

A New Era for Japan and the Pacific Islands: The Tokyo Summit

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SUMMARY At a time when many traditional Pacific powers—including the United States—are reducing their presence in the region, Japan is calling its first-ever summit with the Pacific Islands. The subject is how to increase self-sufficiency in these aid-dependent nations. Japan's initiative follows more than 25 years of increasing activity in the region, and may signal a more assertive leadership role. This new posture is generally welcomed by western powers and Pacific Island governments, who appreciate Japan's role as the region's second largest aid donor. Greatly concerned with regional stability (and with China and Taiwan's growing presence in the islands), Japan also wants continued access to fisheries, seabed minerals, and land-based resources. The Pacific Islands want to expand exports to Japan, increase returns from fishing rights, attract more Japanese tourists, and receive more development assistance. Achieving the summit's goal will depend in part on a willingness to innovate: investments in self-perpetuating trust funds and education and training programs, rather than forms of aid that increase dependency, are among steps that could lead to island self-sufficiency.

Japan Hosts a Summit

After 30 years of gradually increasing activity in the Pacific Islands region, Japan has organized its first summit with Pacific Island nations. Scheduled for October 13-14, 1997, the Tokyo meeting will include a keynote address by Prime Minister Ryutaro Hashimoto and a day-long meeting with Foreign Minister Yukihiko Ikeda. The importance of the event is underscored by the presence of Emperor Akihito, who will host a reception for the delegates. Japan has invited the presidents and prime ministers of the 16 independent and self-governing nations (including Australia and New Zealand),¹ that belong to the South Pacific Forum, the region's key political organization (see p. 11). The chairman of the Forum is the prime minister of the Cook Islands, the Honorable Sir Geoffrey Henry, KBE. Not invited to the summit are traditional Pacific powers France, Great Britain, and the United States, nor their Pacific dependencies, none of which are members of the South Pacific Forum.

The summit's objective, according to Japan, a major aid donor to the region, is to explore new ways of achieving economic self-sufficiency in the Pacific Islands region (map, p. 5), which includes some of the most aid dependent nations in the world (see pp. 8-9). Trade, investment, and tourism are among the topics to be discussed.

But Japan's motives for the summit are far more complex, and include a determination to cement relations with countries whose vast marine Exclusive Economic Zones (EEZs) are rich in as-yet-untapped seabed minerals, possess the bulk of the world's tuna, and whose larger islands contain gold, oil, gas, copper, timber, and other raw materials. In addition, Japan is aware of China's growing diplomatic and economic activity in the region, fueled in part by a rivalry with an equally active Taiwan. Finally, Japan may well feel that it has both an obligation and an opportunity to expand its role in the region at a time when other countries are reducing their presence.

Stepping to the Fore?

The summit comes at a time when the United States has reduced its diplomatic and economic profile

south of the equator and is implementing planned reductions of its massive subsidies to the Federated States of Micronesia and Republic of the Marshall Islands. Furthermore, the compacts of free association, which have guaranteed U.S. funding to these Micronesian nations since 1986, are due to expire in 2001.² Great Britain's 1995 withdrawal from the 50-year old South Pacific Commission, a regional organization it helped found, signaled its final retreat from what had been a major role in Pacific Island affairs. Other metropolitan actors, most notably France and New Zealand, retain dependent territories and are keenly interested in regional affairs, but lack the resources to increase their engagement. Australia's long-term security interests, especially in Melanesia, have not diminished, however, and Australia remains the Pacific Islands' largest aid donor (though 80 percent of its aid goes to Papua New Guinea, its former colony). Japan is the next largest donor, with its aid distributed more evenly among the island nations.

Pacific Island leaders generally welcome Japan's increasing involvement in their region and have actively sought high-level recognition in Tokyo. Leaders in the United States, France, and the other "metropolitan" countries active in the Pacific are generally sanguine about Japan's rise to prominence, even though it arguably represents the most significant reconfiguration of regional power relations since World War II. In general, they view Japan's activities as complementing rather than compromising their own interests and agendas. Tokyo has not demonstrated a desire to translate its considerable de facto influence into an explicit bid for regional dominance and has seemed content to work cooperatively with the more established regional actors. Those actors will be alert to the possibility that the summit, for Japan, may signal a move away from a posture characterized as "leading from behind"³ toward a more assertive leadership role.

Pacific Islands Interests

If access to the enormous resources of the Pacific and a new prominence in the region are driving Japan's activism, then what expectations will the Pacific Island leaders bring to the summit? The leaders will be

Once content to lead from behind,' Japan is now more assertive

mindful of the fact that the 1990 Honolulu Summit hosted by then U.S. President George Bush, while embracing warm feelings of friendship and goodwill, produced few tangible results for the island nations. It did establish the Joint Commercial Commission to facilitate trade and investment between the region and the United States, but the Commission never received enough funding to meet original expectations. Of course, the Honolulu summit came at a time when the U.S. was focusing on other parts of the world. The very opposite is true for Japan today.

