

between the government and the Solomon Islands Public Employee Union, which started in September, was still unresolved. Public employees had requested a pay rise, which was approved by Cabinet, but then turned down by the prime minister. This issued spilled over into 2004.

While much of the media coverage and commentaries on Solomon Islands concentrated on the negative impacts of the civil unrest, the events of the past five years have also had a positive twist: they have forced Solomon Islanders to come to terms with the challenges of building a nation-state out of culturally and ethnically plural societies, and reflect on the social, political, and economic challenges for the future. Governor-General Sir John Lapli, for instance, said that among the “pillars of national unity and nation building” must be “good beneficial reasons for people of diverse and scattered islands of Solomon Islands to want to belong to this country.” The reasons for staying together, the governor-general said, “must be sound, attainable, sustainable and tolerated by these diverse people” (SIBC, 23 Sept 2003).

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VANUATU

At the beginning of 2003 Vanuatu was governed by a coalition of the Vanua'aku Party (VP), headed by the prime minister, Edward Natapei, and the Union of Moderate Parties (UMP), headed by the deputy prime minister, Serge Vohor. Politics in Vanuatu were dominated by events in three main areas during that year: the management of the Vanuatu Commodities Marketing Board (VCMB); the management of the Vanuatu Maritime Authority (VMA); and the fortunes of Barak Sope, the former prime minister who was jailed for forgery in 2002. These events generated increasing dissatisfaction with the Union of Moderate Parties as a governing party and contributed to another change of national government in December 2003.

Before considering these events, three postscripts to the police commissioner affair, which dominated politics in 2002, should be mentioned. To briefly recap, problems arose over appointments to the post of police

commissioner that were improperly made. While the first such appointment was challenged peacefully in court, the second appointment, in mid-2002, resulted in police arresting that commissioner and fourteen high-ranking officials who were thought to have been involved in the appointment. In reaction to this, a number of armed Vanuatu Military Force officers came to the police station to arrest these police, and an armed standoff ensued. Rumors that a government-funded militia had also been formed gave rise to fears of another armed faction. This militia was thought to be made up of young men from Tanna, a group blamed, justifiably or not, for much violence and crime in Vanuatu. By the end of the year, tensions between the Vanuatu Military Force and the police force had eased, and four high-ranking police officers involved in the arrests of the officials had been given two-year suspended sentences for inciting mutiny, mutiny, kidnapping, and false imprisonment.

The first postscript to that story is the appointment of Robert Diniro Obed as police commissioner in February 2003. He remained stable in that position throughout the year. A large AusAID-funded project aimed at strengthening police capacity and restructuring the Vanuatu Police Force has also been implemented and will contribute to stability and increased efficiency in the police force. The second postscript involves the four police officers who had been given suspended sentences for their involvement in events of 2002. The prosecutor appealed their sentences “on the basis that the sentences imposed on the four

men were manifestly inadequate.” The Court of Appeal upheld the appeal on the grounds that “there can never be any justification for anyone in a free and democratic society taking the law into their own hands. After their years of service, training and discipline in the Police, each of these men knew that they were bending the rules. There is nothing more corrosive or damaging in society than that sort of behaviour by police officers” (*Public Prosecutor v Simon* 2003). The third postscript is that the government reportedly made a payment of over 1 million vatu to a “civilian backup force” made up of men from Tanna, which had briefly been formed during the instability of August 2002 (*VDP*, 9 Jan 2003). Whether members of this group were armed at any point, or still have arms, is not known.

The fortunes of Barak Sope in 2003 are less a postscript on events of 2002 than the unfolding of another chapter in this prominent politician's career. The leader of the Melanesian Progressive Party (MPP) was sentenced to three years' imprisonment for forging government guarantees in mid-2002. As the result of this conviction Sope lost his seat in Parliament. In November 2002 Sope was pardoned by the president and immediately made known his intention to challenge the loss of his parliamentary seat in court. In February 2003 the Supreme Court heard the case and rejected Sope's challenge. Although the court acknowledged that a presidential pardon has the effect of making “the offender a new man,” the wording of the Members of Parliament (Vacation of Seats) Act [Cap 174] were taken into account. Under

