

Official Development Assistance (ODA):
Exploring Priority, Disbursement, Dependency and Leverage
from the Perspectives of
Three Pacific Island Countries (PICs)

By

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September 2017

Dissertation Presented to the Higher Degree Committee
of Ritsumeikan Asia Pacific University
in Partial Fulfillment of the Requirements for the Degree of
Doctor of Philosophy in Asia Pacific Studies

DECLARATION

This dissertation is under consideration for a book publication. Please contact the author directly if you wish to obtain further information about the research.

Abstract

The Pacific Island Countries (PICs) have been the biggest recipients per capita of Official Development Assistance (ODA) for decades, although only 1% of global ODA goes to the region. Nevertheless, aid has turned into a necessity for the PICs as a high percentage of their national budgets are supported by aid annually. The problem of “what if aid halts?” is a concern, not only because efforts from traditional donors are weakening, but also because alternatives from non-traditional donors are not reliable. With the goal of better operation of ODA, this research explores potential answers to the main question of whether all donor nations take the same approaches to ODA with respect to recipient countries. The research suggests that the PICs need a framework for successful engagement with international donors and a model of understanding about how each of the donor countries approaches international aid in practice. Scrutinizing the 15 hypotheses derived for the study, the arguments of Development theory, Common Pool Resources, Schismogenesis and Gift Giving theory are indispensable for identifying the “balances” for multiple recipients with multiple donors employing politics in the PICs. By analyzing the approaches of Australia, France, China and Japan to ODA through the lenses of policy makers in the three case study recipient countries of Vanuatu, Tonga and Kiribati, this research identified better understandings of Priority, Disbursement, Dependency and Leverage within each partnership.

The research finds that Disbursement and Dependency are the same for all aid practices of all donor nations selected for the study, with donor nations using Disbursement to control the PICs while the PICs depend heavily on the availability of ODA. At the same time, Priorities are pre-decided by donor nations according to their interests. The research argues that while Leverage is the most successful strategy for influencing Disbursement, the distinctiveness of the leverage capital available in each country encourages competitions amongst both donor nations and recipient countries. As a result, the author proposes a regional Leverage framework of Gross National Generosity (GNG) as an alternative method for proactive aid partnerships. It is designed to complete the gift giving cycle through reciprocity in order for recipient countries to carefully setup aid management institutions to achieve the goals of ODA. GNG requires a shift from the decolonization mindset of *helping them to help themselves* found in the

approaches of Western donors. Instead, it recommends the universal norm and mutual co-existence value of *helping them to help us* commonly found in the approaches of Asian donors.

In conclusion, donor nations approach ODA as an exchange where motivations are based on self-interests, while the PICs perceive ODA as a gift where the interests are based on those of the donors for the purpose of the relationship. Although the PICs prefer the approaches of Asian donors to those of Western donors due to the tangible element of their aid, the PICs do not have full ownership of their aid, as reciprocity is not recognized. GNG promises interdependent relationships and peaceful co-existence in foreign aid operation between developing countries, including the PICs, and their main development partners.

Keywords:

Pacific Island Countries, Common Pool Resources (CPR), Schismogenesis of aid, Gift Giving theory and Aid, Official Development Assistance (ODA), Reciprocity of Aid, Gross National Generosity (GNG)

Acknowledgement

*Praises to You Lord in the highest for Your Word is the lamp to my feet
and the light to my path. Psalm 119:105.*

I would like to acknowledge the patience and invaluable contributions and assistance in producing this dissertation through the expertise of my supervisor Professor Sato Yoichiro. I would also wish to acknowledge other direct academic advices and support from the APU family, the founding President Professor Sakamoto Kazuichi, former Vice President Professor Francisco Fellizar, former Vice President Professor Mani, Vice President Professor Yokoyama Kenji, Vice President Professor Yoshimatsu Hidetaka, Dean of Graduate School Professor Robert Salazar, Director of RCAPS Professor Joseph Progler and Professor LI Yan from the Dissertation Committee. I also wish to acknowledge the professional advices and network connection through Professor Jeremy Breaden of Monash University and Professor Kobayashi Izumi, President of Japan Society for Pacific Island Studies. In fine-tuning of this dissertation, I wish to acknowledge the vision learned through the advices of my external examiner Professor Gerald A. Finin from the East West Center, Hawaii.

I am particularly grateful to many individuals from various stakeholders who participated in my research interview and many others who offered their support within Japan and Pacific Island Countries along the way. I thank the staff, faculty members and fellow students at Ritsumeikan Asia Pacific University (APU) who helped me in so many ways. I would like to express my utmost appreciation to the Fuji Xerox Kobayashi Foundation for the two years in a row 2016/2017 - 2017/2018 Research Grant, which enabled me to conduct the three case studies and completion of the program. I owe a debt of gratitude to my family both here in Japan and Tonga who never doubted that I would complete this work and thus ensure that I did.

Finally and most importantly my deepest thanks go to my wife Akemi, for her willing sacrifices. Without her encouragement I would never have finished this dissertation and without her support, I would never have been able to start it.

Dedication

To my father Viliami Vivili Funaki for your selfless dream to educate your children not to walk on the same path you were led to take. To my mother ‘Okalina ‘a Tungi, for all the moral values you live to share. To my sisters Mele Vahenga, Susila and ‘Alamoni for raising me. To my brothers Pilia’e and Semisi for your loving tolerance. To my parents in law Mitsui Nagatoshi and Kimio, sisters Miyuki, Mika and brother Akira for family support. Most importantly to you my wife Akemi for making this dream come true.

May the prosperity and peace of the Pacific Island Countries overflow to each corner of the earth.

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List of Abbreviations and Acronyms

ADB	Asian Development Bank
APU	Ritsumeikan Asia Pacific University
AUD	Australian Dollar
AusAID	Australian Agency for International Development
CCH	Contribution to Cultural Heritage
CDCC	Cabinet Development Coordination Committee (Tonga)
CHL	Contribution to Humanity and Livelihood
COFA	Compact of Free Association
CPR	Common Pool Resources
CPP	Contribution to Peace and Prayers
CSR	Contribution to Sports and Research
DAC	Development Assistance Committee
DSPPAC	Department of Strategic Policy and Aid Coordination (Vanuatu)
DFAT	Department of Foreign Affairs and Trade
EEZ	Exclusive Economic Zone
EWC	East West Center
GDP	Gross Domestic Product
GNI	Gross National Income
GNG	Gross National Generosity
GNH	Gross National Happiness
GNP	Gross National Product
ISC	International Security Cooperation
IMF	International Monetary Fund
JICA	Japan Overseas Cooperation Volunteers
JPRM	Joint Policy Reform Matrix
KDP	Kiribati Development Plan
LDP	Liberal Democratic Party
LDC	Least Developed Country
MFA	Ministry of Foreign Affairs (Vanuatu)
MOI	Ministry of Infrastructure (Vanuatu)
MDGs	Millennium Development Goals

MFAI	Ministry of Foreign Affairs and Immigration
MFED	Ministry of Finance and Economic Development (Kiribati)
MFNP	Ministry of Finance and National Planning (Tonga)
NEPO	National Economic Planning Office (Kiribati)
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PALM	Pacific Leaders Meeting
PICs	Pacific Island Countries
PIF	Pacific Island Forum
PNA	Parties to the Nauru Agreement
PNG	Papua New Guinea
PAMD	Policy and Aid Management Department (Tonga)
SDG	Sustainable Development Goals
SDGS	Small Island Development States
SPC	South Pacific Community
SPREP	Secretariat of the Pacific Regional Environment Program
TOP	Tonga Pa'anga
TSDF	Tonga Strategic Development Framework
UN	United Nations
UNDP	United Nations Development Program
UNICEF	United Nations Children Fund
UNV	United Nation Votes
USD	United States Dollars
USP	University of the South Pacific
VUV	Vanuatu Vatu
WB	World Bank
WHO	World Health Organization

CHAPTER 1

Introduction

The story of the god “Maui” is commonly told in the Pacific Island Countries (PICs) as a myth and has been passed down from generation to generation. Although it is interpreted and understood in various forms due to being passed on through different languages and songs, Maui is commonly respected as the Creator. One of the Tongan versions the author grew up with as a child was about the origin of fire. The god Maui Motu’a (old Maui) kept the fire in Puluotu (the land underneath) where no one was allowed to enter except for the gods. His son Maui ‘Atalanga traveled back and forth between Puluotu and Maama (Earth) because he loved a woman in Maama. Maui ‘Atalanga had a son named Maui Kisikisi and one day, Maui Kisikisi followed his father and entered Puluotu without being caught. After looking around, Maui Kisikisi found his grandfather Maui Motu’a peeling cooked yams at an open fire. His grandfather could not see him because he was blind. Maui Kisikisi quietly took some of the peelings and was surprised with the sweet taste as food in Maama was eaten raw. Maui Motu’a felt the presence of Maui Kisikisi and ordered for him to be returned to Maama immediately. Maui ‘Atalanga came from the plantation to take his son back. When they left Maui Motu’a and passed by the fire, Maui Kisikisi hid some sparks in his no’o (body wrap) and ran ahead back to Maama. When his father smelled the smoke, he knew his son was trying to bring fire to Maama. He quickly followed and commanded the clouds to pour rain on the fire, but Maui Kisikisi speedily threw the sparks into the air and commanded them to hide in the trees. The story concludes with the explanation that the fire produced when rubbing two sticks together is the outcome of the sparks brought by Maui Kisikisi from Puluotu.

The fire in the myth is interpreted in Tonga as knowledge, which was kept by the gods. Sharing and distributing this knowledge as demonstrated by the son Maui Kisikisi, could be viewed as seeds produced when combining the strengths of the two worlds. It is natural to search for the advice of doctors rather than hearing from patients. Also in pottery, the pot does not ask the potter how and why it was made. The created does not question the creator. In development studies, rich countries frame the kind of development suited for underdeveloped countries based on their experiences.

Nevertheless, considering the views and voices from the periphery could lead to better interpretations. In this research, exploring Official Development Assistance (ODA) from the perspectives of recipient countries is an attempt to share and distribute new knowledge to existing principles of foreign aid.

1.1 Aim of the study

The total ODA to the Pacific Island Countries (PICs) is approximately 1-2% of net ODA for all recipient countries, but the region has been the biggest recipient of ODA per capita in the world for decades. Compared to US\$50 per capita for African countries, and US\$26 for all developing countries, the PICs received a record of USD\$223 per person in 2013 (OECD). However, aid¹ has turned into a necessity as a high percentage of the national budget is supported by aid annually. The question of “what if aid halts?” is a concern, not only because efforts from traditional donors are weakening, but because competitive alternatives from non-traditional donors are becoming more accessible. This study seeks to provide a new understanding of ODA by examining different approaches taken by the regions’ main donor nations through the lens of aid policy makers in the PICs. It seeks to explore potential answers to the main question of whether all donor nations take the same approaches to ODA with respect to recipient countries.

While a great deal of research has been done on the effectiveness of ODA and on analyzing the approaches taken by various donor countries, there is much less research on the impact of aid practices on the PICs as recipients and how the PICs negotiate with each donor country. One of the few studies on this topic is Dornan and Brant (2014) on the non-transparency of Chinese Assistance in the Pacific, which emphasizes Agency, Effectiveness and the Role of Pacific Islands Government. Bah and Ward (2011) have studied the effectiveness of foreign aid in Small Island Development States (SIDS), and argued that it is based on “sufficient governmental and social institutions.” Schultz (2012) analyzed the engagement of Australia with the PICs and argued that only institutional commitment to Australia’s relationship with the PICs could improve its volatility. Duncan (2016) recently conducted an analysis on the

¹ For the sake of brevity, the term “aid” will be used interchangeably with ODA when referring to Official Development Assistance (ODA).

“sources of growth spurts in Pacific island economies” and argued that operating aid without changing institutions and policies does not guarantee stable economic growth. Alexander (2001) and Tarte (1998) shared their findings on the diplomatic relationships existing between Japan and the PICs, but studies on how the PICs in general, and especially their governments, approach the practical operation of aid transactions apparently have yet to be conducted; there is not any research available upon which to build. Williamson (2009) emphasized that donor countries being unable to successfully grasp the needs of recipient countries are due to a lack of information and the inability to grasp local knowledge; at the same time, lack of information for recipient countries prevents aid from operating successfully. Considering the problem raised by Friedrich Hayek (1945) that all society is facing decentralized knowledge, this research contributes to this ‘gap’ by exploring the nature of Priority, Disbursement, Dependency and Leverage (defined on page 11) of donor nations from the perspectives of the PICs.

Approaches to ODA in the PICs will cross-reference aid partnerships between the most influential donor nations of Australia (DAC² member), France (DAC member), Japan (DAC member and first non-European member) and the People’s Republic of China (China, non-DAC member) through interpreting their approaches and practices. Since eight PICs countries recognize China and six recognize the Republic of China (Taiwan) as explained in Chapter Two and in Chapter Six, this research acknowledge the views of recipient countries and their choices of development partners. These approaches are validated through comparative analysis based on the understanding of ODA through close examination of Priority, Disbursement, Dependency and Leverage. The analysis explores which strategies are perceived to be the most effective for dealing with each donor country in the Republic of Vanuatu (*Vanuatu, former British-French Condominium*), the Kingdom of Tonga (*Tonga, un-colonized, former protectorate of the United Kingdom*), and the Republic of Kiribati (*Kiribati, war-time Japanese occupation and former British colony*) among the PICs. Since Kiribati recognizes Taiwan instead of China, this research accepts the relevance of this relationship as it adds to a broader perspective and understanding of donor nations’ approaches to ODA. Agreeing to the

² Development Assistance Committee (DAC) is a forum for donors under the Organization for Economic Cooperation and Development (OECD).

claim that multiple principles of donor nations weaken results in recipient countries (Williamson, 2009), the author suggests that the PICs need a framework for successfully engaging with international donors and a model of understanding about how each of the donor countries approaches international aid in practice.

1.2 Research Questions

This dissertation seeks to answer the core concern of whether all donor nations behave the same towards ODA for each of the recipient countries. The study explores approaches taken by donor nations in the PICs in regards to the concepts of the study and how the PICs interpret these approaches and respond to them. Finally, the study discusses the most successful strategies for dealing with the donor nations' approaches to aid in their relationship. In detail:

- 1. How do approaches to ODA in the PICs vary among the main donor nations of Australia, France, China and Japan in regards to Disbursements, Priorities, Dependency and Leverage?*
- 2. How do the PICs themselves interpret these approaches and respond to them? Do priorities of donors and recipients match? Are countries depending on foreign aid? How are disbursements facilitated? What means (leverage) are used by the PICs to match their priorities to those of the donors?*
- 3. Which strategies are most effective for dealing with approaches to ODA by these donors in the PICs? What is the most effective strategy for facilitating disbursement?*

1.3 Significance of the Study

The outcomes of this study could be both (a) to contribute to understanding how each of the donor countries approaches international aid in practice, both in the methods they use and the motivations behind these methods, and (b) to provide a framework to assist the PICs to engage more resourcefully with international donors. The research explores the donor countries' approaches to ODA, especially to the PICs, in more detail, including which countries are targeted, for what the aid is provided, and how it is provided – including the conditions attached and monitoring at the implementation

stage. Through comparative analysis of aid combination practices from the recipients' perspectives, the study formulates and proposes alternative policy approaches.

By projecting a broader view of the research towards answering the research questions, four theories are selected from various disciplines. *Development theory* is chosen from political economy to highlight values behind the foundation of foreign aid. The economic perspective of *Common Pool Resources* (CPR) is selected as it is aimed at good governance for managing open access natural resources to ensure their long-term economic viability. The psychology of *Schismogenesis* recognizes the devastation caused by differences of ideas resulting from interactions between two parties, while the anthropological value of the *Gift Giving theory* presents possible alternatives towards a win-win scenario of giving. Considering these reputable theories to be objective in character as discussed in the next chapter, this research is inquiring into the subjective observations of aid relations according to the viewpoints and experiences of aid decision makers in the recipient countries.

1.4 Conceptual Definitions

Through case studies, the following four concepts are closely examined according to the approaches taken by donor nations to ODA in the PICs. The **Priority** notion is discussed in the next chapter through the stages of development. It is highly associated with the interests of donor nations and needs of recipient countries. Priorities of donors are not only presented through their foreign policy, they are also enhanced through the conditions on how the donors' aid is delivered. Priorities of recipient countries on the other hand are perceived through the purposes and rationale of the recipients' aid requests. **Disbursement** refers to the approval and release of aid funds from donor nations to be given to recipient countries. These funds are available annually to donor nations and are pre-set with conditions. Disbursement also carries the notion of accessing the funds, which must be ratified by donor nations before they are transferred to the Ministry of Finance of each recipient country. **Dependency** in this study refers to the reliance of recipient countries on aid from donor nations. Other than the rationale through development theory, the dependency concept holds implications opposite to the views of self-reliance and self-sufficiency. A country could be self-sufficient but not self-reliant, leading to inter-dependency. **Leverage** in this research refers to the

strategies and means used by recipient countries through negotiations to influence aid disbursement. According to the hypothesis derived from the theories, the more results are found to be true with the hypothesis analysis, the less leverage is implied for recipient countries. In other words, the more results of the hypothesis analysis are found to be false, the more leverage recipient countries have for influencing aid disbursement from donor nations is implied.

1.5 Structure of the Dissertation

This dissertation is divided into nine chapters. Chapter Two reviews the foreign aid literature highlighting the Marshall Plan, Truman's speeches and the path to realizing ODA. The review also discusses major debates on various issues emphasizing the interests of donor nations and needs of recipient countries. It further discusses the key connections between donor nations and recipient countries with challenges facing the PICs. It lays out theoretical perspectives with hypotheses derived from each theory applying to this study. The research argues that the ethics from these theoretical perspectives are indispensable in identifying the "balances" for multiple recipients with multiple donors employing politics in the PICs. Chapter Three describes the methodological approaches used for collecting and analyzing the findings. Gatekeepers are highlighted as one of the key successful access tools to reaching target participants. The findings for the hypotheses analysis in Vanuatu, Tonga and Kiribati are presented in Chapters Four to Six accordingly. Each case study presents the analysis results and a discussion of the key concepts according to activities that have shaped the experiences of selected participants. Chapter Seven discusses the overall implications of the results by combining the findings from the three case studies and then offers a critical rethinking of the donor-recipient relationship with recommendations.

In response to the outcomes and recommendations, this dissertation proposes the framework of Gross National Generosity (GNG) in Chapter Eight as an alternative method for foreign aid where reciprocity is advocated through the fostering of generosity. GNG identifies the moral contribution of recipient countries to balance ODA from donor nations, which has been overlooked mainly as moral contributions are intangible and immeasurable in character. GNG identifies six indices comprising United Nation Votes (UNV), International Security Cooperation (ISC), Contribution to

Cultural Heritage (CCH), Contribution to Humanity and Livelihood (CHL), Contribution to Sports and Research (CSR) and Contribution to Peace and Prayers (CPP). The framework is designed with the hope that it will contribute to empowering the PICs, as well as other developing nations having similar characteristics, to remove themselves from the chains of indebtedness.

Finally, the study is concluded in Chapter Nine with author's implications of the findings including recommendations and suggestions for future researchers.

CHAPTER 2

Literature Review

2.1 Realization of Foreign Aid

Many aid experts and scholars have claimed that foreign aid originated from “income transfer” as a result of reparation payments after World War II, hence the formation of the Marshall Plan (Kemp 1995, Beladi and Oladi 2007, Ali and Zeb 2016). Hans Morgenthau added to this explanation, stating that foreign aid refers to “the transfer of money, goods and services from one nation to another” (1962). Japan followed this payment pattern after signing the Peace Treaty and financing projects requested by war victim countries after World War II (Alexander 2001). This financing of projects led to the beginning of the “request-based” approach for Japan’s foreign aid policy (Lancaster 2010, Lancaster 2007). One could say that the war brought the phenomenon of foreign aid into existence, establishing it for the fairness of all and for the betterment of “backward” and “underdeveloped” countries (Ali and Zeb 2016).

The comprehension of foreign aid as it is known today originated from the ideological conflict between the United States (US) and the former Soviet Union during the Cold War (Black 1968, Griffin 1991). Foreign aid is claimed to be an outcome of the continuous debate since the formation of the Marshall Plan, named for former US Secretary of State Mr. George Marshall, during the period of the late 1940s to the 1960s (Black 1968, Wood 1986). Scholars argued that the plan led to the division of the globe into the first world, second world and third world (Black 1968, Griffin 1991). Other than the humanitarian motives behind the Marshall Plan to reconstruct European economies after World War II (Wood 1986), the political motivation of the plan was to prevent the popularity of communism, especially in Italy, France, Germany and the United Kingdom (UK), where the domestic communist parties were strong (Goldman 1967, Black 1968, Griffin 1991, Hook 1996, Ali and Zeb 2016). It was during this period that Robert McKinlay and Richard Little (1976) argued that the intentions behind aid were of “commercial, political, ideological and strategic interests,” mentioned in Ali and Zeb (2016). The same authors recalled how Lloyd Black (1968) categorized these motives into “defense, economic, political and humanitarian rationale.” These years were also the early years of Gross National Product (GNP) serving as the indicator for

economic growth where the need for capital, investment and savings were key indicators. For recipient countries, increasing GNP meant increasing the export of scarce resources needed by developed nations. In addition to GNP, the concept of “employment” was also introduced to increase opportunities in recipient countries through the development of physical infrastructure (Degnbol-Martinussen, J and Engberg-Pedersen, P. 2003). Keith Griffin (1991) added the concept of “diplomatic considerations” to these motivations by stressing the significance of support at the UN of donor countries maintaining their influence with these former colonies. These authors argued that foreign aid was an attempt to benefit underdeveloped countries with modern technologies, although it was criticized for the subsequent negative growth result experienced by developing countries at the time. As a result, a shift of aid in the 1970s towards rural development projects was intended to fulfill the basic needs of recipient countries under the International Labor Organization (Degnbol-Martinussen and Engberg-Pedersen 2003, Griffin 1991). This new shift focused on agriculture, rural development and social services including housing, education and health (Erick Thorbecke, 2000). This period marked the origin of civil society organizations and non-governmental organizations (NGO) participating in the discourse of development (Degnbol-Martinussen, J and Engberg-Pedersen, P. 2003). It is clear that the needs of developing countries played a major role in the formation of foreign aid, but the strategic interests of wealthy nations shaped the rationale for its operation.

2.2 The influence of President Harry S. Truman

One of the key founders of aid and development who must not be forgotten is former US President Harry S. Truman and his Point Four Program mentioned during his inaugural speech in 1949 (Ali and Zeb 2016, Truman Library.org). While taking his oath, his left hand rested on two Bibles, one opened to the Ten Commandments (Exodus 20) and the other to the Beatitudes (Mathew 5), explained the Christian rationale for his governing philosophy. The section of the fourth point of his speech where “Point Four Program” originated from is outlined below reflecting President Truman’s concepts of development and aid rationale:

Fourth, we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped

areas....Only by helping the least fortunate of its members to help themselves can the human family achieve the decent, satisfying life that is the right of all people. Democracy alone can supply the vitalizing force to stir the peoples of the world into triumphant action, not only against their human oppressors, but also against their ancient enemies--hunger, misery, and despair (Former President Truman's Speech: Trumanlibrary.org).