What will it take to keep the Tokyo Summit from becoming little more than a goodwill effort? Formulating a clear consensus of their own priorities is the principal task for the Pacific Island leaders. Equally important is resisting the temptation to view Japan as a substitute source of the aid now being reduced by metropolitan powers. For although the loss of any external support hits the islands hard, the relatively large flows of aid over recent decades still failed to establish the desired levels of self-sufficiency. This suggests the need for innovative approaches to external assistance and economic development.

Japan's Involvement in the Pacific

Although Japan's external gaze has long been focused on the Asian continent, and more recently on island Southeast Asia, significant links with Oceania have existed since at least the seventeenth century. Emigration of Japanese laborers to Hawai'i and New Caledonia in the late 1800s expanded Japan's links into Polynesia and Melanesia respectively, and by the 1890s Japanese exploration, trade, and settlement had made significant headway in Micronesia, giving credence to the notion of a new Japanese territorial frontier in the equatorial Pacific. Such thinking was based on Japan's desire for increased economic prosperity and security in the face of an enhanced European and American presence in the Pacific.

In World War I, Japan's cooperation with Britain against Germany led to the acquisition of present day Palau, Northern Mariana Islands, Marshall Islands, and the Federated States of Micronesia. The Micronesian islands were valued, not so much for what they contained, but as "stepping stones toward a greater maritime and southward destiny. [T]heir

Daily News from Summit, Pacific Islands

The PACIFIC ISLANDS REPORT (<http://166.122.161.83/pireport.htm>) will file news directly from Tokyo during the summit, October 13-14, as well as provide continuous pre- and post-summit analysis and an archive of related news, feature reports, and background papers. A service of the East-West Center's Pacific Islands Development Program and the University of Hawai'i's Center for Pacific Islands Studies, the PACIFIC ISLANDS REPORT features daily news and analysis. The editor is Al Hulsen, a journalist and broadcaster who specializes in Pacific Island affairs.

value glittered in the imagination of a growing number of Japanese between the world wars. The *nanshin*—the 'southward advance' toward tropic lands and seas—existed for many Japanese as a kind of national holy grail, one that was pursued. . . in the early 1940s with fatal consequences for the nation."⁴

The end of World War II erased Japan's imperial designs on the Pacific, along with most traces of its pre-war presence in Micronesia. During the 1950s and 1960s, Japan had little reason to pay attention to the Pacific Islands, where the Western colonial powers were still firmly entrenched, and where only a few Japanese businesses were active. Starting in the 1970s, however, Japan became increasingly interested in this vast oceanic realm, driven largely by pragmatic concerns, notably the search for commercial opportunities and a desire for regional stability. Official pronouncements in the 1980s underscored this interest. Prime Minister Yasuhiro Nakasone's commitment to the idea of an "Asia-Pacific Community" explicitly included the Pacific Island nations. The Kuranari Doctrine, an official statement of Japan's policy for maintaining political stability in the region first enunciated in 1987, further contributed to an elevation of the Pacific Island's importance vis-à-vis Japan.⁵

Pacific Promise: Land and Sea Resources

Beginning in the 1970s, Japan's interest in the land-based resources of the Pacific Islands region, particularly in the larger islands of Melanesia, became evident. Shortly before Papua New Guinea achieved

The head of a Japanese corporation once suggested Japan buy Papua New Guinea

independence from Australia in 1975, for instance, the president of one large corporation suggested that Japan buy the country outright, while another proposed a “development mandate” that would provide access to its resources for 50 years.⁶ These suggestions came to naught, but they indicate the scale on which Japanese business leaders think and their strong desire to acquire unimpeded access to valuable raw materials. Currently, a significant portion of the region’s mineral exports, mainly from Papua New Guinea, go to Japan. Japan also provides the main market for tropical timber harvested in Papua New Guinea, Solomon Islands, and, to a lesser extent, in Vanuatu.

Today, marine resources of the Pacific are of greatest concern to Japan. Approximately half of the global market supply of tuna originates in the central and western Pacific, and Japan is a major player in this \$1.7 billion regional industry.⁷ Much of the catch is taken from within the 200-mile EEZs of the Pacific Islands nations. Ninety-five percent is caught by fleets from countries outside the region and international law requires that they negotiate payments to the Pacific Island governments. Access fees managed through bilateral and multilateral agreements with all distant water fishing nations are estimated to total between \$50 and \$60 million per year.

Japan’s long-term interests in the region are now focused on the resources of the ocean floor. Enormous deposits of minerals, including manganese, copper, and nickel, have been discovered on the seabeds of the central and eastern Pacific, and Japan has been in the forefront of efforts to explore the potential of this resource. The Japanese government has invested more than \$100 million in ocean floor survey work over the last decade, and Japanese corporations are likely to be the first to mine seabed minerals when (and if) the technology becomes available to make such ventures feasible. Although this is unlikely to occur in the immediate future, the potential returns from the EEZ seabed resources are attractive enough to encourage Japan to maintain good relations with the Pacific Island nations which control these resources and the multilateral organizations that will manage and monitor the mining.⁸