that act, once a member of Parliament is convicted and sentenced to at least two-year imprisonment, his or her seat becomes vacant after a period of thirty days. Because the presidential pardon occurred outside of this thirty-day limit, Sope's seat was vacated before he was pardoned. A pardon cannot be retroactive, so the pardon did not restore Sope's seat to him. However, as a result of the pardon, Sope was allowed to run in the by-election for the seat that he previously held. In May the Court of Appeal rejected Sope's appeal against the Supreme Court decision (*Sope v Speaker of Parliament* 2003), thereby opening the way for a by-election later in the year. The by-election was held on 27 November. Four candidates stood: Sope (MPP), Foster Rakom (VP), and two independent candidates. Voter turnout was a low 46 percent, and Sope was reelected by a comfortable margin, winning 2,524 votes, with Rakom, his nearest rival, polling 1,915 votes. No clear response to this outcome has come from aid donors, investors, or others, in part, perhaps, because the result was unsurprising. As reported earlier in the year, "jailing has increased [Sope's] popularity among local ni-Vanuatu, who regard him as strong on land issues and Vanuatu nationalism" (VDP, 14 Jan 2003).

If the reelection of Sope had occurred in a different year it might have attracted more commentary. However, with events concerning the Vanuatu Commodities Marketing Board and Vanuatu Maritime Authority dominating political news, stories of Barak Sope's return to power became the political equivalent of a

human-interest story: straightforward and easy to understand, something for people to shake their heads at and have a wry chuckle over. VCMB events dominated in the first half of the year. The board is a statutory body that, at the beginning of the year, had responsibility for the purchase, sale, and export of prescribed commodities, particularly copra. As copra is the primary cash earner for most of the rural Vanuatu population, VCMB operations directly affect many people. Problems with VCMB management have been going on for some time. Improper use of funds, unsound investments, political interference, and general mismanagement have been documented as far back as 1996, in one of the first reports by the Vanuatu Ombudsman (Vanuatu Ombudsman 1996). VCMB financial problems were compounded in 2001 when the world price for copra fell. The UMP-dominated government of the time, as a ploy to ensure popularity and gain votes in the upcoming election, instructed the marketing board to pay higher prices to farmers than they could sell the copra for. As a result, the board was losing about 6,000 vatu (US\$45) per ton (Reid 2003). By early 2003, VCMB problems became more prominent as the local copra market ground to a halt. VCMB agents were not paying producers, with the result that the cash basis of rural island economies was being eroded. Inter-island shipping companies were not being paid, either. In February a notice was filed to table a no-confidence motion in the government, although a motion did not arise at this point. This was largely prompted by concern over involvement of the Union of

Moderate Parties with the marketing board. Also fueling dissatisfaction were recently revealed details of a 67 million vatu (approximately US\$574,000) “redundancy payment” package that had been paid to VCMB staff in early 2002, although most of them continued to work for the marketing board. This may sound more outrageous than it actually is, as the Vanuatu Employment Act [Cap 160] requires employers to pay severance allowance to terminated employees in many situations. A number of employers “spread the load” of payment by terminating employees and paying severance allowance, then reemploying the same employees at regular intervals. The “redundancy payment” package can, in part, be considered a way of managing severance payments. However, even on this, most generous reading of VCMB actions, members of staff were paid about 42 million vatu (approximately US\$360,000) more than the act provides for (*VDP*, 6 Jan 2004).

By the end of February some steps were taken to resolve problems, including the suspension of the general manager over mismanagement issues, and proposals to restructure the marketing board as a regulatory body. The price of copra paid to producers was also reduced in February, a move that may have been unpopular with growers but was necessary given the marketing board’s financial position. In April, fifty-eight VCMB agents, who were all political appointees, were suspended.

Scandal continued to surround the marketing board, however, with a story in March that 42 million vatu had been paid into a private account

rather than a VCMB account, and another story in April alleging that the board had issued copra export licenses to two private companies. This issuing of licenses was in breach of an agreement with shipowners in Santo, who had agreed to late payment of VCMB debts in return for a promise that no licenses in competition with the marketing board would be granted until the debts were repaid. These licenses were particularly controversial, as they were issued to companies with UMP politicians as shareholders. In response to the problems, the marketing board was removed from the portfolio of UMP Minister for Trade and Industry Jean Alain Mahe. In May, concerns arose over the appointment of another UMP man (a close relative of UMP President Serge Vohor) as VCMB acting general manager.

