

State functioning and state failure in the South Pacific

BENJAMIN REILLY

The South Pacific region features enormous variation in state performance. While Polynesian nations such as Samoa have proved to be relatively successful post-colonial states, Melanesian countries like the Solomon Islands are increasingly categorised as ‘weak’, ‘failing’ or ‘failed’ states. Drawing on a range of comparative studies by economists and political scientists in recent years, this article argues that cross-country variation in ethnic diversity between much of Polynesia and Melanesia is a key factor in explaining differences in state performance across the South Pacific. It shows how different kinds of ethnic structure are associated with specific political and economic outcomes, including variation in political stability, economic development, and internal conflict from country to country. In so doing, it helps explain why some parts of the South Pacific appear to be failing while others are relative success stories – and why this is unlikely to change in the foreseeable future.

Introduction

The South Pacific region is marked by enormous contrasts in state performance. On the one hand, Polynesian countries such as Samoa have proved to be relatively successful post-colonial states, providing stable government, policy continuity and steady if unspectacular economic growth, notwithstanding an ongoing dependence on foreign aid. By contrast, much of Melanesia is plagued by poor state performance, with negative economic growth, ethnic conflict, weak governance and military coups all signalling the failure of states to provide basic security and public services to their citizens. Each of the four independent Melanesian states (Fiji, Papua New Guinea, Solomon Islands and Vanuatu) have suffered army mutinies in recent years; Fiji has experienced three coups; and Papua New Guinea has faced armed conflict in Bougainville and, more recently, the Southern Highlands. The most dramatic case of state failure in the region is Solomon Islands, the subject of an Australian-led intervention, operation *Helpem Fren*, in June 2003. The Australian Strategic Policy Institute has categorised the Solomons as a ‘failing state’, a term also used by the Australian government and academic commentators (ASPI 2002, Wainwright 2003).

In parallel with this stark variation in state performance across the region, different sub-regions of the South Pacific are characterised by enormous contrasts in their internal social structure. On the one hand, the independent Polynesian states of Samoa, Tonga and Tuvalu are among the most ethnically homogeneous societies in the world today, being composed of one dominant cultural group and usually speaking one language. By contrast, Melanesia is one of the world's most fragmented regions, containing roughly a quarter of all the world's known languages. Papua New Guinea alone has over 800 languages and several thousand ethno-linguistic groups, making it on some indicators the most heterogeneous state anywhere in the world. Other parts of the region, such as Fiji or New Caledonia, exhibit more polarised social structures as a result of colonial labour migration. How do these different patterns of societal diversity affect state performance?

Ethnicity and development

Political scientists and economists have been interested in the effects of ethnic structure on state performance for decades. In one prominent case, a World Bank study of Africa found that ethnic diversity was negatively related to economic growth, schooling attainment, availability of infrastructure and sound government policies, prompting the authors to identify ethnic fragmentation as the key to Africa's 'growth tragedy' (Easterly and Levine 1997). Similarly, Rodrik (1999) found ethnic fragmentation to be associated with a range of negative outcomes, including poor economic growth and income inequality. Mauro (1995) concluded that fragmented societies had a strong tendency towards corruption, because of the tendency of members of ethnic groups to favour their own kin.

In a recent study of this phenomenon in the Pacific region, Reilly and Phillpot (2002) found that the most important reason for disparities in provincial development in Papua New Guinea was differences in ethnic diversity from province to province. Testing and rejecting a range of alternative explanations, they found that higher diversity levels in different regions of Papua New Guinea created collective action problems and undermined the development of social capital, undermining development in more heterogeneous areas. Even when alternative explanations such as size, government performance and land resources were factored in, more diverse provinces had significantly lower development levels than more homogeneous ones.

Testing this same proposition in the rest of the Pacific should be relatively easy once a common measurement of ethnic diversity is agreed upon. Unfortunately, the measurement of ethnicity is notoriously difficult. At a minimum, most scholars agree that ethnicity is manifested as a mixture of 'primordial' and 'constructed' factors, being based on ascriptive notions such as clan, tribe, and language as well as more malleable social identities formed by colonialism or post-colonial developments.¹ This means that ethnic identities are never

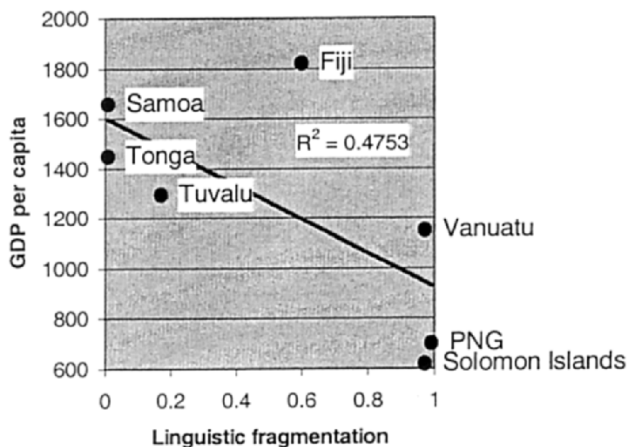


Figure 1. Fragmentation and Prosperity in Melanesia and Polynesia

static: indeed, they can be created to serve particular goals and ends. Recent landholding disputes in Papua New Guinea, for example, have seen claimants invent clan identities from scratch in order to facilitate collective demands for compensation (Filer 2000).

