

A review of Solomon Islands is not included in this issue.

FIJI

Fiji seemed to come full circle in 2001. The year began with the nation nervously awaiting the outcome of a Court of Appeal hearing on the fate of the interim government installed after the 2000 coup. It ended in a similar way, with the same Court of Appeal preparing to rule on the future of the newly elected government of Laisenia Qarase. Throughout 2001, Fiji's political course followed surprising and at times startling directions, as the country picked its way through the debris and rubble left by the crisis of 2000.

The legal challenge to the interim government had come when dairy farmer Chandrika Prasad, whose property was stolen and family terrorized after the coup in May 2000, successfully obtained a ruling in the High Court in November 2000 that declared the 1997 constitution extant and the interim government without any legal basis. The government appealed the ruling to the Court of Appeal because, as Interim Prime Minister Qarase explained, "We need confirmation so that we can progress Fiji further towards parliamentary democracy" (*Post*, 28 Feb 2001, 3).

The lead-up to the Court of Appeal hearing in February was marked by heightened tensions, as nationalist Fijian leaders warned of bloodshed and chaos should the ruling go against the interim government. Ema Drua-

vesi, a spokeswoman for the former governing party (*Sogosoqo ni Vakavulewa ni Taukei*, or SVT) predicted that "if you force the Gates (High Court) judgement upon the Fijian people against their will our chances of returning to democracy will be destroyed for a long time" (*Sun*, 18 Jan 2001, 1). In an unusual show of unity, Fijian political parties issued a joint statement demanding the continuation of the interim government. They warned that any attempts to "derail Fijian leadership" would be strongly resisted. Meanwhile the Taukei Movement was reported to be mobilizing its supporters to oppose the reinstatement of the 1997 constitution. Provincial councils and chiefs also denounced the intervention by the courts. According to one chief: "We will die defending the President and Interim Government against rulings detrimental to us as a race" (*Times*, 26 Jan 2001, 3).

While a *Fiji Times* editorial dismissed such threats as "empty political posturing," it pointed to the military as being the final arbiter of the interim government's and hence nation's future. There were indications, in an army briefing to the president leaked to the media, that the military intended to "uphold the rule of law—even if that means upholding the Gates ruling" (*Times*, 24 Jan 2001, 1). However, army statements also reaffirmed its "steadfast support" for the president and interim government, and the position that national security remained its "paramount concern."

It was in this atmosphere of tension and uncertainty that the Court of Appeal began its hearing on 19 February. The interim government's case was that the 1997 constitution had indeed been abrogated according to the doctrine of necessity—to avert further threats to peace and security; and that a new legal order was now in effective control, commanding the acceptance if not approval of a wide section of the population. The respondents (Chandrika Prasad's lawyers) claimed that there was no necessity for the purported abrogation of the constitution—that such a step was “irrational and disproportionate.” They further argued that no new legal or political order was in place (the fact that the interim government had submitted to the courts was evidence of that). Nor was the interim government in effective control, since it lacked both legal and political legitimacy.

In a landmark ruling handed down on 1 March 2001 the Court of Appeal dismissed the interim government's appeal. It declared that the 1997 constitution remained the supreme law of the country; that parliament was not dissolved but prorogued for six months; and that the office of president only became vacant on 15 December 2000 with the resignation of Ratu Sir Kamisese Mara. Accordingly, Ratu Josefa Iloilo was still acting in the position. The court argued that there was no justification for abrogation of the constitution, and that the interim government had failed to demonstrate or prove effective control. One of the lawyers representing Chandrika Prasad described the court's ruling as historic and setting a powerful precedent. “It is the first time that

a court decision may restore a democratically elected parliament displaced by a coup d'état” (*Post*, 7 Mar 2001, 2). However, the Court of Appeal had not ruled on *how* the democratically elected parliament should be restored, and it was this question that confounded commentators and political parties in the immediate aftermath of the ruling.

As a way of buying time and perhaps legitimacy, the acting president and interim government announced that they would seek guidance from the Great Council of Chiefs before making their next move. Although pledging publicly to abide by the court's ruling, the interim government showed no immediate sign of relinquishing power (much to the Labour Party's chagrin). When the Great Council of Chiefs convened it was presented with two starkly opposing “road maps.” One was prepared by the interim government and its legal advisors and proposed a quasi-constitutional approach: that the Great Council of Chiefs accept the court ruling; that it legitimize Ratu Iloilo's appointment as president; that it accept that the president has “reserved powers” to dissolve parliament and call fresh elections; and that the interim government continue to govern in a caretaker capacity until elections are held. The second was prepared by a group of indigenous Fijian lawyers led by the General Manager of the Native Land Trust Board. This rejected the constitutional approach entirely and instead called on the Great Council of Chiefs “to resume its sovereignty granted to them by the Deed of Cession,” which could be used to empower the interim govern-

ment. The interim government should continue to rule by decree and a “new legal order” should be created through the adoption of a new constitution. Moreover all those charged with treason (such as George Speight) should be granted immediate and unconditional amnesty (*Sunday Times*, 11 Mar 2001, 2).

As the Great Council of Chiefs deliberated on these momentous issues, the deposed People’s Coalition government struggled (and failed) to reach a consensus on its preferred course of action. Former Deputy Prime Minister Tupeni Baba led a faction that supported the reconvening of parliament and the formation of a government of national unity, to govern for two or three years during which time issues such as land and the constitution would be addressed. Former Prime Minister Mahendra Chaudhry led another faction strongly opposed to the creation of a government of national unity. Although initially calling for the reinstatement of his government, Chaudhry subsequently recommended to the acting president that parliament be dissolved, fresh elections held, and in the meantime a caretaker government be appointed comprising members of the dissolved parliament.

Chaudhry’s advice gave the acting president the opportunity to implement the resolutions agreed to by the Great Council of Chiefs, which essentially followed the quasi-constitutional path advocated by the interim government and supported by the military. On 14 March the acting president dismissed Chaudhry as prime minister on the grounds that he no longer commanded the support of

the House (since he had recommended the dissolution of parliament). The acting president then swore in former Labour parliamentarian Ratu Tevita Momoedonu as prime minister (to regularize the appointments of the president and vice president as well as to recommend the dissolution of parliament). Ratu Tevita had stood in as prime minister once before (following the takeover of parliament in May 2000). Once his prime ministerial duties were completed, Ratu Tevita immediately tendered his resignation and that of “his government,” paving the way for the president to appoint a caretaker government. The following day, having tendered their own resignations, the interim government was again sworn in as a caretaker government to lead the country into elections later in the year.

Not surprisingly, this outcome satisfied some but shocked others. It was described by a military spokesman as the “least worst option” to return the country to parliamentary rule within the shortest time. The business community described the move as “decisive but conciliatory.” On the other hand, the Labour Party, the National Federation Party, and the trade union movement condemned the outcome as “unconstitutional and unlawful.” A civil society group, the Citizens Constitutional Forum, filed a motion in the High Court seeking to annul the president’s decision to dissolve parliament. Meanwhile the international community welcomed the decision to go to the polls, although political and economic sanctions on Fiji remained in place pending the outcome of the elections.

As the country moved into election

mode, the political landscape was transformed. Political parties fragmented and new alignments were forged. Within the Labour Party, the rupture over the Court of Appeal ruling proved irreparable, and a breakaway group led by Tupeni Baba formed their own party, named the New Labour Unity Party (NLUP). This joined with so-called moderate political parties in a loose political alliance. The major Fijian parties (SVT, Fijian Association Party, Nationalist Party, Party of National Unity, and *Veitokani Ni Lewenivanua Vakarisito*) also splintered along provincial, policy, and personal lines. Two new parties emerged that would command the majority of Fijian support. One was the Conservative Alliance/*Matanitu Vanua* (CAMV), based in the north of the country, which attracted hard-core supporters of the 2000 coup perpetrators and included in its election lineup the coup “leader” George Speight (still held in custody). The other party was created by caretaker Prime Minister Laisenia Qarase and included in its lineup most of the members of the interim government. Named the *Sogosoqo ni Duavata ni Lewenivanua* (SDL) or United Fiji Party, it was launched with much fanfare on 9 May 2001.

The SDL party soon alienated most other Fijian parties. While condemned by some for undermining Fijian political unity, the main grievance against it seemed to be the party’s use of political office for its own advantage—mobilizing state resources to secure support within the Fijian electorate. Among the initiatives taken in the lead-up to the election was approval for a F\$52.8 million compensation payment to landowners at the Mona-

savu dam, Viti Levu’s main source of hydropower. The caretaker government also agreed to pay landowners at Nadi Airport F\$1.2 million in compensation after protests threatened the operations of the airport. (Both payments were subsequently put on hold after court action was taken by opposing landowners and by the Native Land Trust Board.) But it was mainly the caretaker government’s use of agricultural assistance funds that drew the ire of its political opponents. Prominent SVT politician, Jim Ah Koy—who would lose his Kadavu seat to the SDL party—lashed out at the Qarase government: “What has this government done in its one year? All they have done is spend the money that the SVT government put in place. Look at the number of knives, forks and outboard engines they have given out as bait for this election!” (*Post*, 7 Aug 2001, 1)

The members of the caretaker government were branded as hypocrites and opportunists—for capitalizing on the fruits of office while those who helped put them there (George Speight and his group) languished on the prison island of Nukulau. Although a number of Fijian politicians (and the CAMV party) called for an amnesty for the rebel group, neither the caretaker government nor the military seemed inclined to “interfere” in the court proceedings, which limped along from one adjournment to another. The case was finally moved to the High Court in July after the conclusion of committal proceedings in the Magistrate Court to determine evidence to support treason charges. Barring any further delays (such as George Speight’s periodic firing of counsel), the case was set to begin in February 2002.

The lack of progress in the Speight

group prosecution, together with the failure to identify others involved in the takeover of parliament, overshadowed efforts (such as community events organized by the police) to promote reconciliation and heal the wounds of 2000. On the anniversary of the 19 May takeover, the *Fiji Times* condemned the failure to bring those responsible to justice. "The identities of those faceless cowards who instigated the hostage taking and supported Speight throughout are still a mystery." Revelations by a senior army officer on the eve of his resignation from the Fiji military forces pointed to the possibility that such individuals were protected because of their powerful and prominent positions. He alleged that seven plotters were still at large, including prominent business people and a senior military figure. These allegations, which stirred much controversy and speculation, were given some credence when Police Commissioner Isikia Savua and high chief (and Fiji's High Commissioner to Malaysia) Adi Samanunu Talakuli were cleared of any wrongdoing, despite their well-publicized support for the hostage-takers in parliament. Meanwhile the caretaker government passed a decree granting immunity to soldiers involved in the revenge killings that followed the mutiny of November 2000. This decree was labeled a "travesty of justice" by the *Fiji Times*, on the grounds that it allowed murder to go unpunished.

On 11 July the High Court removed the final legal hurdle to the August elections when it dismissed a motion brought by the Citizens Constitutional Forum seeking to annul the president's dissolution of parliament. In his ruling, Justice Michael Scott

argued that while the president did act in a manner inconsistent with the constitution when he failed to summon parliament (after the Court of Appeal ruling), such action was justified on the grounds of necessity. To reconvene parliament and return the Chaudhry government to office would have created "a wholly unacceptable risk to the peace and welfare of the nation" as well as a "legal and administrative nightmare" (*Times*, 12 July 2001, 12, 14).

Threats of unrest should the Labour Party win the elections and reports of divisions in the military circulated in the weeks before the poll. But despite the tense atmosphere, public opinion surveys indicated that voters were primarily concerned about economic issues. This underscored the precarious state of the economy in the wake of the political crisis of 2000. A number of garment factories closed their operations in early 2001, leaving more than a thousand workers unemployed. Uncertainty of land tenure was causing a drastic drop in cane production, while the expiry and non-renewal of land leases left many farmers homeless and destitute. Tourism arrivals had also declined significantly, leading to the loss of some two thousand jobs in the industry (*Sun*, 23 Mar 2001, 5). While political parties promised to address these concerns, there were indications that voters remained skeptical of what a new government would deliver. According to one evicted cane farmer: "It seems these politicians get into parliament to serve themselves and forget the difficulties the poor people face everyday" (*Times*, 9 Aug 2001, 3).