Philip Mueller, head of the South Pacific Applied Geoscience Commission, believes international strat-

egists “should be concerned” by Japan’s “huge lead in the technology” to exploit minerals in the region.⁹ Japan’s advantage, notes a Bank of Hawaii economist, is that its development of mining technology involves long-term planning, a concept basically alien to U.S. companies.¹⁰

Japan’s Foreign Aid

In addition to its commercial interests, Japan has political and strategic interests in the region. As a global power, Tokyo has a political interest in maintaining good relations with the Pacific Island nations, eight of which are voting members of the United Nations General Assembly, and which, as a bloc, could tip the balance in a vote crucial to Japan. It also has a strategic interest in the region, which straddles some of the vital sea lanes connecting this trading nation with the rest of the world. In the 1970s, as newly sovereign island nations entertained more independent foreign policies, which in some instances included relations with the Soviet Union and other countries regarded as hostile toward Western interests, Japan initiated bilateral grants for a wide variety of infrastructure projects. With the establishment of internationally recognized 200-mile EEZs, extending control of the waters surrounding the Pacific nations, Japan began in the mid-1970s to support a broad range of fisheries and marine resources projects.

Multiple agendas. Thus like other donor nations, Japan began to more directly link its political, diplomatic, and commercial interests to foreign aid. Nearly every Pacific Island government has received some support from Japan in the last two decades, and Tokyo is now either the first or second most important donor in Fiji, French Polynesia, Kiribati, Nauru, Papua New Guinea, Samoa, and Tonga.¹¹ Most of Japan’s support is provided on a bilateral basis, but funding for regional organizations, including the South Pacific Forum,¹² the East-West Center’s Pacific Islands Development Program, the South Pacific Regional Environmental Program, and the South Pacific Commission, has become increasingly important in recent years. Although aid to the Pacific Islands is less than 2 percent of Japan’s total

Japan links its aid to political, commercial, and other interests

*Japan is the
Pacific Islands'
most important
export market*

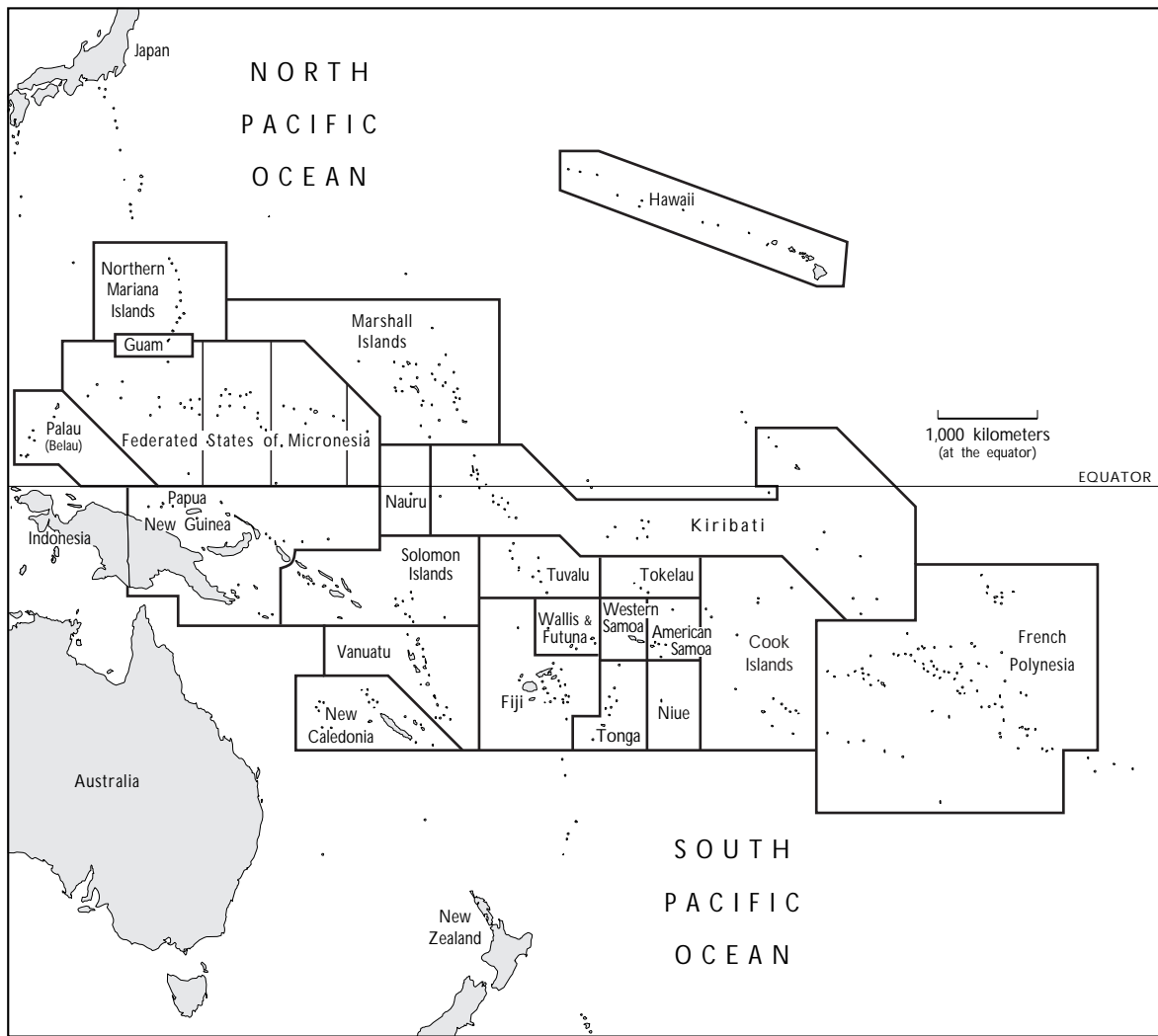
overseas development assistance budget, in both absolute and per capita terms, Japan's expenditures in the Pacific Islands have grown exponentially since the mid 1970s.