The philosophy of "helping them to help themselves" in Truman's speech was recognized and became a backbone concept for aid practice of many donors as "triumphant action". Due to the limited in amount of aid to be distributed by economically advanced economies, clear evidence has proven how both the United States and the Soviet Union utilized aid as tools for advancement of their political advantages during the Cold War (Black 1968, Alpert & Bernstein 1974, Goldman 1967, Griffin 1991). The rise in the nuclear capabilities of communist countries with their intention to dominate the world was one of the main forces behind the establishment of the UN Charter as a mutual defense alliance amongst partners (Black 1968). The principles behind the defense rationale for general domination are explained through the aid support provided during the separation of the non-communist party from mainland China to Taiwan in 1949, the funding of South Korea during the Korean War in the early 1950s, and also support given during the Vietnam war in the 1970s (Griffin 1991). The trade control established by the US and allies to prevent the flow of resources to communist countries explain their fear of the advancement of communist ideologies (Black 1968).

Although many of the rationales for the birth of foreign aid given above can be perceived differently, they agree to the context that aid was motivated by the rejection of communism. Truman's inaugural speech clarified this motivation further:

Communism is based on the belief that man is so weak and inadequate that he is unable to govern himself, and therefore requires the rule of strong masters. Democracy is based on the conviction that man has the moral and intellectual capacity, as well as the inalienable right, to govern himself with reason and justice...These differences between communism and democracy do not concern the United States alone. People everywhere are coming to realize that what is involved is material well-being, human dignity, and the right to believe in and

worship God. I state these differences, not to draw issues of belief as such, but because the actions resulting from the Communist philosophy are a threat to the efforts of free nations to bring about world recovery and lasting peace (Former President Truman's speech: Trumanlibrary.org).

It can be interpreted that although the Soviet Union had mixed motives with its aid program, "sympathy" towards countries that had suffered through the colonial and imperial period was a prime concern (Goldman 1967). The Soviet aid tools was openly practiced as an incentive to increase the level of imports from developing countries having a communist background and at the same time, able to assist with these countries' development. Consequently, it was inevitable that the Soviet Union would prioritize its interests over those of others in promoting the advancement of the Soviet ideology and striving for political domination. It is claimed that one of the main contributions of Soviet aid to the literature and to the foreign aid system was the availability of alternative aid against the Western establishments (Goldman 1967). It is argued that many former colonial countries employed Soviet aid during this time as leverage towards attaining independence (Goldman 1967). Based on the discussions above, it is clear that development of developing countries was a priority for donor nation but at the same time, aid was used as leverage tool during the ideology war between "democracy" and "communism."

2.3 Path to the new phase of Foreign Aid

Prior to the initial development of foreign aid discussed above, Hugh L. Keenleyside (1967) mentioned in Ali and Zeb (2016) claimed that, "*International aid is as old as the history of interrelationship between organized human communities*" existed in the ninth century A.D. The first foreign aid in the 19th century is traced to United States assistance to Venezuela in 1812, and also the establishment of the 1929 Colonial Development Act by the United Kingdom (UK) for development of its colonies, according to Peter Hjertholm and Howard White (2000), mentioned in Ali and Zeb (2016). As early as 1974, John White argued that foreign aid is only successful and counted as significant if it brings practical improvement to the recipient countries, according to the perspectives of recipient countries (Ali and Zeb 2016). In the same sphere, the successes of the Marshall Plan mentioned above contributed to the new

emphasis of foreign aid on the issues of underdeveloped countries (Hjertholm and White 2000, Ali and Zeb 2016). In addition, the “boldness and real success of the Marshall Plan lay in its contribution to the construction of a new international order” of the aid regime (Wood 1986, p.31).

ODA came into existence specifically as the result of an attempt to segregate various forms of aid from the universal aid discussed above. The Development Aid Committee (DAC) works as the principal body of the Organization for Economic Cooperation and Development (OECD) and manages the global phenomenon of aid. The inception of the United Nations (UN) in 1945 was undertaken with the prime purpose of promoting “peace and security” after the Second World War. This initiative strongly obligated economically advanced countries to provide a flow of economic assistance towards underdeveloped countries (Ali and Zeb 2016). Through the operation of OECD, the DAC officially defined ODA for the first time in 1969. In the following year, all member countries agreed for organization members to increase aid efforts to at least 0.7% of Gross National Income (GNI), although only a few implemented it. Throughout the years that ODA has evolved, its definition has expanded further in various aspects and particularly towards further denoting what qualifies donor nations and recipient countries according to OECD standards (Riddell R. 2007). This has led to the current definition of ODA as:

Those flows to countries and territories on the DAC List of ODA Recipients and to multilateral development institutions which are: i) provided by official agencies, including state and local governments, or by their executives agencies; and ii) each transaction of which: a) is administered with the promotion of the economic development and welfare of developing countries as its main objective; and b) is concessional in character and conveys a grant element of at least 25% (calculated at a rate of discount of 10% per annum) (OECD).

As shared by the discussion above, war brought foreign aid into its realization. Truman’s speech not only redefined the world, it gave wealthy nations the authority to decide how to assist in improving the standards of underdeveloped countries. One of the key concepts of this research highlights the Priorities set by donors and their methods for aid disbursements. The overall development of foreign aid is no doubt led to the

concept of dependency in recipient countries as they had to follow a set of norms which was not their own. Although the self-interest behavior of donors' approaches to aid are discussed above also assist with the development of recipient countries, it is unclear whether all donors have similar approaches to ODA in recipient countries. The next section discusses more recent debates on foreign aid and its observation from the literature.

2.4 Foreign Aid Debates

Trailing the OECD report on ODA disbursement to developing countries since OECD's inception, it is challenging to envisage a world exclusive of aid. However, while acknowledging the work of the international community to reduce poverty and improve the livelihood of developing countries, it is essential to admit that many criticisms and debates have been leveled at ODA in practice. Some critics have questioned the definition of ODA itself as it divides the world into two: donors and recipients. It has been noted that the requirements for becoming a full DAC donor fuel rivalry among leading economies. China, for example, is an active member of the South-South Cooperation (SSC), and plays a major role as a provider of aid worldwide. However, China refuses to follow the standards required by the DAC of its members, and claims no interest in becoming a member of the so-called "rich countries aid club" (Lancaster 2007). Tarp (2010), acknowledging the work of Alesina and Dollar (2000), intensifies the characterization of aid as being donor driven through claiming that aid philosophies of how aid should be provided, policies for disbursement and even who the recipients of aid should be, were all left up to the donor nations to determine (Bauman 2013 p. 81, Riddell 2007, Sato & Shimomura 2012).

Aid is argued by some to be a way for donor nations to access the markets of developing countries cheaply (Petersen E. 2003, Hirvonen 2005). Aid has also been regarded as a political tool to trap recipient countries into aid dependency in order to place them in the hands of powerful nations (Sato & Shimomura 2012). Furthermore, aid is known to have a "boomerang effect" where the majority of the funds return to donor countries through technical assistance and consultancies (Hughes 2003, Hirvonen 2005). In 2003, one quarter of all aid was reported to have come from technical assistance where funds were allocated to experts, usually from the donor nations

(Hirvonen 2005). Carol Lancaster (2010, p. 51) mentioned a French official who shared that donors have a tendency to create both the questions and the answers in ways that suit them the best.

Lack of good governance and the proper environment for investments has resulted in the topic of aid dependency coming up for discussion (Petersen 2003, Tarp 2010). Direct budget support for government agendas such as education may be jeopardized if a deficiency in aid occurs, resulting in volatility of economic growth and a fear of aid being withdrawn. Hayman (2009) reinforced this view by saying that it has led donors to become involved in monitoring national budgets and other related policies (Hayman 2009, p. 161). Marjit and Mukherjee (2008, p. 27) argued that selecting aid recipients so that they will align with the elements of “good policies at the recipient countries” as suggested by many experts would never allow donors to reach the countries where aid is most needed. Aid is said to be “self-serving” (Ear 2013, p. 86) and when the aid is “tied”, that aid is helping the rich, as it requires recipient countries to purchase goods and services from the donor nations. Hence, the aid brings more power to the donor countries. Tied, or conditional, aid is viewed as a form of government subsidy as the taxpayers’ money is being used to buy goods and services at donor’s country, and only the products get delivered (Hirvonen 2005, Davies 2016). This practice not only undermines market competition which would provide recipients with access to cheaper alternatives and various levels of quality, it also discourages recipient countries from creative advancement by not knowing what they are lacking for improvements.

In her book, “There is No Such Thing as a Free Gift,” McGoey (2015) cited Garry Jenkins argued that a “close-knit group of donors is increasingly controlling who can apply for funds, which sorts of funds will be considered and which strategies should be pursued by grantees” (p. 106). The outcome of tied aid leads to “trickle down economies” implying a “horse and sparrows” situation where leftovers are forced to serve as the main course. Although Hughes (2003) argues that “little capacity for aid implementation by local contractors” is the main cause behind the hiring of companies from donor countries, it is clear that final decisions are made at donors’ side and local contractors highly depend on the success of donors. Same author support the claim that aid is “fungible” at recipient countries where spending are redirected to consumptions

instead of investment leading to a slow down in the economy. This phenomenon triggered the introduction of aid harmonization through the 2005 Paris Declaration on Aid Effectiveness. It is noted from the discussion above that donor nations are heavily involved in identifying problems and solutions for recipient countries without considering the priorities of recipient countries and their needs.

The financial commitments initiated by the donor nations in the 1970s are observed to be stingy given these nations' commitment to the 0.7% of GNI decided at UN. The total efforts reported by OECD shows a yearly average by all donors to be approximately 0.3% of GNI, and this figure has stagnated at this rate for many years (Ali and Zeb 2016). This disappointment result could be caused by using GNI as the selected tool for aid efforts, since it calculated from the wealth of donors instead of considering the conditions of the recipient countries (Hirvonen 2005). According to an aid analysis conducted by Davies (2016), the total disbursement of OECD aid in 2014 in real terms reached a new record of USD\$136.5 billion from 28 DAC donor members. An alarming result shows that half of this contribution came from only three countries: the United States, the United Kingdom and Germany. The survey discussed that DAC membership has increased in numbers, thus the significance of the figures announced is losing the relevance it once had.

Another concern also falls on areas counted as aid, but which are not real aid. Such areas, including expenses for debt relief, refugees and asylum-seekers in donor countries, imply that the global aid total announced every year does not exhibit accuracy (Davies 2003, Hoivonen 2005). The same research noting a decrease in DAC contribution shows there is a significant increase in the number of non-DAC members demonstrably interested in the regions and countries that DAC members are prioritizing. This interest has alerted donors to be more attentive to the perspectives of recipient countries in order to understand the nature of non-DAC donor countries. This concern combines with the possible threat of emerging donors who are rising with philosophies alternative to the guidelines designed by OECD. These emerging donors not only deliver extra "menu" in enhancing recipients' leverage (Sato 2013), it generates attention to consider exploring whether DAC and non-DAC members behave the same in their approaches to ODA. This research will explore a critical understanding of ODA

in terms of priorities, disbursements, dependency and leverage and how it applies to specific aid partnerships from the perspectives of the Pacific Island Countries (PICs).

2.5 Major Donor nations to the Pacific Island Countries

Australia

As one of the original countries that formed the United Nations (UN), Australia is proud of its long commitment to the improvement of developing countries. Occupying a strategic geographical position in the Pacific, Australia was also one of the founding forces behind the South Pacific Commission (SPC), now the Pacific Island Forum (PIF). With its influence as an economic power, the region is rapidly supported in events of climate change and devastation occurring as consequences of natural disasters. Australia has been the biggest donor in the PICs for decades and is the PICs' closest developed neighbor although majority of Australian ODA goes to Papua New Guinea (PNG) alone. Naturally, the development of the PICs is dominantly influenced by Australia.

The Top five Donors to the Pacific Island Countries by Average Amount, 2012–2014

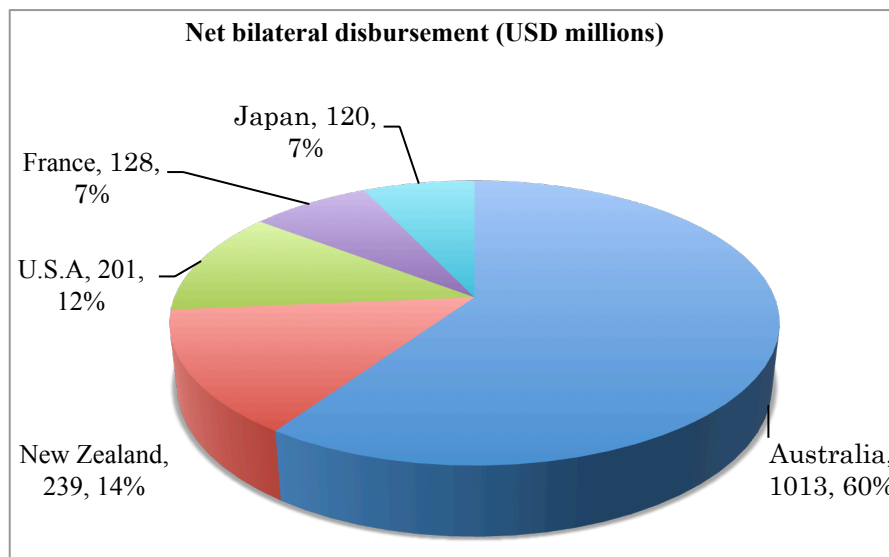


Figure 2.1 Top 5 donors to the PICs; majority of aid received from Australia and New Zealand.

Source: OECD (Aid at a Glance 2016)

The philosophy behind Australian aid is closely related to political stability and security motives emphasizing humanitarian, foreign policy and commercial objectives (Rix 2005, p. 105). It is further emphasized in Australia's 2016 Defense White Paper, that the

stability of the neighboring countries is important to Australia because stability in the PICs contributes to Australia's topmost priority, its own national security. The White Paper confirmed that this priority gives shape to Australia's aid policy by focusing on the prosperity of the region through reducing poverty and enhancing stability. The Australian Government clearly shows that the purpose of its aid program is to "promote Australia's national interests by contributing to sustainable economic growth and poverty reduction" (dfat.gov.au). Australian aid mainly focused on governance, health and education sectors in recipient countries. As Australia has been the most significant donor to the PICs for decades, the short term and long term plan of the region depends highly on the PICs' relationship with Australia. Australia's public opinion positively supports ODA to the region, but getting this opinion to agree on the volume of aid is still an unresolved question (Wood 2015). The most recent highlight in the region discusses the drop in the Australian budget for aid since Australia hold the largest pie as the major aid partner for PICs (Davies 2016, Stewart 2016). It is also noted that the transparency of Australia's aid is failing (Davies 2016, Burkor & DeCourcy 2017).

After the peaceful decolonization of the PICs, mostly in the 1960s and 1970s, together with New Zealand, Australia has been the "eyes and ears" of the United States and the United Kingdom in the region (Zhang 2010). Michael Wesley (2016) from the Australian National University shared his concern through the new 2016 Australian Defense White Paper, that due to the changes in the international environment, the future of Australia's commitments with traditional allies is unpredictable. His explanation here indicates the current concerns of Australia are being reshaped: "You had the Global Financial Crisis in 2008. You had the Arab Spring Revolutions occurring. Just after them, you had the rise of Islamic State. You had a more bellicose Chinese foreign policy behavior." He further admitted that the rivalry between the United States and China plays a major role in the new direction of Australian aid, although a foreign policy framework is yet to be devised. He elaborated further, stating that Australian aid is becoming unnecessary, which is not only a concern for Australia's foreign policy, but could also cause disappointment as regards to the development of the PICs.

Contrary to the recent development mentioned above, Australia has been criticized for

not permitting recipient economies to receive guidance on topics that would lead to the successful utilization of aid (Hughes 2003). The same author claimed that criticisms have been levied against Australia's prohibition against forcing recipient countries to reflect on the fact that Australia has the right to ensure its taxpayer money is being spent effectively. The highest percentage of Australian aid to the region goes to Papua New Guinea and other countries with strong ties dating to the colonial period.

France

French aid is portrayed as a responsibility having evolved out of France's actions during the colonial period. This responsibility has led to France's position as Europe's largest donor nation until the UK overtook France in 2005 (Riddell 2007:63, Lancaster 2007). French aid is known to finance economic advancement connected with resources in recipient countries that support France in export industries held in common with Japan (Lancaster 2010:147). The importance of Francophone identity and culture cannot be overstated when arguing that it is more than just French identity operating within forty countries around the world; Francophone identity and culture connect with France's aspirations to manage the world order (Dornoy-Vurobaravu 1994).

French aid is believed to have found its character following the colonial period, especially in relation to France's experiences in Africa (Mkapa 2010, p. 27). The same author claimed that the French way of colonization followed a "notion of equality and egalitarianism" where natives were only accepted as equal if cultured as French (p. 27). The position of France as a leader during this period is illustrated through a speech made by then Prime Minister Jules Ferry:

Gentlemen, we must speak more loudly and more honestly! We must say openly that indeed the higher races have a right over the lower races ... I repeat that the superior races have a right because they have a duty. They have a duty to civilize the inferior races. (Mkapa, B. W 2010, p. 27)

France's presence in the Pacific is favorably welcomed as it governs three overseas territories of New Caledonia, Wallis and Futuna, and French Polynesia. Majority of French aid goes to its territories and in doing so has acquired the world's second largest

maritime zone. Nevertheless, France's aid in general tends to focus more on loans than grants to the point that the DAC reminded France to reconsider its foreign aid priorities (Davies 2016). Although transparency and effectiveness characterize the French aid system, France's "Eurocentric" perspectives disregard sensitivities to issues in the Pacific (Dornoy-Vurobaravu 1994, p.4). At the moment, Vanuatu is currently the only former colony in the Pacific that has managed to gain independence from France, which it did in 1980. Nevertheless, France has no intention of leaving the Pacific and its presence there is considered natural (Dornoy-Vurobaravu 1994, p. 17).

One of the hot discussions in the PICs is the welcoming of French Polynesia (Tahiti) and New Caledonia to the Pacific Island Forum (PIF) in September 2016. While the addition of these two countries increases the total membership of the Pacific Island Forum to 16 members, the influence of France as a western power to the presence of Australia and New Zealand in the region is gaining attention.

Japan

Japanese ODA is considered to be one of the most complex amongst the leading donor nations, not only for how it is administered through different ministries, but also in its disbursement procedures (Riddell 2007). However, the strong influence of high-ranking national bureaucrats in shaping Japan's aid policies is noticeable (Jain 2014). In the early years, Japanese ODA heavily utilized commercial and economic interests, realizing "self-help" characteristics based on Japan's own development experience (Lancaster 2010, Jain 2014, Rix 2005, Arase 2005). These characteristics advanced to Japan's recognition of "state-led" initiatives and the beginning of the "request-based system" (Arase 2005, Rix 2005).

In an approach to understanding Japanese national interest and its foreign policy, as highlighted in Krasner (1978), Jain emphasized the questions of where, when, whom, what and why Japanese aid was made available, concluding that the national interest of donor countries is reflected through their "aid policies." Jain pointed out the strong influence of "high ranking national bureaucrats" shaping Japan's aid policies in the "axiomatic relationship" of catering to national interest while at the same time taking into consideration the needs of the recipients. This led to a new version of ODA

suggested in 1992 by the Liberal Democratic Party (LDP) “to ensure Japan’s own security and prosperity.” At the same time, making a parallel contribution “to the peace and development of the international community” as quoted by Sunaga (2004, p. 4) in Jain where Sunaga claimed Japanese aid policies as “Altruism alongside national interest.” Jain acknowledged Rix (1980), who claimed that the decentralized aid system of Japan could not fully reflect national interest due to the involvement of multiple ministries. This view contrasts with Tsunekawa (2014) in Jain who argued that “even with policy decentralization,” the contributions of these ministries are shifting to “serving national interest.” Through understanding the practices of Japanese foreign aid “in pursuit of Japan’s national interest,” ODA focuses on how it is being handled while at the same time providing justification for using the “public purse” for Altruistic purposes (Jain).

The external pressure “gaiatsu”, mostly from the US (Miyashita 2001), is responsible for the start of Japanese ODA, which originated with reparation payments following the war. Japan ended up becoming an “aid power” and “aid leader” between the 1980s and 1990s (Rix 1993, Tarte 1998, Riddell 2007, Lancaster 2007, Lancaster 2010). Through winning a respectable place within the international arena, Japan achieved its aid philosophies, which were closely woven together with guaranteeing Japan’s own security and prosperity (Katada 2010, p. 54, Riddell 2007, p. 55). In practice, Japan follows the traditional ODA approach with a focus on providing the skills necessary to identify good methods for delivering aid projects (Arase 2005). Internal pressure relating to transparency, effectiveness and efficiency of aid shapes ODA motivations and presents a hurdle for Japan’s foreign policies (Arase 2005, Lancaster 2010, Jain 2014). The operation of fellow peer donors in development assistance also contributes to shaping the volume and quality of Japanese aid (Arase 2005, Kobayashi 2009, Jain 2014).

Japan has heavily invested in the PICs, especially in expensive infrastructure support, although this aid is usually tied (Tarte 1998). While many researchers argue that Japan’s motivations in the Pacific include protecting shipping routes, UN strategies, and especially access to fishing grounds (Tarte 1998, Alexander 2001), Japan has also established trusted bonds with the PICs through personal connections (Kobayashi 2009).

These relationships, initiated through the Japanese Fishing Agency, identify dependable information, which contributes to maintaining Japan's diplomatic relationship with the region (Kobayashi 2009). Japan's initiative in establishing the PALM summit is commended for having strengthened the relations between Japan and PIF member countries. Shifting from Japan's original search for prestige to strengthening its national interests through foreign aid policies as discussed above, "Japan did not have the luxury of considering ways to make positive international contributions" and the PALM summit provided an opportunity to do so (Kobayashi 2009). This interpretation harmonizes with Jain's (2016) argument that Japan's aid model is neither political nor for economic terms, but rather to "exert a firm presence in the Asia-Pacific region and to secure a position as a responsible developed country that can contribute to the international community."

China

The main characteristics governing China's aid philosophies focuses on poverty reduction and improvements in livelihood (White Paper on Chinese aid 2014). These philosophies are based on the fundamental principles of "mutual respect, equality, keeping promises, mutual benefits and win-win." Accordingly, Chinese aid promises, "not to impose any political conditions, not to interfere in the internal affairs of the recipient countries, and full respect their right to independently choosing their own paths and models of development."

