trends in the region with broader theoretical discussions within her field.

Alan Whitworth’s chapter on “Managing Public Enterprises in Small States” is limited to an analysis of commercial statutory authorities in Papua New Guinea. Limiting his focus to one country allowed Whitworth to provide a more detailed analysis of his topic than is found in other chapters. However, it would have been useful to attempt to relate the Papua New Guinea situation to those of other countries and territories in the Pacific.

The least Pacific-state-specific chapter is Tony Hughes’ on “Small States and Foreign Investors.” However, it is an excellent treatment of the problems of dealing with multinational corporations in both the Pacific and the Indian oceans. Moreover, this chapter will probably appeal more to policymakers and public servants than the other chapters because it clearly suggests specific approaches for dealing with the problems discussed.

David Doulman provides an excellent description of the role of the Forum Fisheries Agency in dealing with distant-water tuna fleets, in his chapter on “Fisheries Management Cooperation.” He gives an overview of the status of the tuna resource regionally, a history of the Forum Fisheries Agency, and a review of attempts to cooperate on the development of a tuna industry in the region. A bit more information on the economic importance of tuna fishing, processing, and access fees to individual countries might have helped put the access fees and agreements into a broader economic context.

Ron Crocombe’s chapter on “South Pacific Regionalism” is interesting and provocative and reflects his extensive knowledge of this topic. He provides reasons for the relatively high level of regional cooperation, addresses the major issues associated with it, gives an overview of the evolution of regionalism, and examines cooperation in marine resource coordination, transport, higher education, and among private voluntary organizations. His final substantive section deals with cost effectiveness, patterns of power and influence, staffing, and decision-making.

**Public Administration and Management in Small States: Pacific Experiences** will be of considerable interest to students of Pacific Islands studies as well as teachers of public administration and government in the region. I would hope those involved in government service will also read it because, as this book shows, there is much to be learned about public administration from within the region itself.

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This book is based on three papers and two commentaries delivered at the November 1989 Mont Pelerin Society’s Pacific Regional Meeting held in Christchurch, New Zealand. Of the
three authors, Peter Bauer is a former professor of economics in Britain and writer of numerous books on development; Savenaca Siwatibu is a former governor of the Reserve Bank in Fiji and head of ESCAP in Vanuatu; and Wolfgang Kasper is a professor of economics at the University of New South Wales who has written on economic topics about Malaysia, Australia, Fiji, and East Asia.

The three authors address two main themes in this book—the inadequacy of aid in developing small island economies, and economic alternatives that island nations, as well as metropolitan countries with interests in the region, might consider.

Peter Bauer, in the first chapter, "Foreign Aid: Mend It or End It," argues that aid (or development assistance) has "results ... damaging to both the West and to the peoples of the less-developed world" (3). He explains that the Third World is a myth and that the countries that supposedly constitute it vary widely in income, types of governance, and cultures. He points out that aid does not necessarily go to the needy as is commonly thought. Instead, the major recipients are the governments of the poorer nations, which squander what they receive.

Bauer offers three reasons why aid, despite the negative consequences, continues to be administered: Third World countries cannot progress without injections of aid (he supplies numerous examples that point to the folly of this); it assists those who are poverty stricken (he suggests that the opposite actually occurs: aid projects are often destructive to the very existence of the poor they are designed to assist—if the project aid has not already been usurped by the government and the politicians); and it buttresses Western interests (aid, far from making friends in the Third World, has done the reverse—countries that are aid recipients "are openly hostile to the donors whom they abuse, embarrass and thwart as best they can" [16]).

Finally, Bauer suggests that in reforming foreign aid, donor countries ought to follow four steps: change the criteria of allocation; make aid bilateral, not multilateral, to preserve a vestige of control; make aid untied to the purchase of donor exports; and make aid in the form of grants rather than loans. He ends on a pessimistic note that it is unlikely any of these suggestions will be adopted, "because not only is the policy of foreign aid supported by powerful interests, but the existing methods, arrangements and practices also benefit powerful and vocal special interest groups" (18).

