

**Governance paradoxes
and pathways in Pacific Island countries**

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My talk today focusses on certain key questions that relate to the governance ecosystem of Pacific Island Countries (PICS). Firstly, I argue that policy makers, governments and Pacific citizens have systematically undervalued the importance of governance transformations to their well-being and to their future. Secondly I argue that the costs of bad-poor and unsatisfactory governance across the PICS to Pacific islanders and their economies has been high but because this is indirect and ambiguous at times these costs are poorly understood. I thirdly propose a limited, narrow and problem-driven governance transformation agenda for Pacific Island stakeholders, development partners and researchers that may be most impactful.²

Macmillan Brown Centre for Pacific Studies

It is pertinent to reflect on Macmillan Brown and his life, which have made this Centre and this talk possible. The Centre here took many years to develop and now provides this forum and opportunity for us to have conversations about Pacific Islands and their futures and the centrality of good research and analytics for that conversation. I sum Macmillan Brown's life as one driven by passion, service and excellence bound to a deep sense of fairness. This has relevance to our conversation on governance in PICS in two specific ways. His life and work are underpinned by a deep sense of fairness and equality – this, some may argue, are subjective matters.

This has two precise implications for governance and PICS. First, the governance ecosystem does make value-based subjective propositions. It argues that open democracies are an essential element of good governance. This does not mean that open democracies are the only way of generating growth and positive development outcomes. Second, he showed in a very contemporary way that right actions need to be taken even when results and impact appear light years away – by opening up the college to women, he had started a process of gender equalization at the turn of the last century which is still working its way through nearer the start of this century. He helped to start that journey perhaps knowing that achieving gender equality in New Zealand's higher education system would take years to achieve. . In governance transformations, as well, journeys are often long, results take years to emerge. Starting the journey and defining the pathways matters more than achieving endpoints. So, thank you for giving me such a historically rich but yet a contemporary platform to frame my argument about how and why governance matters so much for PICS.

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Framing the governance argument

The term “governance” refers to the process of interactions through which decisions are shaped, implemented and changed. Interactions between individuals, groups and governments occur within a context of power and authority. How that power and authority will shape the interactions affects two important governance outcomes – legitimacy and trust. An outcome of a decision may be an improved service such as the consistent supply of essential medicine in health posts; or the timely transfer of cash grants for a target community. These outcomes are important. An essential part of the governance story constructed this way that is often overlooked in the PICS context is that the outcomes of a governance interaction should also deepen legitimacy and trust in institutions. This is an important point of departure because both of these; the improved distribution of medicine and cash grants; are outcomes that can also be achieved through means that are not usually associated with the term ‘good governance’.

Legitimacy and trust are important governance outcomes. Government decisions arrived at through a narrow elite bargain may benefit a few. They may favour a region, an island or a social group. When national resources are under pressure, as they often are, how the allocation of resource occurs matters a lot more. How are decisions taken regarding the distribution of these financial and investment resources? Are these decisions arrived at in an open manner through contestation and broad participation? How does governance affect outcomes for women in relation to men in different investments? What are the best means for societies to mediate among competing interests to meet their multiple needs? These are critical questions that are often asked of ‘governance’ specialists across all PICS.³(Teskey, 2017; Prasad, 2016)

For the purposes of this discussion, I refer to good governance to mean the day to day functioning and interaction of government, citizens, organisations to influence policies, laws, programs that have **positive development outcomes** for citizens, groups and especially communities that may be facing a specific or general disadvantage. Interactions may be through political processes of elections and contestations, through elite or broad bargains or in a variety of other ways.

PIC’s have some agreement on what this means and how it applies to individual countries. Through the Framework for Pacific Regionalism, PICS agree on the following governance priorities: strengthening key governance and accountability institutions to enhance the transparency of political and economic processes, strengthening oversight mechanisms to ensure the effective management of the region's natural, human and financial resources and protecting fundamental human rights (Pacific Islands Forum Secretariat, n.d.). Through the Pacific Plan, its leaders promote a vision that “seeks a Pacific region that is respected for the quality of its governance, the sustainable management of its resources and the full observance of democratic values...” (“Auckland Declaration” cited in Pacific Islands Forum Secretariat, n.d.). National policies, constitutions and programs amplify these commitments at state levels.

Does governance really matter?