Though generous compared to some other donors, Japan's aid program has not been universally hailed as a success. Many criticize it as being excessively focused on "ribbon-cutting" projects such as hospitals or other large and visible building programs that receive initial fanfare, only to falter for lack of local expertise or maintenance funds. Others complain that too many projects are designed to utilize Japanese products or consultants, essentially bringing the aid funds back to Japan. Some projects serve to reduce the operating costs of the Japanese fishing fleets, and thus represent an indirect subsidy

of the industry, while other aid funds are apparently used to leverage favorable access to Pacific Island EEZs.¹³ Such projects may serve to increase rather than decrease Pacific Islands' dependence on outside resources.

Pacific Islands Perspectives

There is little doubt that Japanese-funded infrastructure and commercial projects have produced tangible benefits for most Pacific Island nations, and bilateral fisheries access agreements with Japan bring in annual revenues of some \$19 million.¹⁴ Japan is now the Pacific Island region's most important export market. It accounts for some 30 percent of total exports from the independent Pacific Island nations,



The lines do not constitute recognized territorial boundaries; they merely group islands under the same political jurisdiction.

Fisheries have proved the most contentious issue between Japan and the Islands

and is the recipient of the largest share of exports from Papua New Guinea (24 percent), Solomon Islands (43 percent), Tonga (70 percent), and Vanuatu (20 percent).¹⁵ Japanese tourists are also an important source of revenue for Pacific Island countries, particularly in Micronesia. In 1994, 1.6 million tourists from Japan visited the Northern Marianas and Guam. Although far fewer Japanese tourists—some 90,000—visited South Pacific destinations such as Fiji, New Caledonia, and French Polynesia, their numbers have also grown rapidly in recent years.¹⁶

Island leaders have also appreciated Japan's support on some political issues of great concern to them. For example, Japan has been generally supportive of regional efforts to hasten the decolonization of the French territory of New Caledonia, voting in favor of its reinscription as a non-self-governing territory at the United Nations in 1987. Tokyo also supported regional efforts to end nuclear testing at Moruroa atoll in French Polynesia at a time when other powers, notably the United States, were more reluctant to condemn French activities in the region. There is also the matter of diplomatic style, which can be very important in dealings with Pacific Island nations. Regardless of obvious imbalances in power, Japan has always emphasized respect for sovereignty in its dealings with its trade and aid partners. The Kuranari Doctrine made an explicit commitment to the island nations in this regard. This respectful posture may be particularly welcome at a time when other regional actors, particularly Australia, are taking a more direct managerial approach to regional affairs.

Points of friction. The Japan-Pacific Islands relationship has nonetheless encountered significant problems. For example, island leaders adamantly opposed Japan's plans to dump low-level nuclear waste materials in the northwestern part of the Pacific Ocean, plans that were eventually abandoned in 1980. Many leaders continue to object to Japan-bound shipments of nuclear materials that pass through the region. Tokyo's sometimes self-interested use of aid funds and its rather inflexible aid-delivery system have also been causes of concern. The leaders have had to work hard to persuade Japan to do more to

facilitate market access for their exports. The opening of the Japanese-funded South Pacific Economic Exchange Center in October 1996 in Tokyo, which acts as a general clearinghouse for trade with the region, came only after many years of persistent lobbying.

The most contentious issues, however, have involved the region's fish. A dispute continues between Japanese fishing interests and island nations over access fees. Under competitive pressure from other distant-water fishing fleets, including those of the United States, Japan has recently been forced to pay significantly more to island nations for access to their EEZs, and to provide more support for local fishing interests. Yet the island nations still only receive an average of about 5 percent of the value of the catch taken by Japanese fishers, and argue that the industry could and should pay more. (In contrast, in its agreement with the Pacific Islands, the United States pays an average of 10 percent.) Japan has staunchly resisted the notion of a multination agreement that would improve Japan's security of access to the regional fishery in return for enhanced benefits to island nations. Such an arrangement would set common terms for all agreements with individual island countries, and reduce Japan's ability to play one island nation off against another.

