the space for Solomon Islanders to set their own agenda and plot the course to the future. This will ensure that the good work that has been done so far is sustained and will avoid continuing dependence on neighbors. Those wanting to help must be aware that Solomon Islanders could easily say, “Sapos yu laik duim, olosem yu duim, mi lukluk” (If you want to do it, then you do it and I’ll watch).

TARCISIUS TARA KABUTAULAKA

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Vanuatu
Vanuatu celebrated its twenty-fifth year of independence in 2005. However, it has largely been “business as usual” on the political front, with the normal morass of personal or personality-based politicking, leavened by a number of scandals. There was some instability in the national government and some political parties, and a number of management issues arose in various state institutions, but 2005 was not as turbulent as some recent years have been. It has, however, been a year of complexity. Maneuverings within and between parties have affected both local (municipal) and national politics, and local politics has affected national politics as well. Various state-owned enterprises have also had their composition affected as the political fortunes of various parties have changed.

In national politics, the year began with Ham Lini as prime minister of a newly formed government. Ham Lini is a relative newcomer to national politics, only assuming a leadership role in National United Party (NUP) following the death of his brother in 1999. He gained the position of prime minister in December 2004, after a no-confidence vote in the short-lived government that had been formed following the July 2004 elections, led by Serge Vohor (Union of Moderate Parties, or UMP). While there was some talk that this was “Vanuatu’s Lini legacy revived” (PVPO, 14 Dec 2004), Ham Lini is operating in an environment more political than the one that existed for his brother, Father Walter Hadye Lini, in the years following independence.

Father Lini, who was prime minister from 1980 to 1991, operated under what was basically a two-party system. He led a Vanua’aku Party (VP) government. The primary opposition was the UMP, which had its roots in a collection of several small francophone parties. Following the 1987 election, only three parties—VP, UMP, and the Fren Melanesian Party (which had one seat)—were represented in Parliament. However, 1987 marked the beginning of the change to a political system in which many small parties vie for power, and coalition government is now the rule rather than the exception. After Father Lini suffered a stroke in 1987, others began to challenge his leadership. In 1988 Barak Sope broke from the VP to form the Melanesian Progressive Party (MPP), and in 1991 Donald Kalpokas replaced Lini as
the prime minister and VP leader. This prompted Father Lini to split from VP and form the NUP. Since then, the number of parties has proliferated and the number represented in Parliament has gradually grown, from six parties following the 1991 election to ten parties (plus nine independent candidates) following the 2004 election.

Ham Lini’s coalition at the beginning of 2005 represented eleven parties. Essentially a line was drawn between UMP in opposition, and everyone else in a coalition government. Lini gained the position of prime minister on 11 December 2004, but his position was far from stable, and by 31 December there were already media reports of planned reshuffles to try to accommodate all the coalition partners. Throughout the year there were a number of changes in the cabinet and alterations to the coalition. The most significant of these occurred in November, when then Finance Minister Moana Carcasses Kalosil was removed from cabinet and the Greens Confederation (GC) removed from the coalition (VDP, 15 Nov 2005). This split was brought about in part because GC was gaining increasing power and demanding additional seats in cabinet (Independent, 28 Aug 2005; VDP, 26 Sept 2005). A second factor in this split was related to political maneuvering for the position of lord mayor of Port Vila. GC had signed an agreement with VP and the opposition UMP that was to give the position of mayor to UMP and the position of deputy mayor to GC, to be rotated after two years. This effectively placed GC in alliance with the opposition and shut out one of the main coalition partners, NUP. The GC/UMP/VP agreement was later trumped by a second agreement between NUP, VP, the Vanuatu Republican Party (VRP) and the National Community Association (NCA), which gave the position of mayor to VP (VDP, 11 Nov 2005).

The ousting of GC from the government created a potentially powerful GC/UMP opposition. Despite the various reshuffles, the Ham Lini–led government managed to survive two proposed no-confidence motions in 2004. It continues to govern into 2006, although rumors of further no-confidence votes and reshuffles continue.

The shifting sands that have characterized the nature of the coalition have also been reflected within the larger political parties, particularly NUP and VP, where a superficial glance may suggest that a cohesive party exists, but closer examination reveals rifts and many shifts of allegiance.