Does Governance really matter? Let me pose a few questions which I will return to later in this talk. PNG for nearly a decade had one of the fastest rates of economic growth in the world – yet it missed achieving nearly all the SDGs. Vanuatu experienced one of the 10 worst cyclones ever, PAM, a few years back. Overnight some 20 years of development investments were wiped out. Fiji undertook to build a two lane sealed highway through borrowed resources in 1973 connecting its Nadi airport in the west and the capital, Suva, to its Coral Coast. One of the development goals of this investment was to increase participation, especially of its indigenous

community, in the tourism sector. The first hotel owned by an indigenous Fijian on this route commenced operation only in 2017 – nearly 45 years later. Kiribati's oceans has some of richest marine resources in the world, contributing around five percent of the world tuna catch systematically for the last 30 years – and yet its financial future remains precarious. Do these diverse outcomes have something to do with Governance?

What does the governance data indicate?

The overall governance trajectory for PICS's over the period 2003 to 2016 is positive. I have used World Bank's governance indicators with respect to PNG, Fiji, Samoa, Solomon Islands, Tonga and Vanuatu to illustrate this trajectory. This data covering six dimensions of governance (voice and accountability, stability, corruption, rule of law, regulatory quality and effectiveness of government) suggest slight improvements in the overall governance picture, especially along the voice and accountability and political stability axis. Government effectiveness, rule of law and regulatory quality parameters show less progress.