This dynamic aspect of group construction makes any reliable measurement of 'ethnicity' extremely difficult. There is no generally accepted measure of ethnic diversity.² In Papua New Guinea, for example, estimates of the number of ethnic groups range from 'more than 1,000' (Levine 1997, 479) to 'more than 10,000' (Griffin 1974, 143). By contrast, more reliable data *are* available on a related measure—the extent of linguistic diversity for each country. This information can be captured in a 'diversity index' ranging from 0 (a completely homogeneous country where every individual speaks the same language) to 1 (a completely heterogeneous country where every individual speaks a different language). While crude, this is easy to quantify, and serves to capture the *relative* degree of societal homogeneity or heterogeneity from country to country.

Figure One compares the relationship between linguistic fragmentation and per capita income across the seven independent states of Melanesia and Polynesia. Papua New Guinea, Solomon Islands and Vanuatu—all Melanesian states—all have a diversity ranking of .97 or higher, while the Polynesian cases of Samoa, Tonga and Tuvalu are at the other extreme, with diversity levels around .01. Overall, there is a strong and statistically significant negative correlation between fragmentation and prosperity. The higher a country's diversity levels, the lower its per capita income. Indeed, according to the regression co-efficient measuring this relationship, almost half the variation in per capita GDP from country to country is explained by linguistic fragmentation.³ Alternative measures of prosperity yield similar patterns: among this

same group of countries, linguistic diversity is also negatively correlated with long-run (1970-2000) economic growth rates and with 2002 'human development' rankings.⁴

Of course, there are alternative explanations that could be advanced to explain the performance of the two regions, such as the relative size of states in both population and geographic terms, the much larger natural resource endowments of Melanesia, proximity to potential markets, and so on. However, on most of these measures the larger, better-resourced states of Melanesia should be at an advantage compared to their smaller and more isolated Polynesian counterparts. Yet despite these inherent advantages, they have performed more poorly across the board (with the exception of Fiji, with its large Indo-Fijian population). By contrast, Tuvalu—one of the world's smallest, most isolated and resource-poor countries—has been one of the best performers in the entire region (Finin 2002). This flies in the face of conventional wisdom. How do we account for such a pattern?

One explanation is that the highly-fragmented societies of Melanesia have difficulty in delivering public services and infrastructure in the face of competing ethno-linguistic demands. As Easterly (2001, 271) notes, even the delivery of an innocuous public good like a road can have an important ethnic dimension. This is a major problem in countries like Papua New Guinea, where roads represent an essential lifeline for rural communities. For example, the Highlands Highway—the main artery linking highlands towns with coastal ports and with each other—has deteriorated markedly over the past decade as investment has increasingly been diverted towards local projects. In November 2002, it was revealed that a former Finance Minister, Andrew Kumbakor, had as Minister granted approval to seven financially-questionable new road projects, six of which were in his own electorate—a move which benefited his own support base, but did little to promote development in the country as a whole.⁵

In the absence of a strong national identity in post-colonial creations like Papua New Guinea or Solomon Islands, most people's primary loyalty is to their clan, tribe and *wantok* ('one talk') groups. In competing with each other for resources, these ethno-political units increasingly act like interest groups in developed societies, attempting to divert potential public goods towards the private enrichment of their members alone. Such 'rent seeking' is a pervasive aspect of contemporary political and economic life in Melanesia, precisely because of the way societal fragmentation enables small ethnic collectives to be mobilised, monitored and enforced to acquire and then monopolise control of actual and potential public goods. Micro-ethnic identities thus become the key social structure for facilitating the formation of distributive coalitions, which are then used to divert potentially productive public goods towards the benefit of their group alone (for more on this, see Reilly 2004).

Buttressing this is the pervasive problem of representative government and democracy in highly diverse societies. Politics in many parts of Melanesia

continues to be more about wealth distribution than wealth creation. If politicians see their role not as part of a national government but rather as delegates whose role is to channel resources back to their own group of tribal supporters (as is the case in many parts of western Melanesia), their focus will be on delivering these goods to their clan voters (which are often a much smaller group than even their electorate) in order to ensure their re-election. In so doing, they will not invest as much in public infrastructure—which can assist with wealth creation—as they would in a more homogeneous society. The result is lower provision of many types of public resources than would otherwise be the case, and hence much lower development levels for society at large.

