

of Pacific Islanders into the United States take on even greater theoretical and practical significance.

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*Tahiti: Stratégie pour l'après-nucléaire*, by Bernard Poirine. Arue, Tahiti, French Polynesia: Bernard Poirine, 1992. ISSN 2-907776-03-7, 307 pp, tables, notes, bibliography. Price unknown.

In 1985 Bertram and Watters published an important article that characterized the economies of certain Pacific micro-states (notably, New Zealand's dependencies) in terms of the MIRAB model: Migration, Remittances, Aid, and Bureaucracy. In this book, Bernard Poirine, an economist teaching at the newly inaugurated Tahiti campus of the French University of the Pacific, retools the MIRAB model into the ARABE modes to characterize the nuclear-affluent economy of French Polynesia: *Aide, Rente Atomique*, and *Bureaucratie Envahissante*. The key change is the substitution of *Rente Atomique* 'Atomic Rent' for migration and remittances in the original model. Since the installation of the French nuclear-testing program in the mid-1960s, the economy of French Polynesia has been, says Poirine, an *économie de rente*, such as springs up everywhere there is an influx of wealth in large part independent of local added value. Examples include the Arab oil states, phosphate-rich Nauru, and such Pacific territories as those of Microne-

sia and French Polynesia which are dependent on massive military expenditures and associated civil subsidies.

In addition to the direct expenditures for testing, infrastructure, and military and civilian personnel, the atomic rent transferred from metropolitan France to French Polynesia has included a wide range of grants and subsidies to keep the territory solvent and (especially once the construction of testing infrastructure was completed) the people employed. In 1991, all this added up to just over US\$1 billion, a considerable sum for a territory with only some two hundred thousand inhabitants whose per capita income, consequently, surpasses that of New Zealand and rivals that of the metropolitan state. In effect, the French have been renting the territory, paying dearly for the privilege of testing their lethal bombs at Moruroa and Fangataufa atolls in the Tuamotu Archipelago. The accompanying "prosperity" has transformed French Polynesia, making it virtually postindustrial in terms of consumption, but third world in terms of production in that the wealth transfers, the accompanying high wage rates, and other distortions have devastated the production of food crops as well as the old export mainstays of copra and vanilla.

With the end of the cold war, however, the atomic boom has gone bust. Testing was temporarily suspended in April 1992, and there is much talk that—especially if the United States and Russia agree to cease testing permanently—France will definitively end its testing program. However much those French Polynesians who have opposed

testing on health and moral grounds have welcomed this temporary suspension and the prospects of its permanence, these developments have already caused alarming economic dislocations in the territory and some panic among established political leaders. For example, French Polynesia's President Gaston Flosse has declared that France betrayed its atomic bargain with the territory and has called for a resumption of testing or a repackaging of metropolitan aid to maintain prosperity in the islands.

On the assumption that testing will not be resumed (or at least will soon be phased out), Poirine considers four options for restructuring French Polynesia's economy for the postnuclear age: "Vanuatu-style Independence" with an emphasis on self-sufficiency; "Departmentalization" and complete integration with metropolitan France; "Independence-Association" between French Polynesia and France such as between the Cook Islands and New Zealand; and the "Hawaiian Way," in which the atomic rent is replaced by the export of services (notably tourism) and selected products (black pearls and phosphate from Mataiva Atoll are his examples). Poirine rejects independent self-sufficiency on the basis that it would be too great a shock for the affluent Polynesians. Making the territory into a French Department, or an independent state in association with France, would, he declares, only result in turning an affluent ARABE economy into a struggling MIRAB one, with high unemployment, out-migration, and remittances. This leaves the "Hawaiian Way" as the best model, although

Poirine realizes that French Polynesia cannot and should not become a center of mass tourism on the same scale as Hawai'i.

The barrier to French Polynesia building a viable economy based on the export of products and services is, according to Poirine, what the economists call the Dutch disease. Just as a large income flow from North Sea gas production has distorted the Dutch economy, so the atomic rent has discouraged private-sector development in French Polynesia because of the high wages (the minimum wage there is higher than in the United States) and other costs of production, the flow of the best talent to the bloated and overpaid bureaucracy (with cost-of-living allowances, leaves to France, and lack of income tax that make their real wages twice those of their metropolitan counterparts), the discouragement of initiatives because of the easy money, and a grossly overvalued currency. But he admits that the removal of these distortions will not be easy. How, for example, will well-paid French Polynesians accept an income tax so that reliance on hideously high and hence regressive import duties can be reduced to lower costs of production? Similarly, how will government workers accept dismissal or a cut in wages needed to reduce the public payroll? Furthermore, one can add that among many of the French Polynesians there is a growing resistance based on ecological and cultural considerations to more tourism development, as well as to plans to mine the lagoon of Mataiva to get at the phosphate there.

Although one could elaborate on such barriers to implementing policies

designed to transform the economy, by focusing on how the nuclear-testing program has transformed the economy of French Polynesia and how hard choices must be made if the territory (or an independent successor state?) is ever to have a viable economy independent of massive transfers from France, Poirine has made a real contribution. Some readers may wish that he had disaggregated income figures by ethnic group and social class (ie, Metropolitans, Chinese, "Demis," and indigenous Polynesians), had paid more attention to Polynesian cultural values, and had discussed the corruption allegedly rampant in the territory. By concentrating, however, on the structure of French Polynesia's economic dilemma, Poirine has provided a much-needed analysis. That he chose to publish these results of his 1991 doctoral dissertation in this fairly readable form, rather than as a technical monograph, and that he cofounded a monthly economic and political magazine now published in Tahiti, indicates that Poirine is interested in influencing policy in French Polynesia. Furthermore, his position at the new French University of the Pacific would seem to put him into the position to sensitize Polynesian students to the economic realities of their island world. It remains to be seen, however, what role his economic realism will play in shaping the postnuclear economy of this affluent but currently troubled part of the Pacific.

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*Nauru: Environmental Damage under International Trusteeship*, by Christopher Weeramantry. Melbourne: Oxford University Press, 1992. ISBN 0-19-553289-9, xx + 448 pp, maps, figures, illustrations, appendixes, notes, bibliography, index. US\$72.

In December 1986, the government of Nauru established a Commission of Inquiry to establish responsibility for the rehabilitation of worked-out mining lands on the island, and the cost and feasibility of any proposed rehabilitation. The issue had lain dormant since Nauru's independence in 1968. At that time the so-called partner governments—Australia, New Zealand, and the United Kingdom—which had been joint owners of the British Phosphate Commission and, under a United Nations trusteeship agreement, responsible for the administration of Nauru, maintained that all outstanding issues between the parties had been resolved by the agreements that had seen the Nauruans win control of the phosphate industry and secure independence. Hammer DeRoburt, Nauru's founding president, disagreed, declaring that his people had not been a willing party to the mining arrangements and would continue to seek compensation for the rehabilitation of worked-out mining lands. The Commission of Inquiry had been established in response to the final dissolution of the British Phosphate Commission and the distribution to the partner governments of the very substantial surpluses it had accumulated. Weeramantry, then Sir Hayden Starke Professor of Law at Monash University in Melbourne, chaired the inquiry; this book represents that portion of the