With the interests and priorities outlined above, Chinese aid was available in grant form (36.1%), interest free loans (8.1%) and as concessional loans (55.7%) between years 2010 to 2012. Although Chinese aid has been criticized for the high percentage of aid given as loans, China is one of the largest providers of aid. While Lancaster (2007) argues that Chinese aid is a "system in formation" where data regarding aid volume, target, and how aid is decided are still unknown, Lian Ma (2013) instead describes China as "keeping a low profile." Haan & Warmerdam (2012) in this light argues that Chinese aid is no different to those of traditional donors in terms of the politics involved. In addition, Chinese aid is known to focus on the building of infrastructure with no pre-conditions; that is to say, without "strings" or interference in local government operations (Tarte 2010, Langa'oi 2010, Dornan and Brant 2014 Haan & Warmerdam,

2012). These characteristics differentiate Chinese aid behavior from traditional donors although China's respect for the pioneer years of Japan aid practices is noted by linking its aid to trade and investment (Trinidad 2013, pp. 19 - 45).

It is without a doubt that resources of PICs are attractive to China as well, but recent surveys have not produced many positive outcomes with its operation in the region such as Tonga, Samoa, Vanuatu and the Cook Islands initiating their *no new loan policy* and setting up regulations to improve monitoring system against Chinese aid practices (Dornan and Brant 2014). In addition to this monitoring issue, the diplomatic rivalries between China and Taiwan worsen the situation. Amongst the 24 countries recognizing Taiwan globally, six allies are from the PICs while eight nations support China's One-China policy. It should be noted that the Cook Islands and Niue don't really have a choice in deciding as their terms of free association give that decision to New Zealand. Giff Johnson (2015) argues that this situation allows PICs to hop between these two nations for more aid, although hopping around was a favor for the politicians for personal gains and not for the country. However, the availability of Chinese aid in the PICs opens new doors of cooperation and could result in better outcomes for the PICs on levels different from those perceived of by traditional donors. In recent years there has been not changes in China and Taiwan official recognition by PICs because both Taiwan and China wished to maintain the status quo.

It is clear from the aid background above that wealthy nations took various paths to becoming donor in the process with distinct philosophies and stages of development, but whether they behave the same is to be examined. If the political motivations for giving aid amongst donors were universal, would their approaches be the same with one another? This research will identify the nature of approaches to ODA of top donor nations to the PICs by examining the perspectives of aid policy makers.

2.6 Pacific Island Countries

This section discusses some of the values as having shaped the characteristics exhibited by the PICs that connect with the interests of donor nations. The region's most renowned anthropologist, writer and scholar, Epeli Hau'ofa, contributed extensively to shaping and uniting the Pacific through the philosophy of "our sea of islands", which

depicts a common identity for the people connected by the Pacific Ocean. The region is known to consist of more than 25,000 islands in total, comprising 80% of the total number of islands in the world (Nile 1996, Fischer 2013). Papua New Guinea holds the most land in the region with 70%, New Zealand has 20%, and the remaining 10% is shared among the more than 20 nation states encompassing Oceania. Taking the size of these nations to include their Exclusive Economic Zones (EEZ), the overall region covers 1/3 of the surface of the Earth and totals about 165 million square kilometers (see Figure 2.2). This region is a home for tuna fishing, which both supplies approximately half of the global catch and also meets the global demand for canned tuna (Tarte 1998).

This figure shows the map of the Pacific Island Countries



Figure 2.2 Map of the Pacific Islands. Source: Pacific Island Marine Portal

<http://www.infoplease.com/atlas/pacificislandsandaustralia.html>

Moreover, the richness of the Pacific with its marine resources contributes significantly to world food security and, with proper management, a sustainable supply for future generations can be assured. Other than ocean resources, the region also contributes land

resources such as timber, oil, natural gas, gold, silver and other reserves, mostly found in the Melanesian countries. In her book “Consuming Ocean Island; stories of people and phosphate from Banaba,” Teaiwa (2015) tells how the indigenous people of Banaba were physically removed from their land in order to allow 90% of the island to be exploited for phosphate mining. Phosphate is an essential component for human DNA growth and it was in demand globally for agriculture, especially in New Zealand and Australia. While the world progressed to Banaba’s detriment, this harm was seen as for the “good of mankind.” Banaba’s natives are adjusting to their new identity in Rabi (Fiji), reminiscing about the loss of both their identity and income, cheated by the mining company throughout the period 1900-1980. Another important aspect of exploitation and a true example of power and development is how the region has been used for nuclear disposal and nuclear analysis, especially by the United Kingdom in the Gilbert Islands, United States and France in Micronesia and the Mururoa atolls, both before and after the Second World War (Alexander 2001).

The potential of the vast Pacific Ocean has been further realized through the discovery of immense deposits of manganese, copper, cobalt and diamonds, amongst other seabed resources. These resources in the Pacific have boosted the expectations of governments for abundant wealth (Sato 2015, Smith and Porter 2010). In addition, the scattering of Pacific islands among their wide EEZ space represents weighty global security issues as open spaces for shipping routes include threats related to terrorist activities (Alexander 2001). This global security resource plays a significant role in regards to cooperation between the Pacific Island governments and leading economies of the world on mechanisms for preventing potential threats that could affect the lives of global citizens.

The region also plays a significant role at the United Nations (UN), excepting the Security Council, with total of 14 member countries, excluding Australia and New Zealand. Following democracy and the UN’s policy of *one state one vote*, the vote of Nauru with a population of 10,000 holds the same weight as the votes of leading economies such as China and the United States, irrespective of population and economic dimensions. The international identity of the Pacific commenced in 1971 through the foundation of the South Pacific Forum (SPF), later renamed as the Pacific Islands Forum (PIF). The Forum operates with a mission “to ensure the effective

implementation of the Leaders' decisions for the benefit of the people of the Pacific" through stimulating "economic growth and enhancing political governance and security for the region, through the provision of policy advice; and to strengthen regional cooperation and integration through coordinating, monitoring and evaluating implementation of the Leaders' decisions" (Pacific Island Forum Secretariat website). "The influence of Pacific Island Forum Countries in the United Nations" emphasized by New Zealand's former Permanent Representative to the United Nations Michael Powles enlightens the practical perspectives of PICs seeking to emphasize their uniqueness as a grouped country once termed the "water continent" (Fisher 2013). Pacific Islands Forum (PIF) countries are members of the Asian group at the UN, embracing not only voting power as they vote in a bloc with 14 votes, but also by actively participating as members in other influential recognized groups. This participation affects the perceptions of those groups and the convictions of their partners (Powles 2002). These groups include the G77, Alliance of Small Island States (AOSIS) and the Non-Aligned Movement (NAM) where some agendas share common interests with the PIF while others have no direct influence. From personally interviewing one of the former official PIF representatives to the UN, it was learned that PIF members may vote independently at NAM, for example, when issues are mostly secondary to the region. In this case, a variety of gifts ranging like expensive dinner, cruise ship ride, and shopping is said to be a noticeable form of communication in lobbying for votes. Upon observation, the common and united character of Oceania at the PIF has substantial muscle in shaping global decisions facilitated within the UN and the international community.

2.7 What hampers the ODA scheme in the Pacific Island Countries?

Official Development Assistance or Official Dependency Assistance?

For many years, the OECD highlighted the PICs as the biggest ODA recipients per capita in the world (see Figure 2.3) when compared to the Caribbean States, Sub-Saharan Africa and other developing countries (Wilson 2016, Feeny, Iamsiraroj and McGillivray 2014). Poverty and Economic Growth are reportedly irregular and increasing national debt is a common concern (Duncan 2016). The desire for ODA in the PICs has been explained by referencing to their smallness in economic size, low economies of scale, isolation from large markets, and inability to make progress with their own technology and institutional policy in order to accumulate their own "physical

and human capital” (Feeny, Iasiraroj and McGillivray 2014, Feeny, Iamsiraroj and McGillivray 2014). Reliance on sustainable aid with no signs of “change in institutions and policies” has made the economy sluggish and had limited impact on economic growth for years (Duncan 2016).

Concerns that the PICs would fall into dependency and become classified as MIRAB societies for depending on “migration, remittance, aid and bureaucracy” were raised as early as the 1970s (Bertram 2006, Hau’ofa 2008). Since traditional aid is designed towards achieving “self-reliance” and comes with no further provision for aid in the future, it is unmanageable through an imputed system that strengthens “economic and social integration” (Hau’ofa 2008, p20). There are also views that the PICs were not prepared for their early independence and hence are “slaves of their colonial past” (Hughes 2003). Same author claims that “cargo cult” characterizes the PICs from expecting aid support like the food and blankets “air dropped” from planes during World War II (Hughes 2003). Through this newly adopted convenient lifestyle, the region is claimed to have created a hierarchy through the possession of goods and services that are not found locally. This hierarchical system led to the trap of the PICs producing things they do not consume and consuming things they do not produce. This behavior is witnessed through the high status and popularity of consuming tinned fish, corned beef and, recently, dried noodles among ordinary families. This consumption has not only caused an increase in non-communicable diseases (Anderson 2016), it has affected the resilience of the people by reducing the popularity of traditional farming and fishing. An example is the farming in Tonga of squash pumpkins for the Japanese market; rejected pumpkins are mostly fed to pigs due to the lack of local awareness of pumpkins as food with economic value. Due to the interconnected of the system as discussed above, a substantial amount of aid is being directed to areas, which have a limited impact on the economic growth and livelihood of the PICs. However, the discussion above overlooks that the concept of Dependency is formulated through social and economic integrations where both donors and recipient rely on each other.

Common criticisms are also directed at many countries in the region where the government system allows for just a few people to make major decisions for the entire country and where bribery and self-interested strategies are easily indulged in (Zhang

2010, Langa’oi 2010). These circumstances have led to bitterness towards the elite and privileged groups who maintain a strong influence and who are usually blamed for poor management of aid funds (Hau’ofa 2008).

The following figure illustrates the highest ODA per capita is in Oceania, raising concerns regarding the effectiveness of aid to the region.

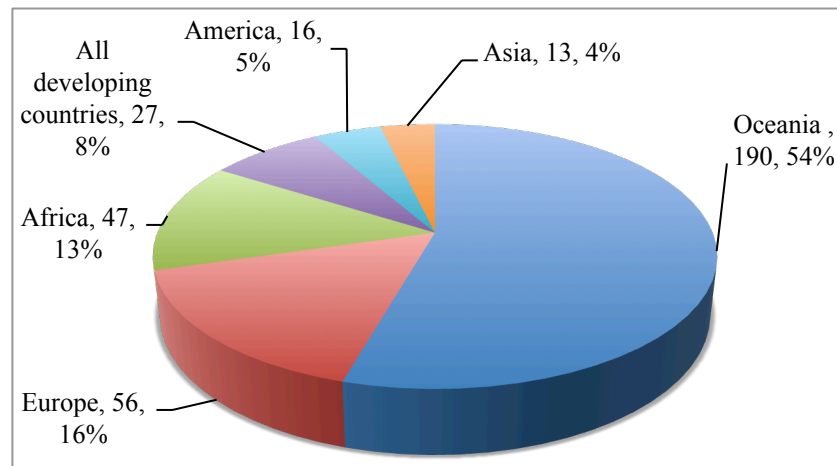


Figure 2.3 Net ODA Receipts per Capita by Region in 2014 (million USD, Percentage of overall share)

Source: OECD (Aid at a Glance 2016)

The recent popular dialog regarding China’s assertiveness in the region suggests that this assertiveness poses a threat to the strong presence of the traditional donors, especially Australia and New Zealand. One example can be seen in China’s relationship with Fiji after Fiji was removed from the Pacific Island Forum (PIF) as a punishment for political instability (Tarte 2010). Welcoming Chinese “soft powers” and aid policies compared to the existing traditional practices gives recipient countries leverage in aid negotiations. At the same time, this trust is being questioned as China was blamed for “blocking proposals to assist small countries adversely affected by the liberalization of global trade” at the World Trade discussions (Tarte 2010). In addition, the political friction between China and Taiwan in the region not only bring dilemma to the “*friends to all diplomacy*” of PICs, but also threatens the efforts of traditional donors with their longtime struggles to attain a positive outcome from their aid (Tarte 2010, Kabutaulaka 2010). For the strong presence of China and Taiwan in the region, leaders of the PICs are considering China and Taiwan’s rivalry as an opportunity to “milk two dragons rather than just one” while simultaneously avoiding being eaten up (Kabutaulaka 2010).

Although the availability of aid from many donors facilitates “cheap access” to marine resources, recipient governments are using this situation as an opportunity to scoop up a greater volume of aid, which undermines PICs and prevents them from developing to their full potential (Hau’ofa 2008, Hughes 2003).

There are also other important issues, such as disaster recovery obstructing the positive outcome of ODA in the region as outlined above and acknowledgement by both the donors and recipients who created this cycle of dependency that aid has become a threat instead of being part of a process towards creating opportunity. The region is being overemphasized and data are misleading since among the regional total population of 10 million, around 80% of the people are found in Papua New Guinea (PNG) alone. ODA at a Glance for 2016 (OECD) estimated aid for three-year average (2012-2014) and indicated that amongst the total ODA to the region, PNG received 31%, 13% went to the Solomon Islands and only 56% to all the remaining PICs. The report also indicated more than 50% of this total aid goes to the “social sector” where primarily it is allocated to “government and civil society”. Nonetheless, the Net ODA by region (Figure 2.4) shows only 1% of global aid was allocated to PICs in 2014. For a region with rich marine resources and an absence of extreme poverty, aid efforts and distribution methods seem to promote dependency as the natural status.

The following figure illustrates that only 1% of total aid is being allocated to Oceania.

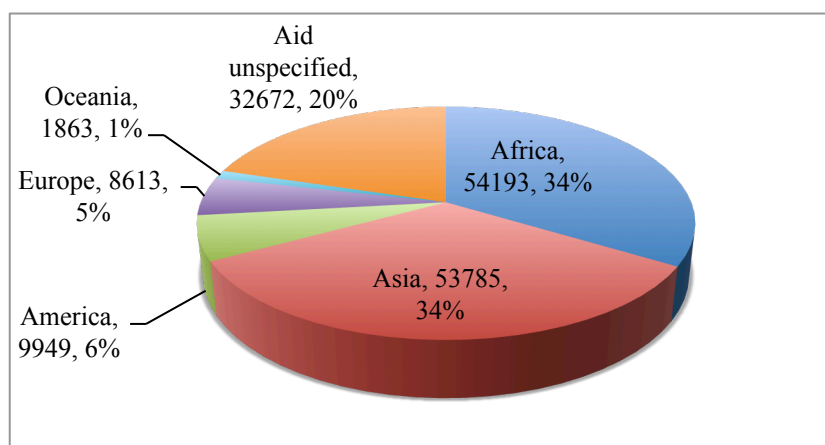


Figure 2.4: Net Official Development Assistance (ODA) Received by the Region in 2014

(million USD, Percentage of overall share) *Source: OECD at a Glance 2016*

2.8 Theoretical Considerations

In order to stipulate a broader observation of foreign aid in attempting to answer the questions from perspectives of recipient countries, four main theoretical perspectives are selected and discussed below. While development theory looks at the social change of various schemes, common pool resources discusses how to justly share resources of common interests. Schismogenesis discusses the devastation outcome due to differences in expectations that is based on responses of the other, the gift giving holds on to the moral obligation of reciprocity. Bateson (1972) and Bowers (2011) shares that determining the question of “how to know what we know?” is as convoluted as scrutinizing the perception value of “the map is not the territory,” when referring to the epistemological definition of each individual. This observation suggests that since we all have a map and that our interpretations of the “territory” are unequal (Bateson 1972), uniting these ideas is only possible through “listening to others” as the main emphasis of the “double bind thinking” approach. In his article “The Use of Knowledge in Society,” Hayek (1945) suggested the significance of combining knowledge not only since one mind is unable to reason for the whole society but due to knowledge not given to anyone in complete form. These theoretical perspectives are discussed below with references to foreign aid to be later applied to its application according to the perspectives of PICs.

2.8.1 Development Theory

In addition to the views mentioned above, President Harry S. Truman’s speech contributed significantly to the concept of development by initiating underdeveloped countries (Esteva, 1992), westernization of the world (Sachs, 1992), deconstruction of necessities and the reconstruction of desires into needs (Illich, 1992). The evolution of changes brought through development discussed in the “development dictionary” (Sachs, 1992) seems to apply to Bateson’s (1972) definition of the mind that it is not in one place, referring to an axe hitting a trunk claiming that minds involve ideas and communication that flows through the whole process. Ivan Illich (1992, pp. 88-101) affirmed that “development has changed the face of the earth” with President Truman’s initiation for strong nations to intervene and “lighten the burden of the poor” even though he concluded that such intervention did not turn out to be “the way it intended” to be. The same author argued that the process continued with these “legitimate

aspirations” for the work of many international organizations, including the United Nations network and Aid foundations. Gustav Estava (1992, pp. 6-25) reaffirmed that the speech not only created “underdeveloped countries,” it also secured the hegemony position of the United States which influenced other strong nations, including the UK, to review the “Law of the Development of the Colonies.” This law was introduced in 1939 through realizing the “Law of Development and Welfare.” The same author argued that the law was realized as a strategy for giving positive meaning through appeals to provide for the “natives’ minimum level of nutrition, health and education.”

A dual mandate was then recognized with the logic that the *conqueror* should be capable of developing the *conquered* with responsibility for their wellbeing. Hence a negative impression regarding the purpose of giving to the third world as being to ensure the hegemonic positions of the rich is implied. Illich (1992) further argued that what was considered to be necessary for the West was set as standards, thus the delivery of the “Washington Consensus” (Ali and Zeb, 2016). Illich (1992) argued that the result was the conception of a new perception of “need” as “imputed lacks” to replace “basic need” which rested on *limits that just could not be transgressed* and which was commonly found in subsistence economies. Subsequently, Mkapu (2010) claimed that the “Washington Consensus prescription was in fact not a consensus at all because the patients were not consulted” (p. 49). Bent Flyvbjerg (2001) enlightens this complication in the world system (Wallerstein 1999) with emphasis on *phronesis*, especially dealing with ethics and morality. If we equate morality as *doing the right thing* and ethics as *doing things right* as brought to light by Peter Drucker, the idea of empathy suggested by Flyvbjerg argued to justify a proper development process. Illich (1992) commented that John F. Kennedy’s speech in 1962 highlighted the *right thing* to do when President Kennedy declared that he pledged to *help them help themselves* (originally brought up by President Truman) was an action of self-defense. It was fear of possible social unrest arising as an outcome of *poverty*, which was interpreted as *destitutions*.

The idea of self-development was considered as an “indispensable condition for growth” which was implemented even though it was later discovered that growth in Gross National Product (GNP) works positively in developed nations but causes the poverty level to increase in underdeveloped countries instead (Illich 1992). Since developed

nations designed the environments for growth based on own experiences, overlooking the conditions of underdeveloped countries generates a mismatch. The author agrees with Rajasthani's view in Sachs (1991) that the process of "catching up" to those "running in front" was a comparison to things underdeveloped countries lacked "in terms of what has been achieved by advanced countries." This process is observed as the "native always arrive late at the destination" (Lal 2004). This evolution is now viewed to be an advantage for rich countries to "move faster than the rest" (Sachs, 1991) and with Bateson now calling to "make a difference," Bauman (2013) is challenging sociology to "un-familiarize the familiar and familiarize the unfamiliar" as a responsibility to each other and a way to regain trust.

Compromising the right to cultural identity by accepting the "world-view" of development is observed to be the genesis of mistrust, but it also gave birth to "dependency" through the process of "decolonization" (Sachs 1991, Alatas 2006). Nonetheless, development allows any intervention to be sanctified in the name of higher goals, which could be seen as an alternative (Sachs 1991). However, underdeveloped countries would end up not living on their own but rather to fulfill someone else's conception of life (Lal 2004). Observing Wallerstein's (1999) description of *knowledge* to be "intellectual as disciplines," "organizationally as corporate" and "culturally as communities sharing certain practices," we could comprehend a hint towards answering the question of "how we know what we know?" If culture were almost negated during the development process while education and corporate were created during decolonization and westernization, the need for knowledge integrate everyone in the cycle of both *economic* (Illich 1992) and *academic* (Alatas 1992) dependency. The political and economic structure that academic imperialism introduced exploited the world system by generating "the way of thinking of the subjugated people" (Alatas 1992). This exploitation highlights "conformity" which was raised by Bateson as being compliance to the standard and "inferiority" as being described in the development dictionary and 'Epeli Hau'ofa as "belittlement." Bauman (2013) discussed further the legitimacy of sociology saying, "not that the system fails to work but trust has been lost because the system did not work as promised." He asserted that social order could not be maintained unless people trust the institutions. In addition to the concept of development discussed above, a group of academics led by Frans J. Schuurman (1993)

analyzed the full development process and the transformation from the norms of the 1960s to the new phases in the 1990s from Marxism and Neo-Marxism (pp. 1-41).

There is no doubt from the discussion above that aid policy is formulated in donors' image of their own development priorities without considering recipients' perspectives in the relationship. As a result, the concept of dependency (both economic and academic) is a natural phenomenon through this process, which ignores the significance of inter-dependency where both donors and recipients need each other. This research seeks to find whether all donors behave the same as a result of development and the discussions above. Building on the transformations through development discussed above and *Beyond the Impasse*, the following hypotheses are expected:

Priority Development Hypothesis 1: PICs perceives that interests of donor nations shape priorities of Recipient countries.

Disbursement Development Hypothesis 1: PICs perceives that development of recipient countries is based on the success of Donor nations.

Dependency Development Hypothesis 1: PICs perceives that dependency by recipient countries is considered natural.

Leverage Development Hypothesis 1: PICs perceives that recipient countries are indebted and inferior to donor nations due to absence of reciprocity.

The hypothesis set up above is expected to assess the application of development theory on PICs and their perceptions of donors' approaches to ODA. Since development is a concept initiated from donor nations, understanding the nature of their approaches from perspectives of PICs expects a better understanding of their nature after becoming rich. We know from the explanation above that the purpose of ODA is to promote economic development and welfare of developing countries, but considering the voices of recipient countries would contribute to our understanding about the nature of how donor nations shape this development. At the same time, learning from the experiences of PICs is most relevant, as new insight would share the nature of how they adjust and adapt to this system.

In order to take another view of assessing the approaches of donor nations, the application of Common Pool Resources (CPR) is relevant as it observes the relationship of PICs as a provider of resources that interest donor nations.

2.8.2 Common Pool Resources (CPR)

The resources here refers to open-access resources such as air, ocean, and rain, including the atmosphere, which provide benefits to all members of a society and which are not privately owned. The late Elinor Ostrom's (2006) Nobel prize contribution of Common Pool Resources (CPR) was aimed at "how to best limit the use of natural resources so as to ensure their long-term economic viability" (2006, p. 1). Resource as it is used here is defined as being accessible by many partners and sufficiently large as to discourage the exclusion of prospective users from its benefits (Ostrom 2006, pp. 29-31). Ostrom's concern regarding this model is towards the poor management of the resources leading to *the tragedy of the commons*, *the prisoner's dilemma game*, and *the logic of collective action*. The model encapsulates the flaws and tendencies of individuals seeking their own benefit through the exploitation of either natural or man-made resources. Due to the nature of resources, they are usually governed by a national government or privately (Dolsak and Ostrom 2003, p. 3). The model defines "appropriations" as referring to the "process of withdrawing resources" whereas the "appropriators" are the interested group and the "Providers" or "Producers" are those who manage or own the appropriations.

