

# Submission

## A 2050 Strategy for the Blue Pacific Continent

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## Introduction

The Australia Institute welcomes the opportunity to make a submission to the Department of Foreign Affairs and Trade's (DFAT)'s Consultation on the Pacific Islands Forum 2050 Strategy, explained on the DFAT website:

*In 2019, at the 50th Pacific Islands Forum in Tuvalu, Forum leaders agreed to develop a 2050 Strategy for the Blue Pacific Continent. All 18 Forum members will participate in developing the Strategy. It will capture the region's shared priorities and set out a plan for achieving them, drawing on perspectives and experiences from across the region.<sup>1</sup>*

The Australia Institute strongly supports this initiative. The four questions DFAT has requested input on are:

- *What are the major challenges facing our region as we work together to achieve the vision for a Blue Pacific Continent by 2050?*
- *How might these challenges impact on our region over the next 30 years to 2050?*
- *How might COVID-19 impact on our region's development trajectory to 2050?*
- *How can Pacific Islands Forum members work together to address these challenges, including through closer economic and security linkages that preserve national sovereignty?*

Before addressing these questions directly, we note that DFAT has taken a somewhat narrower approach to the development of a 2050 Strategy for the Blue Pacific Continent than that taken by the Pacific Islands Forum (PIF) Secretariat in its statement on the project.<sup>2</sup> The PIF Secretariat's statement offers a broader and richer context for the development of a thirty-year strategy. We also make the observation that the questions posed by DFAT are symptomatic of Australia's approach to South Pacific policy over several decades. They invite discussion of external challenges, such as 'preserving national sovereignty' with inevitable focus on the rise of China, rather than encouraging reflection on internal problems such as vacillation in Australian policy. The COVID-19 pandemic is another externally imposed challenge, and discussion of its impacts over three decades invites speculation rather than strategy.

None of these questions tackle the core strategic problem – what are Australia's policy objectives, how do these objectives intersect with those of other PIF members, and what are the tools at each nations' disposal to achieve them?

It is our view that these questions will not generate the answers that are necessary to reshape an effective long-term strategy or a coherent and enduring Australian policy in the South Pacific. It is time that Australian governments of whatever political persuasion and their public service advisors recognised that a core problem in the South Pacific is Australia

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<sup>1</sup> DFAT (2020) *Consultations on Pacific Islands Forum 2050 Strategy*, <https://www.dfat.gov.au/news/consultations-pacific-islands-forum-2050-strategy>

<sup>2</sup> PIF (2020) *The 2050 Strategy for the Blue Pacific Continent*, <https://www.forumsec.org/pacific-regionalism/>

– its unwillingness to exercise its agency and to provide the leadership that the South Pacific needs.

Unlike New Zealand, which has managed to conduct a generally consistent South Pacific policy over several decades, Australia blows hot and cold. Domestic political fashion has had more influence on policy in the South Pacific than strategic considerations. Short periods of enthusiasm, like ‘the Pacific step-up’, are followed by years of disinterest and neglect.

As the dominant South Pacific economy, Australia enjoys enormous agency in the South Pacific, if and when it chooses to use it. The problem is, however, that Australia lacks ambition in the South Pacific, is generally reactive to changes in internal balance and external events, and has been consistently parsimonious in extending development assistance.

This lack of agency is exacerbated by Australia’s unwillingness to take on the mantle of leadership in the South Pacific, a role that the nations of the South Pacific have long been looking to Australia to assume. Australia’s reluctance has been seen for what it is: a lack of assuredness and confidence; a tendency to cede leadership to the US on all things Asia-Pacific; and an unwillingness to meet the costs associated with leadership. And while its policy settings are regarded by many of the South Pacific nations as inadequate and tentative, Australia is often seen as arrogant and condescending.

The kind of leadership that the South Pacific nations are looking for is not the leadership of command and direction, but the leadership of enablement, empowerment and ideas. They do not want to be told what to do, which is generally what Australian political leaders like to do. The South Pacific nations are looking to Australia and New Zealand to demonstrate to them what is necessary to improve their governance and administration, how to do that, and to provide some of the key policy and administrative skills necessary to build a stronger sense of community and cooperation.

This is basically a diplomatic task that demands more resources, both financial and personnel. It requires more focus, more professional (as distinct from political) involvement, more empathy and more quiet engagement. It demands a more energised diplomacy and a bigger diplomatic footprint, including outside the national capitals. Papua New Guinea (PNG) is particularly important during a time of transition in Bougainville, of increasing political and social tension in the Highlands and other provincial centres, and of enduring human security issues across the entire country.

Access to Australia’s markets, particularly the labour market, is essential for the region’s economic security. And while the economic security of the South Pacific is significantly dependent on Australia and New Zealand, so is their defence security. While some in the Australian security policy community like to obsess about the so-called Chinese threat to

security, the threat of political and social collapse should engage Australia's security interests to a much more significant degree.

This is where Australian agency and leadership come to the fore. Their absence is the problem.

## **Challenges facing our region:**

There is a complex of intersecting issues facing the South Pacific.