Understanding the underlying impact of ethnic fragmentation thus helps explain the poor performance of Melanesia as compared to other parts of the Pacific. As Judith Bennett (2002:1) recently observed,

For many outsiders, the accelerating failure of governments in western Melanesia in the last decade has been difficult to understand. At independence, although their resources ranged from the rich diversity in Papua New Guinea to the less abundant, but still substantial in Solomon Islands, it seemed that with some temporary assistance from developed nations in the region their future would be assured. Yet since independence, overall Melanesian living standards and personal security have declined; and more and more aid is being requested from donors.

Focusing on the developmental challenges created by diversity makes this failure of government more understandable. The western Melanesian countries are some of the most ethno-linguistically diverse societies not just in the Pacific, but in the world. It should therefore be no surprise, if one accepts the arguments made in this article, that it is these same societies that have struggled the most since independence to deliver national development in the face of a multitude of competing ethno-political demands.

The political consequences of ethnic fragmentation

While the consequences of ethno-linguistic fragmentation are seen as being almost entirely detrimental to good economic performance, there are other dimensions of governance. What about the political impacts of heterogeneity? Here, the comparative literature is more nuanced. According to recent research, the relationship between ethnic fragmentation and democracy is essentially bell-shaped: both highly homogeneous *and* highly fragmented social structures bolster the likelihood of democracy, while bi-polar structures are inimical to democratic prospects. Thus a highly fragmented society (as in Papua New Guinea) should be better placed to maintain democracy than one split between two similarly-sized groups, as in Fiji. Such a situation, in which

society is polarised and in which one group can potentially control power alone, is empirically one of the most important predictors of civil war (Collier and Hoeffler 1998).

As with the literature on the economic consequences of ethnic fragmentation, these comparative findings have considerable relevance for understanding patterns of politics and conflict in the Pacific. For one thing, they help explain why Fiji, the wealthiest and most developed sovereign state in the South Pacific, has nonetheless suffered several coups while Papua New Guinea, with a much poorer economic record, is nevertheless one of the very few post-colonial states to have maintained an unbroken record of democratic rule. As is well known, in Fiji the dominant ethnic cleavage is a bi-polar one between indigenous Fijians and Indo-Fijians, and in both 1987 and 2000 this cleavage was used to mobilise support for an economically disastrous coup. By contrast, there has been no coup in Papua New Guinea, despite a much larger and poorer population, failing infrastructure, declining investment, falling living standards, and weak economic growth.

Comparative statistical models which rely on these very factors to predict coups and other kinds of democratic breakdown have found the continuity of democracy in Papua New Guinea to be a deviant case which defies explanation (Londregan and Poole 1990, Vanhanen 1997). Why, they ask, has democracy in Papua New Guinea not broken down in the face of such unfavourable facilitating conditions? Ethnic structure provides one explanation. Even though there may be widespread dissatisfaction with the way the political system works in Papua New Guinea, it is nevertheless extremely difficult for any one group to amass sufficient collective support to overthrow the government in power. The result is that, even though it has not delivered much in the way of development, the existing political system persists in part through its own inertia. Thus Reilly (2000) argues that Papua New Guinea's extremely high levels of ethno-linguistic fragmentation actually make democracy *possible* in the face of unfavourable social and economic conditions.

So, while ethno-linguistic heterogeneity is a negative factor for economic development, it can be a positive factor for safeguarding formal democracy. However, this is not to argue that a fragmented ethnic structure is a good thing for other dimensions of governance. One clear effect of ethnic fragmentation is the way that it impacts upon the stability of executive government. Here the contrast between the more homogeneous Polynesian states and the more fragmented Melanesian ones becomes particularly acute. In Tonga and Samoa, governments tend to be long-lasting, and participation in executive government is restricted to members of the country's traditional aristocracy: in Tonga, to the monarchy alone, in Samoa, to the *matai*. This stifles open competition, but it does create a degree of political stability, and policy predictability. Indeed, comparisons of government tenure across the Pacific show these to be among the most stable of all countries in terms of continuity of office (Larmour 2000).

The stability of executive government in these Polynesian cases stands in stark contrast to the increasing use of no-confidence votes to bring down governments in other parts of the Pacific, such as western Melanesia. Indeed, the raucous competition for elected office that is a feature of politics in places like Papua New Guinea has been accompanied by enormous executive instability. To date, *every* government elected in Papua New Guinea has fallen before the expiration of the parliamentary term; in recent years the governments of both Solomon Islands and Vanuatu have also been overturned on the floor of parliament (under considerable duress, in the Solomons case).