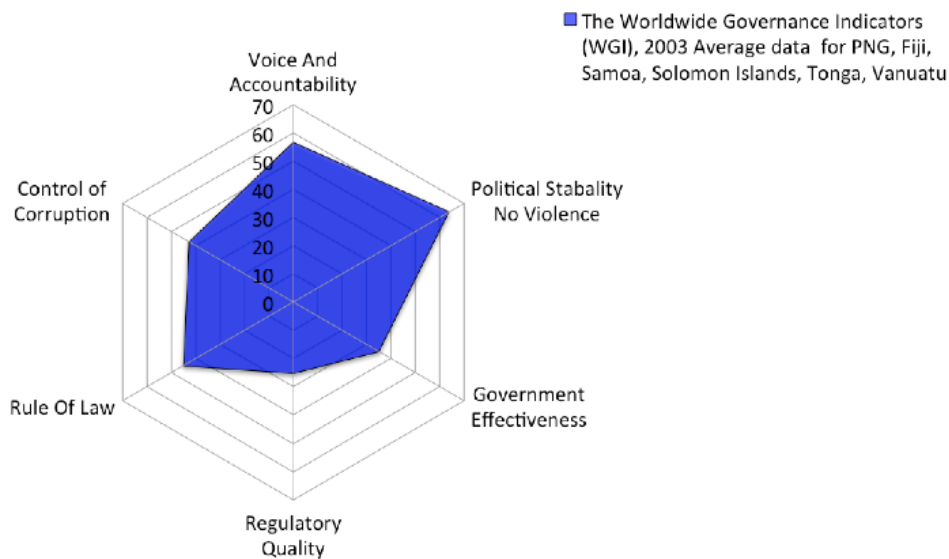


Figure 1. World Bank Governance Indicators, 2003 averages

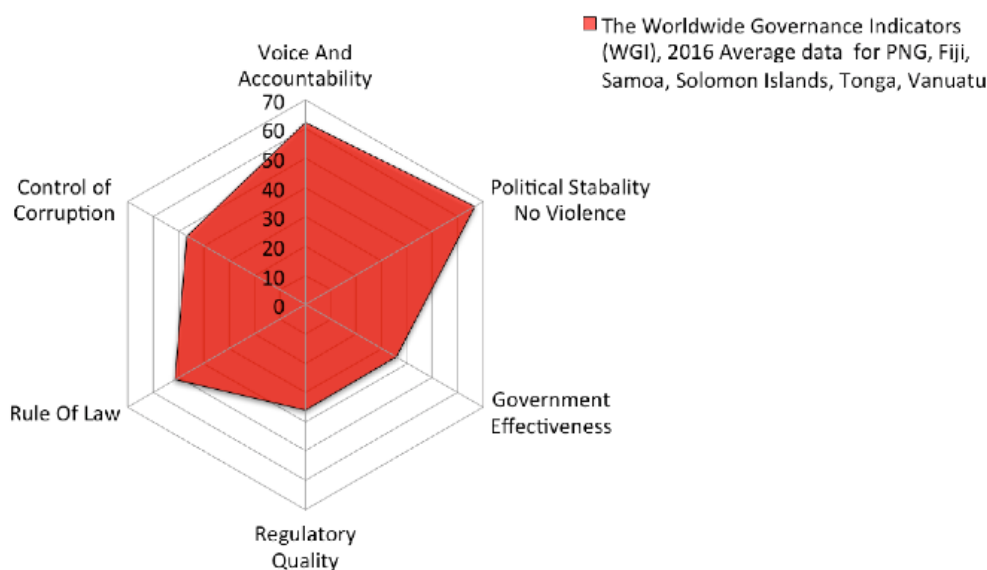


Figure 2. World Bank Governance Indicators, 2016 averages

These are trends at a very high level of generality – and each country and context is specific. As PICs become more exposed to global currents, including exposure to both the enormous opportunities (markets, access to capital, tourism) that it presents and the serious risks that come with it (transnational crime, unregulated capital inflows), these six governance axes help us reflect on how well or poorly they are likely to be able to take advantage of global currents while managing their risks. States where the rule of law is strongly positive are more likely to attract serious foreign investors who will play by the rules, pay taxes and respect national laws on the environment. PICs where the rule of law is especially weak are more likely to attract foreign investors who are less committed and driven by very short term interests – perhaps causing more harm than good overall. Where voice and accountability are high, government decisions on taxes, for example, are more likely to be subject to real scrutiny and the political fallout for decisions that favour a few selectively are more likely to be high. These six governance axes are therefore helpful (not determinate) in predicting development pathways as well as helping us understand (though not explain) the behaviour and governance paradoxes that I opened with.

I argue that much more progress on all axes is needed. But this is a difficult conversation for policy makers – can you in reality work on all fronts concurrently; working on improving governance parameters and foundations and developing new resource-based industries?

Across the contemporary PICs, we are seeing growing unemployment, worsening crime, rising poverty (see for example the ADB's regional economic report). This in turn results in more pressures on national resources as national policy makers seek policy and program responses to these challenges. These pressures may also be felt by development partners, churches and other actors involved in the development space. Nowhere is this felt more than by poor and ordinary citizens and families as they try to access basic services such as health care and good schools. It is argued, for instance in Papua New Guinea, that weaknesses of the state “are not rooted in the formal specification of the political system, but rather, lie in the way that the political system interacts with the underlying society's social and cultural traditions” (Fukuyama, 2007). What does this have to do with governance? Not all of these pressures result from poor governance; neither do all poor service delivery outcomes result from governance failures. Rather the ability

of governments to respond pre-emptively, proactively and with greater chances of some success is much greater when all five governance parameters are strong. This is where this governance data are most helpful.

These indicators tell us nothing more than that. They help us understand why under certain conditions specific results have or have not been achieved. They are able to tell us whether specific policies, for instance around law and order or gender, have been or are likely to be implemented effectively, achieving some positive results and enhancing trust and legitimacy as this happens.

How would we show that governance matters?

We know that Pacific Island states are not perfect and so their governance frameworks are also not perfect. The examples I have mentioned each reflect some dimension or element of a governance deficit. My overall argument is that when you look at state of play across the PICs, there are enough examples of wasted efforts to make the argument that Pacific communities, their governments and development actors that do have the interests of these countries at heart do need to pay sharper, more focussed and more targeted attention to governance across these countries.

It is the task of governance specialists to provide the evidence, data and analytics to make the case that investments in governance are worth the effort; especially because policy makers and leaders do take political risks when they undertake governance reforms. This is the most difficult part of the governance narrative. It is difficult to make the case that communities rather than government agencies can influence teacher behaviours in PNG and Solomon Islands – both countries with poor education outcomes. It is difficult to make the argument to Vanuatu and Fijian Governments that investments in institutional governance matters for reducing repair and maintenance costs of expensive road investments. It is difficult to make the argument to Kiribati and Tuvalu that major improvements in public financial management is central to better management of their fisheries resources. It is difficult because these are by their very nature, abstract conversations; the quantum of losses to citizens and governments from poor governance is poorly explained.

The governance paradox in the Pacific

The starkest example of the Governance paradox is demonstrated by PNG, which between 2008 to around 2013 had, on the average, one of the highest growth rates in the world and yet is one of the few countries that missed achieving nearly all of the MDGs.

Logging

Papua New Guinea's forests cover more than 70% of the total land area, and half of these are primary forests. Ninety-seven percent of the country's forests are owned by local and indigenous communities, while the remaining 3% are state-owned (FAO, 2017). Papua New Guinea's economy is dominated by two sectors, the agricultural, forestry, and fishing sector and the minerals and energy extraction sector. The forestry sector employs more than 15,000 Papua New Guineans with an additional 25,000 support jobs (Forestry and Development, 2017). Landowners receive revenue worth K260 million per year from taxes paid on exports of logs as well as company tax totalling K37 million. And significantly, exports of logs from PNG bring more than US\$250 million in foreign exchange earnings per year. While Papua New Guinea also

has one of the most comprehensive legal frameworks governing forests of any developing country, the issue therein lies around effective implementation and enforcement of respective legislation and policies governing these resources.