From the beginning of 2005 it was apparent that a power struggle between Ham Lini and Willy Jimmy was occurring, when Jimmy was not present at Lini’s swearing in as prime minister (Independent, 9 Jan 2005). In January Jimmy claimed that a reshuffle putting NUP, UMP, and the Greens Confederacy (GC) into government had been promised, and that if it did not take place he and a block of five or six other NUP members of Parliament would move to Vanuatu National Party (VNP), which had been formed by Dinh Van Than after disagreements with Lini (Independent, 11 Jan 2005). While Jimmy did not split from NUP, tensions again sur-
faced at the NUP national congress at Motalava in October. Two lists of people were eligible to vote for executive. Because of this, NUP Chairman Meto Chilia said he “decided to suspend the congress for a few hours to allow the former executive to meet and have a compromise decision before proceeding to the election of the new executive” (PVPO, 25 Oct 2005). However, Lini used his power as president to let the elections go ahead. Willie Jimmy and his supporters walked out and Lini was reelected president (PVPO, 18 Oct 2005). There was some talk that the decision at the Motalava congress would be challenged in court, and that Lini would use this incident as an excuse to drop Jimmy from the cabinet. Despite these rumors, Lini did not shuffle Jimmy out of cabinet, which would have created a deep rift within NUP, and instead he publicly confirmed Jimmy’s place as a minister, stating to the media, “I still need him in my government” (PVPO, 25 Oct 2005). Jimmy subsequently benefited from GC’s removal from the governing coalition, assuming the position of minister of finance after Carcasses was shuffled out in November (VDP, 12 Nov 2005).

Similar irregularities in voting and power plays between senior members of VP were largely responsible for causing the rift that is still continuing. These problems became apparent at the VP congress held at Lingarak in October 2003. Voting on the VP executive split the party between the “old guard,” which includes Kalpokas, Sela Molisa, Joe Natuman, and Jackleen Reuben Titek, and the supporters of Edward Natapei, who was then prime minister. At the Lingarak congress a motion to oust the old executive was passed, but VP Honorary President Kalpokas then declared the vote invalid due to irregularities. The friction within VP led Natapei to dissolve Parliament in 2004 in order to avoid a vote of no confidence that would have been supported by a number of VP members of Parliament. Numerous legal challenges arose concerning the VP leadership and who would be permitted to use the VP name during the national election. While the court ruled that both parties would be permitted to use the VP name, ultimately most of the Kalpokas faction stood under the Vanua K Group banner.

It was hoped that the 2005 Congress would see a reunification of VP. However, factions were still running to court immediately prior to the election in order to “set up ways to control registration of sub-committees having the right to attend the party’s congress as required by the internal regulations of the party” (PVPO, 23 Aug 2005). Despite fears that pre-Congress court maneuverings might be an ill omen for chances of reconciliation, the Congress did achieve at least some degree of finality in who leads VP, when Natapei was elected president (VDP, 1 Sept 2005). However, the executive does not contain any representatives from the “old guard” (VDP, 2 Sept 2005), so long-term harmony within VP is still in some doubt.

There was also more than a hint of vote buying by the Natapei camp. Harry Iauko, “the architect of the re-election of Natapei” (VDP, 25 Sept 2005), was appointed VP secretary-
general. It appears he had made a number of promises to various people in return for votes. One was that Daniel Bule be appointed Chair and others be appointed to the board of the Vanuatu Maritime Authority (VMA). These appointments were referred to the Supreme Court by the VMA. The court halted the appointments, as correct procedure had not been followed and the new appointees did not have the statutorily required experience within the shipping industry (VDP, 21 Sept 2005).

Hostilities between Iauko and Minister for Internal Affairs George Wells also broke out after Wells terminated twenty-one employees of the Port Vila Municipal Council (PVMC) as part of a redundancy exercise (VDP, 19 Sept 2005). The redundancies came after a number of inquiries into mismanagement within the council. Reports of mismanagement resulted in the suspension of the council and the appointment of former Ombudsman Hannington Alatoa as commissioner. Alatoa had the unenviable job of trying to bring order to the council. Some of those terminated under the redundancy package were “key Natapéi supporters” (VDP, 26 Sept 2005), and Iauko demanded their reinstatement. Wells refused and threatened to leave VP and join NUP if the terminated workers were reinstated (VDP, 25 Sept 2005). Ultimately Iauko did not get his way, and Wells remained with VP, although it remains to be seen whether Iauko can retain his influence within VP, having failed to deliver on various promises.