However, the most unstable executive government in the Pacific today is undoubtedly that of Nauru, which is in Micronesia. Dobell (2003) categorises Nauru as the Pacific's second failed state, along with Solomon Islands. Like the Solomons, Nauru is now essentially bankrupt, dependent on external aid from Australia in return for temporarily accepting refugee claimants. Nauru's social structure is generally considered to be based around 12 traditional clans (Crocombe and Giese 1988), and the combination of clan, familial and personal rivalries now dominates political competition. Indeed, in recent years Nauruan politics has become increasingly 'Melanesian', with fifteen changes of government in the last five years, including five in 2003 alone. However, Nauru's trajectory towards a failed state is quite different to Solomon Islands, as it has squandered almost all the earnings from its near-exhausted phosphate resources. As Dobell (2003, 8) notes, 'One state has failed because of its poverty, the other because of its inability to handle riches'.

Again, these patterns of behaviour have well-established impacts on developmental variables such as economic growth. Successive comparative studies have confirmed that the worst possible form of governance for economic growth is to have unstable executives, an unrepresentative legislature, and a fragmented and personalised political party system which lacks roots in the community (see Powell 1982, Bueno de Mesquita *et al.* 2001). This is a recipe for unstable politics, unsteady policy, and a serious weakness of governance. Unfortunately it is also an increasingly accurate description of governance in much of Melanesia and also of Nauru. It is less applicable to most of Micronesia (where US-inspired presidential forms of government are the norm, with consequent benefits for executive stability) or Polynesia (where politics continues to be based around traditional chiefly social structures rather than micro-ethnic loyalties).

Ethnic fragmentation and internal conflict

Another issue that has great relevance to the Pacific is the interplay of ethnic identity and natural resource endowments. There is a growing and influential scholarly literature on the so-called 'resource curse': the tendency of resource-rich countries to under-perform economically and fall victim to large-scale internal violence (Ross 2004). As both ethnic groups and natural resources

such as mines, gas fields and forests tend to be geographically concentrated, there is often a clear overlay between ethnic identity and claims of group ownership to a resource, and thus an interplay between ethnic diversity, natural resources, and internal conflict.

Testing a range of 'greed versus grievance' explanations for the outbreak of civil war, Collier and Hoeffler (2000) found that primary commodity dependence sharply increases a country's risk of conflict; indeed, a sizeable resource endowment was actually the most important single explanation of civil wars. Again, however, the ethnic dimension was also important: societies in which one ethnic group could dominate others were particularly at risk of civil war. Ethnic fragmentation, by contrast, decreased the risk of large-scale conflict, for the same reason that it decreased the risk of coups: the problems of organisation posed by the presence of many different ethnic groups. Collier used the example of West Papua/Irian Jaya as an illustration:

This province is dependent upon primary commodity exports and over the past 30 years many small groups have attempted to mount armed opposition to rule from Indonesia. However, none of these groups succeeded in building a viable rebel organisation of any scale. The likely reason for this is that Irian Jaya is so astonishingly ethnically fragmented, with some 450 distinct language groups: the groups simply cannot cohere into a military organisation (Collier 2001, 150).

In sum, coups and rebellions should thus be rare in ethnically fragmented societies because of the considerable difficulties posed in maintaining cross-ethnic unity for *any* political objective, either positive or negative.

But if this is the case, how do we explain the various armed rebellions that have occurred in all four independent Melanesian states over the past decade—the Fijian coups, the Bougainville war in Papua New Guinea, the Santo rebellion in Vanuatu, and (most recently) the overthrow of elected government in the Solomon Islands? On the face of it, these events undermine the claim that ethnic fragmentation somehow makes societies safer. However, I argue that upon closer examination, each of these conflicts can also be seen as an example of the broader theory in action. In each case, the diverse impacts of colonial rule, migration and post-colonial state-building led to the growth of new cleavages which served to restructure politics along a more confrontational axis. In all of these cases, the fragmentation of traditional society was overlaid and sometimes replaced by a bi-polar, us-versus-them form of identity construction which served to move ethnic structure away from a dispersed (and thus safer) formation and towards one of polarisation.

Colonialism has been a crucial factor in this process. In New Caledonia, for example, as part of the campaign for independence from France 'the indigenous liberation movement seeks to polarise the population into Kanak/non-Kanak segments, and to establish an independent nation? The French in turn attempt to undermine Kanak unity by appealing to the "true diversity of

racess” in New Caledonia’ (Linnekin 1990, 171). The 1988 hostage drama in New Caledonia, in which 28 people died, is a tragic example of the consequences of this kind of polarised identity creation. Elsewhere, the emergence of identities based around colonial constructs such as ‘Papua’ (in Papua New Guinea) or ‘Malaita’ (in the Solomon Islands) are examples of how simple administrative units of colonialism can nonetheless assume prominence as important post-colonial ethnic identities.⁶ In such cases, ‘what in pre-colonial times were politically fragmented and culturally and linguistically diverse communities ... become units locked in the struggle for power and resources in post-colonial states’ (Keesing 1989:26). Contemporary conflicts in Fiji, Bougainville, the Solomon Islands and Vanuatu provide good examples of the way in which this process can occur.