In the Solomon Islands the picture is a lot more bleak. Eighty-seven percent of land is customarily owned; however, the main commercial development of these lands is industrial logging. According to the Permanent Secretary of Forestry and Research, the forests of the Solomon Islands have been logged to unsustainable levels and consequently have reached the point of overexploitation. In recent years in particular, the intensity of timber harvesting has increased. The year 2016 saw the largest revenue collected to date by the logging industry, amounting to more than \$SBD500 million [US\$62 million] dollars (Pacific Islands Report, 2017), leaving a trail of environmental destruction in its path. There are currently 100 logging companies operating in the Solomon Islands and 77 are members of the Solomon Forest Association (SFA). As of March 2017 the Ministry for Forestry has put a stop to the issuing of licenses to new logging companies or non-members of the SFA.

Our estimate are that under improved governance frameworks (both better laws ,improved implementation of the laws), the incomes at present levels of extraction of these resources to both these countries would have been at least five times higher. The conundrum that the data web indicates therefore is that while a high voice and accountability score may give you great laws for forestry management, a low government effectiveness score will leave that law poorly implemented – at great cost to citizens and resource owners.

Fisheries

Pacific Island Nations have the largest tuna resource in the world, Papua New Guinea, Kiribati and the Federated States of Micronesia (FSM) representing the highest numbers. Two-thirds of the world's tuna catches comes from the Western and Central Pacific (WCP). It is estimated that Papua New Guinea has 25% of the world's Skipjack and 50% of the PNA catch (Parties to the Nauru Agreement). Recent reports state the value of Papua New Guinea's fish exports (largely tuna) has risen 50% over five years following PNG's signing of an Economic Partnership Agreement with the EU in 2009 and its ratification in 2011 (Yafoi, 2017). Overall European exports rose from PGK 1.7 billion (\$535 million) in 2011 to PGK 2.5 billion in 2016 (Yafoi, 2017). This was largely due to increased trade in tuna, which was encouraged by duty- and quota-free access to EU markets. The current Prime Minister has ambitious goals for the tuna industry to become the largest tuna processing and canning hub in the region, surpassing that of the Philippines and Thailand. Papua New Guinea is but one of several PICs (including among others FSM, Kiribati, Nauru and Solomon Islands) where tuna is the most valuable economic resource. Governance data presented here provide some pointers to the ability of PICs invest a substantial proportion of their returns in the communities and people of the Pacific. If the data were stronger on all the axis, we could confidently predict a positive outcome; but we cannot be so confident.

Poor gender outcomes reflect a governance deficit

Specific gender issues cut across PICs. They include violence against women, low levels of women's political representation, increased risk of HIV/AIDS and STIs, poor working conditions, declining access to customary land rights and low levels of literacy. Put bluntly, the Pacific Islands region is one of the worst places to be a woman. Almost 70% of women and girls experience rape or other sexual violence: one of the highest rates in the world. While most PICs have agreed to international and/or regional gender-based commitments, there remain significant differences between national policy strategies, legal frameworks and implementation of various initiatives. And of course these gender issues do vary from country to country depending on population levels, social and cultural norms, the economic development of the particular country and the political context.

Why is there such disparity?

There are a number of factors contributing to the ongoing disparity between men and women: access to tertiary education, in particular technical schools; the wage gap, where we are seeing men working in jobs that earn higher salaries and the registration of land titles predominantly under men's names, which consequently excludes women from ownership; and the participation of women in politics, lower than 10% in the Pacific and thus one of the worst performing regions in the world.

There is increasing global recognition that gender equality is the foundation of inclusive growth. If the Pacific Islands region is to achieve a truly sustainable economy and improve the well-being of its people, the access to economic opportunities must include women. Excluding women means an enormous loss to human capital, thus significantly reducing a country's full potential for growth and national development. To achieve this, however, means there must be a coordinated, whole-of-government commitment which requires having strong mechanisms in place to effectively implement policies and programmes across the board.

Overall, I argue that countries make faster progress and achieve more sustainable outcomes for women where there is greater progress on all the governance parameters rather than on a few only.

The 2015 OECD Recommendation

offers a whole-of government approach to closing remaining gender gaps in public life, scaling up inclusive approaches to policy making and public service delivery, and monitoring continuous progress in gender equality. It focuses on three thematic areas:

1. good governance and accountability for gender equality;
2. closing gender gaps in leadership in all branches of power; and
3. gender equality in public employment.