As we have seen, from both the ousting of GC from the coalition government and friction between Wells and Iauko, politicking on the municipal level has affected national politics. The operation of the PVMC has in itself also been a major political story in 2005. The position of lord mayor is determined by voting by the PVMC. In December 2004, Joseph Aron of VP replaced Patrick Crowby Manarewo of NUP, who had held the mayoral position for a number of years. While this vote was initially challenged on the grounds of procedural irregularities (PVPO, 20 Dec 2004), Aron’s election was later confirmed as having taken place properly (PVPO, 23 Dec 2004). Crowby was subsequently appointed government spokesman, in consolation for losing his position as mayor (PVPO, 6 Jan 2006). Although the VP-led overthrow of Crowby did create some tension between VP and NUP (Independent, 27 Feb 2005), this did not have any serious effect on the coalition government.

Aron soon suspended Town Clerk Madeleine Tom and Deputy Town Clerk Fatané Sope, replacing them with VP supporters (PVPO, 5 Jan 2005), although the appointment of the new town clerk was subsequently canceled because correct procedure had not been followed (PVPO, 18 July 2005). By the end of January the 14-member council was reduced to 9 members, with 4 members being suspended for failing to attend three consecutive meetings (PVPO, 25 Jan 2005; 11 Feb 2005), and Crowby resigning (PVPO, 25 Jan 2005).

It soon became apparent that the suspension of Tom and Fatané Sope was not solely politically motivated and that there had been significant mismanagement within the PVMC. Sope’s status was resolved early when
he was terminated for misconduct, having continued to access and remove PVMC papers despite his suspension (PVPO, 25 Jan 2005). In a report into allegations of embezzlement within the PVMC, it became apparent that there were at least sufficient grounds for a reasonable suspicion of wrongdoing by Tom (PVPO, 29 March 2005). Crowby was also implicated in this report. The report also alleged that Tom had been recruited illegally, had improperly employed her son in the PVMC, and had used the PVMC to purchase building materials for her private use (PVPO, 4 April 2005). While Tom refuted these claims, Aron requested that the minister for internal affairs terminate her (PVPO, 25 April 2005).

Tom was not terminated, but as various allegations of wrongdoing within the PVMC came to light, Wells took the step of suspending the PVMC and appointing former Ombudsman Hannington Alatoa as commissioner. While Alatoa was commissioner, further reports detailing misappropriation of funds and mismanagement came to light. Not only was there misappropriation under Crowby’s regime, and unpaid property taxes of more than 280 million vatu (PVPO, 20 Sept 2005), but under Aron’s leadership more than 6 million vatu in illegal allowances had been paid to councilors in the first eight months of 2005 (Independent, 15 Oct 2005).

The elections for the new PVMC saw a record 177 candidates stand. However, voter turnout was only 51 percent. Crowby was reelected and Aron lost his position. Seats were fairly evenly divided among the main political parties, with UMP, NUP, VP, and GC gaining three seats apiece. The remaining two seats were taken by VRP and the NCA (PVPO, 3 Nov 2005). As discussed earlier, because there was no clear leader among the political parties, a period of negotiation and coalition building ensued. During this process UMP and GC aligned, eventually resulting in GC being ousted from the governing coalition. Ultimately a coalition of NUP, VP, VRP, and NCA was formed, and VP’s Paul Avock elected mayor (VDP, 12 Nov 2005). However, a number of elected councilors may not remain in place for very long. Wells stated that councilors with money owing to the PVMC had until 30 November to settle their debts or their seats would be vacated. Whether or not this occurs appears to depend on whether there is sufficient money to hold a by-election (VDP, 8 Nov 2005).

The Port Vila Municipal Council was not alone in undergoing difficulties, however. The Luganville Municipal Council (LMC) town clerk was terminated for misconduct in January after loaning money to someone outside of the LMC in contravention of direct orders from the director of internal affairs (PVPO, 27 Jan 2005). The LMC itself was suspended in March (PVPO, 22 March 2005), and Paul Hakwa was appointed as commissioner for a period of twelve months. The LMC was reported to be in debt by almost 30 million vatu, including 4.5 million in cash advances that had not been repaid. It was estimated that 9 million vatu was owed to creditors, and that outstanding debtors owed the LMC approximately 10 million vatu (Independent, 24
April 2005). The minister for internal affairs stated that it was his intention to first get the affairs of the LMC in order, then tackle those of the PVMC, before turning to the Sanma Provincial Council, which is facing similar allegations of gross financial mismanagement (Independent, 20 March 2005).