Two main characteristics of CPR are identified based on the rationale of the model. The first one highlights the "subtractability" or "rivalry" in nature by referring to the idea that when someone harvests from the deposit it reduces the ability of others to benefit from the resource. This characteristic leads to "overuse, congestion, or even destruction of a common-pool resource" (Dolsak and Ostrom 2003, p. 7). The other characteristic refers to the cost of excluding potential beneficiaries from becoming free riders. That cost leads to the main rationale of CPR in observing the influence of decisions made by one set of actors and its effect on other actors with same interest in benefitting from the resources (p. 8). The model argues that a good relationship leading to trust among users is likely to confine them with the regulations set for harvesting the CPR (p. 17). In addition, it is argued that users who are well "connected by multiple issues and over a

longer period of time can use linkages and reciprocity to induce cooperation” (p. 17). This mutual trust enables resource users to reciprocate in behavior, leading to a harmonious relationship as predicted by the model.

The CPR shown in Figure 2.5 below is a common phenomenon in literature referencing natural resources which, in this case, is the PICs’ wealth as discussed in the previous section.

The following figure displays the flow of CPR from the Pacific Islands to donor nations.

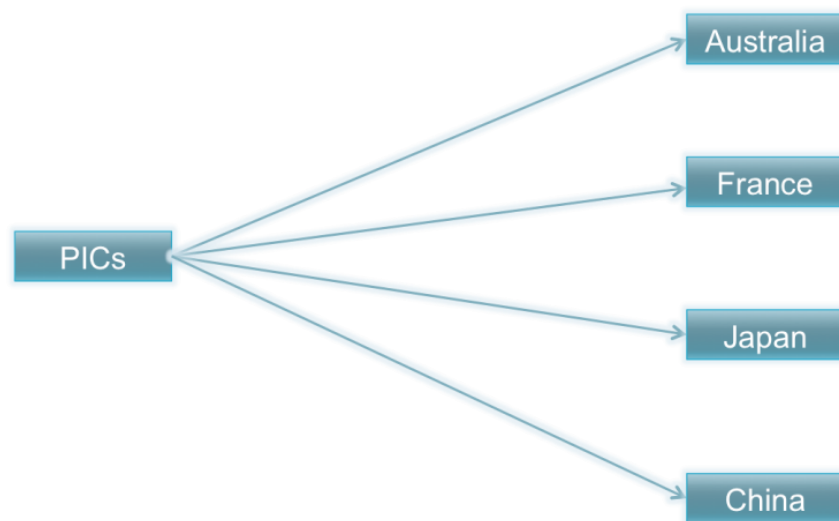


Figure 2.5 Resources Pacific Island Countries as Common Pool Resources (CPR)

Source: Author

The arrows in the diagram indicate the flow direction of CPR from providers to multiple appropriators where some of the characteristics of the relationship are being argued. Although, very little research has been conducted in this field, Dolsak and Ostrom recognized both the benefits involved with resources in developing countries and funds available from donor nations (2003, p. 19). This research concentrates on the former and latter is not included in this study. The authors pointed out that in some cases, the CPR in recipient countries are introduced by donor nations, thus leading to complications in the governance of the resources. We can see here that the funds available from donor nations are not examined as CPR, but rather a tool for controlling resources in developing countries. One of the common phenomena mentioned in Dolsak and Ostrom (2003) was the time difference between operations by donor nations

compared to advancements in developing countries (Morrow and Watts Hull, 1996). In other words, the rhythm of operations by developing countries lags behind the high pitch cycle present in donor nations. These authors left warnings that due to these differences, regimes set by donors may not meet the traditions and norms of recipient countries (p. 19). In addition, resource providers may not have any voice in the rules for governing their resources, as this voice may be lost to donor nations and national government. This conclusion agrees with Ostrom; Gibson (2002) mentioned in Dolsak and Ostrom (2003) that donor nations tend to deal directly with national governments rather than communities (p. 19).

The following figure demonstrates the complexities facing by PICs in balancing their common foreign policy to various interests in the region held by each donor nation.

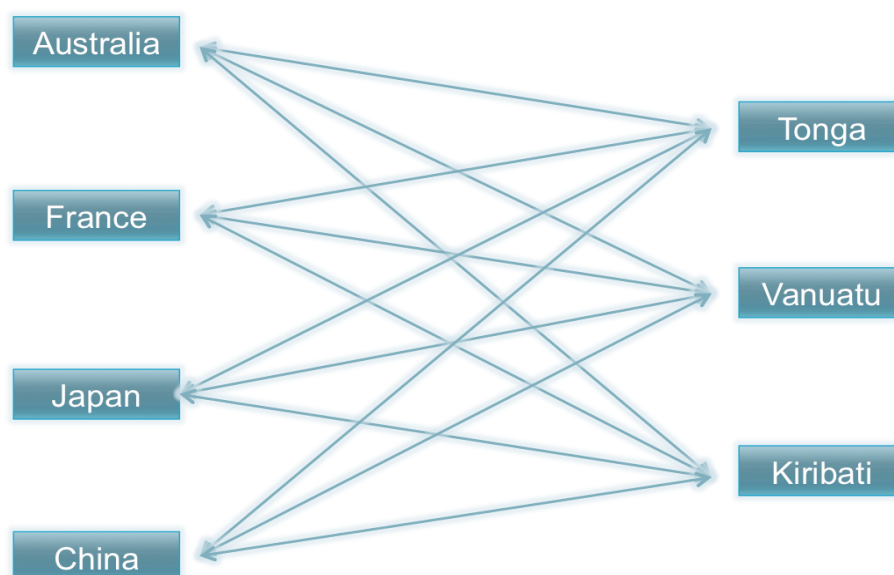


Figure 2.6 Multiple donors with multiple recipients of Common Pool Resources (CPR)

Source: Author

According to the model, the Appropriator also benefit from sharing the burden of the appropriations. At the same time, the Appropriator behaves opportunistically whenever given the chance, but motivation drops when the methods of allocating resources are inefficient (Ostrom 2006, p. 31). In addition, it is argued that given the independent character of the appropriators, the outcome mentioned above could lead to the CPR itself being destroyed. The theory of the firm and the state are applied in the model to respond to the issue of “independent action in an independent situation” (Ostrom 2006,

pp. 38-39). The drawback of appropriators seeking the maximum benefit and providers being extra cautious in maintaining the resources is predictable. In this natural scenario, guidelines are set for a cautious appropriation affecting the strategic relationship between appropriators and providers (Ostrom 2006, p. 49).

The model applies naturally to this research since donor nations are appropriators seeking to benefit from the CPR in the PICs. Examining the perspectives from the PICs would clarify viewpoints of resource providers yet to be considered in appropriator's rules. The research would analyze the concept of priority, disbursement, dependency and leverage and its application to CPR in the PICs. It will also examine the nature of possible free riders and its benefits as argued by the model. Based on these discussions, the following observations are expected:

Priority CPR Hypothesis 2: PICs perceives that donor nations benefit from sharing the burden of ODA in the PICs.

Disbursement CPR Hypothesis 2: PICs perceives that donor nations behave opportunistically, but motivation drops when methods of allocation are inefficient.

Dependency CPR Hypothesis 2: PICs perceives that donor nations tend to control the resources in recipient countries.

Leverage CPR Hypothesis 2: PICs perceives that regimes set by donor nations do not agree with the norms of recipient countries.

The economic application of CPR is expected to share knowledge about PICs as a resource provider compared to being a resource appropriator of ODA through development theory. Utilizing the tool explained for CPR expect a broader understanding of its application to the nature of this relationship since aid is a necessity for PICs. Analyzing the experiences of policy makers at recipient countries about donors' approaches as the provider of ODA expect to share new insight. The nature of differences between the approaches of donors as both resource provider and appropriator is further clarified through Schismogenesis.

2.8.3 Schismogenesis

Schismogenesis consists of “schism” meaning differences and “genesis” as “the coming into being of something.” Bjorn Thomassen (2010) described schismogenesis as “development of differences” while Bateson defined it as “a process of differentiation in the norms of individual behavior resulting from cumulative interaction between individuals” (Bateson 1958, p. 175). Applying “differences” as ideas as mentioned above, schismogenesis could be regarded as “a process of ideas resulting from interaction between individuals or groups.” Accordingly, Bateson argues that schismogenesis applies to any relationship where both sides are affected by the reactions of the other.

Gregory Bateson known to be one of the most significant contributors to science in the 20th century, especially to anthropology, cybernetics, psychiatry and the field of cognitive science, initiated the idea of schismogenesis. It originally appeared in 1935 mentioned in Naven (Bateson 1958, p. 175), but gained full recognition through the publication of Bateson’s collections in the *Steps to an Ecology of Mind* (1972, 2000). Bateson’s prominent style of connecting patterns of relationships through story telling is confirmed through “the cybernetics of self: a theory of Alcoholism” and “the epistemology of cybernetics” chapters of his 1972 collection. Some of his familiar questions, including *how do we know what we know?* reaffirm the relationship patterns of every individual with everything else. Differences in each individual epistemology led to the realization of *double bind* as a challenge towards the role of sociology (Bateson 1972. pp. 309-342). The concept of “information” was then defined for the first time as *difference that makes a difference* referring to *difference* not as distinction in nature but *idea* (Bateson 1972, p. 315). The idea of *difference* led to his scientific discovery of *mind*, which does not stay in some part but which is *immanent* within the system as a whole, including the environment (p. 316).

Two types of Schismogenesis

The sociological and psychological significance of schismogenesis is relevant to this research not only because it was found in the Pacific, but because of the fact that it was observed to be followed in other parts of the world as well (Bateson 1958, p. 175). Schismogenesis relationships are divided into two patterns known as symmetrical and

complementary schismogenesis (Bateson 1972, p. 323). Symmetrical schismogenesis refers to a relationship where the efforts of let's say 'A' person is motivated by the positive return expected from 'B' person and vice versa. The model argues that if 'A' sees weaknesses in 'B,' 'A' would relax its efforts towards 'B.' Symmetrical schismogenesis argue that since both 'A' and 'B's' aspirations and behavior patterns are observed to be similar, they stimulate each other. Due to differences in behavior and the presence of pride in each individual, the result of this kind of relationship end up in competition, rivalry, and hostility leading to break down of the relationship (see Bateson 1972). The relationship through the symmetrical schismogenesis model is illustrated in Figure 2.7 below:

The following figure illustrates the nature of Symmetrical Schismogenesis.

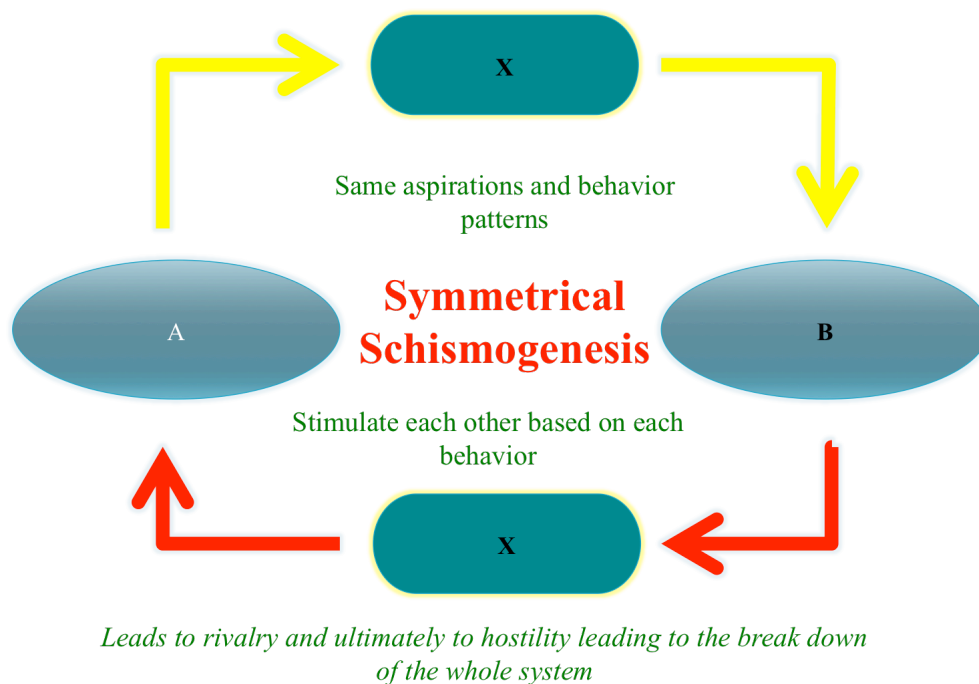


Figure 2.7: Symmetrical Schismogenesis Framework

Source: Author

Complementary schismogenesis (Figure 2.8 below), on the other hand, is the direct opposite. The aspiration and behavior of 'A' and 'B' are different, but they are complementary to each other due to their differences. Bateson clarified this situation using the *exhibitionism* behavior of men and showing how it appropriately accepted by the *spectatorship* character of women in Iatmal (Bateson 1972, p. 323). The model

argues that if ‘B’ for example is considered weaker, then ‘A’ would take advantage of B with a motive of taking control and vice versa. Bateson argued that due to differences in behavior and pride in each individual, this type of relationship also results in mutual hostility, leading to destruction of the relationship. Schismogenesis is a theory that allows the system to function, but continues to produce negative effects affecting everyone involved (Thomassen 2010). Although not many research tested the validity of schismogenesis in other fields, it is argued that as long as humans and the environment exist, the schismogenesis destruction of this relationship is inescapable. Bjorn Thomassen (2010) argued that although Bateson referenced schismogenesis for the destruction of war, its application to the field of politics has been overlooked for years. The schismogenesis model applies naturally to this research and it seeks to explain the nature of donor nation’s approach to ODA from perspectives of recipient countries.

The following figure illustrates the characteristics of Complementary Schismogenesis

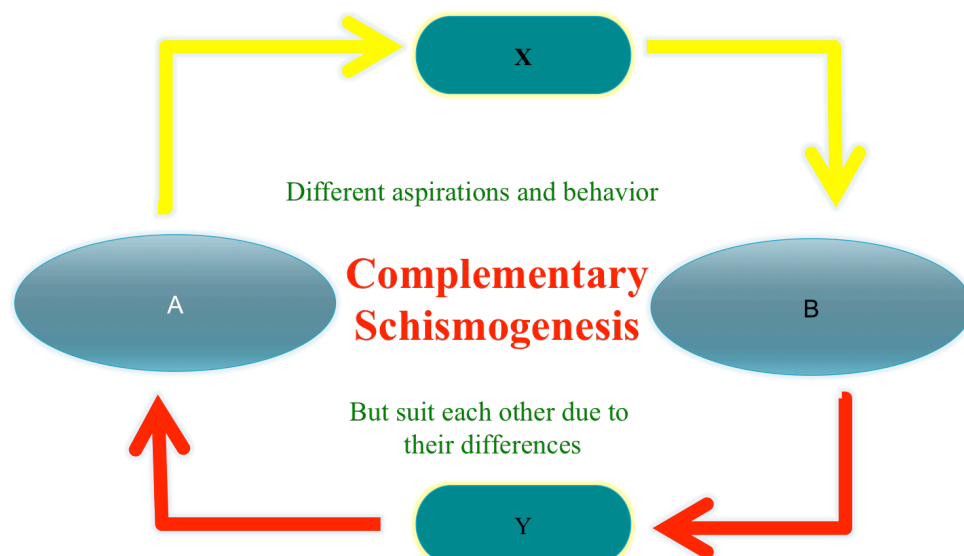


Figure 2.8: Complementary Schismogenesis Framework

Source: Author

Fortunately, the destructive nature of schismogenesis has a promising solution through the positive reciprocity, emphasizing the significance of “balanced relationships” (Bateson 1972, p. 68). The diagram below illustrates the “reciprocity” model suggested

where behavior in the relationship is argued to be asymmetrical, but symmetry is regained over a large number of instances (Bateson 1972). Putting it in simpler terms, instead of giving 'X' as a reply to 'X' or 'Y' for 'Y' (symmetrical), reciprocity is achieved when sometimes 'X' is the reply for 'Y.' Instead of exchanging a basket of fish with a basket of fish; reciprocity is complete when for example a basket of yam is given in return. It shows that reciprocity occurs when the exchange is something that both participants in the relationship do not possess. This reciprocal pattern displays compensation and therefore maintains the balance within itself, thus avoiding schismogenesis. Thomas Hylland Eriksen (2007) mentioned that the concept of schismogenesis could be related to the absence of reciprocity argued by Marcel Mauss (see the gift giving theory next), although Bateson never acknowledged any connection.

The figure below illustrate balanced relationship when reciprocity is achieved.

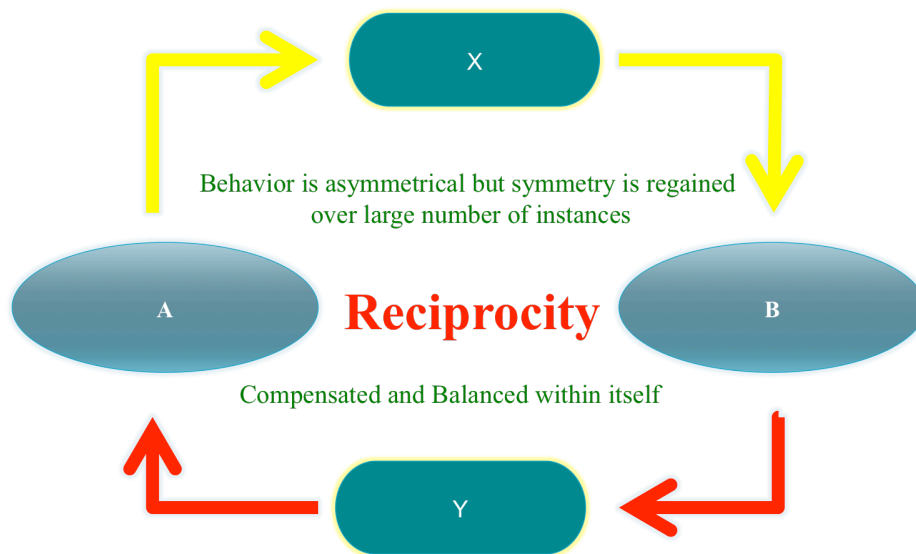


Figure 2.9: Reciprocity Framework of Schismogenesis

Source: Author

In Chapter 13 of Naven (1958), Bateson outlined eight factors to control schismogenesis as listed below:

- 1) complementary patterns in a symmetrical relationship and symmetrical patterns in a complementary relationship; 2) schismogenesis based upon one pair of complementary patterns may be restrained by patterns of different complementary pair; 3) sudden change in

the patterns of a symmetrical schismogenesis; 4) schismogenesis between two groups may be checked by schismogenic relationship with an outside group; 5) balanced hierarchies; 6) conscious control of schismogenesis; 7) mutual dependence between conflicting groups; 8) progressive changes in behavior resulting in convergence.

Factor 8 clearly signifies the role of love through “progressive changes in the relationship between the groups” (Bateson 1958, p. 197). It is promised that this inverse change leads to mutual love and “on theoretical grounds, we must expect that if the course of true love ever ran smooth, it would follow an exponential curve” (p. 197).

Bateson encourages researchers to study schismogenesis further by analyzing other relationships and this study hopes to contribute to schismogenesis theory through the observations of responses between donor nations and recipient countries according to perspectives from the PICs. The author wishes to note that since schismogenesis as explained above happen due to differences in ideas based on responses between two parties, it does not apply to the concept of Disbursement. Since Disbursement in this study refers to the releasing of aid funds that is available and controlled at donor nations, there is no schismogenesis hypothesis for Disbursement. Based on the theory and the discussions above, the following hypotheses are expected.

Priority Schismogenesis Hypothesis 3: PICs perceives that the needs of the recipient countries and the interests of the donor nations do not meet.

Dependency Complementary Schismogenesis Hypothesis 3: PICs perceives that efforts of both donor nations and recipient countries are negatively dependent on the result expected from the other.

Leverage Symmetrical Schismogenesis Hypothesis 3: PICs perceives that efforts of both donor nations and recipient countries are positively dependent on the result expected from the other.

Since the idea of difference behind Schismogenesis leads to breaking down of relations, it is relevant to assess its application to experiences of policy makers in the PICs. These experiences expect to enhance ideas of what leads to differences in donors’ approaches to ODA and the nature of its cause. The interpretation of Schismogenesis expects to

share the nature of recipient being in the weak position as aid is a necessity for economic development. At the same time, this observation would assess the nature of PICs when there is leverage to influence decision-making. Although other solutions for Schismogenesis is suggested as listed above, the way out through “reciprocity” is thoroughly defined in more detail through the Gift Giving theory.

2.8.4 Gift Giving Theory

The theory is known to have appeared for the first time in 1924 on Marcel Mauss’s powerful *Essai sur le don* in the field of anthropology (Schrift, 1997). The novel approach of the gift giving theory attracted respected anthropologists like Marshall Sahlin, Emile Benveniste, and Pierre Bourdieu to name a few (please see, “the logic of the gift” for more). Another key figure whom Mauss kept referring to while working on his gift giving theory was the ethnographic work of Bronislaw Malinowski (1884 - 1942) and his participatory observation of the “kula” circulation in Papua New Guinea (Weiner 1992, Dillon 2004).

The theory embraces the *obligations to give*, *obligations to receive* and the *obligations to reciprocate*, emphasizing that gift giving is self-interested and not for free (Mauss & Hall 1990, pp. 16-20). Research suggested that the concept of “humiliation” especially in conflict relationship was neglected by Mauss by shaping into 1) the refusal to give, 2) the refusal to receive, 3) the refusal to return a gift, and 4) refusing others to return a gift (Ericksen 2007, pp. 1-16). This modification added to reciprocity as the key tool for keeping balanced relationships. The model argues that through the trust-based system of reciprocity, the honor of both the giver and the receiver are guaranteed and set to neutral. The balanced engagement in this relationship connotes that both tangible and non-tangible values and whatever is in the definition of possessions that “makes one rich, powerful, and influential” is usable for “compensating others” (Mauss & Hall 1990, pp. 12-13, Dillon 2004, p. 101). Receiving the gift says to involve the spirit of the giver and thus leads returning the gift as a moral obligation. Mauss phrased it as shown below in terms of the total service involved:

In this system of ideas one clearly and logically realizes that one must give back to another person what is really part and parcel of his nature and substance, because to accept something

from somebody is to accept some part of his spiritual essence, of his soul. To retain that thing would be dangerous and mortal, not only because it would be against law and morality, but also because that thing coming from the person not only morally, but physically and spiritually, that essence, that food, those goods, whether movable or immovable, those women or those descendants, those rituals or those acts of communion - all exert a magical or religious hold over you (Mauss & Hall 1990, p. 16).