VCMB problems, combined with low tourist numbers, have created a shortage of foreign exchange in Vanuatu. As of April 2003, the Reserve Bank of Vanuatu’s foreign exchange reserves were only sufficient for 4.4 months of import cover. The low availability of foreign currency is continuing to affect private sector businesses that import goods in early 2004.

The VCMB situation, combined with dissatisfaction over the introduction of a debit tax, contributed to more talk of a no-confidence motion. A motion was listed for the June session of Parliament but was later dismissed due to technical irregularities. Changes within political parties also contributed to rumors of a change in government. In April, Ham Lini replaced Dinh Van Than as president

of the National Union Party (NUP). One of the barriers to the National Union and Vanua'aku parties forming a coalition had been Than's NUP presidency. With this barrier removed, the possibility of a new coalition looked more likely. Around this time the Vanua'aku Party was also facing some internal discord, with the party's executive proposing a motion to change three of the prime minister's political advisors. The results of the Luganville municipal election in March was also taken as a sign of growing discord between the national coalition partners, Vanua'aku Party and Union of Moderate Parties. In Luganville, the Vanua'aku, National Union, and Unity parties formed a governing coalition following the election. It was reported in the media that the prime minister ordered VP members to include the Union of Moderate Parties in the coalition, although the prime minister denied it. However, the national government coalition downplayed events in Luganville as being a sign of a split, and performed a ceremony in Port Vila to confirm the UMP and VP commitment to the national government coalition. There were other indications that a new VP/NUP coalition was not going to arise, including opposition to the plan by the NUP Vice President Willie Jimmy (*Pacific Beat*, 24 April 2003).

The VCMB situation and internal party politics were soon overshadowed by reports of mismanagement and corruption within the Vanuatu Maritime Authority (VMA). The authority was established in 1998, with the primary aim of regulating and promoting the maritime industry.

Whilst there have been rumors of political interference and mismanagement almost since its establishment, it was not until 2003 that VMA operations flared up as a major political issue. Attention was focused on Vanuatu's maritime industry at the end of 2002, with the arrest of Robert Bohn by the US government on charges relating to a lottery fraud. The US government froze a number of accounts of companies he was involved with, including those of the Vanuatu Maritime Services Ltd (VMS), which administers the Vanuatu Shipping Registry (VSR) on behalf of the Vanuatu government. Registry fees are split between Vanuatu Maritime Services and the Vanuatu government. Charges against Bohn were later dropped. The utilization of VSR revenue and the financial relationship between the Vanuatu Maritime Authority and the Vanuatu government was called into question in March when it was reported that the maritime authority had not made a rescue attempt on a vessel. One VMA response was that it did not have the funds for a rescue attempt, as all money from the Vanuatu Shipping Registry goes through the Ministry of Finance and Economic Management. Such a statement is misleading, as the maritime authority has its own budget, and VSR revenue, just like any government revenue, goes into the central government coffers and is not directly kept or necessarily spent by the agency that collected it. It did, however, help to confuse relationships and suggest that the government was somehow misappropriating VSR money. In July, details were published from an Auditor General's report,

indicating no financial impropriety on the part of Vanuatu Maritime Services Ltd (*PVPO*, 7 July 2003). As events of the year unfolded, the concern about the maritime services agency and the shipping registry proved to be something of a red herring, and problems clearly became centered in the Vanuatu Maritime Authority.

In April, Vanuatu Maritime Commissioner John Roosen left the maritime authority. Then, in June, former Vanuatu Ombudsman Marie Noelle Patterson was terminated from her position as the corporate director. Patterson and another member of the VMA board, Lennox Vuti, had been critical of French citizen Christopher Emelee's appointment as VMA chair because Emelee is manager of the Tuna Fishing Vanuatu, a clear conflict of interest. Another VMA board member, Wilson Aru, also had his own boat and a clear conflict of interest. There was also dissatisfaction about raising the board's sitting allowance to vatu 12,000.

In August, VMA Acting Commissioner Timoci Bani, who had been John Roosen's counterpart and had been trained for the position, was suspended, and Donald Hosea was appointed in his place. Hosea had admitted to misappropriating VMA money in early 2002 and had been placed on probation, and this appointment was widely condemned. It was reported that Bani was not allowing himself to be pressured into preventing the operation of a ship owned by people that Emelee "has a personal grudge against," or into permitting certain substandard ships (in which VMA members had personal interests) to sail (*VDP*, 19 Aug 2003).