Fiji

Fiji provides perhaps the most obvious example of the dangers of a polarised ethnic formation. The ‘bi-communal’ division between indigenous Fijians and Indo-Fijians, each comprising around half of the population (50 percent indigenous Fijian, 44 percent Indo-Fijian), is the most dangerous of all ethnic structures (Milne 1988). At times of elevated ethnic politics—such as the elections of governments perceived as being controlled by Indo-Fijians in 1987 and 1999—this one dimension of cleavage tends to take precedence over all others. Indeed the superficial Fijian-Indian division has served at various times to maintain a degree of unity within the indigenous Fijian population, which is itself divided along tribal, regional and cultural lines—especially the distinction between the dominance of Polynesian chiefly systems in the east versus the more egalitarian structures in the western regions (Thomas 1990). The Indo-Fijian community is also divided along various internal lines, and contains a significant Muslim minority.

These various intra-community divisions, however, quickly become overlaid at times of crisis with the much blunter one of ‘Indian’ versus ‘Fijian’. Both the 1987 and 2000 coups used the threat of Indo-Fijian domination as a means of unifying the Fijian community along ‘us-versus-them’ lines. There have been varying academic interpretations of the 1987 coups, with some seeing them as racially motivated, and others as more complex events encouraged by class interests, competition between chiefly and commoner indigenous Fijians, regional tensions and personal ambition (Scar 1988; Lal 1988; Lawson 1991). Similarly, some analyses of the 2000 coups argue that the illusion of ethnic unity was actually critical in maintaining a crude power-grab that was more about the economic interests of George Speight and his backers than about ethnicity *per se* (Lal and Pretes 2001). In each case, however, there is little argument that pan-ethnic appeals to a unified Fijian or Indo-Fijian identity were a primary means of mobilising support on both sides. In both 1987 and

2000, multiple and often competing identities were replaced, temporarily at least, by a crude dichotomy of indigenous versus immigrant.

Bougainville

The Bougainville rebellion in Papua New Guinea, the most serious internal conflict in the Pacific region during the 1990s, featured a different process of identity construction. The island of Bougainville is no more internally homogeneous than most other parts of Papua New Guinea: it features 19 different language groups and associated clan and tribal rivalries (Larmour 1992). Following the outbreak of full-blown conflict between secessionist forces on Bougainville and the Papua New Guinea government in 1987, the pro-independence forces also split into several competing camps (Regan 1998). However, the independence movement needed to downplay these differences and emphasise a distinctively pan-Bougainvillean identity. Emphasis was consistently placed on the supposedly more peaceful temperament and relative cultural advancement of Bougainvilleans compared to the more aggressive nature of other Papua New Guineans, a process that became crucial to the creation of a Bougainville ethnic identity (Nash and Ogan 1990).

Another way of doing this was by focusing on Bougainville's putative closeness to Solomon Islands and distinctiveness from the rest of Papua New Guinea by emphasising not language or tribe as an ethnic marker, but skin colour. Thus one rebel, Leo Hannett, claimed that 'Ethnically, Bougainvilleans are obviously different from Papuans and New Guineans. We are generally jet black people having common ancestry with more people down West Solomons rather than with any groups in PNG' (quoted in Premdas 1977, 71). As part of the process of identity construction, then, some traditional forms of identity such as linguistic and tribal allegiance were eclipsed by others which more usefully served the purpose of projecting a unified Bougainvillean nation. Since the peace deal signed in 2001, intra-Bougainvillean divisions based around traditional clan ties have become more salient once again.

Solomon Islands

The process of identity construction between the islands of Guadalcanal and Malaita, which precipitated the recent conflict in Solomon Islands, has deeper historical roots. A country with 450,000 people, 87 different indigenous languages, and little in the way of national consciousness, tensions between island groups have been a feature of life in Solomon Islands for much of the post-war period. This process was intricately intertwined with the introduction of new administrative units by the colonial state, which precipitated divisions between various parts of the Solomons. Following independence, governments attempted to build some kind of national consciousness through the education system and the development of Pigin as a common language of

communication, but they made little progress in replacing traditional ethnic identities with non-ethnic 'civil' ones (Jourdan 1995).

The 1990s saw increasing 'ethnic tensions' between Malaita, one of the most ethnically diverse parts of the Solomons, and the neighbouring island of Guadalcanal, to which many Malaitans had migrated. This led to the development of new kind of identity, as 'the ethnically diverse islands of Malaita and Guadalcanal forged large island-wide ethno-nationalist identities [in order] to dominate Solomon Islands national politics as if they were the only two ethnic groups in the country' (Fry 2000:303). This attempt at identity construction was not an easy process: Kabutaulaka (2001) notes that the maintenance of a single ethnic identity in Malaita proved so difficult that some enterprising leaders claimed that Malaitans were actually descendants of the lost tribes of Israel. Similar problems afflicted the attempt to create a unified Guadalcanal identity.