Differences focusing on fisheries management and conservation, which have proved even more difficult to resolve, were dramatically illustrated during a controversy over driftnet fishing in the late 1980s. Japanese officials were not convinced of the dangers of the practice to regional fish stocks and, more importantly, rejected the notion that coastal states had any right to control fishing activity outside of the EEZs, where most driftnetting occurred. In 1990, after considerable pressure from the international community, including the United States, which threatened trade sanctions if driftnetting continued, Japan reluctantly agreed to abandon the practice. Since that time, it has continued to insist that it must participate in developing regional management and conservation regimes if Pacific Island governments expect compliance with their conditions. The issue was defused somewhat in 1997, when the island nations and distant-water fishing nations, including Japan, agreed on collaborative mechanisms

that promise to allow them to work cooperatively on management issues.¹⁷

Toward Greater Self-Reliance

Underlying specific concerns about aid, trade, and resource management to be discussed at the Tokyo summit is the much larger issue of increasing self-sufficiency for Pacific Island nations. The notion of self-reliance for developing countries is a common theme in Japan's foreign policy discourse and, since it is also the declared objective of Pacific Island nations, it is not surprising to find it featured prominently at this historic meeting. However, it will be a difficult objective to achieve.

A recent United Nations Development Programme report found that, despite relatively slow rates of economic growth and modest per capita incomes, most Pacific Islanders "enjoy decent living standards and human well-being."¹⁸ This fortunate state of affairs partly reflects the continuing importance of subsistence activities, which provide basic sustenance and security for many islanders. But it also reflects substantial aid from metropolitan countries, resources that significantly expand employment opportunities and subsidize health, education, and other services. Aid represents more than 20 percent of GDP in nine out of the 14 independent and self-governing island nations, and more than 40 percent of GDP in five. It accounts for less than 10 percent of GDP in only three island countries.

The emerging consensus is that this situation is unsustainable. The UNDP report, for example, warned of rapid population increase and low rates of economic growth in island nations, an "intruding reality" that must eventually erode living standards even if current aid levels remain constant. Meanwhile some donor countries, especially Australia, have presented their analysis of the situation in no uncertain terms. Former Australian Minister for Pacific Island Affairs Gordon Bilney told island leaders in 1994 that the choice was "sustainable development or bust," and argued that their present economic policies were "demonstrably not working."¹⁹ As revealed in a recently leaked brief, officials worry that if the economic situation in the islands deteriorates further, "Australia could be faced with pressure

to increase aid or to provide extraordinary financial assistance."²⁰

Not surprisingly, island leaders balk at Australia's preferred solution—radical and painful economic restructuring to attract foreign investment and stimulate economic growth. Even those that accept the need for change warn that the benefits of structural adjustment may not become apparent for many years, if at all. As Deputy Secretary General of the South Pacific Forum Secretariat Nikenike Vurobaravu put it in 1994, "long-term sustainable development based on fundamental structural change and product/market diversification will not be realized in many [island nations] for some time, and may in fact never be realized in some of the small island states."²¹

Japan could have a crucial impact on this critical reform process. Tokyo has adopted a low profile on the issue, indicating general support for Australia's efforts, but is not championing the economic restructuring agenda in direct discussions with island leaders. Reluctant to interfere in the domestic affairs of Pacific Island nations, and with a long-term interest in staying on good terms with regional leaders, Japan may never fully support Australia on restructuring. Under these circumstances, an increase in the aid flow from Japan, if not directed in deliberately innovative ways, might derail the reform agenda. Advocates of reform in Australia and elsewhere might view this as a possible source of friction with Japan.

Aid that Defies Conventional Wisdom

It is commonly believed that Pacific Island nations have very little "absorptive capacity" for foreign aid. This suggests that small islands can use only small amounts of overseas development assistance for small projects. Yet experience from Tuvalu, one of the smallest (pop. 10,200) and most remote Pacific Island nations, belies the conventional wisdom. During the past decade, Tuvalu worked with Australia, Great Britain, Japan, and New Zealand to establish a well-capitalized, well-managed trust fund, revenues from which are used to meet both current and long-term development needs. Tuvalu's trust fund is self-perpetuating and allows Tuvalu to set its own development priorities. The Tokyo summit may want to explore how the self-sustaining trust fund model successfully pioneered by Tuvalu could be applied elsewhere.