Under the scrutiny of Commonwealth and United Nations observers,

the election took place without incident in late August. Despite predictions of a divided and fragmented Fijian vote, the result was an almost sweeping victory for Qarase's SDL party (in Fijian constituencies). The only other serious contender was the CAMV party. No other Fijian party won a seat. Meanwhile, the Labour Party swept to victory in all the Indo-Fijian constituencies. The final tally gave SDL 31 seats, CAMV 6 (including George Speight), Labour 27, New Labour Unity Party 2, the United General Party 1, the National Federation Party (NFP) 1, and independents (subsequently aligned to the SDL) 2 seats.

Analyses of the vote revealed that Labour increased its share of Indo-Fijian voters compared to the National Federation Party, and this was attributed to a combination of its record in office and Chaudhry's "bold leadership." Meanwhile SDL's success was due in no small measure to its largesse during the election (especially its distribution of agricultural assistance funds—a "scam" that would come back to haunt the SDL in the new year), as well as to the endorsement of the Methodist Church establishment. SDL policies, which included legislating a twenty-year blueprint of affirmative action programs for Fijians, revising the 1997 constitution to entrench Fijian leadership, and reverting to the Native Land Trust Act, also appealed to and appeased (nationalist) Fijian sensitivities and aspirations stirred up by the events of 2000. In this way it was able to neutralize much of its competition.

The conclusion of the vote count was followed by five days of tense

negotiations and brinkmanship. With the single largest party in parliament, Qarase appeared the most likely candidate for prime minister. But to form a majority government in the seventy-one-seat parliament, he needed to create a coalition with several of the smaller parties. Moreover, under the constitution, all parties with at least 10 percent of the seats (seven seats or more) were entitled to places in cabinet in proportion to their seats in parliament. This posed a dilemma for Qarase, who had made it clear he would not work with Chaudhry in government. There was also the possibility that if Qarase joined forces with minor parties, he would need to give them places in cabinet that would dilute SDL's majority. Labour could therefore end up with more places in cabinet than SDL—an unacceptable prospect. On 10 September, and still without any resolution to his political conundrum, Qarase was sworn in as prime minister. He immediately issued an invitation to Chaudhry to be part of his government, which Chaudhry duly accepted. But Qarase did not follow up, and Chaudhry was not consulted further on the makeup of cabinet.

Initially SDL seemed to favor an alliance with the so-called moderate parties (NLUP, United General Party, and National Federation Party) rather than the CAMV party. The latter had insisted, as a condition of any partnership, that the detainees on Nukulau (including George Speight) be released and granted immunity. But talks with the "moderates" proved inconclusive and a breakthrough with the CAMV party came after they agreed to drop their demand for

immunity for the rebels (reportedly after George Speight and his fellow detainees gave the party the go-ahead). On the night of 11 September, the SDL and CAMV parties signed a memorandum of agreement that specifically excluded any reference to immunity. A memorandum was also signed with one of the NLUP members of parliament (although this was later denounced by his party). The next day, as word of the horrific terrorist attacks on the United States reached Fiji, the new cabinet was sworn in. It comprised twenty ministers and eight assistant ministers. Qarase rewarded his minority allies (CAMV, NLUP, and independents) with a total of five cabinet posts.

The exclusion of the Labour Party was immediately branded as unconstitutional by observers both locally and abroad. But the SDL remained defiant. According to a party spokesman, to bring Labour in would be “an unworkable coalition” because of fundamental differences between the parties (*Post*, 18 Sept 2001, 3). Qarase meanwhile claimed that Chaudhry had put certain conditions on his participation in government that were unacceptable. But Chaudhry denied this, claiming that it was Qarase who had set down conditions for Labour’s inclusion—namely that it agree to support SDL’s policies on the affirmative action blueprint, among other things. At the end of September the Labour Party filed legal objections against its exclusion from cabinet in the High Court (a move welcomed by Qarase as a way to resolve constitutional issues). The presiding judge moved to “fast-track” the case because “it raised issues of law that

should be referred immediately to the Court of Appeal” (*Times*, 29 Sept 2001, 1). The case was set down for hearing in February 2002.

Yet another legal wrangle erupted as a direct consequence of this court action. It concerned the appointment of eight senators nominated on the advice of the leader of the opposition. When the president offered the position of leader of the opposition, Chaudhry refused it (so as to await the Court of Appeal ruling). In order to fill this position, the president eventually appointed the lone NFP member. According to the constitution, the leader of the opposition’s senate nominees should comprise the nominees of parties in the House of Representatives that were entitled to participate in cabinet. Thus the Labour Party eventually presented the leader of the opposition with their list of eight nominees. However, before handing this list to the president, opposition leader Prem Singh took it on himself to amend the list (dropping four of Labour’s nominees and including four of his own). These nominees were sworn in, but the president’s office subsequently decided to seek Supreme Court clarification on whether this action was “lawful and constitutionally sound” (*Times*, 23 Oct 2001, 1). In the meantime, Labour senators boycotted the remaining sessions of parliament.

Despite these constitutional disputes, the international community moved to normalize relations with Fiji in the wake of the elections. In early October, Australia announced it was lifting all aid and other sanctions, and a visit by Foreign Minister Alexander Downer followed in December. How-

ever, a request from Australia that Fiji participate in the so-called "Pacific solution" to the burgeoning refugee problem was withdrawn after a public and political outcry in Fiji. Also in December, the Commonwealth Ministerial Action Group lifted Fiji's suspension from the Commonwealth Councils, paving the way for Fiji to attend the next Commonwealth Heads of Government Meeting. New Zealand and Britain then announced the resumption of full relations with Fiji. Only the European Union continued its aid sanctions on the country, to be reviewed once the constitutionality of the government had been resolved.

As the year drew to a close, the nation's fate was again in the hands of the Court of Appeal. Although the election was a major step forward and its outcome was seen to reflect the "will of the people," Fiji's return to democratic rule was far from complete or secure. In its first months in office the (elected) Qarase administration confronted a legal challenge that had the potential to force a change of government. It also confronted a political challenge (a F\$25 million farming assistance scandal) and a security challenge (a plot to kidnap and assassinate members of government in order to force the release of George Speight and his companions on Nukunono). The repercussions of these were still unfolding in early 2002, but they threatened further instability and unrest. Fiji remained on a political knife-edge, balanced precariously between the forces of racial extremism on the one hand and democracy on the other.

Nowhere was this more evident than in the debate in parliament in

December over the Qarase government's proposed legislation to provide affirmative action programs for indigenous Fijians. As critics attacked the legislation for being "racially discriminatory" and unconstitutional, its defenders (including the prime minister) described the bill as necessary for peace and stability, in other words, national security (*Sun*, 17 Dec 2001, 1). But such attempts to "buy" stability by removing "barriers to Fijian advancement" had failed in the past to avert political crises and had instead fostered massive corruption and abuse of public funds (the farming assistance scheme being only the latest example). The vicious cycle of political instability, racial policies, and economic mismanagement thus looked set to continue. In such a situation it was perhaps no wonder that so much seemed to depend (however unrealistically) on the rulings of the courts.

SANDRA TARTE

References

- Post*, *The Daily Post*. Daily. Suva.
Sun, *The Fiji Sun*. Daily. Suva.
The Sunday Times. Weekly. Suva.
Times, *The Fiji Times*. Daily. Suva.

NEW CALEDONIA

As France continued to delegate administrative and fiscal responsibilities to the territory in compliance with the 1998 Noumea Accord, the March 2001 municipal elections, challenges in forming the executive council of the Congress, and senatorial elections in

September all revealed growing complexity in local politics as well as disarray in the pro-independence coalition. John Connell (1988, 231) once argued that the confrontation between a pro-independence indigenous front and an entrenched colonial system bolstered by resident loyalists gave New Caledonia more nationalist cohesion than other linguistically diverse Melanesian countries, which have been wracked by secession movements, civil wars, and military coups. The inverse of his idea may also be coming true, that is, in an officially *postcolonial* era, New Caledonia's ethnic and linguistic diversity may undermine the old polarized fronts (even as Fiji's harden) in ways that would make the martyrs of the 1980s scratch their heads in wonder. In the context of a local labor strike, a commentator declared, "It's no longer class struggle, but a struggle for *places* [posts]" (NH, 22–28 Feb 2001; the rhyme works better in French), and perhaps those words could apply just as well to local politics.

One of the ironies of the municipal elections in the territory is that they are directly controlled by Paris, which unilaterally seized that power in 1969 as part of its withdrawal of autonomy from the territory during a nickel boom. At this most intimate level of the democratic process, even 3,000 local residents who come from member countries of the European Community other than France are eligible to vote in the thirty-three Caledonian communal elections. Another imposition from the metropole was a new electoral law that requires gender parity, that is, each party must present as many women candidates as men. This

progressive proposal was opposed by some Caledonian leaders, such as loyalist Kanak Senator Simon Loueckhote, who argued that the territory was simply not prepared for such a sudden change—a stand that set off street protests by local women (Chappell 2001, 544–545) and led to a compromise that exempted smaller communes of less than 3,500 inhabitants. Another factor was the March 2000 law against the "accumulation of mandates," which prohibits politicians from holding more than one major elected office, for example, mayor of a large commune, congressional president, or member of French parliament. For 753 seats on municipal councils, 3,559 candidates campaigned on 149 party lists; voters had to opt for an entire list, not individuals, and seats were allocated on the basis of proportional representation (minimum: 5 percent of votes cast). In larger communes, a list that won an absolute majority gained not only that, but also a proportion of the remaining seats; if no list won an absolute majority, a run-off election was held, and losers who won between 5 and 10 percent of the votes could form new coalitions to contest the second round.

The loyalist *Rassemblement pour la Cal donie dans la R publique* (RPCR) generally showed more unity, with the notable exception of Paita, where Harold Martin won reelection by defying party chief Jacques Lafleur, who wanted to replace him as mayor with his cousin Ronald. The pro-independence *Front de Lib ration Nationale Kanak et Socialiste* (FLNKS), in contrast, proved rather weak as an electoral framework at the local level,

as its coalition members ran at times on one list, at other times on separate lists, and sometimes on lists combined with other parties, and local Kanak factionalism became pronounced. The two main coalition partners, the *Union Cal donienne* (UC) and Palika (*Parti de Lib ration Kanak*), once again ran separately, but even the UC was split, ever since seven of its congressional representatives had broken away from the leadership of Rock Wamytan the previous year. On each of the outer islands of Lifou and Mare, about 5,000 voters had to choose between eight or nine lists, including several alliances “against nature” (ie, loyalists and independence supporters). The RPCR predictably dominated the multiethnic southern province, where Jean Leques was reelected mayor of Noumea (he was also president of the congressional executive but had to give that up; see below), and Pierre Frogier was reelected mayor of nearby Mont-Dore (which he immediately gave up to remain a deputy in the French National Assembly). In an upset, Jean-Pierre Aifa, the longtime “caliph” (he is of North African descent) of Bourail and a dissident loyalist, lost to Guy Moulin of the RPCR, but Bernard Marant, another dissident loyalist, defeated his RPCR rival in Dumbea. One woman, Ghislaine Creugnet, was elected RPCR mayor of the smallest commune, Farino. In the northern province, Paul Neaoutyine won reelection as Palika mayor of Poindimie and kept his presidency of the province because Poindimie is so small, while dissident loyalist Robert Frouin retained his multiparty mayorship in Koumac, the north’s fishing port. In very close run-

off elections in the islands province, Palika took Ouvea, the UC took Lifou, and an anti-FLNKS coalition won on Mare—where high chief Nidoish Naisseline, once a radical nationalist, allied with the RPCR and its congressional majority partner, the *F d ration des Comit s de Coordination Ind pendantistes* (FCCI, former FLNKS leaders) (NC and NH, Mar 2001, various).