A number of state-owned enterprises and state institutions found themselves in the news again in 2005. Foremost among these were the police, the Vanuatu Maritime Authority, and Air Vanuatu.

The year 2005 again saw the Vanuatu Police Force struggling with issues of leadership. In 2004 Robert Diniro had been suspended as commissioner of police, and Joshua Bong had been suspended as commander of the Vanuatu Mobile Force following an attempted arrest of then Prime Minister Serge Vohor (VDP, 14 Sept 2004). As a side note, the Commission of Enquiry that was appointed to look into potential improper motives behind this attempted arrest finally made its report to the government at the end of May 2005 (Independent, 29 May 2005). The inquiry cost more than 1.2 million vatu (US$105,500), excluding court costs (Independent, 23 Jan 2005), and the report has never been made public. In December the Public Prosecutor’s Office was ordered to pay Serge Vohor over 2 million vatu in court costs arising from the criminal charges that had been filed against him, precipitating the attempted arrest (VDP, 3 Dec 2005).

Arthur Caulton was appointed acting commissioner of the police in 2004 following these suspensions. While Bong was reinstated in April 2005 (Independent, 17 April 2005), Diniro was not, and was formally removed as commissioner by the president on 16 June (Independent, 1 July 05). There was dissatisfaction among the police with Caulton’s leadership, along with stories of intended mass resignations, brought about by a combination of low pay, no incentives, and lack of confidence in the leadership of the force (Independent, 1 May 2005). There were also calls from within the force for Caulton to resign and be replaced by Aru Maralau (PVPO, 24 May 2005). Despite this, Caulton continued in his acting position, although he suffered a hiccup in November when the Police Services Commission removed him from his post and appointed Vanuatu Military Forces Major Kalshem Bongram in his place (VDP, 26 Nov 2005). Caulton filed for judicial review in court, on the grounds that only the president could terminate him (VDP, 1 Dec 2005), and the president later confirmed that Caulton would remain as acting police commissioner until terminated by the head of state (VDP, 6 Dec 2005).

While the position of acting commissioner has not been without controversy, the government has been slow to appoint a new commissioner, in part due to difficulties within the Police Services Commission, and in part due to debate about whether the new commissioner should be a foreigner. The government appeared to be committed to appointing a foreign police commissioner, in order to bring stability to the police (Independent, 12 June 2005), although the idea of a foreigner in a top public service posi-
tion was not without controversy, and was opposed by a number of people. No progress in appointing anyone permanently to the position had been made by the end of the year. By early 2006 applications for a local police commissioner had been sought, on the grounds that the Constitution states that only citizens of Vanuatu should be appointed to Vanuatu. Because of this, “This senior police force position should only be given to an expatriate if no one among the applicants is a suitable candidate” (PVPO, 1 Feb 2006).

The Vanuatu Maritime Authority was not only in the news due to political interference in appointments to the board, as discussed earlier. As has become normal for this institution, it was also embroiled in a number of other controversies. In 2005 the VMA was the subject of an ombudsman’s report, which recommended that VMA Chair Christopher Emelee be prosecuted for recruiting a foreigner without acquiring the correct work permits (PVPO, 18 Oct 2005). This, however, was the least of the VMA’s worries. As detailed in previous Vanuatu political reviews, there have been issues with staffing and membership of the VMA board for a number of years. Over the last two years, costs from illegal terminations have cost the VMA around 20 million vatu, with Marie Noelle Ferrieux Patterson being awarded just over 10 million vatu in 2004 and Bani Timbaci being awarded almost 10 million vatu in September 2005, although the payment to Timbaci was later reduced to about 5 million vatu on appeal. This created the interesting response that people who cost the government money through their own mismanagement should bear the costs of their errors. Willie Jimmy was particularly well reported on this issue, stating in the media “that the VMA is a classic example of the people holding high positions at statutory bodies who draft their contracts themselves to suit themselves. Those people should have to face the consequences and pay compensation claims instead of giving the burden to those institutions they penalise” (PVPO, 25 Oct 2005).

This position was turned around in October, when the Ministry of Public Utilities reached an out-of-court settlement of 35 million vatu with the owner of the Southern Star. The matter arose after the Southern Star had an insurance claim with QBE Insurance declined, in part because of wrongful information provided by Timbaci (who at the time was acting VMA commissioner) that the captain and chief engineer were not properly qualified. Current VMA Commissioner Less John Napuati was not slow to point out that it was unfortunate that an individual’s professional negligence was costing the country money (VDP, 19 Nov 2005).

