Vanuatu

The year 2000 was generally stable for the Vanuatu government, especially when compared to the governance situation in neighboring Melanesian countries. Somewhat surprisingly perhaps, given the previous instability in Vanuatu politics and the difficulty of successfully operating a coalition government, the five-party coalition formed at the end of 1999 under the leadership of Barak Sope has remained in power. Various rumors circulated that a change in parliament would occur. These included rumors that ministerial posts would be reallocated in contravention of the coalition memorandum of agreement (VW, 22 Jan 2000; TP, 14 June 2000), that a motion of no-confidence action was to be tabled by the opposition (VW, 7 Oct 2000), and that the Vanua’aku Party had offered to form a coalition with the Union of Moderate Parties and thereby change the government (VW, 2 Sept 2000). However, none of the rumors amounted to anything and no changes to parliament occurred. There was some factionalism and infighting within the major parties, but none of the wrangling has had any significant impact on Vanuatu’s political scene.

Although the government was largely stable, progress on the Comprehensive Reform Program has been somewhat erratic. A number of review boards were established in key areas, including decentralization and land administration. The Decentralization Review Commission, whose role is to “ensure that the fruit of CRP is shared down to the rural areas,” has been actively engaged in consultation throughout Vanuatu since July and is expected to make recommendations on decentralization by mid-2001 (VW, 22 July 2000). Land dispute administration has long been a problem due to inactive and inappropriate island courts and an appeal structure that brings customary disputes to the Supreme Court. After two months of consultations in mid-2000, the team responsible for reviewing the land dispute system has recommended the creation of a dispute resolution system that is more appropriate to custom than is the current system. Draft legislation has been written, and, if passed, will see the creation of village-level lands tribunals, composed of people who are recognized as being knowledgeable about custom (VW, 28 Dec 2000).

A third area where review began in 2000 is revenue collection. The Revenue Strategy Committee was established in November and will, in accordance with the Comprehensive Reform Program, primarily consider options for widening the tax base (VW, 11 Nov 2000). However, this revenue review seems to be driven more by concern about Vanuatu’s tax-haven status than by concern for achieving the targets established by the Comprehensive Reform Program. Recent agitation by the Organization for Economic Cooperation and Development (OECD) on unfair competition from tax havens (a seemingly hypocritical attack on competition by countries who usually champion competition in the form of free trade) is creating considerable pressure on countries to reconsider their revenue bases (PIR, 13 Mar 2000). While Vanuatu’s tax base has not yet been
modified in the face of OECD pressure, it is a member of a joint Commonwealth and OECD Working Group on cross-border tax issues that has been set up because of concerns about tax havens (Samoa Observer, 30 Jan 2001). It remains to be seen whether the outcomes of the Revenue Strategy Committee are in any way influenced by international anti-tax-haven pressures.

These anti-tax-haven pressures are at least in part driven by fears that small open economies such as Vanuatu’s may be used for money laundering. Vanuatu has responded to accusations that its open economy can be misused for money laundering by passing the Financial Transactions Reporting Act, which establishes a Financial Intelligence Unit. This act requires that all suspicious transactions involving foreign currency be reported to the new Financial Intelligence Unit who can then investigate reports or share information with the relevant authorities (VW, 26 Aug 2000).

Other significant acts passed in 2000 include the Nurses Act, which requires the establishment of a Nurses Council to regulate the profession in Vanuatu; the Judicial Services and Courts Act, which is aimed at improving standards within Vanuatu’s judicial system by prescribing minimum qualification standards for justices; the Interactive Gaming Act, which allows for the establishment of internet casinos in Vanuatu, an activity that will hopefully generate significant government revenue; and the Copyright and Related Rights Act, which was introduced largely in order to meet the standards of the World Trade Organization.

Although good governance reform was promoted by the government in 2000 by these activities, a number of government-created setbacks also occurred. In March parliament passed the Leadership Entitlement Act, which provides the president, the prime minister, and the chair of the National Council of Chiefs a pension of 20 percent of their salary when they leave office. The fiscal irresponsibility of this act was opposed, but Prime Minister Barak Sope justified it on the grounds of needing to reward and honor leaders for their work. At the time, Sope also stated that in the future parliament would amend the act so that it also applied to members of parliament and the judiciary (VW, 25 Mar 2000). The Parliament (Members Expenses and Allowances) Amendment Act was also passed during the same session. This act increased members’ salaries from 120,000 vatu per month to 166,000 vatu, backdated to 1 January 2000 (TP, 25 Mar 2000).