As a result of continued reporting of VMA stories in the *Vanuatu Daily Post*, on 4 September the newspaper's publisher, Marc Neil-Jones, was assaulted outside of his office by Emelee's wife and three other people, while Emelee and members of his staff looked on. Afterwards Neil-Jones required hospital treatment. The next day in the Magistrate's Court Emelee's lawyer filed for an injunction to prevent the *Daily Post* newspaper from publishing anything about the Vanuatu Maritime Authority or about Emelee and his family. A magistrate granted the injunction on 8 September, but the Supreme Court overturned it several days later (*Jones v Emelee* 2003).

A concrete example of wrongdoing then arose, in the form of the two long-line fishing vessels that were apprehended by the Vanuatu Police Maritime Wing for fishing in Vanuatu waters without a license. The first boat was apprehended on 1 November, and the second on 4 November. These boats, registered in China and crewed by Taiwanese, are owned by Sound Fishing Group, which is in turn owned by John Simbolo, a former director of Customs. Emelee is also reported to have interests in Sound Fishing Group. At the time of the arrests they were displaying licenses permitting them to fish from 7 November 2003–6 November 2004. In a meeting between police and the director of Fisheries, the latter claimed that there had been an error in the license, and it should have run from 27 October. However, the case was referred to the public prosecutor and charges of fishing without a license were laid. On 11 November a letter

from the Minister of Agriculture, Stephen Kalsakau, was produced. This letter, signed 29 October 2003, provided a test fishing license allowing the arrested vessels to operate from 30 October 2003–6 November 2003. Charges were therefore withdrawn.

The next twist was a police operation to collect evidence of forgery or conspiracy to pervert the course of justice. Police gained warrants to search a number of places, including the Ministry of Agriculture and Fisheries, the Vanuatu Maritime Authority, the office of Tuna Fishing Vanuatu, and the office of Sound Fishing Group. Christopher Emelee was also prevented from leaving the country, and his passport was seized. Another French citizen, Guy Bernard, who had been appointed as a VMA legal consultant, also had his passport seized. In February 2004 the Court will rule on whether Emelee, Bernard, Kalsakau, Simbolo, and VMA Acting Commissioner Less John Napuati have a case to answer.

All of the strife surrounding the Vanuatu Maritime Authority contributed to the change of government on 19 November. Rather than a vote of no confidence, there was a change in the coalition and a shuffling of cabinet portfolios. The National Union Party and the Green Party replaced the Union of Moderate Parties in the governing coalition (*PVPO*, 19 Nov 2003). Prior to the reshuffle, the cabinet had been Edward Natapei (VP), Prime Minister; Serge Vohor (UMP), Deputy Prime Minister and Minister for Foreign Affairs; Sela Molisa (VP), Minister for Finance; Willie Posen (UMP), Minister for Infrastructure and

Public Utilities; Jacques Sese (UMP), Minister for Education; Donald Kalpokas (VP), Minister for Health; Nicholas Brown (VP, Ind), Minister for Ni-Vanuatu Business Development; Jacklyn Ruben Titek (VP), Minister for Lands, Geology and Mines; Stephen Kalsakau (UMP), Minister for Agriculture, Livestock, Forestry, and Fisheries; Joe Natuman (VP), Minister for Internal Affairs; Philip Boedoro (VP), Minister for the Comprehensive Reform Programme; Jean-Alain Mahe (UMP), Minister for Industry and Commerce; and Raphael Worwor (UMP); Minister for Youth and Sports.

Following the reshuffle, the cabinet is Edward Natapei (VP), Prime Minister; Ham Lini (NUP), Deputy Prime Minister and Minister for Infrastructure and Public Utilities; Moana Carcasses (Green Party), Minister for Foreign Affairs; Sela Molisa (VP), Minister for Finance; Donald Kalpokas (VP), Minister for Education; James Bule (NUP), Minister for Health; Nicholas Brown (VP, Ind), Minister for Ni-Vanuatu Business Development; Jacklyn Ruben Titek (VP), Minister for Lands, Geology and Mines; Sato Kilman (People's Progressive Party), Minister for Agriculture, Livestock, Forestry and Fisheries; Joe Natuman (VP), Minister for Internal Affairs; Philip Boedoro (VP), Minister for the Comprehensive Reform Programme; Willie Jimmy (NUP), Minister for Industry and Commerce; and Mokin Stephen (NUP), Minister for Youth Development and Training.