In May, Napuati, along with Emelee, former VMA advisor Guy Bernard, former VMA board member John Simbolo, and former Minister for Fisheries Stephen Kalsakau, must have breathed a sigh of relief when the case against them for conspiring to defeat the course of justice was struck down by the Supreme Court because of prosecution delays. This case, which has been detailed in previous Vanuatu political reviews, arose after the crews of two fishing vessels were arrested for fishing in Vanuatu
waters without a license, but subsequently apparently backdated licenses were produced. However, in June the Court of Appeal overturned the Supreme Court decision, and by the close of 2005 the trial was still proceeding (Public Prosecutor v Emelee). The embattled VMA has struck back by suing the police and the Fisheries Department for 12 million vatu in wharfage fees that arose when a Chinese vessel was seized by officials and kept in custody for over 300 days pending trial (VDP, 27 Oct 2005).

Air Vanuatu is another institution that is no stranger to controversy. The latest round began when the Air Vanuatu and Vanair boards again remerged at the beginning of 2005 (PIR, 10 Jan 2005). A large board, which eventually numbered close to thirty, was appointed to manage the airline. In January 2005, Chief Executive Jean-Paul Virelala and Marketing Manager Joseph Laloyer were both terminated, apparently to make way for political appointees. As a result of these terminations, Air Vanuatu was sued by Virelala for 74 million vatu and by Laloyer for 50 million vatu (PVPO, 22 Feb 2005). In an odd twist, Laloyer was subsequently reinstated in order to avoid unbudgeted termination costs. This apparently resulted in the termination of Henry Iauko as chair of the Board of Management for Air Vanuatu, by Utilities Minister Maxime Carlot. It was reported in the media that “the decision of Minister Carlot was purely personal. ‘Minister Carlot had promised to put out Laloyer if ever he got back into power because he had refused to include Carlot on a particular Port Vila–Nouméa flight,’ said [a] government source” (PVPO, 18 July 2005). Iauko was soon reinstated.

More disruptive has been the progressive strike actions by Air Vanuatu staff who are members of the Vanuatu National Workers Union (VNUWU). The initial grievances that sparked a long and drawn-out industrial action are unclear. A brief timeline is as follows: On August 12 the minister for internal affairs made an order that no industrial actions take place for a period of two months, while conciliation took place (VDP, 9 Dec 2005). Despite this, some Air Vanuatu staff did go out on strike. In early September, 26 Air Vanuatu staff were terminated. All these were union members; however the termination is legal because proper termination allowances were paid out (VDP, 6 Sept 2005). Air Vanuatu CEO Terry Kerr later said that the terminations were part of ongoing restructuring, and that this would save Air Vanuatu 30 million vatu per year (VDP, 24 Sept 2005). In October another 4 staff from the finance department were terminated, again as part of restructuring (VDP, 22 Oct 2005). By the end of November, staff of Air Vanuatu and Vanuatu Abattoirs Ltd, which has also been rocked by strike actions throughout the year, gathered to picket (VDP, 29 Nov 2005). The picket action was discontinued following (untrue) rumors that police had been given permission to carry arms (VDP, 30 Nov 2005). In early December, another 16 staff members were terminated (Independent, 3 Dec 2005). Picketing again resumed, resulting in 48 people being arrested and charged with unlawful assembly (VDP, 10 Dec 2005).
This issue continues unresolved into 2006. It is of grave concern to the tourism industry, as flights have been adversely affected. VNWWU’s growing power (and, some might say, its irresponsible exercise of that power) is also of concern to all businesses in Vanuatu. At least one long-standing business that provided staff with benefits in excess of the statutory minimums has closed down in 2005 due to pressure placed on it by the VNWWU.

There are a number of potentially volatile issues that continue to fester into 2006, but there was a final bright spot for the country near the end of the year, when Vanuatu finalized negotiations with the United States for funds from the Millennium Challenge Corporation (MCC). The agreement is for the United States to provide US$66 million, primarily to be used for the construction of roads. The agreement is to be signed in early 2006 (VDP, 19 Nov 2005). Vanuatu has also been ruled eligible to apply for further funding in the 2006 MCC funding round.

ANITA JOWITT

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