

Among the wider political and social forces that influence the Pacific Islands, none mattered more in 1999 than globalization, and in particular the globalization agenda now embraced by regional organizations such as the South Pacific Forum. If globalization is the ever-increasing integration of economies across territorial borders, then the globalization agenda is the set of economic policies that effect such integration. Among these are free trade, privatization, public service reform and harmonization by different governments of their customs procedures, product standards, trade regulations, and laws relating to investment, communications and the enforcement of property rights. In the last few years the South Pacific Forum has endorsed, advocated, and disseminated the globalization agenda in the region; meetings of Forum economic and trade ministers have overshadowed that of the Forum itself, and the Forum has defined key issues of concern to the region as mostly economic.

It was hardly a surprise, then, that the Forum Trade Ministers Meeting in Suva in July made the most important regional decision of the year when it endorsed a Forum Island Countries Free Trade Area to be phased in during the first decade of the new century. By the time regional leaders met for the thirtieth South Pacific Forum in Palau in October and themselves endorsed the proposal, the Forum Secretariat had refined it so that free trade would be implemented in stages. Developing Forum island states would

commit themselves to free trade by 2009 while smaller island states and least developed countries in the region would reach the goal by 2011. Forum leaders will consider a detailed draft agreement on free trade at their meeting in 2000.

The significance of the free trade decision does not lie primarily in the fact that Forum island countries will be trading freely among themselves by 2011. After all, those countries trade far more with the rest of the world than with each other.

The decision is rather meant to reassure aid agencies, foreign investors, and international institutions—above all the World Trade Organization (WTO)—that the region is serious about the globalization agenda. As Secretary-General of the Forum Secretariat Noel Levi told a meeting on Post Lomé Trade Arrangements in July, the plan for a free trade area “signals our region’s willingness to consider new measures for dealing with globalisation and trade liberalisation, through regional integration.” Levi emphasized the importance of the World Trade Organization:

The WTO has emerged as the most important international Forum for negotiation of trade, commercial and general economic policies. The new rules and disciplines that have emerged through successive rounds of negotiations are touching upon the economic and trade relations of countries that are not even WTO members. Some developing countries like the Forum Island Countries have had little say in the creation of these rules. In recognition of this chang-

ing global environment Forum Trade Ministers yesterday endorsed in principle an FTA [Free Trade Agreement] amongst Forum Island Countries (PIR 1999a).

Following the Forum's free trade decision, the World Trade Organization funded a week-long seminar on trade negotiations for officials from the Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, Niue, Papua New Guinea, New Zealand, Sāmoa, Solomon Islands, Tonga, and Vanuatu. The Forum also undertook to establish a Forum delegation in Geneva for the specific purpose of keeping abreast of developments in the World Trade Organization.

The Forum's move to free trade is linked to longer-term prospects for integrating the South Pacific into other free trade areas. In time the FIC Free Trade Area is almost certain to be combined with the Australia–New Zealand Closer Economic Relations arrangements that have already made trade almost free across the Tasman Sea. The FIC Free Trade Area will then be a Forum Free Trade Area, with island countries imposing no tariffs on imports from Australia and New Zealand. Tariffs will diminish as a source of government revenue for a number of island governments, compelling them either to curtail their spending or seek revenue elsewhere. The second prospect is that the FIC Free Trade Area will become the basis for a Regional Economic Partnership Agreement (REPA) with the European Union (EU), which has proposed such agreements as part of the framework of arrangements that will succeed the Lomé Convention in Europe's trade with the African, Caribbean, and

Pacific (ACP) group of states. The eight Pacific ACP members are Fiji, Kiribati, Papua New Guinea, Sāmoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. For all intents and purposes, a Regional Economic Partnership Agreement between Europe and these countries—and almost certainly with other Pacific Island countries as well—would be a free trade area. Again, the driving force behind the concept is the need to bring Europe's trading arrangements into conformity with the requirements of the World Trade Organization.

For years the World Trade Organization seemed to most people to be an uncontroversial organization engaged in the largely technical business of liberalizing global trade. But concern has grown in recent years about its global reach, its undemocratic character, and the impact of its globalizing program on developing countries. The key issue for critics of the World Trade Organization in the Pacific Islands has been the Lomé Convention, which for the last quarter century has provided Pacific ACP countries with both aid and preferential access to the European market for commodities, in particular sugar from Fiji. The Fourth Lomé Convention expired in February 2000. Since preferential trade access runs counter to global free trade, Lomé IV was allowed to continue only because the World Trade Organization granted a waiver, and critics feared it would be replaced by something much less favorable to the region.