Despite these difficulties, by 1999 these renewed island-based cleavages had resulted in the formation of two armed groups: the Malaitan Eagle Force and the Isatabu Freedom Movement ('Isatabu' being the claimed traditional name for Guadalcanal). Rising conflict between these groups resulted in the expulsion of some 20,000 Malaitan settlers from Guadalcanal in 1999, the overthrow of the Solomon Islands government in May 2000, and a violent and chaotic internal war, with hundreds of casualties on both sides. The conflict served to reinforce the salience of what was effectively a bi-polar cleavage overlaid on the fragmented cultural basis of the country. Significantly, since the signing of the Townsville Peace Accord, and particularly since the *Helpem Fren* intervention, this veneer of island-wide unity has begun to splinter, as local clan identities have reasserted themselves (Kabutaulaka 2002).

Vanuatu

Vanuatu, an Anglo-French condominium before independence in 1980, has recently seen the mobilisation of ethnic identities work in the other direction—towards conflict de-escalation. The de-politicisation of Vanuatu's Anglophone-Francophone cleavage, and the reassertion of traditional Melanesian politics, are good illustrations of the dynamism and fluidity of ethnic identities. Like Papua New Guinea and the Solomon Islands, Vanuatu has a highly fragmented form of traditional society featuring typically Melanesian patterns of clan organisation, and some 109 indigenous languages. But until recently, Vanuatu politics was dominated by an over-arching colonial cleavage between the country's Anglophone majority and the Francophone minority. This bi-polar linguistic identity has had a marked impact on Vanuatu's political development. For example, the Santo rebellion in 1980—which featured a hodge-podge of different actors and interests including disaffected French settlers and French-educated locals, the local chief Jimmy Stevens, and the

libertarian US-based Phoenix Corporation—was mobilised primarily around the issue of Francophone disaffection.

Similarly, Vanuatu's post-colonial party system featured two dominant parties, one Anglophone, one Francophone—a system quite unlike the fractionalised multiparty patterns of other Melanesian countries. However, in recent years, this cleavage has gradually lost its salience and more traditionally Melanesian patterns of political identity seem to be reasserting themselves. For example, the vote share for the major Anglophone party, the Vanua'aku Pati, has declined steadily since independence, from 67 percent in the 1979 elections that brought it to power to 47 percent in 1987, whereupon the party split in two. By the 1990s, the two-party system of the past had been largely replaced by more familiar Melanesian patterns of fragmentation, while traditional clan and tribal politics had reasserted themselves.

It is unlikely today that any secessionist movement based around the Anglophone-Francophone cleavage would be able to succeed in mobilising significant support in Vanuatu. Rather, as traditional forms of ethnic fragmentation have reasserted themselves, the danger of a bi-polar conflict has receded, and more familiar governance problems associated with Melanesian politics—such as clan voting, ethnic nepotism and unstable executive government—have become more prominent. As one indication of this, there were six changes of government between 1995 and 2001 alone (Stöver 2001, 835).

Conclusion

The combined evidence presented in this article has important implications for discussions of state performance and state failure in the South Pacific. Despite their small size, lack of natural resources, and distance from world markets, the better performers in the South Pacific have, on most indicators of development, come from Polynesia. By contrast, in the larger and better-endowed states of Melanesia, the combination of ethnic diversity and natural resource endowment appears to have generated particular pathologies of governance, with a focus on rent-seeking by ethnic interest groups leading to collective action problems, the under-provision of public goods, and below-par economic performance. Thus it is these cases, rather than their resource-poor Polynesian counterparts, that are increasingly raised in discussions of state failure in the South Pacific.

This trend also has implications for Australia's policy towards the South Pacific region. Due to a combination of geographical proximity and historical circumstance, as well as current policies on asylum seekers, the 'war on terror' and state-building, the Australian government's foremost preoccupations in the region are Papua New Guinea, Solomon Islands, Nauru, and Vanuatu, in roughly that order of importance. With the exception of Nauru, these are the most ethnically diverse states in the South Pacific. They are also, without exception, the worst performed states of the region on most indicators of

development. If, as the evidence presented in this article suggests, these problems are rooted in the very social structure of the countries themselves, this record of under-performance is unlikely to change any time soon, regardless of external efforts. Deep-rooted patterns of identity and culture are likely to be considerably more resilient than anything Australian policymakers can come up with.

However, there are some positive effects of diversity too. Despite its deleterious economic impacts, ethno-linguistic diversity can promote democratic longevity by making it difficult to overthrow existing regimes. Thus, we are unlikely to see a coup in Papua New Guinea, for example, despite its ongoing difficulties. In addition, ethnic identities are not static. Existing patterns of ethno-linguistic fragmentation are influential but not inviolable. Indeed, new identities and cleavages can establish themselves surprisingly quickly. Examples include contemporary conflicts in Bougainville and Solomon Islands, both of which depended on the fashioning of 'us-or-them' post-colonial identities from what were highly fragmented traditional societies. Patterns of ethno-linguistic identification, influential though they are, should thus be seen as fluid, contextual and dynamic. History is not destiny.