It is implied that the obligation to give is uniform with the obligation to receive and refusing a gift is “losing one’s name” or admitting “oneself beaten in advance” (Mauss & Hall 1990, p. 52). Discussing the commitment of giving, Friedrich Nietzsche (1976) through the spoken Zarathustra affirms that, “a gift-giving virtue is the highest virtue” (p. 186). Same author brought out the concept *pitying* and his disciples were warned, “great indebtedness does not make men grateful, but vengeful; and if a little charity is not forgotten, it turns into a gnawing worm” (p. 201). Schrift (1997) agreed further stating that, “unreciprocated gift left the receiver feeling inferior and vengeful at the intrusion on one’s independence and the incursion of this debt to repay” (p. 3). Figure 2.10 below illustrates key concept of the theory.

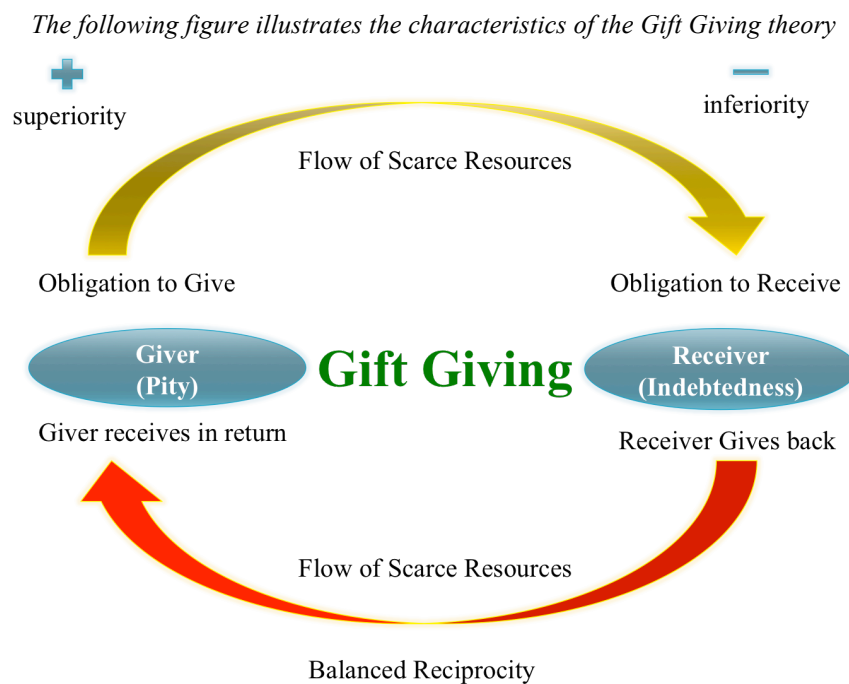


Figure 2.10: The Gift Giving Model.

Source: Author

This nature of gift giving and receiving enhances the burdens attached within the exchanges. The system encourages hard work by individuals as it forbids one from abstaining from receiving, as this would denote refraining from giving, which in turn means avoiding reciprocity (Mauss & Hall 1990, p. 151, note 199). Chiefs or those privileged in the same context are only accepted as wealthy, powerful and viewed with respect if exceptional giving is observed - usually at festivals (Mauss & Hall 1990, p. 50). To share by giving away accumulated wealth is the obligation of chiefs in order to hold a hierarchical position; otherwise they are given the title of “rotten face” (Mauss & Hall 1990, p. 50). Mauss describes how in the Pacific, especially in Polynesia and Melanesia, reciprocity is the cornerstone of the community and failure to reciprocate results in “slaves for debt” and loss of spiritual authority *mana* (Mauss & Hall 1990, p. 54). He also noted a unique characteristic of reciprocity in that it depends highly on the quality of the things that are given (p.45, pp. 28-34). Ralph Waldo Emerson (1997) also argued that gift should be something painful expressed below:

This giving is flat usurpation, and therefore when the beneficiary is ungrateful, as all beneficiaries hate all Timons, not at all considering the value of the gift, but looking back to the greater store it was taken from, I rather sympathize with the beneficiary, than with the anger of my lord Timon (1997, p. 27).

Referring to the donor-oriented nature of aid, this nature defines the *symbolic power of politics* between donor and recipient, where aid signifies ownership dominance and is presented as generosity (Hattori 2001). The author agrees that this transformation euphemizes the physical hierarchy that defines the relationship where recipients are “complicit” to the obligation “that enables donors to give in the first place.” As a result, it is argued that negative reciprocity, or aid without reciprocity, traps the recipient in the weak status of this created hierarchy (Mauss & Hall 1990, Hattori 2001 and Sykes 2005).

Gift giving model is further elucidated by another key contributor to the literature through the work of John F. Sherry (1983) with his descriptive “process of gift-giving behavior” model. It illustrates the process of gift giving and its dimensions on social

relationships, economic phases and personal behavior. It is an outcome of modifying the behavior patterns of donor and recipients proposed by Sharon Banks (1979). Banks categorized the behavior into purchase, interaction, consumption, and communication. Sherry (1983) argued that Bank's paradigm did not provide maximum effectiveness in the clarity through the stages in gift giving.

The model Sherry proposed comprises of three core stages of 'Gestation,' 'Prestation,' and 'Reformation' which identifies the progress in gift giving transaction. Although the wordings differ from the three fold obligations introduced by anthropologists mentioned above, they follow the same context where the act of reciprocity balances relationships. The 'gestation' stage refers to the concept formation and behavior patterns prior to the execution of gift exchange. It is a stage where donor decides conditions and strategies about what to give, how to give, where to buy and other related concerns donor believes to be suitable for the recipient. It is also observed that 'direct request' from recipients allows the recipient to influence the selection process more than the donor. The first stage here associate with the "obligation to give" mentioned above by the anthropologists. The 'Prestation' stage on the other hand directs the emphasis on not just the "receiving" side but at the actual gift giving exchange process where both donor and recipient interact. Factors related to time, place, mode of exchange and strategies to maximize the impact of the gift through presentation techniques are carefully considered at this stage. Sherry sighted that the reaction of recipients to the gift determines the evaluation of the donors in comparison to their initial motives and purpose for the gift. It is argued that donors may terminate future giving if the response from the recipients fails their expectations. The third stage of 'Reformation' deals with the 'disposition' of the gift. It is at this stage where recipient decides how to use the gift whether to consume, put on as a display or to be stored. The disposition pattern of the recipient mentioned here is argued to rationalize their perceptions about the donor. During this process, relationship of donors and recipients are said to be strengthened and reaffirmed based on the evaluation of their reciprocal balances. It is argued that the realigned nature of the relationship allows them to swap roles where recipient would become donor. Sherry argued that this swap necessitates the continuation of the relationship. This lead to the result Sherry (1983) claimed that the perceptions identified in the Reformulation stage holds the conditions for future exchanges.

Observing the anthropologists' framework built on the concept of 'gift giving' and through the "process of gift-giving behavior" proposed by Sherry, the following observations are expected from the perspectives of the PICs:

Priority Gift Giving Hypothesis 4: PICs perceives that recipient countries are indebted and inferior to donor nations.

Disbursement Gift Giving Hypothesis 4: PICs perceives that the donor nations decide the concepts and purpose of aid but direct requests from recipient countries influence aid more than donors.

Dependency Gift Giving Hypothesis 4: PICs perceives that donor nations giving aid and recipient countries accepting aid are expected and considered natural.

Leverage Gift Giving Hypothesis 4: PICs perceives that the phenomenon of donor nations being superior and recipient countries being inferior is witnessed through the absence of reciprocity.

We know that the Pacific Islands is the birthplace of Anthropology where keeping balanced relations as explained through the theory, is the backbone of traditional living. By assessing and interpreting its application through lenses of PICs from recipients' perspectives, it is no doubt that the gift theory is the key tool for this research. By comparing the approaches of ODA providers from the perspectives of ODA appropriating countries referring to the arguments of the four theoretical perspectives, the research expect valuable insight especially to the policy community of both donor nations and recipient countries.

2.9 Theoretical and Conceptual Framework of the Study

The theoretical framework in Figure 2.11 illustrates the main players selected for the study. The approaches to ODA of Australia, France, Japan and China as donor nations are examined through application of the four selected theoretical perspectives in regards to the understanding of Priority, Disbursement, Dependency and Leverage from the perspectives of PICs.

The following figure illustrates the role of the selected theories in verifying the new understanding of ODA in regards to Priority, Disbursement, Dependency and Leverage by examining the approaches of donor nations from perspectives of PICs.

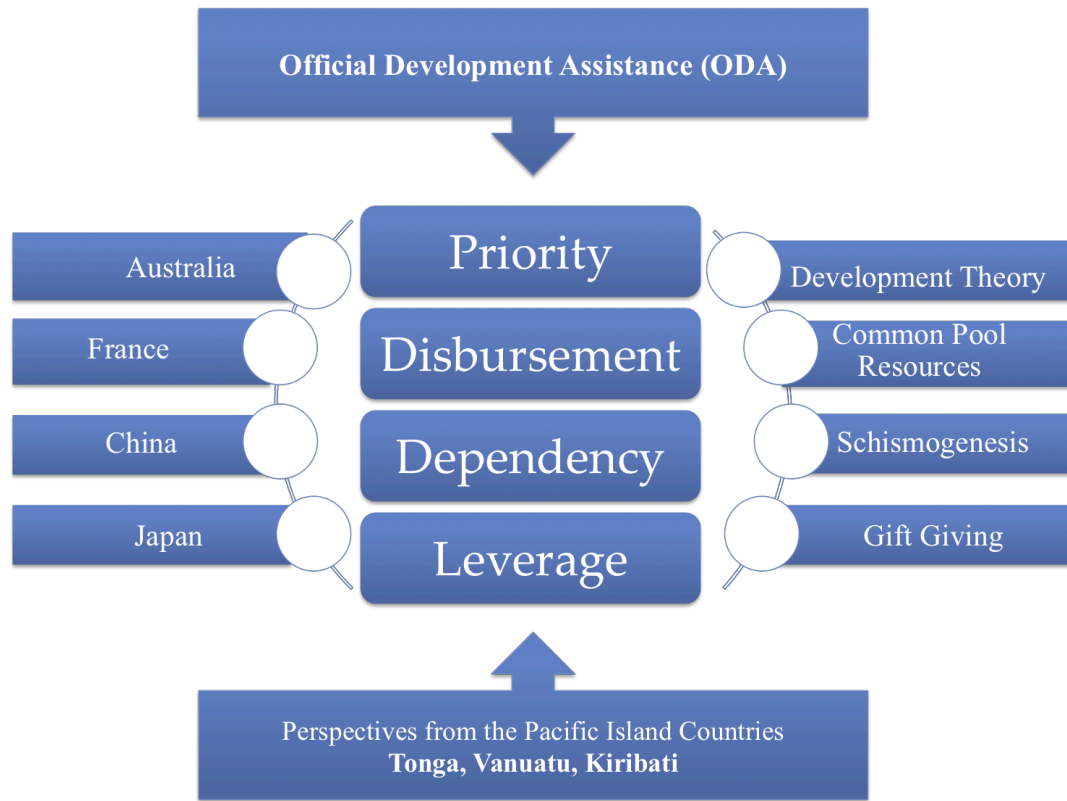


Figure 2.11: Theoretical Framework of the Study.

Source: Author

Thomas Hylland Ericksen (2007) in his book chapter, “Holding Worlds Together” emphasized the concept of “scarcity” as a core element of gift exchanges in relationships. Figure 2.12 below illustrates the four key concepts and their role within the framework to identifying various approaches to ODA and its application to both donor nations and recipient countries. The upper arrow illustrates the flow of ODA from donor nations to recipient countries enhancing the process discussed by the development theory. Disbursement of aid notes the superiority of donor nations symbolizing power of politics and inferiority of recipient countries according to the gift giving theory. If reciprocity is true to be universal according to the gift giving theory, it is expected to exist also in the PICs.

The following figure illustrates the relationships identified for the study. The upper arrow shows the flow of ODA from donor nations to recipient countries without recognizing the balance role of reciprocity depicted by the lower arrow.

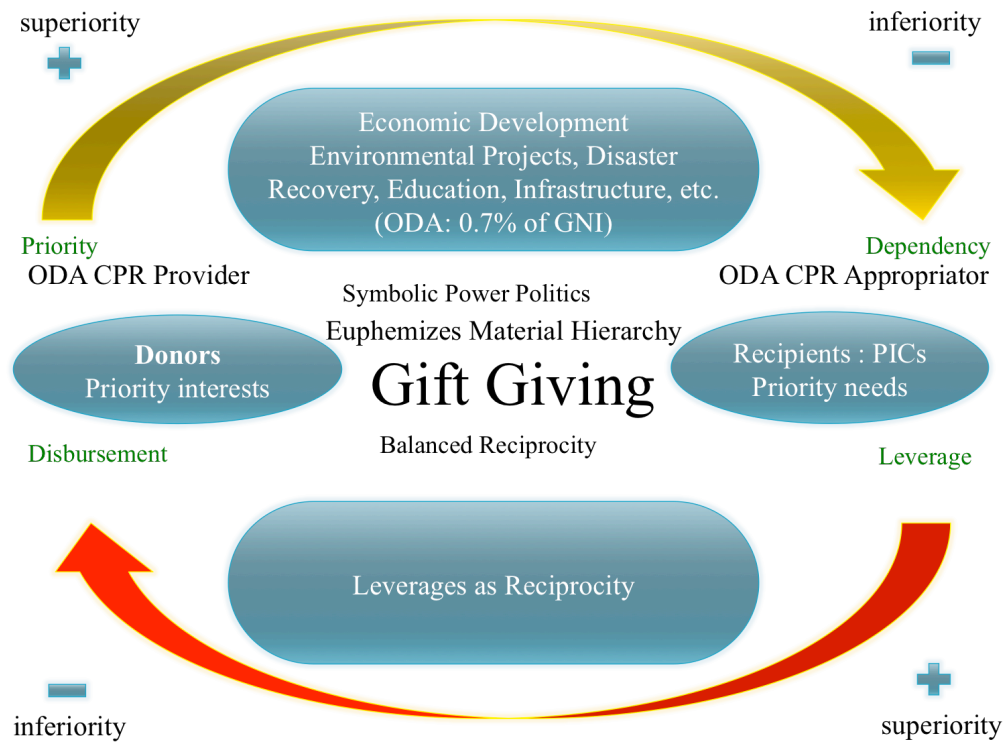


Figure 2.12: *Research Conceptual Framework*

Source: Author

The observation of ODA is intertwined with the top half of the framework illustrating the flow of ODA from donor nations to recipient countries. The framework explains how the practice of ODA concentrates mainly on the top half without taking into account the expectations of reciprocity and CPR from recipient countries. The lower arrow instead illustrates the assumptions claimed through reciprocity in recipient countries to be identified from the perspectives of PICs. Since the bottom half of the diagram largely deals with non-tangible and moral resources, it is easy to be overlooked. Thus, it is important to observe the “perceptions” of those involved in aid decision-makings at recipient countries. Receiving philosophies of the PICs are rarely discussed in the literature and analyzing these perceptions will help in formulating various models of how PICs approach each donor country. Based on the hypothesis derived from each theoretical perspective, this research examines the nature of priority,

disbursement, dependency and leverage according to approaches of donor nations to ODA from the perspectives of PICs.

CHAPTER 3

Methodology

Thus a course is successfully ended not when the students have learned all they need to know, but when they have made significant progress in learning how to learn what they want to know.

Carl Rogers (1902-1987)

3.1 Methodological Philosophy

Social research is divided by some scholars into two paradigms based on a positivist view of natural science and a humanistic approach founded on naturalism (see Hughes 1980). It is claimed that these paradigms have four facets of 1) ethics, 2) epistemology, 3) ontology, and 4) methodology. These facets are all concerned with morality, understanding, reality and ways to attain knowledge about the world (see Denzin and Lincoln 2011, p. 91). Research approached from the positivistic style would follow quantitative methodologies as this style values the power of numbers (Hughes 1980, p. 16). Thus methodologies such as surveys, questionnaires, and experiments would be employed as these tools reveal the causal relationships between different variables (Denzin and Lincoln 2011, p. 8). The humanistic approach on the other hand, based on naturalism, “emphasizes on the qualities of entities and on processes and meanings that are not experimentally examined or measured in terms of quantity, amount, intensity, or frequency” (Denzin and Lincoln 2011, p. 8). This approach accounts also for the relationship between the author and the participants.

3.2 Qualitative Approach

As this research assesses the perspectives of “recipient countries” through the lenses of the Pacific Island Countries (PICs), qualitative approach promises the hope of new knowledge that “was ignored by institutions shaping their lives,” (Katz and Csordas 2003, p. 280). Since the research questions and rationale of the study are based on obtaining evidence directly from participants, qualitative interview is considered appropriate as it justifies cases through understanding of experiences (Patton 2002, p. 227; Silverman 2010, p. 6, Bowen 2005). As a result, achieving an in-depth understanding for interpretation of the data is prioritized in this research instead of the

realistic generalizations approach of quantitative studies.

Qualitative interviews not only reveal untold truths and off-the-record information usually not available (Boellstorff 2012, p. 93, Patton 2002, p. 340), they are also known as the “construction site of knowledge” (Kvale 1996, p.2) where themes of “mutual interests” are discussed (Kvale & Brinkmann 2009, p. 2) mentioned in Marshall (2011, p. 142). Qualitative interviews emphasize the value of obtaining otherwise unknown rich and comprehensive knowledge through secluded discussions including group interactions for better judgment (see Silverman 2010, Marshall 2011, Boellstorff 2012 and Gordon 2016). Patton in his book emphasizes the significance of interviews by highlighting our inability to interpret reality as exists in people’s experiences and attitudes (2002, p. 341). Interview allowed the author to access past events with the context of “space and time,” as participants are able to share their involvement in these events (Perakyla and Ruusuvuori 2011, p. 529).

Although observation does not analyze the cause of these behaviors, validity of observation is highly recognized in this research as it seeks to identify patterns of behavior and interactions of donor nations from the perspectives of recipient countries. These include things that participants may not see or may not wish to say during the interview but the author is able to grasp from analysis. On the other hand, depending purely on interviews alone narrows the data on the interactions between the author and the participants only (Silverman 2016, p. 54). With this light, the author used both the tools of qualitative interview and through observation with data collection and analysis as more benefits than costs were identified.

3.3 Research Strategies

In searching for ways to become acquainted with the participants and to gain a good understanding of their perspectives (Boellstorff, 2012. p. 26), the author traveled from Japan to the three recipient countries for in-depth interviews. Prior to the trips, the author conducted pilot interviews (Yin 2011, Gordon 2016) with the resident Ambassadors of Papua New Guinea (PNG), Fiji and Samoa in Tokyo. The intention was to test the suitability and relevancy of the research from perspectives of other PICs who were not selected for this study. The research not only brought conviction that the

questions were applicable according to experiences shared by the diplomats, it gave the author, a Pacific Islander who has been gone from the region for more than 16 years, confidence on how to approach leaders of the region. The results of the pilot interviews were included as part of the author's article published in the journal, "Japan Society for Pacific Island Studies" (JSPAIS, Tokyo) prior to the aforementioned research trips. This research was also presented at various conferences held within Japan and overseas at Ritsumeikan Asia Pacific University (Beppu, Japan), the East West Center (Hawaii), and Waseda University (Japan). Many feedbacks and suggestions were gained from these interactions, which contributed significantly to the author's research framework while keeping a close check with the research Supervisor, Professor Yoichiro Sato for critical guidance and suggestions.

Approaching the participants in selected countries for the study was accomplished through "gatekeepers" Gordon defined as a "person who is in a position to grant you the access you need to some group of people" (2016, p. 38). The risk of being blinded by the interests of the gatekeepers as warned by Yin (2011, p. 115) was avoided because the research specifically identified the target participants in advance. Initially, one individual key gatekeeper for each recipient country was secured through the author's network comprised of secondary school classmates, former employers, university friends and relatives. The order for approaching selected participants in each of the three recipient countries was determined mainly through the advices of the respective gatekeepers, but the actual method for all countries was similar. Guaranteeing the quality of the data in this methodology required "rapport", defined as a "relationship of trust, cooperation, mutual respect, and sense of ease you have with one another" (Gordon 2016, p. 43). Consequently, the strategy for approaching the first participant was carefully considered as establishing trust with this individual was the key to the success of the research in general with access to subsequent appropriate participants depending on this first connection. This method was well suited to the Pacific value of introductions being made by trusted individuals (Latu 2006, Vikilani 2010), and then naturally follows the effects of "snowball sampling" known in qualitative research (Gordon 2016, p. 37).

3.4 Case Studies

The research prioritized the use of maximum flexibility by utilizing comparative case study elements that relied on the snowball sampling effect. Case studies and their advantages in highlighting theory, reliability and validity are widely discussed as key tools for scientific methodology (Flyvbjerg 2011, p. 302). Eckstein (1975, p. 80), cited in Flyvbjerg (2011, p. 306), described case studies as “valuable at all stages of the theory-building process, but most valuable at the stage of theory-building where least value is generally attached to them: the stage at which candidate theories are tested.” Stake (2000, p. 435), cited in Patton (2002, p. 447), added to this view by arguing that case studies are “not a methodological choice but a choice of what to be studied”. With his book chapter “Case Study” in Denzin & Lincoln (2011), Bent Flyvbjerg analyzes the significance of case selection primarily to present rich information on a given situation (p. 36). As a result, random sampling in this context was not considered as an appropriate strategy for designing this research as it seeks to explore donor nations’ approaches to ODA from perspectives of recipient countries

Countries selected for the case study were the Kingdom of Tonga (Tonga), Republic of Vanuatu (Vanuatu) and the Republic of Kiribati (Kiribati), covering the three groups of Polynesia, Melanesia and Micronesia, respectively. Considering the diversities of culture and traditions in the region, the “maximum variation” case was the selection tool used in order to attain varieties of circumstances for best possible research outcome (Flyvbjerg 2011, p. 307; Gordon 2016, p. 38; Patton 2002, p. 341). Case studies purposely selected participants that were predictable to provide generalizability across the three ethno-cultural groups. Following this logic, the author selected countries (both recipients and donors) and participants from both government and non-government organizations, Consultants and Think Tanks that could best answer the research questions. Using maximum variation assured in-depth and theoretical strengths for theory recognitions (Flyvbjerg 2011, p. 314).

For donor nations, Australia, France, Japan and China were selected based on their commitments to the region and background diversities. New Zealand (NZ) was removed from the donor list, as its relationship with the PICs is similar to that of Australia being the two “big brothers” of the region. The United States (US) was also

removed as its presence in the region focuses mainly on the trust territories of the Federated States of Micronesia, Marshall Islands and Palau, through the Compact of Free Association (COFA). This complex two-way relationship gives the US military full access while these countries get visa-free access to work and study in the United States.