It was not only UMP involvement in the VCMB and VMA affairs that led to the change in government. Spokesman for the Vanuatu government Daniel Bangtor noted other reasons,

such as a general lack of commitment by UMP ministers (including not attending meetings), and “the fact that the leader of the Union of Moderate Parties (UMP) Mr. Serge Vohor had been initiating negotiations with the opposition group to form an alternative coalition arrangement” (*Pacific Beat*, 26 Nov 2003). UMP interference with the boards of Air Vanuatu and Vanair and the Vanuatu Broadcasting and Television Corporation were further reasons for dissatisfaction with the party. Following the change in government, all UMP-appointed board members were removed from all three of these bodies. Other occurrences since the formation of the new government include the removal of Christopher Emelee as chair of the VMA board; he was replaced by Lennox Vuti. The Vanuatu Commodities Marketing Board (Amendment) Act 2003 also came into force, altering the marketing board’s role to one of industry regulation.

The change of government has not taken place without a fight, however, and since the reshuffle there have been ongoing talks of a vote of no confidence (*PVPO*, 21 Nov 2003). The first motion was lodged just after the change but withdrawn a week later (*PVPO*, 28 Nov 2003). Rumors of a no-confidence motion during the first session of Parliament in 2004 continue.

This national politicking is of little concern to many ni-Vanuatu, for whom the biggest political story of 2003 was the commencement of a debit tax. This is a tax on withdrawals from banks. The Debit Tax Act was passed in 2002 and commenced in

July 2003. Almost immediately after the law was enacted, talks of protests against the new law began. In March 2003 protest took the form of vandalism on the Reserve Bank of Vanuatu building and the residence of the Minister of Finance. The Vanuatu Association of Non-Governmental Organizations (VANGO) led initiatives for a more peaceful protest, but this protest was blocked for several months by the refusal to issue a permit for the protest. On 22 August the protest finally went ahead and was a peaceful and controlled event. By this stage the tax had already commenced. By the end of the year many people had accepted the tax as just another charge on using the bank.

Management of the Vanuatu National Provident Fund (VNPF) is another political issue that is of concern to the many ni-Vanuatu who have money in the fund. The provident fund attracted attention in June with stories that the general manager’s contract had been extended illegally. This was accompanied by reports of problems with management, including too much investment of funds overseas and bailouts by government. It was soon revealed that stories of mismanagement and bailouts by government were not correct, and that the extension of the general manager’s contract was wrong only because of a technicality, and not due to corruption. Soon afterwards, the general manager resigned, stating that he had been the subject of black magic. He was also highly critical of Minister of Finance Sela Molisa.

A bill to amend the VNPF Act was also introduced around this time. This bill would have had the effect of

reducing contributions from 12 percent to 8 percent (currently employees contribute 6 percent of their salary each month and employers contribute a further 6 percent; contributions were to be reduced to 4 percent each). The proposed legislation would also have reduced the amount of the fund permitted to be invested overseas from 50 percent to 15 percent. This was seen by many as a way to increase political interference in the provident fund. However, the Minister of Finance maintained that this move was proposed due to the need to maintain currency stability, given that foreign currency reserves were already very low. The bill was withdrawn for the midyear session of Parliament; it resurfaced for the November session of Parliament but was again withdrawn. In August reports that the provident fund was being pressured into buying long-term government bonds that were not of interest to commercial banks because they were not a good investment increased concern about political interference in the provident fund (*VDP*, 2 Aug 2003). Molisa has also been involved in internal struggles for leadership in the Vanua'aku Party, and some have questioned his role in government.

The political events of 2003 have been turbulent and many are ongoing. For 2004 we can therefore expect to see further developments in these areas. However, whether Vanuatu will settle into another period of relative stability, or whether scandal and changing alliances will continue to affect politics, remains to be seen.

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WEST PAPUA

The year 2003 was marked by a proliferation of erratic Jakarta politics toward Papua and a related reconfirmation of the role of the Indonesian National Military Forces (TNI) in the province. Parts of the military effectively induced powerful elements in the central government to support its presence in Papua, on the one hand by suggesting that there is a need to stem secessionism, and on the other hand by conniving at communal conflicts. In line with the current policy of the Megawati government, the military defines its role in Papua as safeguarding the unity of the nation and its activities there as necessary to prevent the “terrorist” acts of indepen-