By unifying explanations of both economic and political outcomes via the common causal factor of ethno-linguistic structure, this article helps to explain variations in state development and performance across the Pacific islands region. Of course, there are many other reasons for these variations as well; social phenomena are never monocausal. Nonetheless, the evidence does suggest that the disparate affects of ethnic structure on governance, economic growth, political stability, democratic continuity, and internal conflict are a key part of the explanation of state success and state failure across the South Pacific.

Notes

1. The term primordialism is usually associated with Geertz 1963. For a discussion of this typology in the scholarly literature, see Esman 1994, 9-16.
2. The most widely-used measure, the index of ethno-linguistic fragmentation (ELF), suffers from numerous errors of omission and commission, and ignores the Pacific islands region completely. See Reilly 2000.
3. The regression coefficient is $R^2 = 0.48$, statistically significant at the .05 level.
4. For the first measure, see Hughes 2003; for the second, see United Nations Development Program 2002. However, both measures are affected by missing data, hence my use of per capita GDP figures.
5. See 'Kumbakor gets tongue lashing', *PNG Post-Courier*, 15-17 November 2002.
6. For example, violence between 'Papua New Guineans' and 'New Guineans' following a rugby league match in Papua New Guinea in June 1968, which was later reported as 'one of the worst outbreaks of inter-tribal fighting to occur' in Port Moresby, was structured along these introduced colonial administrative divisions (Nelson 1974, 26).

References

- Australian Strategic Policy Institute 2003, *Our Failing Neighbour: Australia and the Future of Solomon Islands*, Australian Strategic Policy Institute, Canberra.
- Bennett, Judith 2002. 'Roots of Conflict in Solomon Islands—Though Much is Taken, Much Abides: Legacies of Tradition and Colonialism'. *State, Society and Governance in Melanesia Discussion Paper 2002/5*, Canberra: State, Society and Governance in Melanesia Project, Australian National University.
- Bueno de Mesquita, Bruce, J. Morrow, R. Silverson and A. Smith 2001. 'Political Competition and Economic Growth', *Journal of Democracy* 12(1):58–72.
- Collier, Paul and Anke Hoeffler 1998, 'On the Economic Causes of Civil Wars', *Oxford Economic Papers*, Vol. 50, No. 4, pp. 563–73.
- . 2000, 'Greed and Grievance in Civil War', Policy Research Working Paper 2355. Washington DC: World Bank.
- Collier, Paul. 2001. 'Ethnic Diversity: An Economic Analysis', *Economic Policy*, April, pp. 128–166.
- Crocombe, R., and Giese, C. 1988. 'Nauru: The Politics of Phosphate', in A. Ali and R. Crocombe (eds), *Micronesian Politics*. (Suva: Institute of Pacific Studies, University of the South Pacific).
- Dobell, Graeme 2003, 'The South Pacific — Policy Taboos, Popular Amnesia and Political Failure', Menzies Research Centre seminar paper: Canberra, 12 February 2003.
- Easterly, William 2001. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. (Cambridge MA and London: MIT Press).
- Easterly, William and Levine, Ross 1997. 'Africa's Growth Tragedy: Policies and Ethnic Divisions', *Quarterly Journal of Economics* 112(4):1203–1250.
- Esman, Milton 1994. *Ethnic Politics*. (Ithaca NY: Cornell University Press).
- Filer, Colin 2000, 'Compensation, Rent and Power in Papua New Guinea' in S. Toft (ed.), *Compensation for Resource Development in Papua New Guinea*. Port Moresby and Canberra: Law Reform Commission of Papua New Guinea and Australian National University.
- Finin, Gerard A. 2002, 'Small is Viable: The Global Ebbs and Flows of a Pacific Atoll Nation', East-West Center Working Paper No 15, East-West Center, Hawaii.
- Fry, Greg 2000. 'Political Legitimacy and the Post-colonial State in the Pacific: Reflections on Some Common Threads in the Fiji and Solomon Islands Coups', *Pacifica Review*, 12(3):295–304.
- Geertz, Clifford 1963. 'The Integrative Revolution: Primordial Sentiments and Civil Politics in the New States' in C. Geertz (ed.), *Old Societies and New States: the Quest for Modernity in Asia and Africa*. (New York: Free Press).
- Griffin, James 1974. 'Papua New Guinea' in R. Brissenden and J. Griffin (eds), *Modern Asia: Problems and Politics*. (Milton: Jacaranda Press).
- Grimes, Barbara (ed.) 2002. *Ethnologue: Languages of the World*, 14th Edition, (Dallas, TX: SIL International).
- Hughes, Helen 2003. 'Aid Has Failed the Pacific', *Issue Analysis No 33*. Sydney: The Centre for Independent Studies, 7 May 2003.
- Jourdan, Christine 1995. 'Stepping Stones for National Consciousness: The Solomon Islands Case' in Foster, Robert J. (ed.), *Nation Making: Emergent Identities in Postcolonial Melanesia*. (Ann Arbor: University of Michigan Press).
- Kabutaulaka, Tarcisius 2001. 'Beyond Ethnicity: The Political Economy of the Guadalcanal Crisis in Solomon Islands'. State, Society and Governance in Melanesia Working Paper 01/1. Canberra: State, Society and Governance in Melanesia Project.
- . 2002. 'A Weak State and the Solomon Islands Peace Process', East-West Center Working Paper No 14. Hawaii: East-West Center.