3.5 Interview Approach

In conducting the qualitative interview, the author initially sent a short research outline together with the abstract of the published article (mentioned above), to the first participant in each country after being introduced by the gatekeeper. As targeted participants are mainly government officials regarded as leaders in the community, respect and humility were the characteristics shaping the author's approach. By way of an expression of appreciation and to initiate the relationship, a small gift was presented before commencing the interview. The gift was a made-in-Japan desktop pen together with a penholder provided by the author's university as promotional goods. Full formal dress acceptable for the local climate and in accordance with the culture of each recipient was the practice and was warmly welcomed. The establishment of trust and rapport was demonstrated as all participants, even those from government offices, from the three case studies allowed the interview to be "recorded" using mobile phone software for accuracy.

In order to improve the quality of the data through carefully attending to and understanding the implications of what the participants said, the author utilized loosely structured interviews based on open-ended questions (see Patton 2002, Gordon 2016, p. 49). The Loosely Structured Interview is also known as the "Informal Conversational Interview" due to its unstructured nature with questions based on "immediate context" (Patton 2002, p. 342). This tool was utilized not only as all interviews were recorded, but also due to experiences from the pilot study. Audio recording allowed the author to concentrate more on encouraging the participants to share further through the conversation without having to interrupt the flow of the interview to take notes. Additional information was gathered through observation and interpretation of these observations on how information was delivered. Nevertheless, the ethnographic tools for note taking were carried in case of equipment failure and to put the participants at

ease through visually demonstrating interests (see Gordon 2016). The duration of each interviews ranged between one hour to three hours conducted on both working days and weekends. Some interviews were conducted in couple of meetings due to work and participant's commitments.

The interview style was divided into two sections. The first part started after a brief explanation of the research, emphasizing the significance of the participant's true perspectives for better outcome. Questions related to satisfying the research questions (see Appendix) were thrown in at different phases according to the flow, as common in loosely structured interviews. The second section was to see how participants responded to the theoretical perspectives of the study especially the Common Pool Resources (CPR) by Eleanor Ostrom and the Gift Giving Theory by Marcel Mauss. A photo with each participant was taken after each interview for file. The three government used for the case studies requested a copy of the research to be used as guides for government officials. Thank you messages after the interviews were sent to each participant to show a commitment to the relationship established through the research. Interviews were conducted in various settings, including participants' offices on weekdays and hotel lobbies, quiet restaurants and home backyards.

3.6 Participant Selection

In searching for the appropriate participants to best answer the research questions mentioned above, government ministries that manages and influencing aid within the recipient countries were the prime targets. Choosing the right approach to these decision makers was based on advices received through the pilot study. The research targeted the Prime Minister's Office, Ministry of Finance, Ministry of Foreign Affairs and the Ministry of Infrastructure. Non Governmental Organizations (NGO), Consultants and local Think Tanks were also identified for the study to provide broader views. Since the research highlights ODA from the perspectives of the PICs, the interpretivist methodology was utilized as it prioritizes the understanding of world through the lenses of participant (Gordon 2016, p. 26).

Gatekeepers

Locating the gatekeeper in Vanuatu was a challenge, as the author did not have any

direct network in the country. The author approached a high school classmate who manages one of the departments of the ANZ Bank in Tonga with the hope of being introduced to a network in the ANZ Bank in Vanuatu. This friend instead introduced another high school classmate who served as a medical doctor in Vanuatu at the time. This medical doctor then referred the author to another school alumna who worked at the Melanesian Spearhead Group (MSG) based in Port Vila. This alumna recommended her husband as the gatekeeper since local government; civil societies and Pacific regional offices trusted his expertise. The author was informed that all researchers in Vanuatu were required to apply for a research permit at the Vanuatu Cultural Center for a fee of 45,000 Vatu (equivalent to about USD\$450). Arrangements were made and the gatekeeper secured the first interview with the Minister of Infrastructure; then, taking advantage of the snowball sampling effect, the author completed interviews with the selected target participants in Vanuatu within a week.

For Tonga, the gatekeeper was the author's senior from high school who served as the Assistant Clerk of the Parliament at the time of the research. The first and the second interviews with the Ministry of Finance and the Ministry of Infrastructure were secured through this gatekeeper. A second gatekeeper was identified, as the first gatekeeper had to be excused due to an unexpected obligation. The new gatekeeper was a relative of the author and a senior government officer at the Ministry of Finance. Following the snowball sampling effect, this gatekeeper assisted the author in connecting with all target participants, including the Prime Minister.

The gatekeeper for Kiribati was an active environmental activist who was trusted by both government and regional offices and whom the author had assisted when working for his previous employer. Prior to departing Japan, none of the interviews were fixed beyond having confirmed the participants' presence on the island. The author wishes to acknowledge that two days were lost after arrival in Kiribati due visa restrictions. As the author was unaware that researchers required a visa prior to arrival in Kiribati, restrictions for interview was issued by the Immigration Department until paper work was completed. Nevertheless, through the assistance of the gatekeeper and following the snowball sampling effect, the first interview was secured with the Ministry of Finance and other interviews were complete within one week.

3.7 Analysis of Research Findings

As qualitative analysis deals with interpreting enormous amount of data, Patton argued that there is no decided “recipe” or rules for creating a new understanding (Patton 2002, p. 432). Instead, researchers are encouraged to properly communicate their data according to the purpose of the study (p. 433). In answering the research questions for this study, it was accomplished by using both primary and secondary sources. Primary data were based on the qualitative interviews and from observations made at the three recipient countries. Secondary materials were comprised of government reports and other data, including statistics related to aid and the Pacific islands.

The following figure illustrates 12 combination relationships of aid operation between the four donor countries and three recipient countries selected for the study.

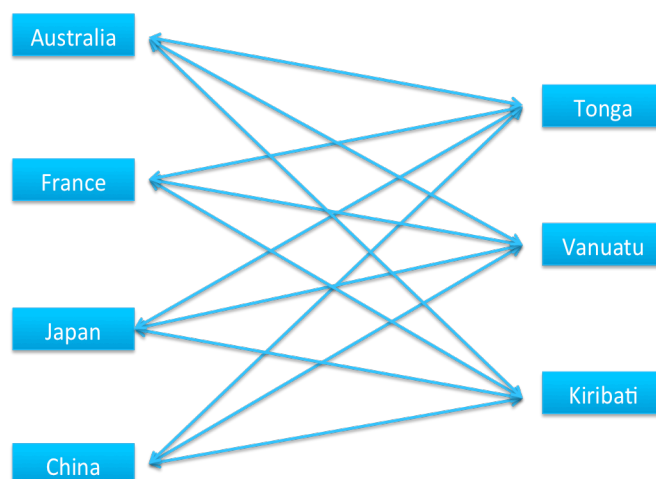


Figure 3.1 Relationship combinations of the study. Source: Author.

Figure 3.1 above demonstrates 12 relationship combinations used for the analysis. Each combination is validated through comparative analysis according to the understanding of ODA from collected data by examining Priority, Disbursement, Dependency and Leverage from the perspectives of the PICs. For each of these concepts, it is further defined and interpreted according to theoretical perspectives of Development theory, Common Pool Resources (CPR), Schismogenesis and Gift Giving theory as discussed in the previous chapter. Appearing below, a total of 15 hypotheses are derived from these theoretical perspectives and are then further grouped into the four concepts of

Priority Hypothesis, Disbursement Hypothesis, Dependency Hypothesis and Leverage Hypothesis. Each of these concept hypotheses are applied and tested according to approaches of Australia, France, China and Japan to ODA found in the case studies in Vanuatu (Chapter Four), Tonga (Chapter Five) and Kiribati (Chapter Six). The responses to the research questions together with discussions and implications are conducted in each case study. The result collected for Priority, Disbursement, Dependency and Leverage from the case studies are then combined in Chapter Seven with analysis of new understanding.

Hypotheses

Priority Development Hypothesis 1: PICs perceives that interests of donor nations shape priorities of Recipient countries.

Priority CPR Hypothesis 2: PICs perceives that donor nations benefit from sharing the burden of ODA in the PICs.

Priority Schismogenesis Hypothesis 3: PICs perceives that the needs of the recipient countries and the interests of the donor nations do not meet.

Priority Gift Giving Hypothesis 4: PICs perceives that recipient countries are indebted and inferior to donor nations.

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Disbursement Priority Hypothesis 1: PICs perceives that development of recipient countries is based on the success of Donor nations.

Disbursement CPR Hypothesis 2: PICs perceives that donor nations behave opportunistically, but motivation drops when methods of allocation are inefficient.

Disbursement Gift Giving Hypothesis 4: PICs perceives that the donor nations decide the concepts and purpose of aid but direct requests from recipient countries influence aid more than donors.

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Dependency Priority Hypothesis 1: PICs perceives that dependency by recipient countries is considered natural.

Dependency CPR Hypothesis 2: PICs perceives that donor nations tend to control the resources in recipient countries.

Dependency Complementary Schismogenesis Hypothesis 3: PICs perceives that efforts of both donor nations and recipient countries are negatively dependent on the result expected from the other.

Dependency Gift Giving Hypothesis 4: PICs perceives that donor nations giving aid and recipient

countries accepting aid are expected and considered natural.

.....

Leverage Development Hypothesis 1: PICs perceives that recipient countries are indebted and inferior to donor nations due to absence of reciprocity

Leverage CPR Hypothesis 2: PICs perceives that regimes set by donor nations do not agree the norms of recipient countries.

Leverage Symmetrical Schismogenesis Hypothesis 3: PICs perceives that efforts of both donor nations and recipient countries are positively dependent on the result expected from the other.

Leverage Gift Giving Hypothesis 4: PICs perceives that the phenomenon of donor nations being superior and recipient countries being inferior is witnessed through the absence of reciprocity.

Since the presence of France aid was limited in Tonga and Kiribati, the analysis of French aid is applied in Vanuatu only. As a result, instead of 48 combinations, a total of 40 combinations are analyzed as illustrated on the figures below.

The following figure illustrates the analytical framework for the Vanuatu case study illustrating 16 combinations in total.

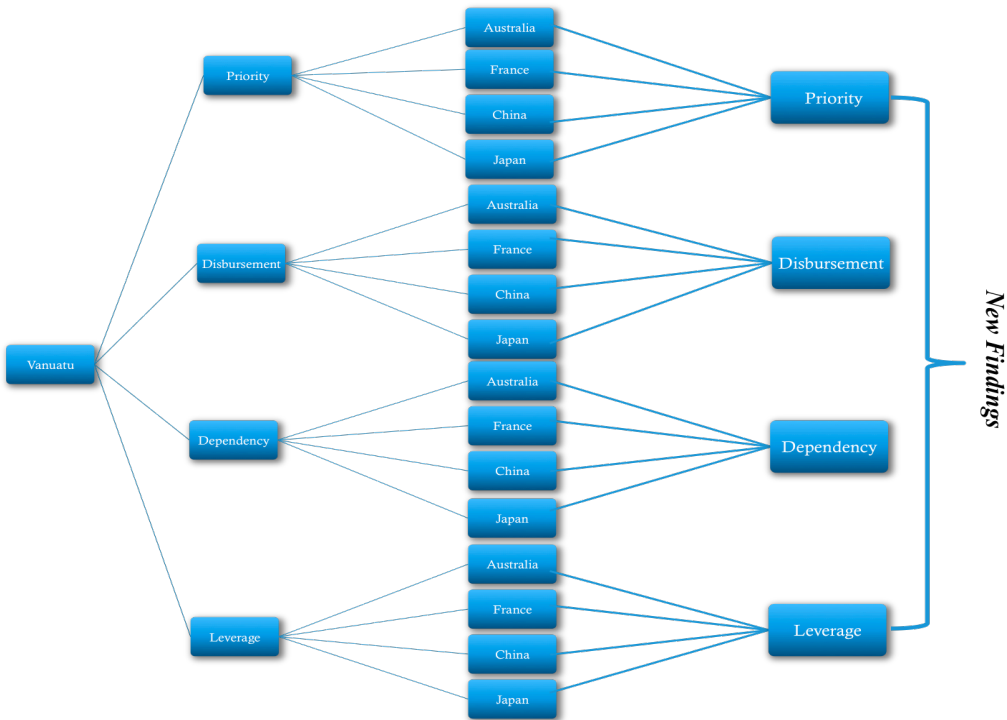


Figure 3.2 Data Analysis Framework for the Vanuatu Case. Source: Author

The hypotheses set up under the four concepts of Priority, Disbursement, Dependency and Leverage was tested against the aid practices between Vanuatu and the donor nations of Australia, France, China and Japan. The result from the 16 combinations contributed to the new understanding of ODA from the perspective of Vanuatu is discussed in Chapter Four. The same method is applied to both the case studies in Tonga and Kiribati according to Figure 3.3 and Figure 3.4.

Due to the absence of French aid in both Tonga and Kiribati, 12 combinations of data are analyzed for each case study. The new findings from the three case studies are combined and discussed in Chapter Seven for the result of 40 combinations of PICs and their perspectives of donor nations’ approaches to ODA.

The following figure illustrates the analytical framework for the Tonga case study illustrating 12 combinations in total.

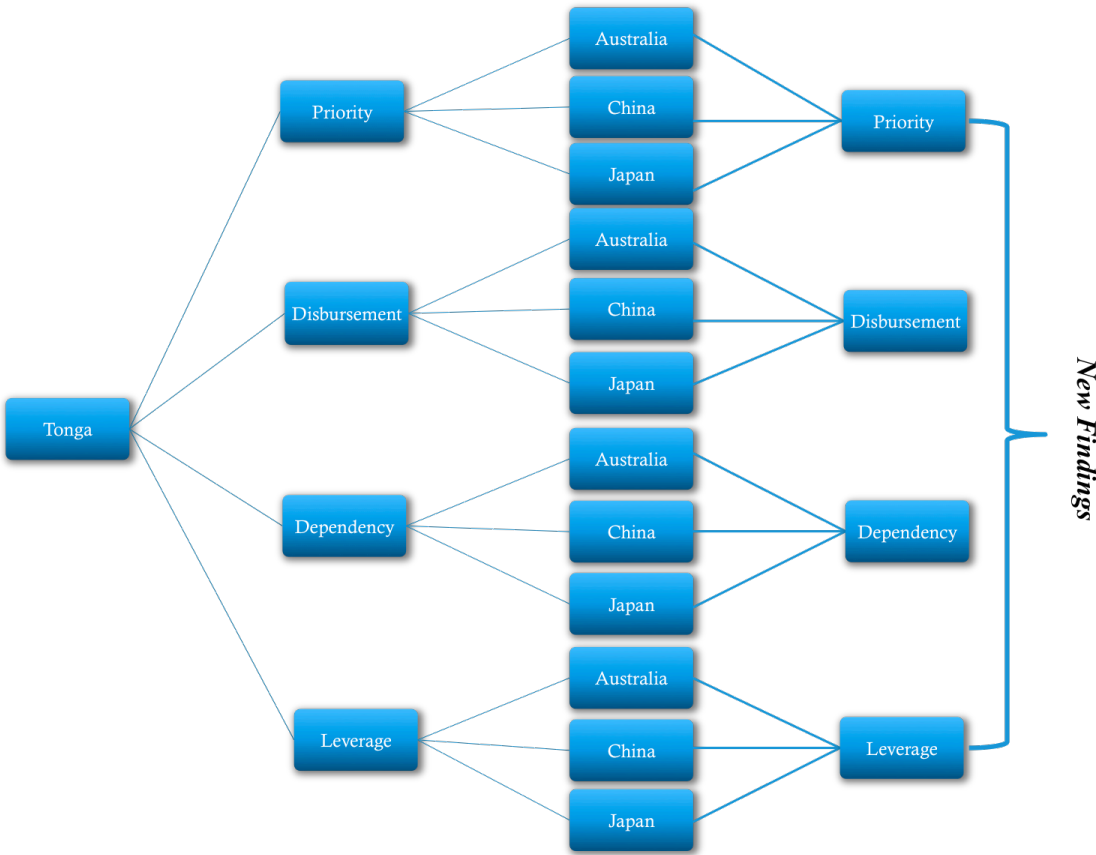


Figure 3.3: Data Analysis Framework for the Tonga case. Source: Author

The following figure illustrates the analytical framework for the Kiribati case study illustrating 12 combinations in total.

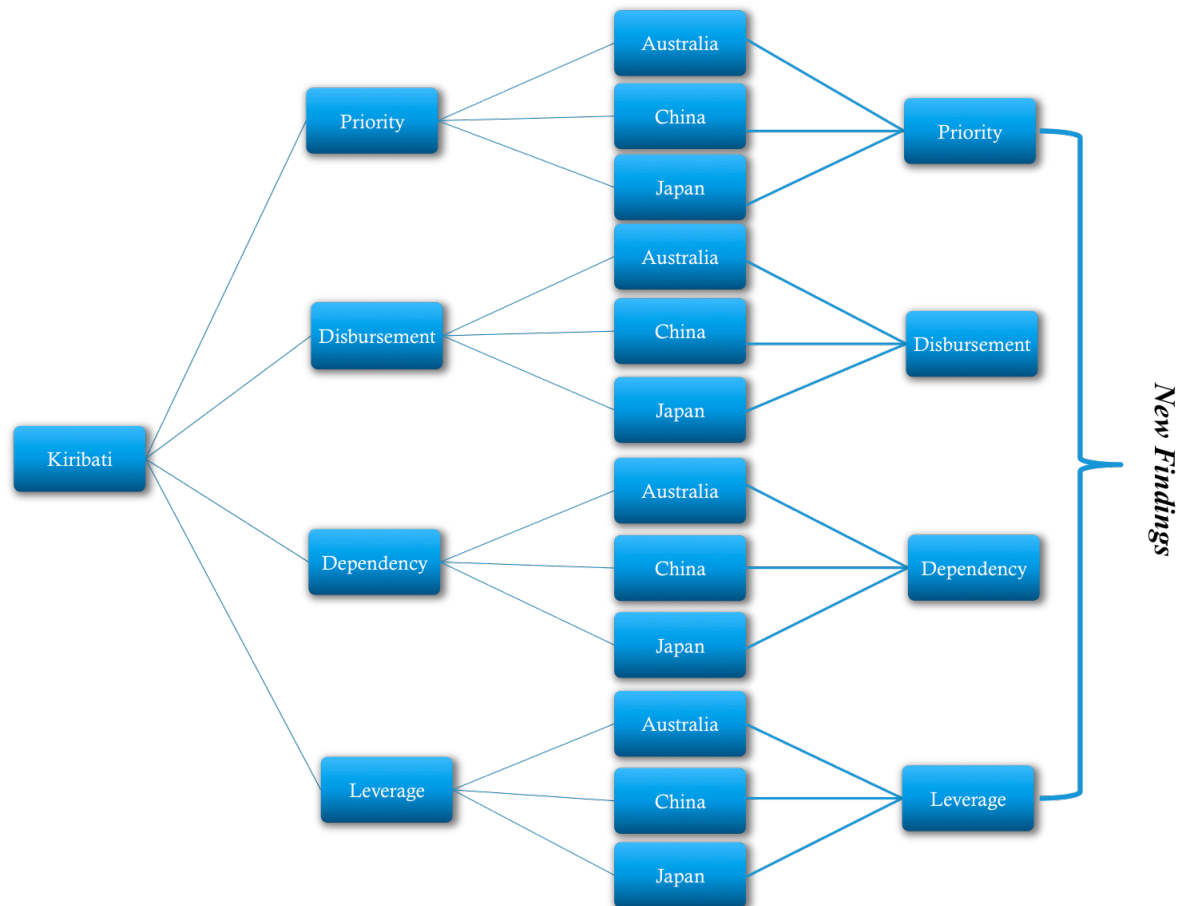


Figure 3.4 Data Analysis Framework for the Kiribati case.

Source: Author

Each case study is concluded with discussions of the findings about donor nation's approaches to ODA by exploring the concepts of the study from perspectives of the PICs. The author's recommendations and the new model of Gross National Generosity (GNG) is proposed based on the combined findings and observations gathered from the study.

The following figure illustrates the processing steps of the research starting from Hypothesis set up towards making Conclusions.

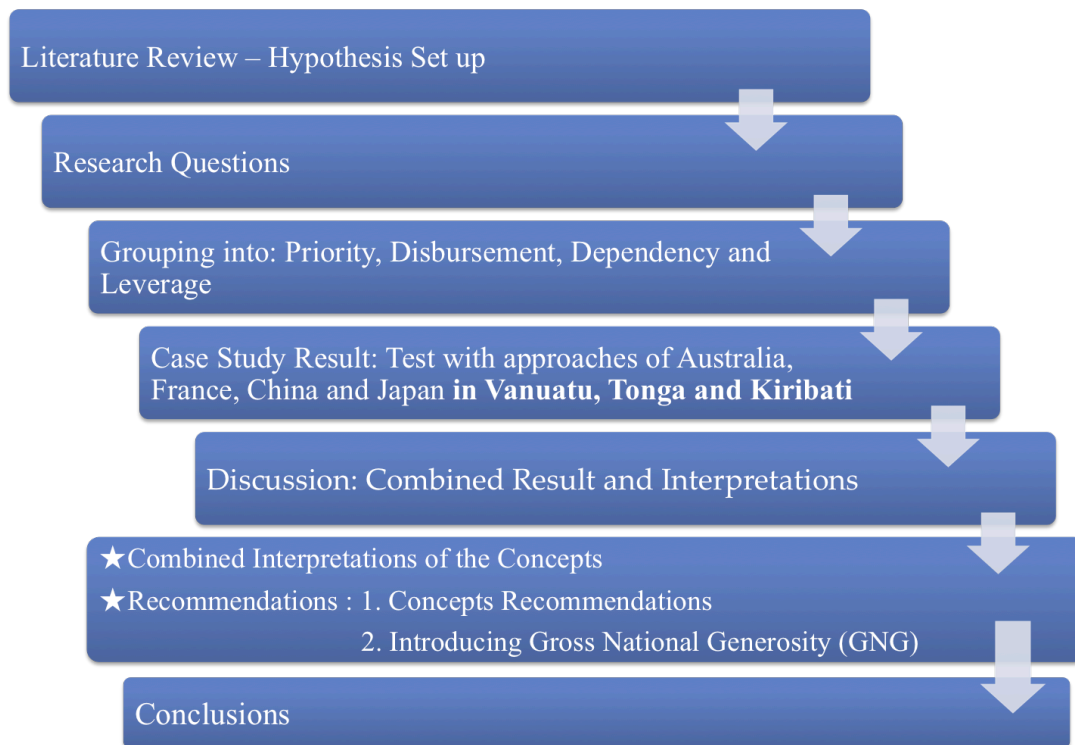


Figure 3.5: Research Process. Source: Author

3.8 Ethics

As the approach of the research was presented in such a way as to identify new perspectives rather than negating existing epistemologies of aid relationships, data collected from participants were considered genuine. In addition, none of the participants requested anonymity; thus, measures to protect confidentiality and other such concerns were not an issue. Nevertheless, in order to avoid the possibility of abusing the trust extended by the participants, the analysis is using each stakeholder for simplicity. A full list of the participants and questions used for the interview is provided in the Appendix. As gift giving is acceptable and respected in the PICs, the author maintained professional and personal boundaries by presenting a “not available for sale” University pen as gifts after each interview.