Altogether, two-thirds of the mayors elected were Kanak (only two of which were RPCR) and pro-independence lists won in almost twice as many communes (19) as the RPCR-FCCI coalition (10): 9 Palika, 6 UC, 3 UPM (*Union Progressiste M lan sienne*), and 1 FLNKS, compared to 8 RPCR and 2 FCCI, while the new municipal council majorities in four other communes did not fit readily into either camp. But the loyalist communes of the south are much more populous, amounting to over 60 percent of the total inhabitants (NC, 20 Mar 2001). The RPCR kept a firm grip on the capital, Noumea, where one-third of the registered electorate lives, winning 39 council seats compared to 10 for a mixed opposition led by dissident loyalists of the Alliance list; and Leques won the mayorship for a fourth six-year term. Ironically, the Kanak vote in Noumea was almost invisible, despite a large resident population (sometimes called the largest Kanak “tribe”), because Kanak voters tend to register in their home villages and commute to cast their ballots, in order to ensure the allocation of development funds there and to support local Kanak politicians. That strategy makes it very difficult for centrist or pro-independence lists to succeed in

the capital and contributes to a polarization among the provinces, with Kanak dominating the north and islands. It is one reason why independence supporters place so much hope in mining and fishing projects in the north, and in tourism in the islands, to draw business and population away from Noumea (Sylvain Pabouty, pers comm, Mar 2001). In France itself, apart from leftist upsets in Paris and Lyon, conservatives seized forty formerly leftist communes. This can be attributed to President Jacques Chirac's appeal to the insecurity felt in smaller towns in the face of Socialist Premier Lionel Jospin's controversial concessions to Corsican autonomists and general support for regional decentralization under the command of large cities. Chirac now feels confident of reelection as French President in 2002 (NC, 20 Mar 2001; *Monde*, Mar 2001; *Libération*, 22 Mar 2001; *Figaro*, 12 Mar 2001).

In the September election for senator (to the French parliament), Loueckhote of the RPCR won a second nine-year term with 250 votes, defeating Marie-Claude Tjibaou (wife of deceased UC leader Jean-Marie), who had 174 votes, and Aifa, the ex-mayor of Bourail, who had 51. The FLNKS hesitated even to participate, then opted to try to block the RPCR candidate but failed. The 484 "great electors" who choose the senator are selected by the municipal councils (weighted in favor of the more populous) and provincial assemblies (NC, 31 Aug, 26 Sept 2001; PIR, 25 Sept 2001). Loueckhote had been involved in a violent altercation with an older FLNKS supporter from his home island of Ouvea in March. The two were

waiting at Magenta airport for a flight to Ouvea to participate in the election of a mayor by the new municipal council, of which both were members, when the older man apparently began berating the senator. Before airport gendarmes could separate them, the senator punched and kicked the older man, who died of a heart attack shortly afterwards, though coroners could not establish a "direct and certain" link between the fight and his death. A subsequent lawsuit clearly did not affect Loueckhote's political career. Besides being senator, he is also president of the Territorial Congress, islands provincial assembly delegate, and municipal councilor on Ouvea (NC, 26 Mar, 28 Mar, 12 Apr 2001).

Leques had to resign from his presidency of the congressional executive (an eleven-person cabinet elected by the Congress and called "the government"), a position he had held since May 1999, in order to retain his mayorship of Noumea. The municipal election results thus precipitated a new election of the territorial government in April, which in turn exacerbated the disunity in the FLNKS. Frogier of the RPCR replaced Leques as president, but Leopold Jorédié of the FCCI, who had been convicted of corruption charges the year before and given a suspended sentence, was replaced as vice president by Déwé Gorodey of Palika. A pro-independence activist of long standing as well as a teacher and writer, she became the first woman to hold such a high office in New Caledonia. This victory for gender "parity" (the RPCR had one woman in the cabinet) was also celebrated by the FLNKS, because it had already been complaining of a lack of "collegiality"

(ie, power-sharing) between it and the RPCR-FCCI, which together hold a congressional majority of 28 to 26 seats. The RPCR retained six cabinet portfolios, the FCCI one (Jorédié), and the FLNKS four (divided among Palika, Wamytan's UC, the dissident UC group, and the Wallisian *Rassemblement D mocratique Oc anien*, or RDO). (NC, 6 Apr 2001; PIR, 8 Apr 2001) Unfortunately for the FLNKS, the French State Council ruled in October that one of the cabinet seats held by the pro-independence front had been awarded improperly and gave the eleventh seat to Raphael Mapou of the FCCI instead of Tino Manuohalalo of the RDO. The two had received almost the same number of votes, so Congress had given the FLNKS that seat, on the basis of Article L338 of the Electoral Code, because Manuohalalo was younger than Mapou, but the decision was reversed because Mapou had received slightly more votes (proportional rules normally average the votes). As a result, the FLNKS representation on the cabinet was reduced to only three out of eleven, and Wamytan, who had been threatening to boycott the government for two years over the collegiality issue, resigned from the cabinet, arguing that the FLNKS had won 40 percent of the votes in the 1999 provincial elections and deserved a bigger voice in decision making (NC, 3 Oct, 17 Oct 2001; PIR, 26 Sept 2001). "It is out of the question," Wamytan said, "that we should go on sitting in a government that has been made completely out of balance as a result of Court decisions which, in my view, are bordering on political decisions" (PIR, 23 Oct 2001).

Others argued that a more united FLNKS would easily have secured the disputed seat. Vice President Gorodey of Palika did not join Wamytan's cabinet boycott, nor did Gerard Cortot of the dissident UC group. The break-away of seven congressional UC representatives from Wamytan's leadership in April 2000 thus continued to haunt the FLNKS. In April, soon after the municipal elections, Wamytan called a meeting of the UC governing committee at the Club Med in Noumea. He denounced in strong terms the "permanent putsch" by dissidents that threatened to ruin New Caledonia's oldest political party, which had lost control of seven communes the month before. Pascal Naouna resigned as UC vice president in protest, claiming that his dissident group wanted to preserve a UC identity separate from the FLNKS coalition (Wamytan was head of both). The embattled president warned against the *embourgeoisement* (becoming middle-class) of party militants, which had already drawn former FLNKS members like Jorédié and Mapou into the collaborationist FCCI: "Will we know how to resist the pressures of the [French] State and the multinationals?" (NC, 9 Apr 2001). Wamytan received a vote of confidence in July when the Melanesian Spearhead Group held its annual summit in Noumea. After a diplomatic wrangle over whether it was France, New Caledonia, or the FLNKS that was hosting the meeting, the regional group showed its opinion by electing Wamytan its president for the next two years (PIR, 17 July 2001; NC, 30 July 2001). But in November, the UC's thirty-second annual congress elected Naouna president by a vote of

174 to 74 against Wamytan; Naouna had lost to Wamytan by only four votes the previous year (*NC*, 5 Nov 2001; *PIR*, 9 Nov 2001). And in December, the annual FLNKS congress refused even to choose between Wamytan or Palika's Neaoutyine as its president. FLNKS spokesperson Victor Tutugoro, of the UPM, explained, "The Congress confided the direction of the management of the party to the Political Bureau for a period of one year" (*NC*, 24 Dec 2001).

It is worth noting that Palika normally operates exactly that way, without a president, and its star is rising as the UC struggles. The FLNKS is still respected as a "tool of struggle" by pro-independence militants but as less than useful as an electoral mechanism. At its November congress Palika asserted that FLNKS coalition members (UC, Palika, UPM, RDO) will campaign as autonomous parties in elections, and that Palika will continue to try to convert people to its goal of "revolutionary socialist Kanak independence" based on Kanak values and the principles of "justice, equity, equality and solidarity" (*NC*, 8 Nov 2001). Yet people have prematurely predicted the demise of the UC for decades; by January 2002, Naouna of the UC became head of an FLNKS delegation to Paris (*NC*, 19 Jan 2002). The difference between the UC and Palika is partly one of generations, since the latter was formed by student radicals in the 1970s and still tends to attract younger, university-educated Kanak such as Charles Washetine and Sylvain Pabouty. The FLNKS is also divided by internal Kanak rivalries based on family, chieftaincy, language group, or region, in addition to the

emerging class divisions that Wamytan and others warn about. In the March municipal elections on Mare, for example, discord within the UC, local rivalries within and between tribes, and "customary" vs "administrative" Kanak factionalism gave the mayorship to a motley anti-FLNKS coalition (Jean-Paul Caillard, pers comm, Apr 2001; *NH*, 22–28 Mar 2001).

Meanwhile, the RPCR coalition partner in Congress, the FCCI, tends to be regarded either as "realistic" pro-independence people who are trying to work constructively with loyalists, or as stooges of the RPCR who are fleeing to Lafleur's patronage from legal or financial problems or political eclipse. In July, the FCCI congress elected François Burck, mayor of Moindou, as its party president by 38 votes to 28 for incumbent Mapou, a former Palika militant. Burck, an old companion of Jean-Marie Tjibaou and moderate head of the UC for seven years until 1998, vowed to work for local citizenship and a common destiny for all Caledonians, as the Noumea Accord prescribed (*NC*, 22 July 2001). The sticky ideas of local citizenship and preferential employment for long-term residents have yet to be seriously addressed, and the Noumea Accord raises other complex cultural issues. As Naisseline pointed out in May, an organic law of 1999 proposed that territorial residents had to choose within five years whether to live under French civil law or indigenous custom; but after two years, no real preparation has been made to educate people about making such a decision (*PIR*, 31 May 2001). A founding leader of Palika, Naisseline

broke away in 1981 over the issue of whether Kanak culture or “scientific socialism” should guide the party. Naisseline uses his chiefly power base on Mare to retain political office and defend custom. He attacks former Kanak militants who seek “French respectability” as untraditional professionals, yet says France “is no longer an enemy to combat, but a partner” (NC, 2 Nov 2001)—evidently against FLNKS domination at this stage of his career. After the nineteenth annual congress of his party, *Lib ration Kanak Socialiste* (LKS), in November, he again criticized the new Kanak political class for excluding from power “the customary, religious masses and young people,” and denounced the French State, the RPCR, and the FLNKS for imposing a European political system that did not fit: “We want to install an Oceanian democracy.” Criticized by the FLNKS for repeatedly forming expedient coalitions with the RPCR, FCCI, and other dubious liberationists, he says “politics is a game of alliance” (NC, 8 Nov 2001). Naisseline holds provincial and municipal office and occupies the sole LKS seat in Congress.

The RPCR may dominate territorial politics (just as some critics of the Noumea Accord’s plan to delegate increasing authority from Paris to Noumea once predicted), but it too faces dissident opposition in the loyalist camp. At the head of the RPCR since its founding in 1977 is millionaire businessman Lafleur, who is a deputy to the French parliament and member of the Territorial Congress. His social receptions have been likened to the court of Louis XIV, whom he in fact occasionally quotes;

if courtiers do not receive a handshake from him, it is whispered that their political careers are ruined. Less respectful critics refer to Lafleur’s powerful political and economic patronage system as a “mafia.” In the past four years his regal attitude has cost him six convictions for public slander and other civil injuries to people ranging from a former French administrator to a local newspaper editor. Frogier and Loueckhote, his fellow parliamentarians in Paris, wrote a joint letter in October to President Chirac protesting against the many damages Lafleur has had to pay, calling it “colonial justice” (NC, 18 Oct 2001; PIR, 12 Feb 2001). Meanwhile, dissident loyalists of the Alliance party led by Didier Leroux and Sonia Lagarde continue to condemn Lafleur’s monopolism, and Martin remains “RPCR” mayor of Paita in defiance of his official exclusion from the RPCR. At the congress of the RPCR in June, supporters of Martin spoke in favor of more democracy within the party and the need to prepare for a successor to Lafleur, who himself has talked of retirement. But Lafleur still opposed Martin’s reinstatement, accusing him of wanting power only for himself and stressing the need for unity and discipline (NC, 11 June 2001). Lafleur was reelected president of the party by a show of hands, and Loueckhote asserted, “Which political party is now able to unite so many people? Only Jacques Lafleur’s party. It just needs to utter his name” (PIR, 27 June 2001).