Australia wants radical economic restructuring in the Pacific Islands

FACT SHEET, SELECTED PACIFIC ISLANDS

	Population (1993 or later)	Land Area (square miles)	Notable Geographic Characteristics	Distance from (miles)	Currency
COOK ISLANDS	19,600	92	15 widely dispersed islands including volcanic peaks and atolls. Rarotonga the largest island 26 miles square. In hurricane path.	Rarotonga: Honolulu 3,000 Wellington 2,000	New Zealand dollar
FEDERATED STATES OF MICRONESIA (FSM)	109,200	270	607 islands and atolls, Pohnpei 130 square miles, other major islands Kosrae, Yap and Chuuk. The 4 FSM states span 1,700 miles from east to west.	Kolonia, Pohnpei: Honolulu 3,100 Hong Kong 3,100	US dollar
FIJI	800,500	7,055	320 islands. Viti Levu 4,000 miles square, Vanua Levu 2,100 miles square. Major islands are mountainous and forested to windward.	Suva: Honolulu 3,100 Sydney 2,000 Tokyo 4,500	Fiji dollar
KIRIBATI	82,400	266	33 islands scattered 2,400 miles east to west, 1,300 miles north to south. Almost entirely low-lying atolls, Christmas Island the largest.	Tarawa: Honolulu 1,300 Tokyo 3,900	Australian dollar
NAURU	11,200	8	A single island with a 100 foot high central plateau of now nearly exhausted phosphate-bearing rock.	Nauru: Honolulu 2,800 Banaba, Kiribati 200	Australian dollar
NIUE	2,500	101	Coral island rising 65 feet from the ocean and another 130 feet to a central plateau.	Alofi: Wellington 1,800 Suva 800	New Zealand dollar
PAPUA NEW GUINEA (PNG)	4,141,800	179,490	Eastern half of the island of New Guinea. Largest by far Pacific island-state land mass. Other main islands New Ireland, New Britain and Bougainville.	Port Moresby: Honolulu 4,300 Cape York, Australia 300 Tokyo 3,100 Hong Kong 3,100	Kina
REPUBLIC OF THE MARSHALL ISLANDS (RMI)	59,800	70	34 coral islands, 870 reefs, highest elevation 33 feet above sea level, average elevation 7 feet.	Majuro: Honolulu 2,300 Guam 1,800	US dollar
REPUBLIC OF PALAU	16,900	170	343 islands, the main group encircled by a hundred mile reef. Babeldaob 136 square miles. 8 other inhabited islands. Rock Islands.	Koror: Honolulu 4,600 Tokyo 2,000 Hong Kong 1,700	US dollar
SAMOA	170,000	1,158	4 inhabited islands, 5 uninhabited. Highest point 6,100 feet, Mt. Silisili on Savai'i. In hurricane path.	Apia: Honolulu 2,600 Suva 700 Brisbane 2,500	Tala
SOLOMON ISLANDS	395,200	11,197	850 mile long double island chain. 6 mountainous main islands, Guadalcanal 2,080 miles square.	Honiara, Guadalcanal: Honolulu 3,960 Port Moresby 900	Solomon Island dollar
TONGA	99,000	386	Main islands volcanic, some 150 coral atolls, 36 permanently inhabited.	Nukualofa: Honolulu 3,100 Brisbane 2,000	Pa'anga
TUVALU	10,200	10	5 atolls, 4 coral islands, maximum elevation 16 feet above sea level.	Funafuti: Suva 700 Sydney 2,500	Australian dollar
VANUATU	173,900	4,707	80 scattered islands, several active volcanoes. Largest island Espiritu Santo 1,500 miles square, highest point 6,158 feet.	Port Vila, Efate: Honolulu 3,500 Tokyo 4,100	Vatu

Major Languages	GDP/GNP (US\$ million current)	Per Capita GDP/GNP (US\$)	Major Income Sources	Political Status	Major Sources of External Investment	Major Sources of Future Income
English, Cook Islands Maori	50.9	2,596	Government aid, services, tourism	Self-governing since 1965 in association with New Zealand. Cook Islanders are citizens of both Cook Islands and New Zealand.	New Zealand	Tourism
English, 8 major local languages	203.1	1,860	US payments, government services, fisheries, tourism	After WWI under Japanese mandate. In 1947 became part of US Trust Territory. Became sovereign in 1979. In compact of free association with US as of 1986. Compact ends 2001.	US, Japan	Compact status uncertain as of 2001. Fisheries development, tourism
English, Fijian, Hindi	1,801.1	2,250	Sugar and other agriculture, tourism, forestry, fishing, mining, garment industry	Annexed by Great Britain in 1874. Became independent within the Commonwealth in 1970, left the Commonwealth as an independent republic in 1987.	Australia, New Zealand, EU, Japan	Agriculture, tourism, mining, light manufacturing
English, Micronesian	54.6	662	Agriculture (copra), remittances, aid	Annexed by Britain in 1919. A republic within the British Commonwealth since 1979.	NA	Fisheries development
English, Nauruan	80.7	7,205	Phosphates and investments from phosphates	From 1919 administered by Australia. Became an independent republic in 1968.	NA	Investments from phosphate
English, Niuean	7.1	2,825	Subsistence activity, government aid	Self-governing since 1974 in free association with New Zealand.	NA	Tourism
English, Tok Pigin, Hiri Motu, hundreds of vernaculars	4,600.0	1,111	Minerals, oil and gas, forestry, agriculture, tourism	Under Australian & German control before WWI. Administered by Australia after WWII. Independent within the British Commonwealth since 1975. Strong separatist movement in Bougainville.	Australia, UK	Minerals, oil, timber, fisheries, tourism
English, Marshallese dialects	95.6	1,598	US payments, Kwajalein Missile Range, government services, copra, fisheries	After WWI under Japanese mandate. In 1947 became part of US Trust Territory. Became sovereign in 1979. In compact of free association since 1986.	US, Japan	US military. Compact status uncertain as of 2001. Fisheries.
English, Palauan, Sonsorolese-Tobian	98.2	5,813	US Compact payments, tourism	After WWI under Japanese mandate. In 1947 became part of US Trust Territory. Became sovereign in 1994, in compact of free association as of 1994. Compact ends 2044.	Japan, US	Compact money, tourism
English, Samoan	170.0	1,000	Agriculture, remittances from abroad, tourism, manufacturing	Under German control before WWI, New Zealand after. New Zealand trusteeship after WWII. Independent since 1962.	New Zealand, Japan	Agriculture, tourism, light manufacturing
English, Solomon Islands Pijin, more than 80 vernaculars	208.9	529	Agriculture, timber sales, fishing and fish canneries, aid	British protectorate as of 1873. Politically independent within the Commonwealth since 1978.	Australia, Japan	Agriculture, fisheries, tourism
Tongan	124.9	1,262	Agriculture, tourism	British protectorate as of 1900. Independent monarchy within the Commonwealth since 1970.	NA	Tourism, agriculture
English, Tuvaluan	3.8	373	Subsistence activity, government aid	Independent state within British Commonwealth since 1978.	NA	Subsistence activities, government aid
French, English, Bislama	187.4	1,078	Agriculture and ranching, tourism, Offshore Finance Center, services	Anglo-French New Hebrides Condominium in 1906. Republic of Vanuatu within the British Commonwealth established in 1980.	Australia, Japan	Tourism, agriculture