3.9 Research Challenge and Limitations

One of the motivating forces behind utilizing qualitative methods for this study was the lack of academic materials related to PICs' perspective to foreign aid. The main difficulty was due to unavailability of this type of research in the PICs whereas; locating good quality publications was a challenge. Few books were found in Hawaii at the East West Center (EWC) and also from bookstores at the University of the South Pacific (USP) in Fiji, but none of the materials was directly related to the purpose of the study. The author had to relate the never-ending debates found in the foreign aid literature to the responses of the research participants.

Cost was an unavoidable challenge for the research as the author had to travel to the three recipient countries from Japan. In order to reduce costs associated with the study, research was conducted in two trips due to the geographical locations of the subject countries and the limited flights available from the international hub airport of Nadi (Fiji). Except for Vanuatu, with their bus system, the lack of means of transportation combined with the high cost of taxis was considered a barrier to completing this research. Without the research grant awarded from the "Fuji Xerox Kobayashi Foundation" to this research, it would not have been possible to collect data in this scale.

Another limitation of this research was the inability to reaching donor nations' aid decision makers for interviews on their perspectives concerning this study. This was mainly due to feasibility in completing such interviews within the timeframe of this study. Views of donor nations are based on secondary documents since this research focused on recipients' perspectives. One more limitation was the inability to collect the perspectives of citizens. Obtaining such information could have improved the data by comparing their perspectives to those of aid decision makers selected for the study.

This research is partially to fulfill the requirements for the Doctor of Philosophy degree at Ritsumeikan Asia Pacific University (APU). Nevertheless, the author wishes to further develop the contents of the dissertation into a book / book chapters or to make it

available to publications in order to add to the academic materials available on the PICs. The results of this research including recommendations and the new model of GNG could also be a framework discussed within the Pacific region and developing countries. It is proposed with the intention of finding ways to further explore the GNG model by cooperation with other views to join the rethinking of donor-recipient relationship with the powerful tools of foreign aid.

CHAPTER 4

Perspectives from Vanuatu

4.1 Introduction

This chapter analyzes the answers to the research questions from the perspective of Vanuatu. The first section outlines key features of the country, as it will assist in connecting the rationale of Vanuatu's needs and its perceptions towards approaches of donor nations to ODA. The following section is a brief clarification of the stakeholders selected for the study before illustrating the results.

4.2.1 Background

Renowned as one of the most culturally diverse countries in the world, the Melanesian Republic of Vanuatu (Vanuatu) is made up of 80 islands with a total land area of 14,760sq km. The population reaches 290,000 in number, speaking a total of 113 distinct languages (DFAT)³, which is more than the number of islands comprising the nation. Portuguese explorers are believed to be the first Europeans to have landed, arriving in 1605 prior to the influence of Captain Cook, who named the group the New Hebrides in the 18th century. Vanuatu later attracted both the British and French who agreed to administer the group under an Anglo-French Condominium in 1906, and did so until Vanuatu's independence in 1980. Due to this arrangement, English, French and Bislama are the three official languages of Vanuatu. Christianity, the main religion, is believed to have contributed to the parliamentary democracy and current structure of the country. The transforming modernization brought by western influences is viewed as having erased much of Vanuatu's cultural heritage, which previously had survived for thousands of years (Vanuatu Tourism).

Geographically, Vanuatu is located next to the Pacific and Indo Australian Continental Plate, thus many geological activities, including earthquakes, tsunamis, cyclones and volcanic eruptions, are not new to the country. The year 2015 marked the worst tropical cyclone Vanuatu has ever experienced; Cyclone Pam killed 15 people and displaced more than 3000. Cyclone Pam is reported to have destroyed 90% of the country's

³ Australian Department of Foreign Affairs and Trade

development infrastructure and buildings, causing a total of nearly half a billion dollar's worth of damage (Akerman 2015). As only around 30,000, or one tenth of the population lives in the capital Port Villa, reaching out to the majority of the population, which is found in the outer islands, was a challenge. Vanuatu's economy is recovering through exporting of hardwood forests, fishing and other agricultural products. In rebuilding the country, Vanuatu is focusing on improving the infrastructure through importing primarily machinery, fuel and related materials sourced mainly from China, Australia and Japan.

The following figure shows the map of Vanuatu

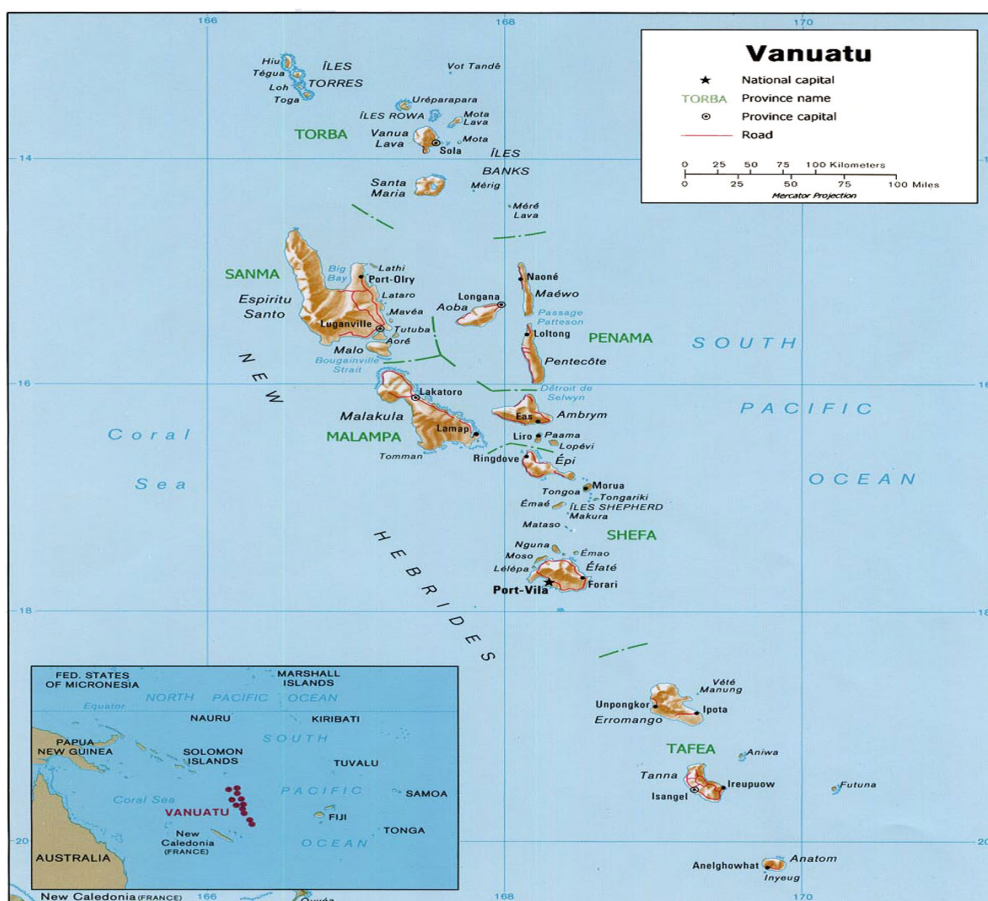


Figure 4.1: Map of Vanuatu. Source: nationonline.org

4.2.2 Political Outline

The current president of Vanuatu is His Excellency Reverend Womtelo Baldwin Lonsdale. The selection of the president is conducted through a secret ballot in which members of parliament and the leaders of the six provinces of Vanuatu vote. Reverend

Baldwin was elected in 2014 for a five-year term before Mr Charlot Salwai was elected as prime minister in 2016. The parliament consists of 52 members elected from various constituencies and holds the right to elect the prime minister. The previous government had four prime ministers within the course of four years term, which characterizes the political instability of the island.

4.3 Stakeholders and Participants

In answering the research questions concerning ODA from various donors from the perception of Vanuatu, target participants were selected from among the various stakeholders as outlined in the methodology section. These stakeholders are divided into government officials, Consultants, Regional Organization, and Think Tank academics. The government officials here refer to decision makers at the Ministry of Foreign Affairs (MFA), the Department of Strategic Policy and Aid Coordination (DSPPAC) under the Prime Minister's Office, and the Ministry of Infrastructure (MOI) who directly influences ODA operation in the country. Amongst these offices, the DSPPAC mainly handles all aid management processes between the government of Vanuatu and external donors. This includes influencing the donors' strategic framework processes, playing a key role through negotiation and aligning donors' aid to Vanuatu's priorities, manages monitoring, evaluation and implementation of government programs. The MFA handles all the inflow and outflow of cash, while diplomatic discussions are dealt with at the MFA. The MOI is selected since the majority of aid funds goes to this ministry, which makes it relevant to the study.

4.4 Findings

Presenting the findings by exploring the key variables of priority, disbursement, dependency and leverage, the perceptions of Vanuatu are subdivided according to the main activities that have shaped the experiences of the participants. Prior to exploring the participants' perceptions of each donor country, the author will first review Vanuatu's approach to ODA and donor nations in general.

4.4.1 ODA is a necessity for development

All participants in the study strongly acknowledged with expressions of appreciation the necessity of ODA to the development of Vanuatu. ODA fulfills the needs of developing

countries by making up for lack in the development of both goods and services, including technology, required by each country. The lacks expressed here are listed and presented to donor countries by the government of Vanuatu as their priorities. In response, donor countries then match these priority needs with their priority interests prior to disbursing the funds allocated as ODA. Table 4.1 below shows this necessity by consistency of ODA availability.

Table 4.1: *Total Aid (ODA) to Vanuatu 2012-2014*

2012	2013	2014
\$97 million	\$91 million	\$102 million

Source: From OECD At A Glance 2016 (ODA to Oceania)

One interviewee expressed an explanation of this situation:

ODA is definitely useful for development purposes. In terms of how we perceive ODA, it is helpful. Small countries basically developing countries, more precisely the least developing countries, we all need development assistance. We realized that all developing countries need ODA. How can we develop infrastructure on our own? Certainly, if you look at ODA, it is coming in a form of grant and loans. It is very useful to the development (MFA Interview).

The success of ODA disbursements basically depends on matching Vanuatu's needs to the interests of donor countries. From this point of view, the influence that Vanuatu can leverage has a weak foundation as donors set the conditions for disbursements according to their interests in where they wish the funds to be invested. Nevertheless, the influence of diplomacy in maintaining the relationship is assured even when ODA is invested in the wrong areas (MFA interview). Although the issue of aid effectiveness is not within the scope of this study, all participants strongly agreed that ODA would only be meaningful if it could make a difference or improvement in the life of the people. Therefore, the expectation from Vanuatu is for donor nations to adopt their priorities in order for ODA to be useful. It is clear that ODA is a necessity for development, but Vanuatu was not in a persuasive position to have influenced the disbursements of ODA.

The diagram below illustrates the Gross ODA Disbursement from top donor countries to Vanuatu between 2009 to 2013.

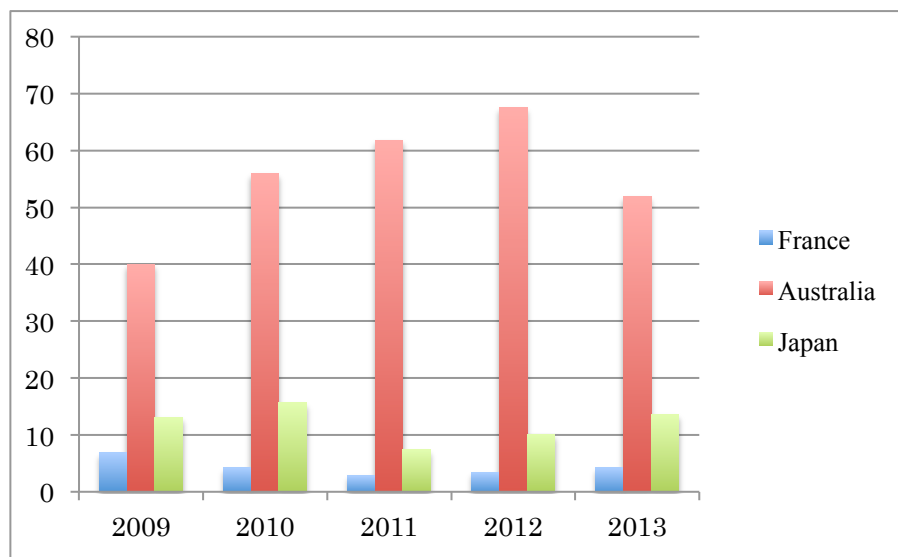


Figure 4.2: ODA Disbursement to Vanuatu (Gross)

Source: From OECD/DAC

4.4.2 Parliament and policy-making

Adding on to the disparities above, the approaches to aid are interpreted as not matching with the traditional structure of Vanuatu. The cultural value system regarding what is considered as being important is not only ignored, but also wrongly utilized. In realizing the needs of the country for policy recommendations, these needs are discussed through the lens of traditional perspectives in the local language. However, the outcome is presented in English and French, which mean the tools for shaping these ideas are already different prior to making the final decisions in Parliament using the Bislama language. One government official enlightens the situation:

All the discussions on policy is done in Bislama within the cultural context. The legislation is then drafted in English and French and then it is debated in parliament in Bislama. It is really weird. The concept is discussed using a traditional cultural perspective but then it is framed from a western perspective and then debated in the parliament from a cultural perspective so it is already mismatch. The issue of conflict in interest the way I see it, they have their own ideologies, their own geopolitical interest (DSPAC Interview).

Adding on to the misperceptions identified, all participants admitted that although ODA funds are available from the donor's side, areas and the method of funding are predetermined with minimal influence accepted from the recipients. MFA Interview emphasized that, "the problem is agreeing that what they say is the priority, is the priority". In other words, the priority of Vanuatu is being shaped to suit the priorities of donor nations during policy formation. Furthermore, one government official claimed that, "aid are already been decided when they come, but should be coming from recipients. They already agreed on the framework and priorities before asking recipients" (MOI Interview). As a result, a foreign language and foreign ideologies are considered superior even in a country with more than 100 spoken languages. Further explanations of this claim was elaborated as appear below:

The difficulty is when you get foreign influence with their technology and they try to sort of invent these technologies to suit us but it does not correlate, it doesn't match our way of life and one of the factors is language barrier. They know but they cannot express themselves in English. The outsiders are taking advantage of that as incapability (MOI Interview).

4.4.3 Negotiation Influence

According to the nature of the situation explained above, most of the participants agreed about Vanuatu's vulnerability in leading the conversation when conducting negotiations for aid. Vanuatu is seen as easily accommodating the donor's requirements instead of confidently proposing projects and then requesting donor nations to assist (Regional Organization Interview). Furthermore, Vanuatu always accepts without ever requesting clarifications due to its inferiority and lack of skills (Consultant 1 Interview). Strategies suggested are for Vanuatu to lead the conversation by defining its relationship to each of the donor countries; otherwise, it will be defined for them using an approach from outside (Think Tank Interview).

4.4.4 Process Cycle

The diagram below illustrates the cycle of how requests are submitted from various ministries to the DSPPAC department for registration and formulation. Requests are then forwarded to the Ministry of Foreign Affairs to be passed on to donor nations for funding. If approved, the donor then transfers the funds to the Ministry of Finance for

implementation.

The figure below illustrates key government offices and how they connect to donors for final decisions on aid requests. It also gives a sense of the time necessary for one process to reach completion.

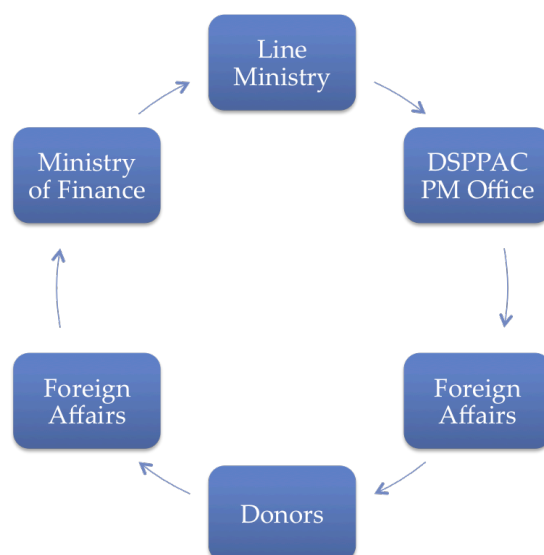


Figure 4.3: Vanuatu Processing Flow Diagram. Source: Author

4.4.5 Support of Regional Organizations, NGOs and Consultants

Bilateral aid works directly between donor countries and recipient governments while multilateral aid is implemented through regional organizations and NGOs. For the sake of clarity, it is noted that here are international, domestic and “hybrid” NGOs operating in the PICs. All participants affirmed that the work of regional organizations, NGOs and consultants assists in matching the priorities of local government to those of the donor nations. As part of this practice, these groups play a significant role in aligning and harmonizing ODA funds to the needs of recipient governments. For this reason, local governments depend highly on their experts and as a result, policies are aligned to those of each donor country. This individual alignment causes confusion and dilemmas as donor nations have different interests and are competing with each other for their own profit (MOI Interview). In matching these priorities, regional offices handle the matching of priorities, but the priorities of PICs are reframed to suit the priorities of the donor nations. More insight about the nature of this situation is outlined below:

The way the regional organizations are set up is that the members of the regional organization come together and define what a program would look like...They will look at the program, and will try to assist the member countries to arrive at a consensus, but behind in their minds, they are the ones who will implement the program and they are the ones who are in dialogue with the partners. They are the ones who will look at the program and they will try their best to make sure that whatever outcome comes from the meeting is what suits the donor's expectations to make their work easier...What actually happens is that sometimes, many cases, the Secretariat uses his work and you can't really blame them because the donors are saying that A, B, C, D and E are our priorities and this is what we will be able to fund (Regional Organization Interview).

The Secretariat acts as the coordinator, but instead of influencing the donors to suit the needs of the recipients, it is easier to align the priorities of PICs to the conditions required by donor nations. Completing this procedure, consultants are then sent to assess the project for accuracy and consistency. It is confirmed that even if the situation on the ground was found to be different from the proposal, the consultants are able to devise a report that meets a level acceptable to donor nations. As expected, donor nations find it easier to work with NGOs as they deal directly with the people and Consultants are trained to write good proposals that donors would understand and accept (Consultant Interview).

A situation similar to the one mentioned above was observed after Cyclone Pam. The UN used the Vanuatu government to apply for funding, but since UN only uses NGOs when releasing funds, the funds were approved and the UN sent all the funds to the NGOs in Vanuatu. NGOs are not obliged to report to the government of Vanuatu how and where the funds were spent (MOI interview). Another example is Germany and their ODA in assisting Vanuatu after Cyclone Pam. This ODA was implemented through the South Pacific Commission (SPC) and therefore the Vanuatu government had to submit a list of areas prioritized for recovery support. Unsurprisingly, the SPC came back to the Vanuatu government and further negotiated to refine the proposal to meet their arrangement of what Vanuatu needed most. In order for the process to come to completion, the government of Vanuatu must agree to the new set of priorities proposed by the SPC. The government official outlines the actions below:

They came in and manipulated different ministries and different individuals in the government to try and influence the decision so that some of the ministers would write letters to agree to another different list which would agree with what they have as their perceived priorities. So what we wanted, what we had programed as part of the recovery package from the German fund, the fund was slashed because those funds went to the Consultants which what SPC thought would be the priorities. Today we are going around and asking deputy PM to write a letter, Foreign Minister to write a letter, PM to write a letter to agree. I have been in the Foreign Affairs long enough to know, that it's stupid, silly and frustrating. Now we want to ask Germany about their intention, what did you intend the money for? (MFA Interview).

The operation of the UN and NGOs are beyond the scope of this study, but the observation provides an alternative view of aid disbursement and how funds are transferred to the PICs through regional organizations and NGOs.

4.5 Australia

4.5.1 Background

Australia is Vanuatu's largest development partner with more than 60% of total aid to the country (DFAT). The framework for Australian aid policies applies also to Vanuatu for promoting economic growth, enhancing stability and reducing poverty. The total ODA estimated outcome from Australia to Vanuatu between 2014 and 2017 appears below:

Table 4.2: *ODA Disbursement Data (Gross AUD\$ million)*

Years	2009	2010	2011	2012	2013	2014	2014	2016
Australia	40.04	55.96	61.78	67.54	51.94	60.4	61	62.5

Source: From DFAT homepage

From among the total ODA contribution between 2016 and 2017, a total of \$41.0 million consisted of bilateral aid (DFAT). On top of these figures, \$50 million has been committed to assist with Cyclone Pam for a period of 3 years. Tourism takes up around 40% of the total GDP of Vanuatu with the majority of tourists coming from Australia. According to the DFAT website, the total merchandise exported from Australia to

Vanuatu in 2014 computed to \$77 million, therefore making Australia a very important partner for Vanuatu. On the other hand, OECD data explains that Australia is a minor export destination for Vanuatu; it is not even included in Vanuatu's top 10 export destinations in 2014, accounting for a total of only \$1.62 million. Looking at the balance of trade between Australia and Vanuatu, there is a surplus of around \$75.38 million for Australia.

As the main donor for the growth of Vanuatu, Australia is concerned with developing the 65% of the population that lives in rural areas where one third do not have access to basic services. The disbursed population of Vanuatu is a challenge for Australia to improve key indicators for development. Emphasis on reducing violence and on women's rights characterizes Australian aid. It is being reported that 72% of women in Vanuatu have experienced some sort of violence. The presence of Australia is considered a very important development partner and a neighbor with economic power.

The Australian approach to ODA in the PICs as viewed in relation to Vanuatu is presented through various experiences. The next section highlights the answers participants provided about their response to Australia's approaches to aid and the nature of priorities, disbursements, dependency and leverage.

4.5.2 Result

Motivation

All of the participants agreed that Australia's aid is to further Australia's foreign policy interests as appear in their white paper and from seeing where they place their emphasis. This foreign policy is shaped mostly by Australia's domestic environment plus a little bit by its global agenda (DSPAC Interview). Domestic agendas are based on decisions made in the Australian parliament about where and how their aid will be invested. These decisions lead to the definitions of Australia's priorities to be fulfilled in the year to come within recipient countries. The influence of the global agenda refers to Australia's reluctant attitudes towards restrictions on climate change as they interfere with her economic interests. According to government official:

They will agree to the global SDG and all that and they will frame their foreign policy to,

we're intervening in this area. This is addressing SDG 9,10 and 11 but when you are looking at what they are doing on the ground, it has nothing to do with all that. It's about ensuring that it addresses their specific interests. (DSPAC Interview)

In Vanuatu, aid disbursements are conducted both bilaterally directly to the government and multilaterally through international organizations, regional offices and NGOs. Australian aid is known to use project type modality where most of the aid funds go to Australian contractors. According to the MOI Interview, "they have done lots of pilot projects. They come and say we should be exporting... traditional way of allocating their funding... Many cases it does not conform or inline with the government priorities." In terms of paper processing, the reporting obligations of Australian aid are the most demanding of all the donors examined in this study. Most of the participants agreed that although Australian taxpayers who contributed to aid are sincere, the Australian aid itself is not genuine and were not genuine with their aid to Vanuatu. "I would say that Australia's personality is a bullyboy, a bullyboy tactic. They view Pacific their playground and they will try and dominate as much as possible" (DSPAC Interview).