The last major round of trade negotiations among WTO members was the Uruguay Round, 1986–1993. The next round, designed to further liberalize world trade, was due to begin at

a WTO meeting in the United States in late 1999, and negotiators from both developed and developing countries duly met in Seattle at the end of November. What then happened took organizers and the Clinton Administration by surprise. Huge demonstrations of anti-World Trade Organization activists occupied city intersections, brought central Seattle to a halt, prevented delegates from reaching meetings, and turned the meeting into a fiasco. While demonstrators outside shouted abuse, delegates inside from Latin American, Caribbean, and African countries threatened to walk out unless the claims of developing countries were recognized. In the end, no new trade round began.

The Battle of Seattle, as it came to be called, dramatized the position of poorer countries in a globalizing world and influenced negotiations over Lomé between the European Union and the 71 ACP states. Fresh from Seattle, European ministers were determined to show that, unlike the United States, they appreciated the developing world's need for flexible new arrangements. Within a week, negotiators in Brussels had agreed on post-Lomé arrangements more favorable to ACP states than most people expected, confirmed by a final agreement reached in February 2000. The ultimate WTO goal of global free trade and investment remains, but transitional arrangements will give developing countries more time to adjust. The two sides will ask the World Trade Organization for a further waiver of its free trade rules so that preferential access can continue during a preparatory period that will last until 2008. By then, new arrangements will have

been negotiated, region by region, so that all regions' trade with the European Union will eventually become WTO compliant, but a review in 2006 will examine whether extra time is needed (EU 1999). A separately negotiated renewal of the sugar protocol gives Fiji even longer to adjust. The post-Lomé convention will be called the Suva Convention and will be signed in the Fijian capital in June 2000.

At the technological level, globalization means a revolution in communications, officially recognized by the Palau Forum's "Vision for the Pacific Information Economy," which looks forward to a regional future in which the Internet becomes widely available to the people of the Pacific and business uses it to "enhance the region's competitiveness in the global economy" (SPF 1999). That future is farther off, and communications issues are more political than the Forum's motherhood statement suggests. Many people in the region still have no electricity or telephone, far less access to the Internet, and the globalization agenda is driving the region toward more competition in telecommunications. The shift is toward cheaper telecommunications for those with access, and away from government-subsidized schemes to make access widely available to national populations.

Progress was slow in continuing negotiations over a tuna management regime for the western and central Pacific at the year's two meetings of the Multilateral High-Level Conference on Fisheries in Honolulu. In accordance with article 64 of the UN Convention on the Law of the Sea

and the 1995 UN Implementing Agreement on Straddling and Highly Migratory Fish Stocks, the nations with a stake in Pacific tuna fisheries have been negotiating a tuna management regime for a number of years; they committed themselves in the 1997 Majuro Declaration to agreement by mid-2000. The fishing nations are the United States, Japan, Korea, Taiwan, China, the Philippines, and Indonesia. On the other side are all Pacific Island states and territories, together with Australia, New Zealand, and France. The Pacific Island states' main concern is that, in agreeing to a regime that will govern tuna wherever it is, they will surrender sovereign rights over tuna within their exclusive economic zones. They have therefore favored separate management regimes for their exclusive economic zones, whereas the fishing nations want a single regime within those zones and on the high seas. Negotiations in 1999 swung in favor of the fishing nations on this and other issues. A convention will likely be adopted in September 2000, together with an interim regime until it comes into effect (Tarte 1999).

Ministers met in Suva for the annual Forum Regional Security Meeting, and the Forum itself called for vigilance on matters such as cyber crime and illegal immigration, but their concerns paled beside those of another country whose sufferings and struggle for independence attracted global and regional attention during 1999—East Timor. The Forum welcomed the establishment of INTERFET (International Forces in East Timor), the Australian-led multinational force that intervened in the former Indone-

sian territory following the massacres of September. An advance party of Fiji military officers went to East Timor in December to prepare for the arrival of a Fiji contingent of 185 who joined the subsequent UN peacekeeping operation. On an earlier visit to Fiji, Jose Ramos-Horta, the East Timorese independence leader, said East Timor should join the South Pacific Forum, but no development in this direction took place.