On the economic front, New Caledonia’s normal trade deficit was reduced by about one-third in 2000, thanks to that year’s rise in world

prices for nickel, the territory's largest export. France still provided 82 percent of the territory's imports (PIR, 19 Mar 2001). Local commercial farming and livestock raising increased another 4 percent, for a total of 60 percent since 1989, and a new tuna fishing fleet based at the northern port of Koumac received its first two vessels in March (NC, 26 Mar 2001; PIR, 23 Apr 2001). In December, the Congress approved a law that delegated control of the territory's coastal zone from France to New Caledonia and its provinces, though the LKS, UC, and Alliance voted against it, while the FLNKS abstained, because of concerns expressed by the new Customary Senate over the impact of applying French-derived littoral law on Kanak customary rights (NC, 22 Dec 2001). The local tourism industry was already in crisis as some airlines had recently cancelled their routes to New Caledonia, and the September 11th attacks on New York and Washington DC led several tour agencies to drop the territory from their destinations (PIR, 5 Oct 2001). Various local groups expressed opposition to those attacks, including the FLNKS, for whom Tutu-goro said, "Blind terrorism is to be condemned since it mainly strikes the innocent." He reminded the super-powers, however, of "other peoples around the world, who have or still endure violence on a daily basis and in the name of a certain established order, whether in central Europe, in the Middle East, in central Asia or on the African continent" (PIR, 19 Sept 2001).

The Frogier government expressed official optimism about a number of developments, such as the July deci-

sion by Paris, after long negotiations, to approve the territory's purchase, tax-free, of two 278-passenger Airbus A330 planes for Air Calédonie International, whose expanded tourism service to Japan will replace Air France on the Tokyo–Noumea run (NC, 28 July 2001; PIR, 15 Aug, 31 Oct 2001). Moves to localize the police force with better training and more recruitment from the interior went forward, as French Secretary of State for Overseas Territories Christian Paul called New Caledonia the envy of the Pacific because of its new political stability and autonomy (NC, 27 Nov 2001). The Congress also revamped its recent General Tax on Services (now called a Tax of Solidarity on Services) of 4 percent so that its revenues could be applied to the ailing social services fund; this will enable the implementation of a new Unified Social Coverage plan. The latter was particularly supported by Palika, which voted with the loyalist majority against the UC and FLNKS on the tax reform (NC, 24 Nov 2001). The Congressional Finance Commission predicted an economic boom, primarily because of new investment in nickel mining and processing plants, but that industry was a cause of concern for the opposition parties (NC, 21 Dec 2001). In January, the government voted to give the new nickel plant at Goro, a joint venture between the State and Inco of Canada in the South, twenty years of full or partial tax exemption, compared to only thirteen for the new plant at Koniambo in the Kanak-ruled North, a joint venture between the province and Falconbridge of Canada. Pro-independence parties cried foul, as did Mapou of the

FCCI, and environmentalists criticized potential coastal pollution by the Goro plant (NC, 31 Jan, 1 Feb, 16 Feb 2001). Furthermore, nickel prices dropped almost 50 percent in 2001, causing the northern province's mining firm to reduce working hours for 600 of its employees (PIR, 16 Nov 2001). Others warned that a boom in nickel production would increase immigration and repeat the political crisis of the early 1970s, when loyalists gained a demographic majority for the first time (Jean-Paul Caillard, pers comm, Apr 2001). Despite these obstacles, the government is making every effort to expand production, which so far provides only 6 percent of the world demand (PIR, 28 June 2001).

In spite of *embourgeoisement* among politicians, militancy survived on other fronts. A "social pact" negotiated in 2000 was designed to prevent wildcat labor strikes (NC, 24 Mar 2001), but the pro-independence *Union Syndicaliste des Travailleurs Kanak et Exploités* (USTKE) waged its usual militant battles against various employers periodically throughout the year. In February, it closed down the French overseas radio and television station (RFO) in Noumea for a week, its ninth such action against the RFO in five years, and in April it began four months of rotating strikes against Jean-Lefebvre Pacifique over the firing of unionists (NC, 21 Feb, 28 July 2001). After celebrating its twentieth anniversary in December, when it reaffirmed its goal of building a multi-racial, independent Kanaky (NC, 7 Dec 2001), the USTKE closed out the year by occupying the Club Med after the latter closed its doors following

the September 11th crisis in tourism (NC, 12 Jan 2002). The eighth Conference of Pacific Women met in Noumea in September (PIR, 12 Sept 2001), and in October, 300 New Caledonian women marched through the city demanding the creation of women's centers in each commune and a territorial ministry of women's affairs. Women workers outnumber men in New Caledonia and hold more than 60 percent of higher educational degrees but receive less pay than men for the same jobs (PIR, 22 Oct 2001). The Melanesian Spearhead held its Festival of Melanesian Arts on Lifou in the islands province in December (PIR, 12 Nov 2001), but New Caledonia's bid to host the 2007 South Pacific Games was defeated by a council vote of 25 to 16 in favor of Sāmoa, which the territory's promoter Eric Gay typically attributed to an "Anglo-Saxon" conspiracy (PIR, 11 Dec 2001). Land reform to redress Kanak grievances about colonial expropriation continued (PIR, 12 Oct 2001), and the Jean-Marie Tjibaou Cultural Center welcomed the return of eighteen Kanak artifacts from the Musée de l'Homme in Paris for a three-year exhibition (PIR, 14 Aug 2001).

While most political news focused on Caledonian loyalists and Kanak nationalists, relations with Wallis and Futuna, which has sent over half its population to New Caledonia in the past half century, were also an important issue. The Noumea Accord proposed the negotiation of a special agreement between the two French territories, because local Caledonian citizenship and hiring preference were clearly perceived as threats to contin-

ued access to New Caledonia's mineral-rich economy by migrant workers from its resource-poor Polynesian neighbor. Talks continued during the year, and a draft text was signed in June. It proposed the full integration of Wallisians long resident in New Caledonia, but also called for more French investment in developing Wallis and Futuna "to better fix the populations and limit the flow to New Caledonia" (NC, 2 June 2001). The RDO, which belongs to the FLNKS coalition, called for more aid to Wallisian communities in New Caledonia. Wallisians often live in poor conditions and are still treated like immigrants, RDO leader Aloisio Sako said; even though "we have contributed to the wealth of this country, we have worked hard. . . . Yet today most of the aid measures and re-balancing benefits Kanak not us" (NC, 12 Feb 2001). Bitter Kanak memories of hired Wallisian militias in the service of loyalists during the violent 1980s still affect relations between the two groups. In early December, an armed conflict erupted in the St. Louis community in Mont-Dore near Noumea. After school, students from both groups fought, and six houses near the Catholic church were set on fire. In 1985, 500 Wallisians had received a gift of twenty-three hectares of land and had followed appropriate customary protocol to gain acceptance in the Kanak tribe of St. Louis (of which Wamytan is a chief). But when the Wallisians appeared to receive more benefits from the government (such as water, electricity, and housing), while the Kanak had to barricade the road to demand streetlights, and later Wallisian immigrants acted without respect

for the Kanak, tensions exploded. Recent peace talks produced a truce and a proposal to relocate the Wallisians to a new site, but the underlying problem was delinquency among unemployed young Kanak and Wallisians, due to the unequal distribution of economic growth in the territory (NC, 10–18 Dec 2001; PIR, 12 Dec 2001; Kanaky, 12–18 Dec 2001). Wallisians now comprise almost 10 percent of the territorial population, and in the municipal elections in March, their performance groups danced for whichever party, loyalist or nationalist, would support their claim to a place in the territory's proposed "common destiny."

DAVID CHAPPELL

References

- Chappell, David. 2001. New Caledonia in Review: Issues and Events, 2000. *The Contemporary Pacific* 13:541–551.
- Connell, John. 1988. Melanesian Nationalism. In *New Caledonia: Essays in Nationalism and Dependency*, edited by Michael Spencer, Alan Ward, and John Connell, 230–253. St. Lucia, Queensland: University of Queensland Press.
- Kanaky. <Kanaky@yahoogroupes.fr>
- Le Figaro*. Daily. Paris.
- Le Monde, Sélection Hebdomadaire, and Dossiers et Documents*. Daily, weekly, monthly. Paris.
- Libération*. Daily. Paris.
- NC, *Les Nouvelles-Calédonniennes*. Daily. Noumea.
- NH, *Les Nouvelles-Hebdomadaires*. Weekly. Noumea.
- PIR, *Pacific Islands Report*. <<http://pidp.eastwestcenter.org/pireport>>

PAPUA NEW GUINEA

Years of unabated and systemic corruption within Papua New Guinea's government machinery and preoccupation with political self-aggrandizement over economic rationalities finally took visible toll on the country's economy in 2001. Anyone familiar with the country's past glory days strolling through the streets of Port Moresby would no doubt confront the stark realities of poverty in the eyes and physical appearance of most city dwellers. Indeed, Prime Minister Sir Mekere Morauta concedes that the 1990s was a decade of lost development for Papua New Guinea, evidenced by the country's disappointing human development indicators (*Post-Courier*, 18 Oct 2001).

With a population of over 5 million people (up by 36 percent since the last census in 1990) and a growth rate of 3.1 percent compared to 2.7 percent in the last decade, the Asian Development Bank (ADB) declared that over a third of the population now live in absolute poverty (ADB 2001). The country's average income fell by almost 75 percent from a high of US\$1,300 in 1994 to US\$744 in the millennium as the economy entered a nontransitory period of recession (*National*, 24 Sept 2001). Public debt rose to K8 billion in 2001, compared to K3 billion in 1999 when Morauta took office. Morauta's long and winding "road to recovery" and promised "date with destiny" (made in November 1999 during the parliamentary presentation of the 2000 budget) inevitably made public-sector reforms the dominant issues. Most significant was the sale of state-owned enterprises in 2001.

For the preceding two years, the Morauta government and the Privatization Commission have had to contend with the results of years of rampant corruption and mismanagement by political appointees, which by 2001 had virtually destroyed the independence and decimated the capital of most of the state-owned enterprises. Because the release of further World Bank loans was premised on the privatization of the state bank, the Papua New Guinea Banking Corporation (PNGBC), it had to write off bad debts amounting to K45 million in order to attract potential buyers and struggled with nonperforming loans in its portfolio. The previous year had seen the state bank incurring a declared operating loss of K31 million when it spent K114 for every K100 earned. Other state-owned enterprises were all technically insolvent. The Electricity Commission was over K400 million in debt, while Air Niugini had incurred operating losses of K42 million in 1998 and K36 million in 1999 (*National*, 26 July 2001). Post PNG, which is responsible for mail delivery, owed creditors some K25 million and was subsequently placed under liquidation.

In response to trade union opposition to the privatization of PNG Banking Corporation and an anti-land mobilization movement comprising university students and socialist nongovernment organizations, Prime Minister Morauta challenged his critics to choose between "service" and "ownership" and provide tangible alternatives to privatization. The prime minister lamented, "We will try and explain but I can't go on explaining until the nation is dead" (*National*,

18 July 2001). A two-day protest in July against privatization and land reform by students and unsuspecting squatter settlers, who were mobilized by socialist nongovernment organizations, resulted in the death of four University of Papua New Guinea students when live bullets were fired on the protesters by police riot squads flown in from the Highlands region. The confrontation resulted from a police attempt to break up a sit-in by protesters in the Waigani government area.

Elsewhere, in the superannuation industry—where political appointees flexed their muscles on the boards—the carnage of corruption was also visibly clear. A commission of inquiry looked into the mismanagement of the National Provident Fund (NPF) that resulted in a 15 percent write-down of private-sector workers' funds; they learned that the former NPF chairman, Jimmy Maladina, who had since fled together with his family to Queensland, Australia, had decimated the fund of almost K8 million. Jimmy Maladina was appointed to the NPF board by the former government of Bill Skate under intense pressure from the former finance minister and parliamentary leader of Morauta's People's Democratic Movement party (PDM), which was a major coalition partner in the Skate government. Some of the stolen money (K200, 000) was rumored by the opposition leader, Sir Michael Somare, to have been solicited by Morauta to change the Skate government in 1999 (*National*, 6 Dec 2001). Moreover, between K1 and K3 million of the NPF funds was also alleged to have been paid to twenty-seven PDM ministers whose names

were identified in an affidavit sworn in a Brisbane court by an Australian associate linked to the NPF scam. The business associate was the managing director of PNG First Real Estate, one of the companies used by the ringleaders as a front for parking the missing NPF funds (*National*, 6 Dec 2001).