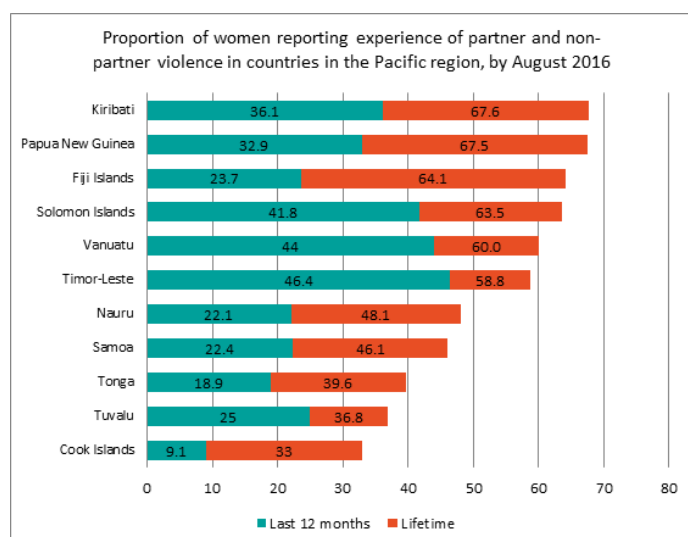


Figure 3. Data source: UNFPA, 2016

Human development index ranks and gender inequality index

Country (listed by HDI rank)	HDI rank	2012 GII rank	2010 maternal mortality ratio	Adolescent fertility rate	2012 seats in national parliament (% female)	2006-2010 population with at least secondary education (female)	2006-2010 population with at least secondary education (male)	2011 labour force participation rate (female)	2011 labour force participation rate (male)
Palau	52	--	--	12.7	6.9	97.5	98.8	--	--
Tonga	95	90	110	18	3.6	71.6	76.7	53.6	75
Fiji	96	--	26	42.8	--	57.5	58.1	39.3	79.5
Samoa	96	--	--	25.5	4.1	64.3	60	42.8	77.8
Kiribati	121	--	--	16.4	8.7	--	--	--	--
Vanuatu	124	--	110	50.6	1.9	--	--	61.3	79.7
Solo-mon Islands	143	--	93	64.6	--	--	--	53.2	79.9
Papua New Guinea	156	134	230	62	2.7	6.8	14.1	70.6	74.1

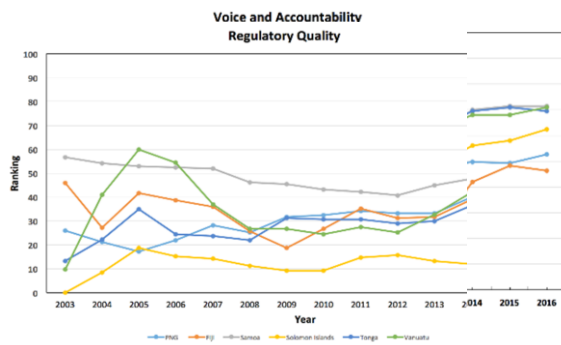
Source: UNDP 2013a.

Figure 4: Human development and gender inequality indices (Data source: UNDP, 2016).

A governance and development snapshot of Pacific Islands

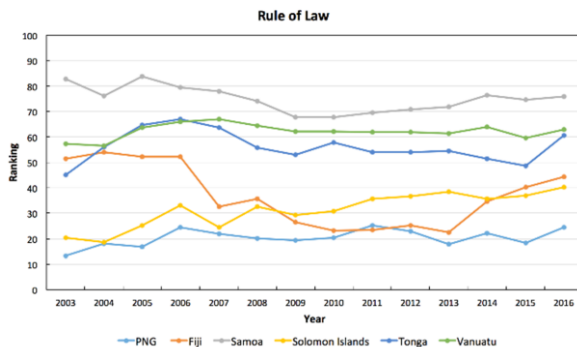
Regulatory Quality: the ability of the government to provide sound policies and regulations that enable and promote private sector development.

association, and a free media.



Levels in the five Pacific Islands appear to remain relatively consistent from 2003 to 2016 apart from Fiji, which saw a significant deterioration in these levels after the 2006 coup d'état. However, levels there have since increased. Levels in the remaining PICs are slowly increasing although overall levels are not impressive on a global scale.