The second legislative action to shake the good governance agenda was the passage of two Private Members Bills introduced into parliament in March by Tanna member and government backbencher Iaris Naunun. The first of these pieces of legislation aimed to amend the Public Service Act 1998 by deleting provisions that prohibit political interference in the operation of the public service. In particular, the amendment would allow for director generals and other public servants to be removed by a directive of the prime minister. The second aimed to amend the Government Act 1998 by removing requirements that any submission to the Council of Ministers involving legal issues be first approved by the attorney general. Similarly, it removed the requirement that the director general
of Finance and Economic Management first approve any submission to the Council of Ministers involving financial matters (VW, 1 Apr 2000). These bills were approved by parliament on 10 April then forwarded to the president of Vanuatu, Father John Bani, for ratification. With doubts about the constitutionality of the bills, Father Bani refused to sign them and instead referred them to the Supreme Court (VW, 13 May 2000). The alleged unconstitutionality of the bills stemmed from article 60(4) of the Constitution, which reads “The [Public Service] Commission shall not be subject to the direction or control of any other person or body in the exercise of its functions.” In August, Acting Chief Justice Lunabeck ruled that giving the prime minister the right to fire public servants by issue of directives was in breach of that article. The remaining content of both bills was ruled constitutional, and both have now been promulgated (TP, 2 Sept 2000).

Other notable incidents that negatively affected the government’s reputation include misbehavior by then Deputy Prime Minister Stanley Reginald, and the appointment of Amarendra Nand Ghosh as Vanuatu’s honorary consul to Thailand. Reginald’s drunken behavior attracted media attention twice in 2000. In March he assaulted two people and punched his hand through a glass door in a bar in Port Vila (TP, 1 Apr 2000). The second incident, in Luganville, involved threats to security guards and management when Reginald was asked to leave a club at closing time. It was alleged that one of Reginald’s guards assaulted a security officer and threatened him with a pistol (VW, 5 Aug 2000). These incidents resulted in an ombudsman’s report recommending that Prime Minister Sope remove Reginald from any ministerial positions. The report also urged the police to investigate the complaints and lay charges as required (TP, 14 Oct 2000). Although no criminal charges have been laid against him because of these actions, Reginald resigned as deputy prime minister at the end of August and was replaced by James Bule (TP, 30 Aug 2000).

Ghosh’s appointment as honorary consul for Vanuatu in Thailand occurred in April, soon after he had given 10 million vatu to Vanuatu for disaster relief. He was also awarded honorary citizenship, as one must hold citizenship in order to be a consul for Vanuatu (VW, 8 Apr 2000). The opposition objected to this action, feeling that Ghosh had bought himself a diplomatic passport. Both Leader of the Opposition Edward Natapei and Deputy Leader of the Opposition Willie Jimmy expressed concern that the actions of the government would create an environment whereby people could “buy” the government. This concern arose out of Ghosh’s steadily expanding business interests in Vanuatu, including an offshore bank, and from his allegedly close friendship with Dinh van Than, president of the National United Party (VW, 29 Apr 2000). The government, however, denied that Ghosh’s appointment was a political decision, stating that “Vanuatu, as a member of the Commonwealth, should have consulates in other member countries” (VW, 8 Apr 2000). In November further news stories about Ghosh surfaced, with the Trading Post running a headline that read “Ghosh Accused of US$12m
Fraud in Singapore” (TP, 22 Nov 2000). Ghosh responded to these allegations immediately by explaining that the Singapore incident involved a dispute between banks, and did not involve him personally (TP, 25 Nov 2000). Soon after, he presented the government with a ruby that is allegedly worth US$174 million. This ruby was stated to be a gift to Vanuatu “to help the country so that it could be used as collateral to get financial assistance” (TP, 6 Dec 2000). Subsequently, questions were raised by a gem expert about the true worth of the stone. The question of what Mr. Ghosh is receiving from the government in return for this gift has also been raised by skeptical observers (TP, 27 Dec 2000).

The relationship between Ghosh and the Vanuatu government becomes more disquieting when events of early 2001 are considered. On 19 January 2001, Marc Neil Jones, editor of the Trading Post, was deported from Vanuatu for publishing “negative and baseless” stories about the relationship between Ghosh and the government (PIR, 20 Jan 2001). Jones returned to Vanuatu after two days, following an interim order by Acting Chief Justice Lunabeck that allowed him back into the country until the legality of his deportation could be resolved in court. After further threats by the government a customary reconciliation ceremony was performed between Jones and the government (PIR, 20 Jan 2001). Jones was warned by Minister for Tourism and Ni-Vanuatu Business John Alick “not to publish any article relating to the mv Latua and its passengers.” The sinking of the mv Latua in 1999 resulted in a Commission of Inquiry, which released a public report that the Trading Post had quoted in a front-page article, an action that prompted Alick’s written warning to the newspaper. The Trading Post filed an official complaint to the ombudsman over Alick’s actions. Although publicly agreeing that Alick’s actions were in breach of constitutional provisions on the freedom of expression, the ombudsman declined to initiate an investigation into the matter (VW, 29 Jan 2000).

In April further government complaints were raised about the Trading
Post, this time relating to its reporting of the Private Members Bills issue. In this particular instance the newspaper, quoting former Prime Minister Donald Kalpokas, ran a headline reading “Government Celebrate CRP’s Funeral” (TP, 12 Apr 2000). The minister for the Comprehensive Reform Program expressed concern that the media was misusing its privileges. Minister for Energy Carlot Korman was very outspoken on the allegedly misleading nature of the headline, stating that “we never made any celebration as stated by Trading Post. Now people overseas will say that in Vanuatu they make celebration whenever there is a funeral and we know that it is not true.” When the government called for an urgent debate of the Trading Post report, Leader of the Opposition Edward Natapei questioned the need, saying, “I believe that the Trading Post front-page headline touched you on the Government side” (VW, 15 Apr 2000). In this instance, although no warning to the Trading Post resulted, the government intention to limit press freedom was fairly apparent. Not long afterward the government, in a press statement, gave a general warning to the media “to always maintain balanced reporting” (VW, 6 May 2000).

