the international anti-corruption NGO, has a number of chapters in the Pacific region.[153] Representatives from these chapters meet once a year at an annual regional meeting. TI has been quite active in promoting anti-corruption activities in the region. As discussed above, together with AusAID, Transparency International-Australia ran a 12-country study of National Integrity Systems in the Pacific (NISPAC)[154]. As individual chapters they have been quite vocal in their anti-corruption advocacy work. The Papua New Guinea chapter, for example, has been pivotal in the establishment and running of a Community Coalition Against Corruption (CCAC). Started in 2002, the CCAC is jointly coordinated by the Media Council of PNG and TI PNG. A loose network of community leaders who come from the public, private, and civil sectors the CCAC acts as an anti-corruption advocate around particular issues. In the last few years, the CCAS came together to oppose two private Member's Bills that they believed would be detrimental to Papua New Guinea's anti-corruption efforts. The CCAC are currently working with the PNG Electoral Commission to ensure that the 2007 national elections are fair, effective and democratic.

At a regional level too they have played a particularly vocal role in the field of anti-corruption. In their Kooralbyn Declaration signed on 24 August 2003 the various Pacific Chapters of TI called on all Forum countries to become parties to and implement the United Nations Convention on Transnational Organised Crime. They also urged the countries of the region to endorse the Anti-Corruption Action

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152 For more on the work of SPASAI see www.sapsai.org
153 The national chapters are found in: Australia, Fiji, New Zealand, Papua New Guinea, Solomon Islands and Vanuatu.
154 The NISPAC Study included the following countries: Cook Islands, Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The NISPAC study did not include studies of Fiji, Papua New Guinea, Australia and New Zealand as they were completed as part of other National Integrity System projects. For copies of all 16 of these reports go to www.transparency.org.au/nispac.php

Plan for Asia and the Pacific and consider adopting a regional anti-corruption convention for the Pacific.[154] Finally, and as one would expect of an NGO, they urged regional donors to support civil society in anti-corruption efforts at both a national and regional level. Transparency International is also currently looking at refurbishing the NIS model to include a greater emphasis on measurable indicators. AusAID is also supporting the Asia-Pacific Dept of the TI Secretariat in Berlin to strengthen the national chapters of TI across the region, and regularly provides small-scale funding to TI national chapters in the Pacific to support their activities. Finally, as noted above, at a local level Transparency International-Vanuatu has obtained funding from the European Union to update their 2004 NISPAC country study.

Churches

The churches have been vocal in their condemnation of corruption in the region. In the late 1990s the hierarchy of the Catholic Church in Papua New Guinea made a number of claims about the levels of corruption in the national government and called for change.[155] So too in the Solomon Islands a number of prominent church leaders have been outspoken in their opposition to what they see as corrupt practices in government.[156] We must be aware as noted above that certain members of churches have sometimes participated in corrupt activity such as the example of the Tuvaluan minister dismissed from the Ekalesia Kelisiano a Tuvalu (EKT) church for the misappropriation of funds.

Media

There is a long history of media reporting against corruption in the Pacific although it has often led to threats against the media. In Palau the radio reporter Alphonso Diaz had three cars firebombed while a newspaper editor in Solomon Islands has been physically intimidated by thugs associated with publishers have been deported from Vanuatu and Palau.[157] In some Pacific Island countries formal and informal controls on the media are strong such as in Tonga where the government has amended the consti-tution to allow it to ban newspapers.[158] In the Tuvalu NISPAC study the report described how the media were 'ruthlessly and heavily censored'.[159] And, in some countries like the Solomon Islands, the local press have effectively self-censored themselves.[160] Despite this the press in the region have generally reported corrupt activity when they can, despite threats of personal intimidation.

Other NGOs

In addition to the work being carried out by Transparency International which focuses exclusively on anti-corruption activities, there are several other NGOs doing work in this area in the Pacific as well. The Pacific Centre for Public Integrity (PCPI) based in Fiji is a relative newcomer, working regionally with a specific anti-corruption mandate. A variety of other NGOs include anti-corruption activities within their work on democracy and human rights, women's rights, good governance and/or community development. In Fiji, the Citizens' Constitutional Forum (CCF), has been doing work in this area since the late 1990s, including community education and advocacy on the need for legislation to implement freedom of information and code of conduct provisions of the Constitution, and advocating greater follow-up on apparent cases of corruption identified by the Auditor-General. In 2005, the CCF published the report of a workshop it co-hosted in 2004 with the Journalism Programme at USP entitled A Freedom of Information Law for Fiji.

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155 http://archives.pireport.org/archive/1999/april/04-08-03.html

156 http://archives.pireport.org/archive/2005/february/02-01-com.htm

157 Donald Shuster, (2004), 'Palau' Transparency International Country Study Report (Blackburn: Transparency International-Australia), p. 17 and Peter Larmour and Manuhuia Barcham, (2004) National Integrity Systems Pacific Islands: Overview Report (Australia: Transparency InternationalAustralia) p. 14.

158 Peter Larmour and Manuhuia Barcham, (2004) National Integrity Systems Pacific Islands: Overview Report (Australia: Transparency International-Australia) p. 14.

159 Taafaki, Tauaasa, (2004), 'Tuvalu' Transparency International Country Study Report (Blackburn: Transparency International-Australia), p. 42.

160 Roughan, Paul, (2004), 'Solomon Islands' Transparency International Country Study Report (Blackburn: Transparency International-Australia), p. 27.

Private sector

In the Pacific the Private Sector has supported anti-corruption efforts in a number of ways including support of organisations such as Transparency International as well as more direct lobbying of government. This lobbying has often occurred through peak bodies such as local chambers of commerce. In Solomon Islands in early 2007, for example, the local chamber of commerce and industry has raised questions about the performance of the lands department. Questioning the legality of certain land dealings and ownership transfers the chamber of commerce has called on the government to commit itself to attacking corruption, inside and outside the government and public service.[161]

161   http://www.rnzi.com/pages/news.php?op=read&id=31072