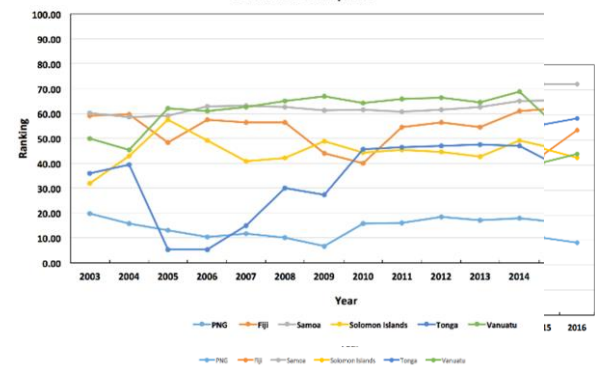
Rule of Law: the extent to which agents have confidence in and abide by the rules of society, including the quality of contract enforcement and property rights, the police, and the courts, as well as the likelihood of crime and violence.



There is a significant distinction between Samoa, which has a strong rule of law, as compared to Papua New Guinea, which is very low among its neighbours.

Control of Corruption: the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as 'capture' of the state by elites and private interests.

violent means, including terrorism.



This graph appears to be the most diverse between the six Pacific Island countries. Papua New Guinea clearly has much higher levels of political unrest and violence in the country as opposed to the other Pacific Island Countries. However, since the introduction of the organic law on integrity of political parties and candidates (OLIPPAC) there has been some improvement in political stability. However, violence-related incidents, particularly around elections, remain relatively high, particularly in the Highlands region. Vanuatu on the other hand maintained steady levels of little or no violence until a sharp decline in 2013.

Some tentative conclusions from these overall trends for the governance trajectories and development outcomes are:

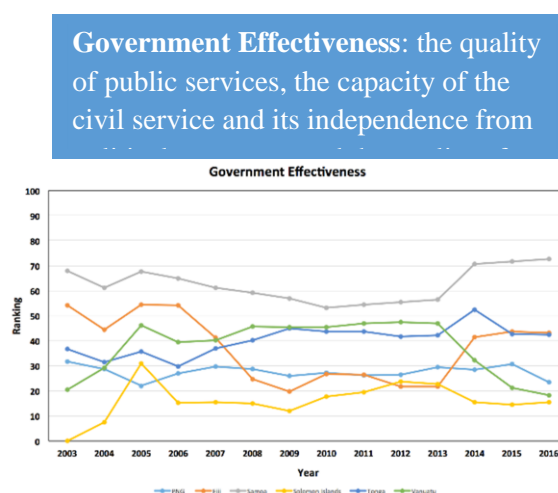
- (i) Improvements on any one or two governance axes are insufficient conditions for driving forward higher growth and inclusive development across PICs. Progress in any two are quite likely to be eroded by lack of progress on the others. PNG's tuna processing plans and the high likelihood of implementation failures illustrate this.
- (ii) Without further progress on government effectiveness and regulatory quality, it is likely that failing and poor services will continue to define several of these countries; and health and education outcomes remain subprime. The rise of NCD and insufficient progress on learning outcomes in primary school across PICs exemplifies this (with exceptions).
- (iii) The ability of PICs to attract serious private sector actors interested in broad rather than narrow extractives interests is likely to remain low.
- (iv) Government finances remain under pressure, and external financing pressures will increase.
- (v) Ability to lock in national resources into longer-term sovereign-wealth-fund-like arrangements will remain low (Fiji, Solomon Islands and PNG on timber and logs; Kiribati, Tuvalu on tuna, tourism in Samoa and Fiji).
- (vi) Overall, none of the countries demonstrate sufficient progress along all these axes, which would place them in a category where they can manage a new global context with confidence and be able to demonstrate sufficient strength and resilience to manage the risks.

Why is it that governments do not do more about governance? And what do they need to do to incentivise governance reforms?

That leads us to the question, why is it that Governments and leaders do not devote more energy and time to implementing governance reforms. Is it because governance reforms are too hard?

There are several interrelated sets of reasons as to why we have not seen faster and more sustained improvements on Governance. Firstly, governance reforms just take time. Even in New Zealand major reforms involving major policy shifts may take many years. In smaller and institutionally more challenging settings they may take decades. Getting the financing right, locking in external support, securing the political consensus all takes time. Secondly, the rewards of governance transformations are not immediate and therefore there is less appetite to expend political capital and parliamentary attention on reforms that test political consensus.