The Forum formally admitted New Caledonia as an observer, following political developments in the French territory over the previous eighteen months. The 1998 Noumea Accord provided for “shared sovereignty,” New Caledonian citizenship, an irreversible transfer of powers from France to the territory over ten years, and elections for new representative institutions, including provincial assemblies, a territorial congress, an eleven-member executive, and a senate of customary chiefs. A referendum on independence is now due sometime between 2014 and 2018. The May 1999 elections, the first under the new arrangements, gave the anti-independence party, the RPCR, the largest number of seats in the Congress but denied it a majority, so it allied with a Kanak group, the *Fédération des Comités de Co-ordination des Indépendantistes* (FCCI), a breakaway from the traditional independence party, the FLNKS. In this way the RPCR succeeded in maintaining its dominance in Noumea and the Southern Province and in the government as a whole, though four of the eleven new ministers were from the FLNKS. Under the French constitution, New Caledonia is no longer an overseas French terri-

tory. It is an overseas French "country," and Congress passed the first "country law" in October (MacLellan 1999).

French Polynesia also headed down the road of semi-decolonization in 1999 and will become an overseas French "country." Like New Caledonia, French Polynesia will be granted irreversible powers from Paris (on matters such as labor, higher education, municipalities, land tenure, and the media), with key powers retained by the French state, and its citizens will be given a local citizenship that can coexist with French citizenship. Unlike New Caledonia, French Polynesia has not been promised a referendum on independence but, as a "Pacific Island territory on a clear path to achieving self-government or independence," it meets the Forum's observership criterion (SPF 1999). All in all, France succeeded in its somewhat sophisticated exercise of keeping New Caledonia and French Polynesia as parts of France while conveying the impression that their political status has radically changed in the direction of independence.

Whether Bougainville is a case for decolonization depends on one's point of view. Bougainville remained peaceful in 1999 while inching forward to a new political status still to be determined. The Bougainville Transitional Government ceased to exist as from the end of 1998, and was replaced by a nominated body called the Bougainville Constituent Assembly. In May Bougainvilleans voted in 69 electorates for the Bougainville People's Congress, from which a 31-member Congressional Executive Council emerged. Joseph Kabui, the former Bougainville Revolutionary Army leader who broke

with Francis Ona in 1997 to negotiate peace, became president of the Congress. These developments took place against a background of the continuing presence of the Peace Monitoring Group, led by Australia, and growing confidence in the peace process as previously hostile factions began to cooperate in a system of nonviolent politics. The development that Bougainville was denied for ten years was slowly returning in the form of schools, health care, freedom of mobility, and opportunities to earn cash. Arawa remained a neutral zone. By December negotiations between the Papua New Guinea government and Bougainvillean leaders had produced the Hutjena Record, hailed by Kabui as a "breakthrough." Under Hutjena, Papua New Guinea agreed that "the highest possible autonomy shall be granted to Bougainville subject to negotiations" and undertook to examine the issue of a binding Bougainvillean referendum on independence (PIR 1999c).

Yet the road to a permanent peace in Bougainville remained tortuous. A hardline position on independence continued to be advanced by Francis Ona, the self-styled president of the Republic of Mekamui which in his view has existed since declaring independence in 1990. Ona continued to enjoy support in some parts of central and southern Bougainville. If things do not go his way, Ona might still be able to mobilize followers for a return to war, or at least to acts of sabotage and violence. Hundreds of Papua New Guinean troops, though many fewer than before, remained on the island, symbols of the dominance of Port Moresby. No decommissioning of weapons was in prospect, and too

many people had too many guns (Regan 1999).

Most fundamentally, while some leading Bougainvilleans continued to believe they were on a path to independence, the national government of Papua New Guinea showed no sign of accepting such an outcome. There was a danger that Bougainvillean leaders were interpreting the Hutjema Record as a charter of independence while the national government saw it quite differently. As the former prime minister of Papua New Guinea, now Mining and Bougainville Affairs minister, Sir Michael Somare warned at the end of the year, "The Constitution of Papua New Guinea does not currently provide for a referendum. Successive governments and leaders of all major political parties and groups in the National Parliament have repeatedly said that independence for Bougainville is not an option. The present government is prepared to look at the issues raised by the Bougainville parties. We are ready to consult and cooperate with them in developing a workable autonomy package within the framework of the Papua New Guinea Constitution" (PIR 1999d).