A New Development Agenda

Unlike the disappointing 1990 Honolulu summit, the upcoming Tokyo summit could establish a fundamentally new development agenda that would benefit both Japan and the Pacific Islands. If the Pacific leaders carefully examine how greater self-sufficiency can be achieved with help from Japan, forge a broad consensus position, and engage in intensive dialogue with Japan before the summit, the prospects for tangible results will be greatly increased.

While the complexities of the development process, as well as the particular needs of each island nation, preclude a rigid formulaic approach, some strategies appear more promising than others. For example, island leaders increasingly realize that development programs must strive not only to respect, but also to draw upon, Pacific Islanders' sociocultural values.²³ Similarly, there is a need to reexamine the idea that Pacific Island nations have very little "absorptive capacity," suggesting that small islands can use only small amounts of overseas development assistance productively. Experience confirms the value of well-managed, donor-supported trust funds, with the revenues used to meet long-term development needs. The summit may want to explore how the trust fund model successfully pioneered by Tuvalu could be applied in other Pacific Island nations.

Moreover, considerable "absorptive capacity" exists within the Pacific Islands for investments that support human resource development. Education and training needs in the Pacific Islands are at once extensive and expensive. Experience in Asia and elsewhere amply supports the argument that greater levels of economic self-sufficiency require internationally competitive human resources. If Japan were to invest substantial resources in reliable trust funds and human resource development, the long-term potential for increased economic independence in the Pacific Islands would be greatly enhanced.

The Summit and Beyond

The extraordinary meeting of Asia's preeminent economic superpower with some of the world's smallest nations might appear incongruous at first glance.

However, the summit is a logical culmination of events over the last three decades that have made Japan a major player in regional affairs. It is significant because it highlights Japan's present status in the region and signals Tokyo's intention to continue, and probably expand, this level of involvement over the longer term.

Japan's ascending position in Pacific Island affairs should be viewed as part of a wider effort to take a more active role in the Asia-Pacific region, not an unwanted bid for regional hegemony. In contrast to the traditional metropolitan powers, Japan is likely to adopt a lower profile and a less direct style of leadership in the regional configuration.

Like other powerful nations, Japan's motivations for engagement in the islands primarily reflect national interests. Yet this engagement could also facilitate adoption of a new development agenda for the region that will promote a greater measure of self-reliance for the Pacific Islands. The Tokyo summit's theme of greater self-sufficiency calls for island governments to analyze carefully what types of assistance may be more or less useful in achieving this end.

Formulating a new and innovative regional development agenda with lasting benefits for the Pacific Islands cannot be delayed. To do so would compromise the quality of life for future generations of islanders. Trust funds and programs for education and training tailored to regional needs will reap long-term benefits. If Japan and the Pacific Island nations are serious about a mutually beneficial and enduring relationship, these and other proposals to enhance self-sufficiency should be placed high on the agenda for the Tokyo summit. Setting a date for a second summit will also help to ensure that momentum is maintained.

The quality of life will be compromised for generations of islanders if innovative aid strategies are not found

Japan–Pacific Islands Summit: Leaders Expected to Attend

John Howard	Prime Minister	Australia
Geoffrey Henry	Prime Minister	Cook Islands
Jacob Nena	President	Federated States of Micronesia
Sitiveni Rabuka	Prime Minister	Fiji
Ryutaro Hashimoto	Prime Minister	Japan
Teburoro Tito	President	Kiribati
Imata Kabua	President	Marshall Islands
Kinza Clodumar	President	Nauru
Jim Bolger	Prime Minister	New Zealand
Frank Liu	Premier	Niue
Kuniwo Nakamura	President	Palau
Bill Skate	Prime Minister	Papua New Guinea
Tofilau Eti Alesana	Prime Minister	Samoa
Batholomew Ulufa'alu	Prime Minister	Solomon Islands
Baron Vaea	Prime Minister	Tonga
Bikenibeu Paeniu	Prime Minister	Tuvalu
Serge Vohor	Prime Minister	Vanuatu

Notes

¹ The invited Pacific Islands are Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa (formerly Western Samoa), Solomon Islands, Tonga, Tuvalu, and Vanuatu.