Savenaca Siwatibu, in the second chapter, "Some Aspects of Development in the South Pacific: An Insider’s View," introduces the South Pacific countries. After citing their geographical and some common characteristics, he addresses the factors he believes affect development in the region. First are ecosystems that are undergoing long-term damage due to increased radioactivity—the results of French nuclear testing, toxic and nuclear waste dumping, driftnet fishing, and the greenhouse effect. He then turns to issues such as foreign aid, remittances, minerals, regional arrangements, and international organizations, and briefly discusses the relevance of each to developing island economies. Of these top-
ics, he spends the most time discussing possible solutions to problems of private investment and national financial policies.

Siwatibu concludes his chapter by stressing the value of stability and security in the region, due in good measure to the services of Australia and New Zealand. Without it "the island countries cannot achieve their long-term goals and the bigger countries could find a rearrangement in their own strategic and economic interests in the Pacific" (39). The Forum and other regional groups are, in his view, the best means by which the islands can guarantee a safe and productive future for themselves.

The third essay, "The Economics and Politics of South Pacific Development: An Outsider's View," by Wolfgang Kasper, is the longest of the three. In a short summary he explains that in his role as an outsider he "may be ignorant of many important details and nuances, but he is more likely to see the wood for the trees" (47). He begins by citing economic and political traits common to Pacific Island nations, then proceeds to briefly discuss participants (the United States, Japan, the Soviet Union, and others) and the recent history of the region's "strategic framework."

In succeeding sections he discusses changes affecting the region, how "paternal collectivism" is choking development, the need for regional stability, the aid problem, and the need for an "individualist, liberal [market] system." He details at length how improvements could be made, suggesting that a free market approach and a corresponding diminution of government control would revive the Pacific Islands' sagging economies. Like Bauer, he believes aid will never be eliminated, that it has introduced a form of welfare dependency, and offers, as a next-best step, "ten commandments" that, if adopted, would enhance aid delivery where it is needed most. Finally, he advances the idea of greater economic union among the islands, which would trim excessive national government expenditure and strengthen economic cooperation from both within and without. He argues that Pacific cultures and economic vigor will have to be more integrated in the future in order to guarantee economic survival.

In the two short commentaries that conclude the book, Colin Simkin and Peter Jennings express support for the three preceding arguments and highlight some of the issues they consider important. Simkin believes "the main factor holding up economic development in most Pacific countries is their people" and discounts the usual excuses (distance, limited exposure, and so on) put forward by other observers. Only a radical change in outlooks and institutions will turn the situation around. Jennings focuses on aid, cites Niue as an excellent example of "aid gone wrong," and gives attention to the donors' justifications for their aid programs. He ends, as all the authors do, on a pessimistic note regarding the prospects for the islands in the 1990s.

I take issue with many elements of this book, both large and small. To begin with, the title is either misleading or inappropriate. Given that the authors often cite examples of Micronesian countries, they include the North as well as the South Pacific in
BOOK REVIEWS


The title is a little misleading, for the book contains the proceedings of the University of Otago's annual foreign policy school, which in 1990 focused on New Zealand's relations with the other Pacific Islands. It aimed to "contribute to a clearer understanding of the region to which our [New Zealand's] destiny is tied, and to better appreciation of the challenges and opportunities for New Zealand foreign policy" (xiv). It achieves both objectives.

Fran Wilde, then New Zealand's associate minister for foreign affairs, set out the official position at that time, considerably more personal knowledge of and affinity for the Pacific. He cites more Pacific sources in seven pages than the three main authors have in eighty, and he welds them into an interesting and coherent argument for reducing aid.

Readers interested in the argument against aid should read the August 1991 article, "The Aid Plague," by Rowan Callick, in Islands Business Pacific. This is a much more insightful view of the negative impact of aid on the Pacific region and lives up to the title "Aid and Development in the South Pacific" far better than any of the essays in this book.

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