In the wider political scene of Papua New Guinea, a no-confidence vote in the national parliament in July brought a change of government welcomed by all who want political stability in that country. By a vote of 99 to 5, parliamentarians replaced Bill Skate with Sir Mekere Morauta as prime minister. Morauta told the PNG people the facts and took hard decisions. Papua New Guinea, he said, was virtually bankrupt and faced huge hurdles in corruption and a financial crisis. He reestablished contacts with the World Bank and the International

Monetary Fund, introduced a stringent supplementary budget, promised that 2000 would bring "the harshest budget since independence," and identified Air Niugini, Telekom, Post PNG, the Electricity Commission, and the National Broadcasting Corporation as likely to be sold under a new privatization scheme aimed at repaying international loans. By the new year the kina had plunged to a new low of 31 cents against the US dollar, but Papua New Guinea was at least in the hands of leaders who understood the realities of its situation.

In the Pacific as in many parts of the developing world, globalization unites people at one level of society, while issues of identity divide them at another. Just as peace seemed established in Bougainville, ethnic violence erupted in Solomon Islands, when militants on Guadalcanal began to harass and expel settlers who came from the neighboring island of Malaita. The trouble, which had been brewing for months, erupted into a succession of arson attacks, murders, and roadblocks in the first half of the year, aimed at driving Malaitan and other non-Guadalcanal settlers from Guadalcanal land. By June thousands of refugees had poured into Honiara, where the Red Cross and the government struggled to find room for them in public buildings. To relieve the pressure in the national capital, the government of Prime Minister Bartholomew Ulufa'alu (himself a Malaitan) shipped Malaitans back to their home island and endeavored to reach peace agreements with the Guadalcanal people, but the crisis was beyond his ability to settle, and he eventually declared a state of emergency.

A Commonwealth mission bro-

kered a precarious peace in late June. It was led by Major General Sitiveni Rabuka as Special Envoy, fresh from defeat in the Fiji elections and, as he admitted, himself experienced in illegal activity for a cause. With considerable courage, Rabuka walked across a bridge into the armed lines of the Isatambu Freedom Fighters in order to mediate a settlement. "We were told there was no command structure," Rabuka said later, "but the group we met yesterday was very well organized. There was a commander, his 2IC, there were 215 young men, most of them armed with shotguns and .22 weapons. Telescopic sights, binoculars, compasses. They are aware of how to use these things" (AFP 1999). The Honiara Accord, as the peace settlement was called, pointed to the causes of tension: Malaitans had squatted on land in Honiara, Malaitans predominated in government and private-sector jobs, Guadalcanal people wanted compensation for murders committed by Malaitans, they resented the influx of migrants, successive governments had failed to respond to their complaints, and so on.

The Honiara Accord was as much a statement of intentions as an agreement to make peace. It resolved, "All organisations formed for the purpose of pushing demands of the people of Guadalcanal through the use of force be dissolved with immediate effect. All members of the group should return home and surrender their weapons" (PIR 1999b). It called for work to resume at the Gold Ridge Mine, Solomon Islands Plantations Limited, and elsewhere. And it suggested that the Land and Titles Act be reviewed, illegal occupation of land be investigated, and squatting in Gua-

dalcanal be discouraged. Within six weeks Rabuka had negotiated a second peace accord, the Panatina Agreement, in order to make the first one work. Twenty police from Fiji and Vanuatu arrived in the Solomons in October to monitor progress, and the peace was still holding as the year ended. But tension in Guadalcanal remained high, freedom of movement outside Honiara was restricted, weapons stayed in rebel hands, and a group called the Malaita Eagles Force stole rifles and a rocket launcher from a police armory early in the new year. Checkpoints on the outskirts of Honiara symbolized the new situation.

The most extraordinary election of the year took place in Fiji. The election, held in May, was the first under the 1997 Constitution and operated under new rules. Of the nation's 71 constituencies, 25 were "open," that is, open to candidates and voters without regard to race, a practice common to most liberal democracies but new to Fiji. Voting was compulsory. And the "alternative vote" replaced "first past the post" as the voting system, meaning the second, third, and subsequent preferences of voters could be distributed to other candidates if their first choice candidate was excluded for lack of first preferences. In theory, this system would ensure the election of candidates least disliked by most voters; in practice, the parties used it to channel votes to allies in ways few voters understood.