² The U.S. continues to maintain a strong military presence independently of its relations with the Pacific Island nations. Federated States of Micronesia, Marshall Islands, and Palau emerged from the former Trust Territory of the Pacific Islands as nations in “free association” with the United States. The Northern Mariana Islands became a commonwealth of the United States. Palau’s compact expires in 2044.

³ Alan Rix, “Leading from Behind” in Richard Higgott et al., (eds.) *Pacific Economic Relations in the 1990s: Cooperation or Conflict*. Boulder: Lynne Rienner, 1993.

⁴ Mark R. Peattie, *Nanyo: The Rise and Fall of the Japanese in Micronesia, 1885-1945*. Pacific Islands Monograph Series No. 4. Honolulu: University of Hawai’i Press, 1988, p. xvii.

⁵ In particular, the Kuranari Doctrine emphasized respect for national sovereignty, support for regional cooperation among island nations, assistance in preserving political stability, aid directed toward enhancing economic development, and promotion of international exchange programs.

⁶ Jon Halliday, *A Political History of Japanese Capitalism*, New York: Pantheon, 1975, p. 297.

⁷ Sandra Tarte, “Diplomatic Strategies: the Pacific Islands and Japan,” paper presented at the 5th Pacific Islands Political Studies Association Conference, Palau, December 1996.

⁸ For further discussion of this topic see Allen L. Clark et al., *Economic and Development Potential of Manganese Nodules with the Cook Islands Exclusive Economic Zone*. Honolulu: East-West Center, 1995.

⁹ Michael J. Field, *Japan Seeks Long-Term Mineral Gains in Pacific Summit*, Agence France Presse, August 5, 1997.

¹⁰ Ibid.

¹¹ Isami Takeda in Bruce M. Koppel and Robert M. Orr, Jr. (eds.), *Japan’s Foreign Aid: Power and Policy in a New Era*. Boulder: Westview, 1993, p. 232.

¹² Japan is the largest contributor to South Pacific Forum Secretariat and the East-West Center’s Pacific Islands Development Program. *Pacific Islands Monthly*, March 1996. p. 16.

¹³ Tarte. *Op. cit.*, p. 5-6.

¹⁴ Ibid. See also, David J. Douman (ed.), *Tuna Issues and Perspectives in the Pacific Islands Region*. Honolulu: Pacific Islands Development Program, East-West Center, 1987.

¹⁵ Tarte. *Op. cit.*, p. 7.

¹⁶ Bank of Hawaii, 1994 Economic Reports for Micronesia; Ulafala Aiavao, “The Direct Way to Asians,” *Islands Business Pacific*, November 1994, p. 45.

¹⁷ Tarte. *Op. cit.*, p. 19-20.

¹⁸ *Pacific Human Development Report*. Suva: United Nations Development Programme, 1994, p. 10.

¹⁹ Gordon Bilney, “Australia’s Relations with the South Pacific: Challenge and Change.” Address to the Foreign Correspondents’ Association, Sydney, June 15, 1994.

²⁰ Australian Delegation Brief. Forum Economic Ministers' Meeting. Cairns, 11 July 1997, p. 2.

²¹ Nikenike Vurobaravu "Japan and the South Pacific: Linkages for Growth," *Journal of the Pacific Society* 18(1-2), 1995.

²² Bank of Hawaii, Honolulu, Hawaii, *Fact Sheet, Selected Pacific Islands*, Cartographic Division, National Geographic Society, "Islands of the Pacific," map 1:18,000,000, Washington, DC, 1974; Central Intelligence Agency, *The World Factbook*, 1994; Norman and Ngaire Douglas, editors, *Pacific Islands Yearbook*, 17th edition, Suva, 1994; Europa, *The Far East and Australasia*, 1994; Gary L. Fitzpatrick and Marilyn J. Medlin, *Direct-line Distances, International Edition*, New Jersey, 1986;

International Monetary Fund, *International Financial Statistics*, June 1996; David Stanley, *South Pacific Handbook*, 5th Edition, Chico, California, 1993; State of Hawai'i Department of Business and Economic Development, *Data Book 1995*, Honolulu, 1996; Peter W. Thomson, *Trade and Investment in the South Pacific Islands*, Honolulu, 1989; World Bank, *World Development Report*, 1996; various Bank of Hawaii economic reports, 1992-96, and other sources.

²³ Sitiveni Halapua, *The Pacific Person: Sustainable Living in a Sea of Diversity*, 1997. Working Paper of the Pacific Islands Development Program. Honolulu: East-West Center.

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