- Keesing, Roger M. 1989. 'Creating the Past: Custom and Diversity in the Contemporary Pacific', *The Contemporary Pacific* 1(1&2):19–42.
- Lal, Brij 1988, *Power and Prejudice: the Making of the Fiji Crisis*. (Wellington: New Zealand Institute of International Affairs).
- Lal, Brij and Michael Pretes (eds) 2001. *Coup: Reflections on the Political Crisis in Fiji*. (Canberra: Pandanus Books).
- Larmour, Peter 2000. 'Explaining Institutional Failure in Melanesia', *Pacific Economic Bulletin* 15(2): 143–151.
- . 1992. 'The Politics of Race and Ethnicity: Theoretical Perspectives on Papua New Guinea', *Pacific Studies* 15(1): 99–121.
- Lawson, Stephanie 1991, *The Failure of Democratic Politics in Fiji*. (Oxford: Clarendon Press).
- Levine, Stephen. 1997. 'Culture and Conflict in Fiji, Papua New Guinea, Vanuatu, and the Federated States of Micronesia' in Michael E. Brown and Sumit Ganguly (eds), *Government Policies and Ethnic Relations in the Asia-Pacific*. (Cambridge and London: MIT Press).
- Linnekin, Jocelyn 1990, 'The Politics of Culture in the Pacific' in J. Linnekin and L. Poyer (eds), *Cultural Identity and Ethnicity in the Pacific*. (Honolulu: University of Hawaii Press).
- Londregan, J. B. and Poole, K. T. 1990, 'Poverty, the coup trap, and the seizure of executive power', *World Politics*, 42(2):151–183.
- Mauro, Paolo 1995. 'Corruption and Growth', *Quarterly Journal of Economics*, 110(3), pp. 681–712.
- Milne, R. S. 1988, 'Bicommunal Systems: Guyana, Malaysia, Fiji', *Publius: The Journal of Federalism*, 18:101–113.
- Nash, Jill and Eugene Ogan 1990, 'The Red and the Black: Bougainvillean Perceptions of Other Papua New Guineans', *Pacific Studies* 13(2):1–17.
- Nelson, Hank 1974. *Papua New Guinea: Black Unity or Black Chaos?* (Ringwood: Penguin).
- Powell, G. Bingham 1982. *Contemporary Democracies: Participation, Stability, and Violence*. (Cambridge MA: Harvard University Press).
- Premdas, Ralph 1977. 'Secessionist Politics in Papua New Guinea,' *Pacific Affairs*, Vol. 50, pp. 64–85.
- Reilly, Benjamin 2000. 'Democracy, Ethnic Fragmentation, and Internal Conflict: Confused Theories, Faulty Data, and the 'Crucial Case' of Papua New Guinea', *International Security*, 25(3):162–185.
- . 2004, 'Ethnicity, Democracy and Development in Papua New Guinea', *Pacific Economic Bulletin* 19(1), 2004, pp. 46–54.
- Reilly, Benjamin and Robert Phillpot 2002. 'Making Democracy Work' in Papua New Guinea: Social Capital and Provincial Development in an Ethnically Fragmented Society', *Asian Survey*, XLII(6), pp. 906–927.
- Rodrik, Dani 1999, 'Where Did All the Growth Go? External Shocks, Social Conflict, and Growth Collapses', *Journal of Economic Growth* 4(4): 385–412.
- Ross, Michael 2004, 'What Do We Know About Natural Resources and Civil War?' *Journal Of Peace Research* 41(3):337–356.
- Stöver, Philip 2001. 'Vanuatu', in Dieter Nohlen, Florian Grotz and Christof Hartmann (eds), *Elections in Asia and the Pacific: A Data Handbook* (Volume II). (New York: Oxford University Press).
- Thomas, Nicholas 1990. 'Regional Politics, Ethnicity and Custom in Fiji', *The Contemporary Pacific* 2(1):131–146.
- United Nations Development Program 2002. *Human Development Report 2002*. New York: United Nations Development Program.
- Vanhanen, Tatu 1997, *Prospects of Democracy: A Study of 172 Countries*. (London and New York: Routledge).
- Wainwright, Elsinia 2003, 'Responding to state failure—the case of Australia and the Solomon Islands', *Australian Journal of International Affairs* 57(3):485–498.