Nor was the Defence Force Retirement Benefits Fund spared the reach of politicians and their political cronies. The NPF Commission of Inquiry unearthed serious loopholes in the superannuation laws and practices, prompting Morauta to appoint a super funds task force to revamp the industry and avert it from further dilapidation.

Furthermore, politicians themselves lived up to their notoriety in terms of appropriating funds from the public coffers for personal use. In 2001 the Ombudsman Commission referred ten ministers of parliament to the public prosecutor on charges of misconduct. Such charges usually involve trial before a leadership tribunal and often result in dismissal from public office for a period of only three years. Eight of the ministers allegedly misused funds from the National Gaming Control Board (NGCB), which had been a major cash cow under the former administration. Because Morauta's PDM party had been a major part of the coalition in the disgraced Skate government, eyebrows were raised when the Morauta government had to hastily write off a total of K15 million from the NGCB books. This was made possible by parliament's acceptance of amendments to the National Gaming Control Board Act. The amendments were sneaked into parliament by the leader of government business and

voted on by an unsuspecting parliament, as ministers are often not given sufficient time to read what they are voting on, or they simply do not have the time to wade through tedious and lengthy public policy documents.

Broader public-sector reforms in the public service and PNG Defence Force were attempted. A confidential policy submission to cabinet in March 2001 sought to reduce the size of the force. However, this was met with stiff opposition from personnel based at Murray Barracks, the force's headquarters, leading to a dangerous standoff between the mutinous soldiers and Morauta. Resentment appeared to stem from the fact that the reform measures originated from an external task force, namely the Commonwealth Eminent Persons' Group, put together by Morauta and the Commonwealth Secretary-General in London. That this would have resulted in a much leaner, better-equipped, better-disciplined, and better-trained force did not matter to the disgruntled soldiers. For them the important issue was job security in an increasingly uncertain economic and political environment. To resolve the standoff, Morauta gave in, in deference to a new reform package to be designed internally, but given the country's financial mess, he insisted that retrenchment was necessary for the PNG Defence Force to remain viable. By the end of the year it was clear that the force would have to downsize by 1,307 men to a ceiling of 2,000 before March 2002. The first list of 110 names was approved by the Defence Council and submitted to the Department of Personnel Management. This time the Australian government made retrenchment funds available.

The year also saw the passage of a major piece of legislation, namely the Organic Law on Political Parties and Candidates (the Integrity Law). Legislative reforms to the electoral system have also been proposed to replace the current first-past-the-post system with the optional preferential voting system. The Integrity Law sought to limit the number of independent candidates and uncommitted party members who have been known to hop from party to party, thereby intensifying political instability. The new law also established a Political Party Board responsible for registering parties and administering the rules aimed at instilling discipline and reducing the number of parties. By year's end, twenty-two parties had registered for the looming 2002 election.

The preferential voting system seeks to broaden a candidate's representativeness. The majority of politicians have won their seats by a margin of victory of less than 6 percent over the runner-up, and this pattern has increased since the 1977 election. In fact, from 1977 to 1997 the number of seats with winning margins of 2 percent or less almost doubled, from 23 to 44 out of a total of 109 seats. In 1997, 80 out of 109 ministers (73.4 percent) won their seats by less than 6 percent (Okole 2001). Thus the obviously irrational behaviors of PNG politicians could be viewed as dysfunctional coping strategies in response to their high attrition rate at the polls.

Yet another major piece of reform was the restoration of the Public Services Commission, in a nostalgic effort to relive its glory days before 1986 when it monopolized the power to hire and fire. The reform promises to

eliminate the power of politicians to appoint cronies and business associates to senior positions in the public service and state-owned enterprises. The rejuvenated Public Services Commission would help restore appointments to provincial governments such as that of the Southern Highlands, where, as political infighting wore on, at the end of 2001 no less than four provincial administrators were being paid against a position for only one (*Post-Courier*, 20 Dec 2001).

The Morauta government also moved to subject the perks and privileges of heads of state-enterprises to the review of the Salaries and Conditions Monitoring Committee. This was done by endorsing a proposal to have state-owned businesses established under the Companies Act be subject to the monitoring committee. Hitherto, a practice has been for political appointees to state-owned enterprises to draw up their own employment contracts, seldom for less than K200,000, and subsequently engineer their own termination by the minister responsible, or by another minister acting on the position while the incumbent minister purposely takes an overseas trip. The politically appointed executive then cries foul and either goes to court or lobbies for an early out-of-court settlement. This tactic when not checkered is used to attract full-contract entitlement payment for the usual contract period of three years, to the detriment of the concerned state-owned enterprise. Various parties to the deal, including the minister responsible, stand to benefit from the distribution of the spoils.

The efforts of the Morauta government to reform the PNG economy eventually paid off, at least for the

time being, in December 2001 when the World Bank announced the release of the second tranche of a US\$90 million loan under the Governance Promotion Adjustment Loan initially agreed to in June 2000 (World Bank 2001), as well as the approval of a US\$70 million loan from the Asian Development Bank toward public sector reform (ADB 2001). The Morauta government's public-sector reforms are being coordinated by the Public Sector Reform Management Unit, located within the prime minister's department, and the Central Agencies Coordination Committee. The loan funds are earmarked mainly for meeting the costs of retrenchments, and improvements to human resource management and payroll system. Nearly all aid donors including AusAID have contributed to PNG public-sector reforms since 1997, often under the generic terms of "good governance" and "institutional strengthening."

The release of the loan monies came in the wake of the decision by the Morauta government to sell 75 percent of PNG Banking Corporation to a local bank, Bank South Pacific (BSP), for K175 million (*National*, 30 Nov 2001). The sale price itself was controversial in that a year earlier the value of the state bank had been estimated at K400 million. The choice of Bank South Pacific as the highest bidder was also controversial as it was reported that the Australian and New Zealand Banking Group (ANZ) was willing to pay K200 million. Arousing further controversy was the government's eleventh-hour decision to sell 75 percent of the bank, 25 percent more than its initial share offer. In addition, conflict of interest in the sale

was alleged on the part of key officials with vested interest in the parties to the sale. For example, the managing director of the Privatization Commission, Sir Henry ToRobert, is also the chair of Credit Corporation, which prior to the sale was a major shareholder in Bank South Pacific, the buyer of PNG Banking Corporation; the BSP chair is the current managing director of Credit Corporation; and the current PNGBC executive chair is the former chair of Credit Corporation. Ironically, after the sale of PNG Banking Corporation, Privatization Commission Executive Chair Ben Micah had to quit his K400,000 post, as he himself was declared insolvent by the National Court for owing the banking corporation over K481,000, with annual interest accruing at 11 percent (*Post-Courier*, 24 Dec 2001).

By December 2001, a number of agencies from within and without gave scorecard evaluations of the Morauta government's performance. The PNG Institute of National Affairs, a private-sector think tank, credited the Morauta government with making positive reforms to the political system and monetary policy and moving the resolution of the Bougainville crisis to within a pen's stroke, as parliament had only to vote on an autonomy package following the signing of the Bougainville Peace Agreement on 30 August, but they also reported that the government had failed to remove obstacles to investment and growth, which it identified as corruption, infrastructure problems, crime and theft, and policy instability.

The International Monetary Fund commented that the government's structural reform and economic stabi-

lization program stayed on course despite a very volatile business environment, and lauded the public-sector administrative reform. It noted that functional reviews for the departments of Finance, Treasury, Prime Minister and National Executive Council, Personnel Management, Foreign Affairs, and the National Fisheries Authority had been completed.

The Australian government-owned Export Finance and Insurance Corporation concluded that the PNG economy was on the verge of "terminal decline" as Morauta had failed to avert budgetary and external liquidity problems. It particularly feared that public debt (K8 billion) would become unsustainable in the long run if no new foreign capital flows were found. However, it also accepted that the prime minister deserved credit for keeping the economy afloat through stabilization and structural adjustment programs.

At the end of 2001, one got the feeling that the future of PNG as a viable state was critically dependent on the kind of political leadership the voters would enlist after the June 2002 national election, one not simply in the category of being a lesser evil.

DAVID KAVANAMUR

References

- ADB, Asian Development Bank. 2001. Moving to a Performance-based Public Sector in Papua New Guinea. News Release 192/01, Manila.
- National*. Daily. Port Moresby.
- Okole, Henry. 2001. The Fluid Party System of Papua New Guinea: Continuity and Change in a Third Wave Democracy.

PhD dissertation, Department of Political Science, Northern Illinois University.

Post-Courier. Daily. Port Moresby.

World Bank. 2002. Papua New Guinea: World Bank Approves the Release of the Second Tranche under the Governance Promotion Adjustment Loan. News Release 2002/170/s, Washington DC.

VANUATU

Vanuatu experienced another change of government as a result of a no-confidence motion in 2001. While no-confidence motions have formed part of the political landscape in Vanuatu in recent years, what made this event extraordinary was the involvement of the Supreme Court in the parliamentary wrangles. These events have dominated politics in Vanuatu in 2001.

At the beginning of the year the government was a coalition headed by Barak Sope of the Melanesian Progressive Party. The other main partners in this coalition were the Union of Moderate Parties, the National United Party, and the Vanuatu Republican Party. This government had come to power in November of 1999, when then Prime Minister Donald Kalpokas of the Vanua'aku Party resigned in order to avoid a no-confidence motion.

Dissatisfaction with the Sope-led government had been growing, due in large part to its dealings with Amarendra Nand Ghosh. Ghosh, a Thai businessman, came to attention in April of 2000. It was around this time that, soon after giving the Vanuatu government 10 million vatu for disaster relief, he was appointed Honorary Consul to Thailand and awarded honorary citizenship. This resulted

in complaints that he had effectively bought a diplomatic passport. Throughout the year his business interests in Vanuatu and involvement with various politicians increased, raising some concerns. Toward the end of 2000 Ghosh's involvement with the Vanuatu government took a somewhat bizarre turn as he presented the country with a gift of a ruby allegedly worth US\$174 million. The stated purpose of this gift was "that it could be used as collateral to get financial assistance" (TP, 6 Dec 2000). No independent valuation of this ruby was available however, nor was it available to be inspected by customs officers. The ruby's valuation on Australian customs declaration forms was only US\$40,000, casting further doubt on its value.

In March of 2001 dealings between Ghosh and the Vanuatu government took a further strange turn when it was revealed that the government had signed an agreement with Ghosh that apparently would give him bank guarantees worth US\$10 million over a period of ten years. As a further part of this agreement a Hong Kong-based company, Sun Jewel group, who had agreed to buy the ruby for US\$175 million, was to manufacture gold and silver coins for sale by the Reserve Bank of Vanuatu. The agreement provided that Ghosh would pay the costs associated with the manufacturing and transport of these coins, and the Reserve Bank of Vanuatu would keep all proceeds associated with the coins. This agreement was signed despite doubts expressed by the governor of the reserve bank as to the legality of such actions (PIR, 23 Mar 2001).

Another factor that contributed

to the vote of no confidence was the deportation of Marc Neil Jones, publisher of the *Trading Post* newspaper, on 19 January 2001. Jones was deported from Vanuatu for publishing stories about the relationship between Ghosh and the government. He returned to Vanuatu after two days, following an interim order by then Acting Chief Justice Lunabeck that allowed him back into the country until the legality of his deportation could be resolved in court. The matter was finally settled out of court, with Jones receiving about 1.4 million vatu in costs and personal compensation in December of 2001 (Jones, pers comm, 1 Feb 2002). The deportation raised widespread concerns about the government's lack of respect for constitutionally enshrined human rights. It also effectively raised the question of what the government had to hide in its dealings with Ghosh.

Soon after the bank guarantees agreement was signed, the Union of Moderate Parties left the coalition government and joined the opposition, led by Edward Natapei of the Vanua'aku Party. On 26 March the opposition, now having a majority in parliament, submitted to the Speaker, Paul Ren Tari, a notice of a motion of no confidence in Prime Minister Sope. The Speaker ruled that this notice was in order and placed it on the agenda to be debated on Tuesday, 3 April, as part of the First Ordinary Session of Parliament.