The most critical is climate change, with rising sea levels, increasing storm intensity and massive surge tides. Australia and New Zealand must go beyond adaptation and remediation by increasing the ambition of greenhouse gas emissions reduction efforts and to begin managed immigration of peoples in the most vulnerable Pacific states.

Broader human security challenges include endemic health issues – diabetes, cervical cancer, obesity and, perversely, malnutrition and associated developmental problems such as stunting. Climate change will compound established human security challenges, including food security and infectious disease threats associated with climatic changes.

Population growth, with consequent pressure on economic resources and lack of economic opportunity, is also a serious long-term challenge.

The lack of long-term economic opportunity, and the depletion of economic resources such as fish stocks, exacerbates the challenge to human security in the South Pacific.

Finally, a decline in US interest in the South Pacific, compounded with the vacillating nature of Australian policy, offers easy opportunities for the progressive militarisation of the South Pacific.

## **How are these challenges going to impact on our region over the next 30 years to 2050?**

If left largely to their own devices, the nations of the South Pacific have little prospect of improving their outlook. The prospects are bleak. Climate change will continue to destroy the natural beauty of the littoral, with devastating implications for cultural heritage and tourism.

Social dislocation, and the political instability that is inevitably its consequence, are significant threats to the stability of the nations of the South Pacific.

Major impacts for Australia and New Zealand will include migration pressures, which must be addressed now, and the need that all the nations of the South Pacific have for access to the Australian labour market in particular.

PNG is particularly important. Social dislocation is rising, and political instability will continue to foment civil unrest. Many of PNG's problems are directly attributable to poor governance, poor planning, poor investment decisions. Some of these poor investment decisions have been encouraged and subsidised by Australia, with the Efic-backed PNG LNG project being just the most prominent example.<sup>3</sup> Many of these decisions could have been avoided with targeted Australian assistance and constancy in Australia's policy settings. PNG is a disaster waiting to happen, and the world will rightly look to Australia to fix it.

## **What will be the ongoing impact of COVID-19 on the region's development trajectory to 2050?**

This is a completely open-ended question: how long is a piece of string? The coronavirus pandemic is not over. Indeed, there are early signs that the virus has a capacity to mutate quickly, leaving medical science in a continual catch-up situation. COVID-19 has yet to impact significantly on the nations of the South Pacific, due to their isolation and their slender contact with the principal centres of global infection.

But if confidence returns to the tourism sector, particularly cruise ships, and if short and long stay tourism returns to pre-COVID levels, the nations of the South Pacific are ill-prepared for the possible consequences. As the measles outbreak in Tonga, Samoa and Fiji in late 2019-early 2020 demonstrated, immunisation levels are low in the South Pacific. An aggressive and relatively little understood virus such as COVID-19 could be devastating, especially if, as we have seen in Europe, it comes in waves.

Again, PNG appears to be extremely vulnerable to any serious outbreak of COVID-19. And again, Australia will be expected by the international community to 'step up' to address the problem. But as noted at the beginning of this submission, Australia appears at present to lack the will to exercise agency or the leadership to work with PNG to address this problem.

## **How can the PIF work together to address these challenges, including through closer economic and security linkages that preserve national sovereignty?**

As an international grouping, the South Pacific nations lack the administrative infrastructure and the resources to establish effective and enduring collaboration and coordination infrastructure and institutions. They lack the agency and the leadership to establish an independent regional association such as ASEAN. The PIF, which is a partly successful regional association, depends to a significant degree on its more economically advanced

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<sup>3</sup> Flanagan & Fletcher (2018) *Double or nothing: The Broken Economic Promises of PNG LNG*, <https://www.jubileeaustralia.org/latest-news/new-jubilee-report-shows-that-efic-funded-png-lng-project-has-hurt-png>

members, Australia and New Zealand and, to a lesser extent, its 'dialogue partners', the principal members of which are Canada, China, the EU, France, Japan, the UK and the US.

Basically, the South Pacific nations lack the human and political capital to sustain a thriving regional organisation or association to build closer economic and security linkages that would serve to 'preserve national sovereignty' – though what precisely that is intended to mean in the context of this consultative process is unclear.

For the PIF to work together in the interests of the South Pacific community, Australia and New Zealand need to deepen their own engagement with the Secretariat, and to provide the funding and the professional development that would enable the Pacific Island members to build the skills and confidence necessary to sustain a successful regional association. In the South Pacific, the distances are great, and the travel costs are high: sustained participation is expensive.

In the opinion of The Australia Institute, the PIF at present relies too much on the annual political meeting of national leaders and too little on the sustained efforts of experienced development assistance administrators to maintain focus and momentum. Colourful shirts and floral dead-dresses provide political theatre and media opportunities: but they do not provide the continuing coordination that is necessary if the members of the PIF are to draw maximum benefit from the projects and programs initiated by aid donors.

It is most important that the PIF not become a surrogate for a strategic contest between Australia and the US, on the one hand, and China on the other. By redesigning development assistance policy as a technique for 'containing' China, Australia is actually rendering a disservice to the nations of the Pacific. Rather, Australia should be working with the nations of the South Pacific to engage China in the pursuit of common objectives.

As noted earlier, this demands leadership on the part of Australia and New Zealand – the subtle form of leadership at which New Zealand excels, the leadership of influence rather than command and direction.