Take, for example, how Australia has grappled with climate change. Climate change is acknowledged as a key issue in Australia – a 2016 survey of Australian youth revealed climate change was among the top three issues shaping their voting intentions in the upcoming national election (Hutchens, 2016). Australia's commitment to



Samoa has maintained steady levels and ranks higher than the remaining five Pacific Islands States. Fiji saw a decline after its 2006 coup, whereas the Solomon Islands has ranked the lowest over the last decade, with PNG not far behind.

climate action has, however, lacked consistency. The country has:

1. Been an early adopter, establishing the world's first government agency to reduce greenhouse gas emissions; signing on to global climate treaties the same day they are created; establishing the world's first emissions trading scheme (ETS); and pioneering an innovative land-based carbon offset scheme.
2. Australia has altered course however, disbanding the climate change government agency, and undoing a legislated action carbon pricing mechanism.

Since 2007 Australia's response to climate change has featured prominently in federal elections, with close scrutiny given to party policies. What is it that has led to such fluctuations? It's the issues I alluded to above: a lack of political consensus; and secondly the fact that the reward for acting on climate change will not be immediate. How do you increase incentives for key decision makers to take forward reforms that redress wicked problems of governance? We need a better understanding of how to create these incentives. No silver bullet exists. Political leaders need to see that wicked problems such as climate change policies do not necessarily always have to end up as political liabilities and that we can bite-size the problems; work through them a piece at a time and be able to demonstrate progress along a pathway.

At the core of this issue – and possibly the reason why PICS governments do not do more about governance – there are three specific key accountability relationships:

1. Between citizens and political leaders: in the case of PNG, citizens demand that their Members of Parliament (MPs) provide them directly with goods or services, and consequently many MPs use their constituency development funds (CDFs) to provide these goods to be re-elected. Accountability to citizens is thus partial and based on patronage, rather than broad public service performance.
2. Between political leaders and public officials: Again, using PNG as an example, MPs can respond to citizens' demands for private and public goods through the deployment of their own funds, and therefore they have a reduced incentive to demand high performance from the officials who have the formal responsibility to provide those goods. Public service morale is thereby weakened and officials are not incentivised to perform to the highest standards.
3. Between public officials and citizens: citizens often have limited expectations of, and means to interact with, the bureaucracy, and therefore make few demands on frontline service providers. The bureaucracy is too often inaccessible to citizens, especially those living in remote islands or mountainous locations.

The strategic response to these above governance challenges (relating to accountability) cannot be addressed through a single approach. Strategies will vary, and it will be important to continue to supplement the undoubted need for technical support in certain critical areas with a major focus on incentivising and strengthening the three accountability relationships above. Only when public servants are incentivised to give of their best will they do so; only when citizens have reasonable expectations of the state will they express their views and demand more and better services; and only when politicians are incentivised to meet the needs of all their constituents will public resources be mobilised for the general good.

While these data tell us a mixed story, we find muted responses by national leaders – not much evidence of sustained, day in and day out commitment and progress. In the smaller states like Kiribati and Tuvalu, institutions at the time of independence remain untouched and their effectiveness and often their relevance as well have passed well beyond use-by dates.

Across the South Pacific, leadership needs to understand that it is government effectiveness that needs to be improved. This is where the governance deficit is the largest and where the costs to citizens are most acutely felt. This requires institutional reforms, consolidation and innovations. This is hard work; returns are slow and political risks to leaders of undertaking reforms significant. These are the slowest of reforms to take root and bring to effect.

Outcomes in these areas need (i) domestic reform coalitions (ii) supportive development partners (iii) active citizenry and possibly 10-year time frames. *What Pacific Islands need are governance disruptions* – different ways of improving the effectiveness of government; challenging the existing constitutional arrangements where needed, thinking about what may work better and drawing on innovations to leapfrog in order to extend accountability (hence trust), deliver services and reduce costs.

What would PICs be able to do and achieve if they made sustained governance improvements?

Innovative, sustained and rapid governance transformations may be central in four specific ways across these countries.

First, the countries would be able to draw on their vast natural resources, structure well-managed transparent wealth funds and balance short- and long-term development needs through that. Kiribati and Tuvalu may be able to establish such funds drawing on tuna and other marine resources, Fiji and PNG on their natural resources including water and oil/gas. Government effectiveness, the rule of law and voice and accountability are important governance parameters needed to be able to move into this space.

Secondly, well-managed wealth funds would enhance the ability of these countries to draw in other external financing support necessary for infrastructure, services and other development needs. PICs face external financial institutions from a weak governance base and pay a heavy price for this.

PNG and PICs must finance their own development pathways, utilising marine and land resources; but they need to undertake serious governance improvements in order to succeed. What do we mean by that? First, improve governance capabilities so that time between design of programs and their implementation is reduced. Second, ensure government is able to better prioritise and not respond ad-hoc to political pressures because one day the tuna or forests will simply not be there. Third, park the resource bounty from PIC's natural resources into well-governed sovereign wealth funds that can give long-term returns rather than being wasted on short-term infrastructure. To get there governments need to ensure that their governance foundations are firm. The wealth is not for the next regime to come in and waste. Fourth, these countries are able to finance these needs, rather than rely on continued external borrowing through innovative financing platforms.