On 27 March the government withdrew all government bills intended for debate during the session. Sope then announced that the Council of Ministers, which had met earlier in the day, had resolved to advise the president

of the Republic of Vanuatu to dissolve parliament. He further stated that he would resign if the president declined to dissolve parliament. The Speaker then adjourned the sitting of parliament to the following day.

The president, Father John Bani, declined to dissolve parliament, because the motivation for doing so was to avoid voting on the motion of no confidence. Parliament therefore reconvened for normal business on March 28. Despite his earlier statement, Sope did not resign as prime minister. As there were no written questions before parliament, the Speaker adjourned the sitting to 4:00 PM on 3 April when parliament could debate and vote on the motion of no confidence.

Following the submission of the vote of no confidence there were allegations that agents of Dinh van Than, president of the National United Party, had approached various opposition members of parliament, attempting to bribe them to return to the government. Stories that opposition members of parliament were being harassed by groups of people, apparently on orders from various government supporters, also circulated (*TP*, 31 Mar 2001).

When parliament reconvened on 3 April 2001, the Speaker ruled that there would be no debate of the motion because it contained some typing errors or incorrect references to the provisions of the Constitution. As this was the last item on the agenda, the Speaker then closed the First Ordinary Session of Parliament.

That day the opposition took two actions. First they filed suit in the Supreme Court on the grounds that the Speaker's actions in closing the

First Session of Parliament were unconstitutional. They also filed a second motion of no confidence with the clerk of parliament and issued a summons to the Speaker to call an extraordinary session of parliament to debate this second motion.

On 6 April Chief Justice Lunabeck ruled that the closure of parliament was in breach of Article 43 (2) of the Constitution, which gives members of parliament a constitutional right to debate motions of no confidence, provided the correct procedures are followed. The typing errors or incorrect references were not sufficient grounds to prevent debate on the motion, particularly as it had been accepted for debate by the Speaker on 26 March. The court ordered that the Speaker reconvene parliament forthwith in order to allow debate on the motion (*Natapei & Ors v Tari No 1, 2001*). During this hearing the irregularities in the motion were rectified by the court. After this court ruling (which upheld the continued validity of the first motion of no confidence), the second motion became largely irrelevant to the political wrangling.

At 2:00 PM on 6 April parliament was reconvened, although many of the members of the Sope government did not attend or turned up late. When the session finally commenced the Speaker suspended parliament until Tuesday, 10 April. His apparent justification for doing so was that Standing Order of Parliament 23 allows for debate on written motions on Tuesday afternoons. Although members of the opposition tried to raise points of order, the Speaker did not allow any member of parliament to speak. On 10 April the Speaker again did not allow

anybody to speak, but adjourned parliament until 17 April. The apparent justification for this action was that no amendment to the written motion had been made, so parliament was adjourned to allow for an amendment to be made.

The next stage in the drama occurred on 11 April when the opposition applied to the Supreme Court for an order commanding the Speaker to summon parliament to meet that day at 2:00 PM to allow debate on the motion. Chief Justice Lunabeck found that repeated adjournments of parliament were unconstitutional, as they did not allow for the debate of the no-confidence motion, a right provided by Article 43 (2). He ordered that the Speaker summon parliament to meet at 6:00 PM on 12 April, and allow parliament time to debate and vote on the motion. He further found that the Speaker's actions constituted a breach of the court order of 6 April, and that any failure to comply with the new order to convene parliament would be in contempt of court (*Natapei & Ors v Tari No 2, 2001*).

Parliament was not convened, and on 13 April contempt proceedings were initiated. During these proceedings the Speaker apologized for disobeying the court orders and undertook to reconvene parliament at seven o'clock that night to allow for debate of the motion. On this apology the contempt proceedings were withdrawn, although the court ordered that any failure to convene parliament that evening would result in the Speaker being immediately arrested and imprisoned for six months (*Natapei & Ors v Tari [Contempt], 2001*).

As a further delaying tactic it

appears that Sope approached the acting commissioner of police seeking to declare a state of emergency, although nothing came of this action (PIR, 17 Apr 2001). Parliament finally convened and debated the no-confidence motion on the evening of 13 April. Sope was ousted and a coalition between the Vanua'aku Party and the Union of Moderate Parties became the new government. Edward Natapei of the Vanua'aku Party became the new prime minister, with Serge Vohor of the Union of Moderate Parties appointed his deputy prime minister.

With the vote of no confidence finally settled, the First Ordinary Session of Parliament of 2001 came to an end, although this was not to mark the end of parliamentary turmoil. The Speaker, still Mr Paul Ren Tari, summoned parliament to meet in the First Extraordinary Session of 2001 on 3 May, to debate various government bills and motions. On the morning of 3 May no opposition members of parliament attended, preventing a quorum from being formed. That afternoon the boycott continued, with only four opposition members of parliament attending. As a result parliament was adjourned until 7 May. On 7 May there was full attendance in parliament. Following opening formalities the Speaker proceeded to suspend six government members of parliament, including Prime Minister Edward Natapei and Deputy Prime Minister Serge Vohor. The Speaker's stated reason for the suspension was that the earlier petitions to the Supreme Court were breaches of the Standing Orders of Parliament. At no time were the six given an opportunity to speak or question points of order. The six sus-

pended members of parliament then left, along with the other government members of parliament. They almost immediately filed a constitutional petition with the Supreme Court. Meanwhile in parliament, after a brief adjournment, the Speaker closed the first Extraordinary Session, although less than half of the members were present. This raised a further legal issue of whether the session could be closed when parliament was inquorate.

On 8 May, at the request of the Speaker, the clerk of parliament issued notice of the Second Extraordinary Session for 2001. Included on this agenda were a motion of no confidence in Prime Minister Natapei and a motion to suspend all twenty-seven government members of parliament from three Extraordinary Sessions of Parliament and two Ordinary Sessions of Parliament. Meanwhile the Supreme Court commenced the hearing on the validity of the suspension of the members of parliament and associated matters. On 12 May the Court ruled that the suspension was invalid, because it prevented the six suspended members from legitimately exercising their lawful duties and responsibilities as members of parliament. Additionally, their having being given no opportunity to speak infringed various constitutionally enshrined human rights. The closure of the First Extraordinary Session of Parliament was also ruled to be invalid, as parliament was inquorate and various other constitutional provisions were also breached. Chief Justice Lunabeck further ordered the Speaker to reconvene parliament on the morning of 14 May to continue the First Extraordinary Session (*Nata-*

pei & Ors v Tari & Ors [Reasons for Judgment], 2001; *Natapei & Ors v Tari & Ors [Orders]*, 2001).

The Speaker, however, chose to ignore this order, and signed a statement to this effect. Early on Tuesday morning, 15 May, he was arrested and charged with making a seditious statement. First Deputy Speaker Irene Bongnaim and Second Deputy Speaker Henry Iauko were also arrested and charged with complicity in making a seditious statement. Parliament sat that day, but only after a worker broke into the parliament building, as Paul Ren Tari refused to release the keys. At this meeting Tari was relieved of the position of Speaker and former Prime Minister Donald Kalpokas was voted in to take his place. This left the government with twenty-six members, compared to the opposition with twenty-five members (*TP*, 16 May 2001). While there were some doubts whether the government could survive with such a slim majority, and on occasion Sope did discuss the tabling of a no-confidence motion (*TP*, 1 Sept, 13 Dec 2001), this government remained intact for the rest of the year.

Various legal issues and challenges from these events continued throughout the year, although they ultimately had little impact on the government. The sedition charges were finally quashed by the Supreme Court in November because of a legal technicality: Article 27 (2) of the Constitution prevents any member of parliament from being arrested or prosecuted during a session. As the Supreme Court had ruled that the closure of the First Extraordinary Session of Parliament on 7 May was invalid and of no effect, parliament was in

session at the time of the arrest and it was therefore unconstitutional (*TP*, 1 Dec 2001). On 29 October a challenge to the decision of 12 May was heard and dismissed by the Court of Appeal (*Tari & Ors v Natapei & Ors*, 2001).

One of the first acts of the new government was to sever relations with Ghosh. His diplomatic titles were canceled and he was requested to surrender his diplomatic passport and the four passports issued to staff members at his office in Bangkok. The ruby, however, remained in Vanuatu (*TP*, 12 May 2001).

The remainder of the year has been fairly quiet, although there have been some incidents of note. More prisoners were released as part of Independence celebrations, despite public outcries over the practice following an incident last year when a released prisoner was responsible for the killing of a man (*TP*, 1 July 2001). The commencement of the Customary Land Tribunal Act on 10 December marks the culmination of a review of land administration begun in early 2000. The object of the act is to provide for a system based on custom to resolve disputes about customary land. Although Vanuatu's land all reverted to customary ownership at the time of Independence, there has never been an effective procedure or administrative body for handling disputes. By establishing a number of land tribunals, each covering small "custom areas" with largely homogeneous customs, this act will hopefully address what has been a significant difficulty with the law and land administration in Vanuatu.

It has also been good to note that

dishonest behavior among politicians and within the public service is beginning to result in criminal prosecutions. In the middle of the year Deputy Principal Immigration Officer John Wai was found guilty of accepting a bribe to process residency forms. He was jailed for the offense for three months (TP, 4 Aug 2001). In November, Barak Sope was charged with forgery related to two government bank guarantees signed when he was prime minister. One of these guarantees is for US\$18 million and the other for US\$5 million. Ghosh, whose name had been mentioned in connection with the guarantees, has denied any involvement. An Australian, Edmond Gallea, is being investigated with regard to this matter. Gallea, who has apparently been given a Vanuatu diplomatic passport, has been involved in a large cattle deal in Santo, the details of which are still somewhat unclear (TP, 17 Nov 2001). Sope is no stranger to dubious bank guarantee dealings, having been implicated in ombudsman's reports in relation to bank guarantees worth US\$100 million given to Peter Swanson in 1996 (Vanuatu Ombudsman 2001). The preliminary hearing in this matter is set for February 2002.

Finally, the ombudsman has been permitted to continue an action commenced in 1997 to recover ex gratia payments and compensation payments made to various politicians in 1993 and 1994 (*Korman v The Ombudsman*, 2001). This proceeding was started by the previous ombudsman under the authority of the Ombudsman's Act 1995, which gave the ombudsman limited rights of enforcement in court if the recommendations

contained in public reports were ignored. The original hearings were interrupted by attempts to repeal the Ombudsman's Act 1995, and by various other attacks on the ombudsman of the time. Eventually the 1995 act was repealed and the new act, which commenced in 1999, does not give the ombudsman any powers of enforcement. This action is therefore an anachronism, but is nonetheless welcome as an attempt to make Vanuatu's politicians accountable for abuses of power.

ANITA JOWITT

References

Jones, Marc Neil. 2002. Personal communication, 1 Feb.

Korman v The Ombudsman. Civ. App. # 23 2001. Unreported, Court of Appeal of Vanuatu. 2001.

Natapei & Ors v Tari (Contempt). Unreported, Supreme Court of Vanuatu, C.C.# 49 2001. 13 April 2001.

Natapei & Ors v Tari No 1. Unreported, Supreme Court of Vanuatu, C.C.# 35 2001. 6 April 2001.

Natapei & Ors v Tari No 2. Unreported, Supreme Court of Vanuatu, C.C.# 35 2001. 12 April 2001.

Natapei & Ors v Tari & Ors (Orders). Unreported, Supreme Court of Vanuatu, C.C.# 59 2001, 12 May 2001.

Natapei & Ors v Tari & Ors (Reasons for Judgment). Unreported, Supreme Court of Vanuatu, C.C.# 59 2001. 12 May 2001.

PIR, Pacific Islands Report.

<<http://pidp.eastwestcenter.org/pireport/>>

Tari & Ors v Natapei & Ors. Unreported, Court of Appeal of Vanuatu, Civ. App. # 11 2001. 1 November 2001.

TP, *The Trading Post*. Port Vila. Three editions per week.