The government attack on freedom of expression has caused concern to proponents of the good governance agenda. However, it appears that the local and international outcry over the deportation of Jones may be a sufficient reminder to the government that constitutional rights cannot be breached without just cause.

Possibly the largest issue for the government in 2000 has been that of law and order. The first part of the year was dominated by Opersen Klinim Not 2000. This police operation was prompted by deteriorating order in Luganville, Santo. Although efforts had been made to use the customary authority of local chiefs to maintain order, over Christmas and New Year a number of violent and destabilizing incidents occurred, such as the open display of guns and threats at gunpoint to businesspeople. This law-and-order problem has been growing in Luganville for some time and appears to be largely caused by unemployed and disaffected youth.

After the incidents over the Christmas period, the police decided to tackle the problem and mounted an operation that saw a number of people arrested and charged with various crimes, including theft, assault, and unlawful entry (VW, 15 Jan 2000). Some, including the chiefs of the area, who have been losing authority in the existing atmosphere of lawlessness, applauded the police operation. However, very soon after the police campaign commenced a number of complaints were made about heavy-handed police behavior, such as using guns unnecessarily during arrests and keeping people in custody without charge for undue lengths of time (VW, 5 Feb 2000; TP, 26 Jan 2000). It is unclear how many of the approximately 200 people arrested in Opersen Klinim Not were charged with any offense or subsequently convicted, although a number of prosecutions were subsequently dismissed due to errors in prosecution procedure (TP, 9 Feb 2000). A group of about 50 individuals arrested during the operation, who claim to have been badly beaten
while in police custody, held for more than twenty-four hours without charge, or held in unsanitary cells is seeking compensation from the police. The aggrieved individuals may proceed to court with their complaints and are filing for damages of 100 million vatu (TP, 27 May 2000).

The focus on problems with the police in Luganville continued when it was revealed that files relating to the prosecution of a rape incident went missing from the prosecutor’s office. Prisoners, including one who was a suspect in the rape case, had been taken to clean the office around the time the files went missing. The commissioner of police, who described the incident as “a sign of total negligence,” revealed that other incidents of missing files resulting in no prosecution had occurred (VW, 4 Mar 2000).

The perception of a growing lack of respect for, and effectiveness of, law in Vanuatu was compounded by the Council of Ministers decision to release all prisoners, including people convicted for rape, serious assault, and homicide, on New Year’s Eve 1999. Within two days two of the released prisoners were returned to jail for committing further crimes (VW, 15 Jan 2000). Not until the middle of the year was the most serious ramifications of the decision felt, however. In early June a businessman, Justin West, was killed by one of the released prisoners who had broken into West’s home to steal the keys to his shop. He was rapidly apprehended and subsequently sentenced to fourteen years’ imprisonment. West’s death renewed public calls for politicians to exercise restraint in decisions to release prisoners, a message that has so far been heeded.

The death of Justin West also served to highlight the growing law-and-order problem in Port Vila. Police there have mounted a number of operations aimed at clearing the backlog of incomplete investigations and reducing alcohol-induced public disturbances (VW, 19 Aug 2000). Perhaps the most interesting response to the issue has been from the Vatveve Kaea Council of Chiefs in North Pentecost. This council, because it “hates to see our people who are without jobs causing problems around [Port Vila],” sent a paramount chief to Port Vila to order unemployed people from the council’s area back to Pentecost (VW, 8 July 2000).

Increasingly, politicians and the general public are becoming concerned about escalating crime. Patterns of behavior that were notable in Papua New Guinea at the beginning of its law-and-order problem are now being noted in Vanuatu. Increasing urban migration, youth unemployment, and inadequate law enforcement leading to confidence among criminals are all becoming evident (TP, 28 Oct 2000). Ethnic tensions in Port Vila arising because of land use disputes among traditional owners also contribute to the problem (TP, 24 June 2000). The increasing presence of guns in Vanuatu, which in part prompted Operesen Klinim Not, is another cause for concern. This issue was highlighted by police purchases of fifty Berretta handguns through a gun dealer in Vanuatu in September, accompanied by rumors that the police were wanting to acquire an arsenal of M16 assault rifles (TP, 13 Sept 2000). This police action has led to public fears that, as in Solomon Islands and Papua New Guinea, police
weapons may be stolen by criminals and used in violent crime. Although this may seem an alarmist opinion, there is no denying that the maintenance of law and order is becoming an increasingly significant issue for urban Vanuatu. From the experiences of our Melanesian neighbors, it seems that unless Vanuatu takes steps to address this issue now, the breakdown of law and order could become a defining issue in the development of Vanuatu in the future.

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