On one side of the political divide stood a coalition put together by the governing SVT with the National Federation Party (NFP) and the small United Generals Party. Rabuka the Fijian (SVT) and Reddy the Indo-Fijian (NFP) were widely expected to win.

They were, after all, the architects of the 1997 Constitution and the makers of a new multiracial Fiji. On the other side was the People's Coalition, a loose grouping of the Fiji Labour Party, the Party of National Unity, and the Fijian Association Party. To universal surprise, even that of Labour leader Mahendra Chaudhary himself, the People's Coalition won a resounding victory, with Labour's 37 seats giving it a parliamentary majority in its own right. Chaudhary quickly claimed the prime ministership, the first Indo-Fijian to hold that office, and appointed two Fijians—Tupeni Baba and Adi Kuini Vuikaba Speed—as deputy prime ministers. The *Veitokani ni Lewenivanua Vakarisito*, a conservative Fijian grouping, joined the government, together with the Party of National Unity and the Fijian Association Party, leaving a tiny opposition in the form of Rabuka's once-mighty SVT, now reduced to a mere 8 seats. Fiji's President Ratu Sir Kamisese Mara played a crucial role in the tense aftermath of the election, in reconciling disappointed Fijians to what many saw as an Indian victory, though Fijians persisted with moves to change the constitution yet again.

Rabuka lost for a number of reasons, not all his fault. The 1998 drought hit farmers hard, and the east Asian economic downturn compelled Fiji to devalue its dollar in 1998, forcing up prices. Economic reform, embraced on the advice of aid donors, led to restructuring and loss of jobs. Infrastructure, especially the water supply, had deteriorated in the Rabuka years. In addition, many Indo-Fijians could not understand why Jai Ram Reddy allied himself with Rabuka, the coup-maker who

had caused them so much insecurity. They therefore removed Jai Ram Reddy's NFP, the oldest party in Fiji, from parliament altogether and voted in large numbers for the Labour Party. While the Fijian vote splintered, the Indo-Fijian vote consolidated, delivering victory to Labour in all 19 Indian communal seats.

The Tongan election produced a reverse for the pro-democracy movement, which won 5 of the 9 seats for the people's representatives, fewer than at any time since 1987 (the nobles also have 9 seats and the King appoints the remaining 12 parliamentarians, who are all ministers). By one measure, the vote for pro-democracy candidates fell by 40 percent compared with 1996. Yet as Ian Campbell has argued, in a political system where personal followings are important, the result can be over-interpreted. In his view, the movement for a democratic Tonga continues to enjoy "substantial popular support" and popular resentment of high-level corruption remains (Campbell 1999, 272).

Political corruption might have been involved in the assassination of Sāmoa's minister of Public Works, Luagalau Levaula Kamu, on 16 July. Luagalau was attending the twentieth anniversary celebrations of the ruling Human Rights Protection Party in an Apia hall when his cell phone rang. He moved to a back room to answer and was shot dead. The assassin was sentenced to death by the Samoan Supreme Court. His father, Leafa Vitale, was charged both with the murder and with inciting people to kill Luagalau and the prime minister, Tuilaepa Sailele Malielegaoi. The father and a co-accused are former cabinet ministers.

At least in part, individuals make the history of the Pacific Islands. The year saw the deaths of Father Walter Lini, who led Vanuatu to independence in 1980 and was prime minister until 1991, and of Tofilau Eti Alesana, who led Sāmoa through most of the 1980s and 1990s. Lourdes Pangelinan, a Guamanian lawyer, became the first woman leader of the Pacific Community. As noted earlier, Mahendra Chaudhary became the first Fiji citizen of Indian ancestry to become prime minister, Mekere Morauta replaced Bill Skate as Papua New Guinea's prime minister, and former Fiji prime minister Sitiveni Rabuka played a vital role as Commonwealth Special Envoy to Solomon Islands. The magazine *Islands Business* nominated Ratu Sir Kamisese Mara, president of Fiji, the "man of the century" for his contributions to the region over many years.

Regionalism shapes the history of the Pacific Islands, because regional institutions play such an important part in their development. If name-changing is a measure of the vitality of regional institutions, they are full of life. The South Pacific Commission became the Secretariat of the Pacific Community in 1998. As from October 2000, the South Pacific Forum will become the Pacific Islands Forum in recognition of its membership north of the equator. And in 1999 the South Pacific Coordinating Committee (SPOCC) became the Council of Regional Organizations in the Pacific (CROP).

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