Vanuatu Ombudsman. 2001. Digest of Public Reports 1996–2000. Prepared by Edward R. Hill for the UNDP Governance and Accountability Project (Van/97/0101) and the Vanuatu Office of the Ombudsman. January.
<<http://www.undp.org.fj/vanombud/>>

WEST PAPUA

The gap continued to widen between Indonesian central government rhetoric and performance on the ground in its troubled eastern province of Irian Jaya during 2001. If carrots were proffered to the province, in the form of a law on “Special Autonomy” that is due to be implemented in 2002, sticks were still wielded vigorously by the government’s security apparatus, with the police and military acting in concert with the judiciary. Among the elements on offer in the Special Autonomy package is an apparent concession on use of the name “Papua” for the province, but the failure to satisfy a widely voiced Papuan preference for “West Papua” and the retention in official usage of the alternative but deeply unpopular “Irian Jaya” (Great or Victorious Irian) are symptomatic of a continued reluctance on the part of government to engage seriously in dialogue with its Papuan citizens.

The fall of President Suharto in May 1998 had ushered in a short-lived “Papuan Spring,” a brief eighteen-month period during which civilian political expression in Papua flourished and calls for independence were relatively freely voiced. A formal dialogue held in Jakarta in February 1999

between President Habibie and a team of a hundred Papuan representatives alerted the government to the depth of pro-independence sentiment in Papua. This sentiment then found more public expression in the form of two mass meetings in Jayapura, a Convention or *Musyawarah Besar* in February 2000, and a Congress in May–June 2000. The Congress, dubbed the “Second Papuan Congress” in acknowledgement of the Papuan Congress of 1961, issued a number of ambitious declarations, each of them unacceptable to Jakarta: a demand that Jakarta recognize the unilateral declaration of independence issued by the first Papuan Congress on 1 December 1961; a repudiation of the 1962 New York Agreement and the subsequent 1969 “Act of Free Choice” or PEPERA which, in the eyes of the United Nations, saw former Dutch New Guinea formally incorporated within Indonesia; a rejection of central government plans to carve Papua into three separate provinces; a fiat issued to the leadership of the Congress to seek international support for the cause of independence; and a call for the immediate involvement of the United Nations in a transfer of powers to an independent Papuan state.

A panel of Papuan leaders, the Papuan Presidium Council (*Presidium Dewan Papua* or PDP), emerged from the Second Congress, headed by Chairman Theys Eluay and Vice Chairman Tom Beanal. Theys, an elected chief from Lake Sentani, had formerly enjoyed a close relationship with Jakarta but had developed a somewhat ambivalent position since 1998 as an outspoken advocate of indepen-

dence while maintaining close personal and business relationships with various military officers. Tom Beanal, leader of the Amungme community in the area of the Freeport mine, was perhaps more widely respected as a genuine champion of Papuan rights, but early in 2000 he had decided to accept a position on the board of Freeport Indonesia.

Under the presidency of Abdurrahman Wahid, elected in November 1999, the Papuan Presidium Council and its supporters enjoyed an unprecedented latitude of political movement and expression. Across Papua, previously banned "Morning Star" flags associated with the independence movements were raised on 1 December 1999, and local community security posts (*posko*) established. Wahid's political and substantial financial support for the Second Congress played a part in his fall from power in July 2001, when Wahid was replaced by his strongly nationalist vice president, Megawati Sukarnoputri. Megawati's new cabinet restored hard-line nationalists and former generals to key positions, notably Gen. (ret.) Susilo Bambang Yudhoyono as Coordinating Minister for Security and Political Affairs, Gen. (ret.) Hari Subarno as Home Affairs Minister, and Lt. Gen. (ret.) Abdullah Mahmud Hendropriyono as the head of the new National Intelligence Bureau. Under their direction, the hard-won concessions of provinces such as Aceh and Papua have systematically been rolled back in a return to the military dominance of regional planning and administration that characterized the 1970s and early 1980s.

This process was already under way

prior to Megawati's presidency. On 8 June 2000, directly in response to the Papuan Congress of May–June, a meeting was called by the Ministry of the Interior's Directorate for National Unity and Public Protection at the Matoa Hotel in downtown Jayapura. Those present represented all of the intelligence agencies operating in Papua, including the local intelligence heads from the Special Forces (*Kopassus*) and the elite Regional Reserve (*Kostrad*). The meeting outlined what it interpreted to be a solidifying conspiracy among Papuan leaders, and proposed a series of possible government responses, both public and clandestine. The twenty-three-page minutes reporting the findings of the meeting to Minister Hari Subarno was subsequently leaked to human rights nongovernment organizations. Attempts by Minister Yudhoyono and others to deny that the "Matoa" document was genuine were undermined by Minister Subarno who, when questioned, admitted that the meeting had indeed taken place and observed simply that there had not been adequate funding to pursue the plans outlined in the report.

In a diagram entitled "Papuan Political Conspiracy," the Matoa document maps pro-independence cells (*fraksi*), each linked to a central axis, and identifies some thirty-eight leading individuals by name. Those listed include almost every notable Papuan, from known commanders of the Free Papua Movement (*Organisasi Papua Merdeka* or OPM), through church and NGO leaders, to the Jakarta-appointed Governor Jaap Salossa. The notion that these individuals might act in concert is absurd, though the suspi-

cion that they share a common hope for eventual independence is more plausible. The report set out a comprehensive plan of action for government agencies, including diplomatic initiatives designed to counter the Papuan Presidium Council's international activities, fast-tracking of economic development programs, the promotion of official histories of Papua's integration into the Republic, the creation of "civil defense" and "people's resistance" groups (or militias), the generation of a legal framework to cover repressive action, and the prosecution of strong sanctions against the leaders of the "Papuan Conspiracy."

Certainly the broader intentions of the Matoa document appear to have informed government responses to independence sentiments since mid-2000. On the morning of 8 October 2000 a well-planned assault by combined security forces on Papuan *posko* centers in the Wamena Valley that were flying the Morning Star flag announced an end to the earlier tolerance of political freedoms. Indonesian migrants were caught in the crossfire between the Wamena communities and the police and military, and as many as thirty-seven Papuans and migrants were killed. The killing of the migrants, some of them teachers whose houses had been used as sniper posts by the security forces, made headline news nationally. Preempting the pro-independence ceremonies on 1 December 2000, five of the PDP leaders, including Theys Eluay, were arrested on charges of treason, and in each of the regional centers flag-raising ceremonies were brutally interrupted. Clashes in Fak-fak, Sorong, Mano-

kwari, Tiom, and Jakarta resulted in several deaths and multiple arrests on charges of subversion. Many of those arrested during this period in Jayapura, Wamena, Jakarta, and elsewhere have been held under arrest for considerable periods of time and, even when released, live under the threat of having charges laid against them.

The government's diplomatic offensive was pursued with equal efficiency, and the Papuan Presidium Council found itself progressively cut off from international forums and avenues for support. The Presidium's success in gaining observer status at the Pacific Islands Forum in 2000 was not repeated in the August 2001 Forum meeting. Nauru, as the Forum host, had actively supported West Papua independence at the United Nations as well as at the 2000 Forum, but in 2001 withheld visas for PDP representatives while welcoming an official Indonesian government team. At the Forum, the government's Papuan spokesman, the State Minister for Accelerated Development in Eastern Indonesia, Manuel Kaisiepo, declared that human rights violations in West Papua were a thing of the past (see below for evidence to the contrary). Australia and Papua New Guinea completed this reversal of fortune for the Papuan Presidium Council by limiting reference to West Papua in the Forum Communiqué to a simple expression of "concern about violence and loss of life," and welcoming Jakarta's proposals for Special Autonomy.

The future of a negotiated settlement between Jakarta and Papua revolves around the question of autonomy. Autonomy, in the form

of a degree of control over resource benefits and other local revenues and administrative functions, had been offered by President Habibie to all of the country's regencies, thus bypassing the provinces and undermining their ability to pose a real challenge to Jakarta. In the two cases of Aceh and Papua, a "special" form of provincial autonomy was proposed, in order to counter separatist sentiment. Two competing drafts for the bill on Special Autonomy were brought to the national House of Representatives (DPR-RI) for consideration. The first had been prepared unilaterally by the Ministry of Home Affairs, with little or no Papuan input. Although this draft was endorsed by the provincial House of Representatives (DPRD Tingkat I) in Jayapura, it was ultimately rejected by the commission charged with presenting a draft to the national House. The second draft was put together in Jayapura by a team of Papuan academics and provincial government officials appointed by Governor Jaap Salossa, and represented a much more serious attempt to find some common ground between the positions of the Papuan Presidium Council and Jakarta. After lengthy negotiations between the House and the Governor's team, the Papuan draft was accepted as the basis for the bill in June 2001, but heavily reworked to eliminate all reference to the possibility of a referendum on Papua's future, and to emphasize Papua's role as an integral part of the Republic of Indonesia. The bill was formally endorsed by the House on 22 October, and plans announced for the formal presentation of the law by the president to the governor in Jayapura on 22 December.

The most generous provisions in the new Law on Special Autonomy or *Otonomi Khusus* for Papua relate to the redirection of resource revenues, allocating 70 percent of oil and gas to Papua, together with 80 percent of other natural resource revenues, including mining, forestry, and fisheries (though some doubt remains over the precise arrangements for mining), and an ongoing 2 percent of the national general allocation fund. Given the presence in Papua of both Freeport's Grasberg copper/gold mine and British Petroleum's Tangguh natural gas field (see below), this is expected to result in a doubling of the provincial budget of previous years. On most other matters the final bill proved less flexible. The powers to appoint a Commission on Human Rights and a Commission for Truth and Reconciliation, and to control the deployment and activities of the police and army, are all retained by Jakarta. Although provision is made for the establishment of traditional courts (*Pengadilan Adat*), these are to be subordinate to the national court system, which will continue to be regulated by Jakarta. Crucially, no place was found in the final bill for popular referendums on changes to the Special Autonomy Law or, as proposed in the governor's draft, on the fate of Special Autonomy after a trial period of five years. Although a symbolic concession is made on use of the name "Papua," the status of other symbols of Papuan identity, such as the Morning Star flag, remains uncertain. Permission is granted to use local symbols (flags and anthems) but these can only be "cultural expressions and cannot be used as independence symbols."

The key to Jakarta's strategy is the

offer to Papua of revenues from the various “mega-projects,” including the Freeport copper-gold mine, British Petroleum’s natural gas project at Tangguh, BHP-Billiton’s nickel prospect on Gag Island, and the plans for an industrial park centered on the Mamberamo hydroelectric project. Freeport’s production was restored to full capacity in January 2001 after the company forced through an agreement with community leaders on dumping its overburden in Lake Wanagon, the scene of two massive accidents, the second being fatal for four Freeport workers. In April, Mama Yosepha Alomang, an Amungme leader who has campaigned actively against Freeport, was awarded the Goldman Environmental Prize in San Francisco for her determined defense of the rights of the Amungme and Kamoro communities indigenous to the area of Freeport’s contract of work. Freeport countered this reversal by announcing details of a formal Memorandum of Understanding, signed with Amungme and Kamoro representatives, establishing a trust fund for the two communities, in an attempt to make amends after previous, poorly implemented attempts at compensation. In August the national environmental nongovernment organization, WALHI, secured an inaugural, if limited, victory in a Jakarta court against Freeport on the matter of insufficient disclosure about the Wanagon accidents. British Petroleum’s massive Tangguh natural gas project in Bintuni Bay is likely to proceed to production in 2004, and will ultimately produce even more revenue for the province than Freeport. However, plans for a joint venture nickel project on Gag Island involving BHP-Billiton, Falconbridge,

and Aneka Tambang were suspended when Falconbridge withdrew, citing the obstruction posed to the project by legislation banning mining in National Protection Forest areas. Despite optimistic announcements by government officials, both national and provincial, little headway has been made with the formal components of the Mamberamo project, amid doubts over the technical feasibility of a large dam in a dynamic river system, and uncertainty over the scale of environmental impacts and the political future of Papua. Nevertheless, numerous timber and oil palm projects have gained a foothold in the Mamberamo area, riding on the coattails of the larger project.