Next, governance transformations will help countries improve implementation. PICs demonstrate political will time and again but cannot see policies and programs through. Unless implementation is improved and implementation times are reduced the appetite of both leaders and governments will not change much.

The next point is that governance transformations can deliver legitimacy and trust. Translating promises into action, organising political competition around programs and using power to bring

about promised change is what is missing; and thus we face growing scepticism about government and the parliamentary processes.

Finally, governance transformations are necessary to achieve solid and sustainable human development outcomes. Jobs for men and women will need to come from sustainable industries committed to long-term goals – this will not happen when governance parameters remain as weak as they are. Extractives and marine resources will not be able to drive broad-based development outcomes alone.

Guidance for policymakers, communities and researchers

New Zealand and Australia have, barring some hiccups, made sustained, incremental progress on governance over a century. When you look back at the history of these countries, that sustained progress has come on the back of a few bursts of high-energy phases in which rapid governance transformations were achieved. But there have been pressures and at times stresses. I think the overall lesson I take from these countries is the resilience is built into their institutions. When stresses occur, the institutions are able to absorb them. In the Pacific Islands, where resilience is weak, when stresses are faced most of the previous gains are wiped out and we have to start all over again. This cycle needs to be broken.

For Pacific leaders

Incentivising and supporting PIC leaders to work on governance problems that require long time frames (such as modernising Pacific SOEs, electoral reform, new approaches to delivering services). However, it is the task of development professional to simplify, reduce the incubation to implementation times, and cost of implementation so as to make governance reforms politically digestible to policy makers who think in short time frames. The approach I find more relevant is to encourage reform coalitions to broadly agree the direction of travel and then break down necessary reforms into bite-sized pieces along that pathway. In simplifying the reforms, PIC leaders need to also work with a better stock of innovations and solutions to look at old governance challenges in new ways – whether these are ways of overcoming institutional resistance, or delivering front line services, or tackling corruption. To get into this space, we need high-density resolution of precise problems. We cannot assume that drugs not being available in health posts in the PNG highlands is a corruption or procurement problem – it may simply be a supply chain failure. This level of resolution is often missing.

For the research community

The least understood challenge in the governance ecosystem is understanding how and when legitimacy and trust is changed through governance transformations. The governance pathways that PICs need to sail on are those that deepen legitimacy and broaden trust. Trust has to do with Government's ability to solve citizens' problems in caring and responsive ways – ranging from better healthcare in rural communities, speedier disaster relief, to simply communicating government programs better. Citizens look to subvert institutions when they appear to be not responsive or incapable of translating political directions into policy. Legitimacy hits similar, but more contested, notes. When an MP in the Solomon Islands or PNG solves a personal healthcare emergency faced by an individual – does it enhance or weaken legitimacy? These are complex issues but we need better data and understanding. I encourage the Macmillan Pacific Centre to facilitate research on these poorly understood areas which is so central to supporting

Pacific communities to construct their governance frameworks in ways help them to move away from mimicking transplanted frameworks.

For Pacific citizens

I argue citizens need to have a stake in, direct control over and access to serious development resources to guide their own development pathways. This control is so central to lifting their stake in governance. Many Pacific communities are well endowed in natural resources that need to be harnessed for development and protected at the same time. A governance transformation that supports the establishment of resource funds, whether they are derived from taxation from tourism in Fiji, log exports in the Solomon Island, oil and gas in PNG, tuna in Kiribati and Tuvalu, is a small ask. Getting the governance foundations right is the bigger ask. For citizens to both have a stake in the modern extractive and service based economies, for communities to be able to balance short- and medium-term objectives, and for citizens to protect their resources from leaders who often pursue short term electoral objectives, and finally have a sufficient resources on a sufficient scale to make those long-term investments, this is the way to go.

For development partners

This is easiest part.. Supporting and enabling governance transformations across the PICS is to support Pacific Governments and their communities to solve their problems themselves. These transformations, however do take time. Financing support needs to be provided over medium-term, five- to ten-year time frames. Such support cannot, by their very nature, be over engineered at the outset. Providing predictable medium-term financing for governance reforms along broadly defined governance trajectories; not being harassed by set-backs at the project level and using diplomatic resources to nudge progress along the trajectory should frame the way forward for development agencies.

Thank you for inviting me to this conversation.

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Author biography

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