Papuan disappointment with the Special Autonomy legislation focuses on Jakarta’s mistaken assumption that the financial benefits of autonomy will ultimately compensate for the lack of political freedoms and personal security. A “paralyzing polarization” of debate within Papua, which associates “M” (*Merdeka*, or immediate Independence) with true Papuan aspirations, and “O” (*Otonomi*, or Autonomy) with submission to the will of Jakarta, had previously undermined attempts to discuss moderate positions at the Papuan Congress. Even before the details of the final bill had been released, Special Autonomy had been rejected out of hand by the Papuan Presidium Council and various OPM spokesmen on the grounds that it fell short of demands for a referendum and had involved little or no dialogue with Papuan community leaders. An early attempt by the governor’s team to “socialize” their draft, at a seminar in Jayapura on 28 March, was disrupted by student protests and

the walkout of many of the regional representatives gathered together to discuss the draft. A heavy-handed attempt by police to quell these protests resulted in the death through injury of one of the protestors. As an observer remarked, if the academics of the governor's team had failed to adequately socialize the concept of special autonomy among their own students, there could be little hope for success before the broader Papuan public. Papuan supporters of the concept of special autonomy (if not the final form of the bill), including the governor, members of the local and national legislatures, senior academics, bureaucrats, and church leaders, have argued that the new law, however compromised, is a necessary first step towards satisfying Papuan expectations.

Levels of violence in Papua have often reflected the personal attitudes and ambitions of provincial commanders, and there was an air of cautious optimism following the appointment in late 2000 of Maj.-Gen. Tonny Rompis, an apparent moderate who had put the case for a persuasive rather than repressive response to calls for Papuan independence. His death in a plane crash in the Central Highlands on 8 January, along with eight others including the provincial police chief, FX Soemardi, and the Speaker of the provincial parliament, Nathaniel Kaiway, was a severe blow to advocates for peace on both sides. In place of Rompis the army appointed Maj.-Gen. Mahidin Simbolon, a Special Forces veteran, famous for his intelligence work that resulted in the capture of Fretilin leader Xanana Gusmao, and for his role in the organiza-

tion of East Timorese "militias." In contrast, the new police chief, Brig.-Gen. I Made Magku Pastika, has proved to be an unusually liberal appointment.

Late in 2000, Minister for Defense Mahfud had declared the government's intention to return to a "security" approach in its handling of Aceh, Maluku, and West Papua, and a major redeployment of fifty-one battalions, or 40 percent of the entire army, to these outer provinces ensued. Estimates of additional troops sent to Papua during 2001 ranged from the army's own figure of an increase to 8,000 "nonstructural" elite police and military, to observers' estimates of 15,000–20,000 new troops. Megawati's first cabinet meeting nominated the resolution of the conflicts in Aceh and Papua as its most pressing goal, and in her inaugural address on 16 August the new President apologized to Papua for the suffering endured as a consequence of "inappropriate national policies." During the following months, however, strongly nationalist policies on Papua prevailed, implemented largely through the agency of the military.

Thus far, the creation of civilian "militias" has been limited to urban centers, particularly in the western parts of the province, at Fak-fak and Sorong, where the military have attempted to pit indigenous Moslem and Christian communities against each other. There have also been several reports during 2001 of the arrival in Papua of well-armed and generously funded Laskar Jihad militants from the conflict in Maluku.

In Papua, as elsewhere in Indonesia, the army supplements its income

through a wide variety of business operations. The proliferation of army and police units in Papua, and the scope for rivalry over logging, alluvial mining, and smuggling opportunities, has led to a corresponding rise in clashes between different units. A fire-fight and grenade assault involving police and military took place at Serui on Yapen Island on 27 August leaving two dead and six injured, and a running war between police and soldiers in the Nabire area has claimed the lives of at least two police.

Armed resistance to Indonesian rule on the part of the Free Papua Movement appears to have increased during 2001. Although internal strife continues to dog the movement, with fatal clashes reported from OPM camps in Vanimo in mid-July, individual commanders and their units have been able to move with surprising freedom and temerity within Papua. Attacks on police or military posts, or on Indonesian migrant workers, were reported from the areas of Betaf/Sarmi (3 February and 27 August), Wasior (31 March and 13 June), Timika (4 April and 23 September), Bintuni (28 August), Waropen (16 November), and Kimaam (28 November). The township of Ilaga in the Central Highlands was overrun by the Free Papua Movement for five days, from 28 September until the army reestablished control on 2 October. This last event was sufficiently embarrassing for Maj.-Gen. Simbolon to sack eight of his senior commanders, including his assistants for intelligence and territorial affairs. Military operations in response to OPM activity, particularly in the Wasior area, in Manokwari Regency, and in the Betaf and Sarmi

areas of the north coast, drew harsh criticism from human rights observers. Indiscriminate "sweeping" operations conducted by army and elite police (BRIMOB) units in these two areas resulted in numerous reports of arbitrary detention, torture, and execution, and forced large numbers of civilians to flee to the surrounding forests.

Two hostage crises during 2001 briefly dominated national, if not international news. The first involved the 16 January kidnapping by an OPM unit, led by Willem Onde, of a group of eighteen workers from the Korean-owned logging company, PT Tunas Korindo, operating in the Asiki area in the Merauke regency. The crisis was resolved on 7 February with the return of the last hostages, among them two Korean company officials, but not before grave doubts had been raised in the media about the nature of the kidnapping. Onde had long been in close negotiation with local Kopassus commanders, and was regarded with suspicion by Papuan observers and other OPM commanders. Among Onde's demands was a request for the military to pick up his tab at a bar that he frequented in Merauke. The "crisis" over, Onde was flown by the military to Jakarta, where he met with parliamentarians to press his case. In September, after his return to Papua, two bodies with their hands bound and gunshot wounds to their chests were retrieved from rivers near Merauke, and identified as those of Onde and his lieutenant, Johannes Tumeng. Few seem to have questioned the general wisdom that Onde's "tab" with the military had expired. Then on 7 June, two Belgian men, Philippe

Simon and Johan van Den Eynde, were taken hostage by an OPM unit at the village of Paluga near Ilaga. Although the Belgians appear to have been tourists with an interest in documentary films, their easy passage through the military posts in Ilaga in search of the Free Papua Movement aroused the unit's suspicions, leading to their kidnapping. Two church mediators, Benny Giay and Theo van den Broek, eventually secured their release, unharmed, on 16 August.

In December 2000 a group of approximately 400 refugees, mostly Highlanders fleeing police persecution in the Jayapura area, crossed into the Vanimo area of Papua New Guinea, but failed to gain acknowledgment of refugee status from the PNG government. The UN High Commission on Refugees had previously announced its plans to withdraw from all of the refugee camps by the end of 2001, and the Catholic church, left to bear much of the burden, also threatened to withdraw if government support was not forthcoming. In March, a PNG police riot squad attack on one of the Vanimo camps left as many as fifteen people injured. The irony of the PNG government's willingness to receive Afghan and Iraqi refugees in support of Australia's "Pacific Solution" did not escape observers on either side of the border.

The event that dominated the news from Papua at the end of 2001 was the assassination on 11 November of PDP Chairman Theys Eluay, a murder that remained officially unsolved by the year's end. After attending a dinner at the Special Forces (Kopassus) base at Hamadi, in Jayapura, Theys and his driver Ari Masoka were driving back to his home in Sentani when his car

was forced off the road by another vehicle. Theys was abducted by at least four men, but Ari escaped, calling Theys's wife to tell her of the kidnapping by "straight hairs" (ie, non-Papuans). Shaken, Ari asked a passing bus to drop him at the Kopassus base, where he then disappeared. Theys was discovered dead the following morning, with his hands bound, seated in the driver's seat of his car (though he could not drive), which had been pushed into a ravine along a road leading to the PNG border. The autopsy found no marks of strangulation, but declared that Theys had died of a "lack of oxygen," presumably through suffocation with a plastic bag, a hallmark technique of Kopassus killings. Despite high tension and some sporadic riots, calm prevailed, and Theys was buried in Sentani on 17 November, in a ceremony attended by a crowd estimated at more than 10,000.

Police enquiries very quickly came to a standstill and a report issued on 13 December by a local human rights organization, the Institute for Human Rights Studies and Advocacy (ElsHAM), made clear the reasons for this impasse. All the indications were that the killing was the work of Kopassus, who had badly botched their attempt to cover their tracks. The vehicle had passed through numerous military and police checkpoints to reach the point where it was found, and forensic evidence (including matching paint on Theys's vehicle and a Kopassus vehicle, and fingerprint evidence from Kopassus troops who were interviewed by the police) was supported by the testimonies of numerous eyewitnesses. Kopassus silence on the whereabouts of Ari

Masoka has only strengthened the case against them. Despite initial protestations to the contrary—Maj.-Gen. Simbolon, known for his pride in the dictum “No order, no action,” denied the involvement of any troops under his command and insisted at first that Theys had died of a heart attack—the combined weight of the police report, a public statement by provincial Police Chief Made Pastika linking Kopassus to the murder, and the findings of an internal military investigation, finally forced an admission by Army chief Endriartono Sutarto that troops may have been involved.

Jakarta, now in damage-limitation mode, has sent a notionally independent commission of enquiry to settle the case, but the composition of the team, with several active and retired military and police officers, has done little to inspire confidence. The findings of the team have been neatly anticipated by government ministers who have aired the likelihood that the murder was a criminal action on the part of rogue elements of the military, acting independently of command structures. Along with Willem Onde, Theys had been identified as a member of the “Papuan Conspiracy” in the Matoa document, and observers have suggested that their murders mark the initial steps in a systematic campaign of elimination of local leaders similar to that being conducted in Aceh. Since the assassination of Theys, death threats have been issued over the phone to other “Papuan Conspirators,” including PDP Secretary-General Thaha Al-Hamid and ElSHAM Director Johannes Bonay.

Events during 2001 offer scant grounds for optimism about Papua’s

immediate future. There is little prospect of genuine dialogue between Jakarta and Papua under a Megawati administration, and no indication that the other major parties are likely to be any more accommodating of Papuan aspirations. Much hangs on the speed with which the Special Autonomy legislation is implemented and the manner in which this is achieved, but in a climate of diminished government administrative capacity, to say nothing of will, the chances of an increase in levels of Papuan frustration appear very high. The most immediate problem for the government, obviously, is finding a credible solution to the questions surrounding the assassination of Theys Eluay, but little in the government’s handling of this case thus far suggests that it will succeed in swaying Papuan opinion.

Having cancelled her trip to Papua in late December to present the Special Autonomy legislation, President Megawati instead attended a 29 December military parade in Jakarta at which she declared, “We are suddenly aware . . . of the need for force to protect our beloved nation and motherland from breaking up.” “But with the laws of Indonesia as your guide,” she added to the assembled soldiers, “you can do your duty without worrying about being involved in human rights abuses. Do everything without doubts.” Among the senior officers present was Maj.-Gen. Simbolon and before them a company of non-Papuan soldiers who, dressed in grass skirts and with their bare chests crudely daubed with mud, shook spears and enacted Jakarta’s necessary fantasy of savage and uncontrollable Papuans.

CHRIS BALLARD

References

Cenderawasih Pos. Daily. Jayapura.

Down to Earth. Monthly. London.

Far Eastern Economic Review. Weekly, Hong Kong.

Jakarta Post. Daily, Jakarta.

Kabar Irian. Website
< www.kabar-irian.com >

Kompas. Daily. Jakarta.

Suara Pembaruan. Daily. Jakarta.

Sydney Morning Herald. Daily. Sydney.

TAPOL Bulletin. Monthly. London.

Tifa Papua. Weekly, Jayapura.

Institute for Human Rights Studies and Advocacy (ElsHAM). 2001. *The Abduction and Assassination of Theys Hiyo*

Eluay Was Premeditated and Politically Motivated. Preliminary Report, issued 13 December, Jayapura. Translation by TAPOL, London.

International Crisis Group. 2001. *Indonesia: Ending Repression in Irian Jaya*. ICG Report No. 23. Jakarta and Brussels: International Crisis Group.

Office for Justice and Peace. 2001. *Recent Developments in Papua: Special Autonomy—Its Process and Final Contents*. Socio-Political Notes 5. Jayapura: Office for Justice and Peace, Diocese of Jayapura.

Van den Broek, Theo, and Alexandra Szalay. 2001. Raising the Morning Star: Six Months in the Developing Independence Movement in West Papua. *The Journal of Pacific History* 36 (1): 77–92.