In terms of aid priorities, Vanuatu was argued to stay the same while Australia varies according to the interpretations of their interests. Australia pushes gender equality without considering the balance in the existing culture. Their approach is perceived as trying to grind Vanuatu into western minds and reducing cultural values. One of the observations shared was the concentration in the capital city demonstrating another perspective on the motivations and attitudes of Australian aid.

I have talked to the Australians through my PM here, we are talking about new aid development plan for 2015 to 2019 but then we are not touching other constituencies. Who do we want to address here? If you want to help, help the 80% of the population... As members of the parliament, we represent the people out there in the rural areas and we live with that, see them, carry their containers of water, schools are far away ... no communications and network and yet, we concentrate the funds let's say 3 billion vatu in strengthening the legal institutions (DSPAC Interview)

The statement above contradicts Australia's claim above that their aid prioritizes the 65% of the population who live in rural areas. Since ODA is predetermined in Parliament and must be fulfilled, disbursement of funds is highly dependent on those priorities. This means that leverage comes last and therefore negotiation influence from recipients is weakened. Dependency becomes natural as both recipients and donors depend on each other.

4.5.3 Influence

All the participants strongly agreed that Australia's approach to ODA in the PICs is to maximize its own influence. Since the geographical location of the PICs represents security threats to Australia, the main focus of Australian aid is to influence the policies of PICs positively towards Australia. As a result, participants perceived that Australia does not wish to allow development in the PICs to a stage where these countries could live without aid and make decisions on their own. The statement below was shared in this light, "so the idea is they would use the aid so they would always have a seat at the table of the Pacific island countries so that they can influence the policies of the countries to make all the surrounding countries, neighbors of Australia friendly towards Australia" (DSPAC Interview). It can be argued that Australia is maximizing her influence in the PICs by encouraging dependency on aid. "If they can keep us farthing around this policy, experimenting this and that, we will get educated but just the basic. We won't get to a stage where we would be able to push the cart off by ourselves and that suits them very well so they can come in and influence. Say development should be done this way and say try to push things along" (DSPAC Interview). Australia has been investing highly in capacity building since Vanuatu's independence, but participants claimed that they are still seeking the right curriculum for education.

All government official stakeholders confirmed that Australia places its aid mainly in governance, education and health in order to secure its influence in Vanuatu. The government official participants rationalized Australia's presence in these three main areas as being to effectively control Vanuatu. More insight into the situation is outlined below:

Under governance, they are going into the ministry of finance and then again to the prime

minister's (PM) office... When you are in the PM's office, it is about the policy. This is where you are able to influence the framing of policies and the future direction of the country, and know what is happening so you can head it off. When you are in education, what happens there? These are the people who are going to take over the country in the future so you'll influence the curriculum, the thoughts and so if you cannot read them out, you can change their mentality, psychologically over a generation so that the next generation who is coming to take over is actually very friendly towards Australia's interests. That's why they are there, and in health. Very simple. A dying man will sacrifice whatever. So they are in health. They have been in health for ages and we still got problems. We don't have enough doctors. We don't have enough nurses... We have had one health sector reform after another, another, another, another...then what you know? The problem is just still there. They don't go away. And again, if I calculate the amount of money they spent on all the TAs and all their institutional elements, they just plough that into the system. We could have built all our posts, got all the nurses out there, hire them on a contract from the Philippines or Cuba or wherever while we are training up ours including HR programs and we could have sorted that all that (DSPAC Interview).

The strong presence of Australia in these three areas is the most effective position for both donors and recipients to know what is needed in Vanuatu and how to accommodate those need efficiently. The explanation above instead supports the idea that Australia is exploiting Vanuatu's weaknesses to its own advantage. Observing the four variables for the study, disbursement of funds is highly dependent on Australia's priorities, and the priorities of Vanuatu are shaped by Australia's terms. Vanuatu's dependency on these funds and this framework is highly controlled by Australia in this system, which leads to a weak leverage position for Vanuatu for further negotiations.

As a result, donors shape the priorities of Vanuatu which leads to dependency and weakens Vanuatu's leverage position. During Cyclone Pam, as usual Australia was quick to assist in the emergency, but also wanted Vanuatu to follow their procedures according to their priorities. As mentioned above, Pam was the worst cyclone ever to hit the country and due to the dispersed location of the islands with the majority of the population living off of the capital island, Vanuatu was in a state of emergency. The government of Vanuatu has declared that whenever the country is hit with a state of

emergency, 1% of the country's budgets shall be allocated to assist with citizens in whichever ways are considered appropriate. All the government officials involved in this research shared how they asked Australia to allow them to devise the rescue plan according to their customs and understanding of their people. The participants were emotional in conveying the frustrations they faced while waiting for almost a week, knowing people were dying, but Australia was still devising the plan. One of the key officials who headed the negotiations shared his story:

It was difficult with the Australians as they had their own system. Bringing the military just complicates everything. So people are dying out there and they were still trying to devise a plan. I say it is not going to work ... We tried to suggest our way but they insisted. We started to use the money that was allocated by the government in case of emergency. They saw that we were hiring helicopters flying here and they were reporting, particularly emergency. They got shocked. Everyone then came and I said. You have a choice. You follow this plan or take all your resources, even your ships and everything and go back (MOI Interview).

Although they admitted the significance of Australian aid, the participants assured that they were trying to take control to a stage that they had to give in since there were not way out. Australia taking advantage of Vanuatu's weaknesses can also be observed here. The same participant further elaborated:

We just said no. We used the fund that the government allocated. We sent boats with water right away. It took us one week to get things moving. They then decided to have another meeting to adjust to what we decided. I told them, with your asset, if you want us to use it, then we will decide on how we would use it. We don't know your language. They adjusted and things moved on. Some country pledged but it didn't materialized. Out of generosity, we do not have registration to record gifts. They sent food and things that are not relevant. Some were expired and of course came with a price tag (MOI Interview).

There is a new perspective seen through the relationships between donor and recipients during a state of emergency as mentioned above. At the same time, the 1% budget initiative added new knowledge that Vanuatu could use as leverage in negotiations. The observation that donor nations are expected to give and recipients to receive, or rather follow, could be inferred. At the same time, the Vanuatu government successfully

challenged Australia and their aid despite knowing the country urgently needed it. Prioritizing the lives of people and availability of funds gave Vanuatu the confidence that allowed it to control the situation and which led the decision-making. One of the Consultants confirmed that Australia must be involved if Australian taxpayers' money are utilized, but "when dealing with emergencies, control would be difficult since assistance would be needed everywhere" (Consultant Interview).

4.5.4 Human Relations

Although Australia has been focusing on upgrading the level of education, health standards and governance capacity as mentioned above, all the government officials emphasized that Vanuatu is always perceived as primitive and never equal to Australia.

If an Australian Parliamentary walks in here and demand to see the PM and generally the PM will see them. If the PM from here goes to Canberra, they're lucky to meet the Foreign Minister. They will probably get palmed off maybe a 30 seconds corridor meeting with the PM.... Why? Because they are not treated as equals. (Think Tank Interview)

On the contrary, both Australian officials who had past work experiences in Vanuatu are committed to the relationship initiated in Vanuatu, even after the completion of their terms. Vanuatu officials are able to establish relations of close friendship with most of these officials who have reached senior positions in the government of Australia. This gives Vanuatu an extra space for unofficial advice when facing difficulties in articulating their requests.

A lot of them have moved on to think tanks and things like this and they have taught me how the Australian aid work in foreign policy because we have developed a relationship to such a stage that they become friends. They come over and they drink kava over here and we chat, eat and become family so trust is developed ... A lot of them were junior when they were working here but a lot of them became Deputy Director for DFAT and senior positions like advisors to the Ministers... So if the high commissioner gives me some grief I can go three level above, if they gives me grief, I can go further up and so on even to the Prime Minister through my Prime Minister. There are different levels of negotiations and understanding the political level makes it easier. Procedures and things like that are just guide that the end of the

day its about politics (DSPAC Interview).

Regardless of not being treated as equals and of the superior complex observed in the relationship, the bond made through friendship with Australian officials allows Vanuatu to use this relationship as leverage to influence the disbursements. Thus, maintaining close relations with Australian officials is considered a successful strategy for Vanuatu to facilitate disbursements.

4.5.5 Leverage

In addition to the 1% initiative tool Vanuatu exercised during Cyclone Pam and the friendly relationship discussed above, three other strategies are elaborated in the next section. The first two signify a thorough understanding of the donor's local politics and its fears. Based on this experience, Vanuatu could confidently design an action agenda backed up by strong political will.

1. Understanding local politics

One of the observations occurred during the reformation of primary education when Vanuatu requested Australia to strengthen foundation education by introducing the fee free policy. As Australia focused more on secondary and tertiary education, this suggestion was not favored and therefore rejected. The officer in charge shared his story:

We were very fortunate at that time, our current Prime Minister was the Minister of Education and a strong Minister of Finance and a strong Prime Minister... They basically told the Aussie, if you are not going to fund our policy, you get out of the education sector. So they agreed to fund for the first time to move the focusing from capacity building, sending Technical Advisors and writing reports after reports to funding tangible things like school grants programs to replace the fees. The idea was we don't build the classrooms, and we don't deal with it, we take out the fees which will allow the children to go to school but then the grant would go directly to school and the schools can use that to fund the reparations and all the repairs that they do. This way, the school councils will take the responsibilities for maintaining the schools and the ownerships and those stuffs. Otherwise, we will take the dependency mentality. And that never happened before. What they used to do is they would build one classroom here and they run away. The government has to pick up the tab in

repairing and maintaining it and pay for the bills and also supplying the teachers to go there. It is just a mismatch (DSPAC Interview).

According to the influence motivation of Australia in Vanuatu, education is a key sector and Australia will never leave it. Vanuatu was able to take advantage of the influence motivation of Australia to get their reasoning across. Vanuatu was able to define the conversation by outlining that the funding request was to create self-reliance in the community.

Understanding Australia's global interests and local politics allows Vanuatu to frame its requests in that format. A request for a water tank, for example, has to be shaped in a way that coincides with Australia's interests in order to gain approval. "I understand that they have global interests right. They have commitments to climate change... if you give us the water tank, it will assist us on the issue of climate change... will help Mamas and all the women over here and their projects will help them with their gardening... framing all those... give it to them and they will say yes" (DSPAC Interview). This view emphasized the significance of knowing the context of the local politics and of being able to lead the conversation as a key tool for setting priorities.

2. Understanding their fear

One of the major concerns of Australia in Vanuatu and the PICs is the influence of China. Vanuatu experienced an increase in aid funds from Australia as Vanuatu increased the acceptance of invitations for official trips to China. Even the reduction of Australian aid announced in the region did not affect the constant amount of Australian aid to Vanuatu. This understanding gives Vanuatu better leverage in choosing either to use a begging strategy for aid from Australia or to make a sovereign decision to improve relations with a country that Australia is afraid of due to their interests.

One more example was observed when Australia decided to include funding for infrastructure under its ODA scheme. Government officials confirmed that Australian never wanted to fund infrastructure. However, after Vanuatu received loans and grants for strategic infrastructure such as the airport from China, Australia approached Vanuatu via the World Bank to influence the Vanuatu government to take a loan from

the World Bank; Australia even offered to provide further funding in case the loan was not enough. The concept in the interview below highlights the emphasis on Australia's security as her utmost priority.

If Vanuatu is friendly towards Australia, we will never let China build a military base here for example. Or they can send in their federal police to combat transnational crimes. If however we have some animosity, we will never let them in. Keep your people out, and we'll make money. Get the drug dealers to come in and manufacture here and they export to Australia, we tax them... That is very extreme but that's the type of example. So when it comes to Aid, it is really about politics (DSPAC Interview).

The above is evidence that the awareness of Australia's political phobias is considered leverage for Vanuatu in influencing aid disbursements.

3. Priority Action Agenda with strong political will

Additional leverage observed in Vanuatu was the initiation of the government priority action agenda. All participants agreed that one of Vanuatu's weaknesses was the inability to lead the discussion with concrete plans. As a result, the government "created a priority action agenda which basically allows for a policy consistency within a highly volatile political environment. The donors could mess around and fund whatever, as long as it is within that framework because you can't control the donors if you don't have strong political will" (DSPAC Interview). Gaining political will is a challenge in Vanuatu since the government operates under coalition parties. If the PM disagrees, donors would still be able to find a parliamentary member to support them, and the PM would not be able to exercise any disciplinary actions due to popularity consciousness.

One of the tools identified and suggested for supporting the Priority Action Agenda is aid management policy. Vanuatu attempted to establish an institutional arrangement structure to coordinate the management of aid, but failed due to lack of human and capital resources. Government officials confirmed that there is no database of aid where historical data such as which country gives better in this sector or what trends in aid exist can be viewed. Availability of such a database would allow Vanuatu to select a particular donor with strengths in certain areas rather than asking just anybody. The

government official who mainly handles this negotiation shares more insight on this situation below:

Like a lot of them might want to focus on climate change but historically they suck in working on climate change. It doesn't make sense to me as a rational country to actually say you suck in climate change but I will give it to them anyway because he has money...yeah? That shouldn't be how we play it. The system is to enable you to be able to get sufficient information and data to be able to frame your negotiation. We don't have that. We don't have that... It is the people that do the negotiation but if the negotiation is only as good as the information that is available.... both of them has to go together (DSPAC Interview).

Vanuatu identified three factors to assure a suitable setup: good institutions, a good system and well-informed people. Setting up a good institution would allow Vanuatu to direct policies and at the same time formulate and justify them. The last factor is the human element required to connect them together.

4.5.6 Summary Result for Australian ODA

It is clear that the motivation behind Australian aid is to further Australia's foreign policy for the benefit of Australia. This foreign policy is shaped by the domestic environment and global agendas, but predetermined at the parliament in Canberra. As a result, Australia's priorities do not match with the needs of Vanuatu. Consequently, disbursement of funds depends highly on Australia's definition of how disbursement should be done. It is also revealed that Australian aid is facilitated to maximize Australia's influence by determining policies in its three main focus sectors: education, health and governance. As a result, Australia is able to monitor the capacity level of the country. It is discovered that Australia uses Vanuatu's weaknesses to its advantage by controlling the level of education, standards for health services and governance policies. Similar observations were also made during Cyclone Pam when Australia wanted to run the rescue and rehabilitation plan through controlling the funds. Although they are very few, the author identified five tools Vanuatu used as leverage to match against donor priorities. The first one was the 1% of budget initiative which allowed Vanuatu to send boats and helicopters not only for food, but also to report on the situation in the outer islands without the initial help of Australia. The second one was the close relationship

Vanuatu has been able to maintain with Australian officials who provide advice to Vanuatu even after their terms have finished. Understanding Australia's local politics and its fears successfully allowed Vanuatu to use these insights when framing their requests. Priority Action Agenda with the ideals of a good system, good institutions and well-informed people were introduced. The most successful tool recognized in Vanuatu is having a good understanding of the context of Vanuatu's relationship with Australia and framing negotiations in such a way that they appear favorable to Australia, but also suit Vanuatu. The research also identified that when disbursements depend on the priorities of the donors, Vanuatu has weak negotiation power for influencing decision-making. On the other hand, priorities align with Vanuatu's terms when Vanuatu has strong leverage capital for influencing disbursements.

4.5.7 Hypothesis Analysis Result

Priority

Priority Development Hypothesis 1 was true, as Vanuatu's priorities are shaped by Australia, especially during policy formation. Priority CPR Hypothesis 2 was also found to be true as Australia harmonizes with other donor nations in assisting Vanuatu's priorities. Priority Schismogenesis Hypothesis 3 was also true and a common phenomenon, as priority interests of Australia did not match with priority needs of Vanuatu. As a result, Vanuatu was observed as being inferior to Australian aid due to the absence of reciprocity according to the Priority Gift Giving Hypothesis 4. Since all of the Priority Hypotheses were all true that Australia's priorities and needs of Vanuatu did not match, Australia will continue to shape the priorities of Vanuatu due to the absence of reciprocity based on a power discrepancy

Disbursement

Disbursement of Australian aid is shaped by predefined priorities determined by the Australian parliament. In most cases, Vanuatu's priorities are adjusted and framed to suit this condition. Pressures from other donor countries plus the strong political will of government officials sometimes influence disbursements. The three hypotheses outlined for the Disbursement concept were all found to be true in that Vanuatu does not influence aid disbursements. Disbursement Development Hypothesis 1 agrees that due to the success of Australia as a developed nation, Vanuatu benefits accordingly.

Disbursement CPR Hypothesis 2 was found to be true as Australian aid is observed to use Vanuatu's weaknesses to its advantage. Disbursement Gift Giving Hypothesis 4 was found to be true as conditions for disbursement of Australian aid are predetermined in parliament. The impact of direct requests was observed as a result of Vanuatu maintaining close relationships with former staff that climbed the career path in Australia. The findings reveal that disbursements are primarily facilitated by Australia.

Dependency

Australian aid has been the biggest donor to Vanuatu and Australia's focus has been on the key sectors of education, governance and health. This shapes Vanuatu's mindset, and therefore depending on aid comes naturally for Vanuatu. Consequently, relying on aid for infrastructure, for example, is considered natural. The colonial influence of France is also observed to have shaped the mindset of Vanuatu. Nearly 40% of the population speaks French and it is one of the official languages recognized by the constitution. The four hypotheses for dependency were all found to be true that Vanuatu is highly dependent on Australian aid. Dependency Development Hypothesis 1 was commonly found to be true as ODA was considered a necessity. Dependency CPR Hypothesis 2 was found to be true as witnessed during Australia's struggle to control Vanuatu after Cyclone Pam. Dependency Complementary Schismogenesis 3 was commonly found as Australia continues to provide aid in spite of Vanuatu's poor economic performance. Dependency Gift Giving Hypothesis 4 was naturally observed as Australia continuing to provide aid and Vanuatu expecting more in return is considered normal.

Leverage

Among the four hypotheses defined for the "leverage" concept, two was found to be true regarding Australia's aid in Vanuatu. Leverage Symmetrical Schismogenesis Hypothesis 3 was true, as Australia is observed to be motivated to provide aid when Vanuatu follows its leadership. Leverage CPR Hypothesis 2 was also found to be true as Vanuatu recognizes that some of Australia's aid concepts, such as gender equality, ignores the gender value within culture. Another observation was observed during Cyclone Pam when the rescue plan designed by Australia did not correspond with Vanuatu's system. Leverage Gift Giving Hypothesis 4 did not agree as Australian aid

was confirmed to continue and even increased, even when Vanuatu was accepting the visiting diplomacy of China, which Australia did not like. Leverage Development Hypothesis 1 was true as Australian aid is scheduled yearly in spite of the absence of reciprocity from Vanuatu. Since three out of the four hypotheses regarding Australian aid were true, it is concluded that Vanuatu possesses very weak leverage regarding articulating its needs to Australia. It is concluded theoretically and according to the result that reciprocity is necessary for increasing Vanuatu's leverage and for becoming a donor.

Table 4.3: *Hypothesis Analysis Result between Vanuatu and Australia*

Australia	Priority	all true
	Disbursement	all true
	Dependency	all true
	Leverage	Only the Gift Giving H4 was false, the rest: true

4.6 France

4.6.1 Background

Although Vanuatu gained independence from France in 1980, bilingualism with French and English being the official languages continues, and nearly 40% of the population speaks French. According to France Diplomatie (diplomatie.gouv.fr), the political relationship between the two countries is to maintain dialogues based on the geographical location of New Caledonia, one of the French territories found in the PICs. The same source announced a swift response from France to assist Vanuatu during Cyclone Pam with aid amounting to more than 2 million Euros. France not only donated humanitarian and humanitarian cargo, it also sent nearly 300 French military personnel and cargo sent in navy ships, including helicopters and a health evacuation mission team. Support from the communities of New Caledonia was also acknowledged to have assisted significantly. In trade, France ranks 4th, listed just behind Australia, Japan and New Zealand, and ODA is channeled through the EU, South Pacific Commission (SPC) and the French Embassy in Vanuatu.

According to Vanuatu, the French approach to ODA in the PICs is presented through

various experiences. The next section highlights the answers from participants about their responses to France's approach to aid to Vanuatu by analyzing their priorities, disbursements, dependency and leverage.

4.6.2 Motivation

Since France was one of the colonizers of Vanuatu for decades, a strong relationship between the two countries was expected. When asked about financial support from France, all participants affirmed that the influence of France in Vanuatu in terms of aid is very minimal. "They are not providing much. One area would be education only...no substantial amount" (MFA Interview). Aid is provided through multilateral means, especially through the EU and the SPC system, with almost none through bilateral means. France has major interests in the marine sector, which is governed by the SPC in the PICs. As illustrated earlier (regional organizations), the work of the SPC has been revealed to be not to fulfill the interests of PICs, but to adjust their requests to the conditions of donor countries. Other assistance is provided through the government of New Caledonia, although this amount was confirmed as small. The former head of the Ministry of Foreign Affairs shared his view. "So the politics is there and even France provide the assistance to us, they want to maintain their political status quo, their political reputation to a responsible global citizen in a part of the Pacific where they used to have that condominium with the British" (MFA Interview). As appears on the France Diplomatie website, the motivation behind France's cooperation in Vanuatu is to integrate Vanuatu into the French Pacific community.

Another view expressed that, "for Vanuatu, France is more about protecting France's interest in the Pacific. They are not interested very much in Vanuatu. Their interest is in, I would say, protecting France's foreign policy interests and citizens of France and their interests here" (DSPAC Interview). A similar experience was witnessed during Cyclone Pam when France wanted to prioritize giving support at TAFEA province due to its historical connection to the area. "I said, you do not decide where to operate. It is not your responsibility to decide. It is the government's responsibility. They come and try to dictate and get the government to agree. I said no. It does not work that way. Those are some of the things we observe" (MO Interview). France invests in soft diplomacy through art and especially through looking after the Francophone population.

The enthusiasm of France in Vanuatu is further expressed by, “they certainly look after the Francophone population... If you got any links to France from the colonial period, then you are effectively treated as a French citizen... France is not a big play donor in the region except via the EU. Minor player in Vanuatu, but still their Embassy is in the main street in town” (Think Tank Interview). During World Cup and other international sporting events, French flags around the country are a familiar sight. One government participant also agreed that, “the funding that France gives to Vanuatu is very, very small. Australia funds more French scholarships than France itself.” Instead, the France’s strong emphasis on resources is a common understanding in Vanuatu.

They are more in Africa. They go where the resources are. They know they cannot use the resources here too much except controlling the plantations and stuffs like that. Their form of colonialism is to try and control the resources. They send their investors, they buy the land, and they control the capitals and things like that. So all of that goes in. It’s about feeding their populations (DSPAC Interview).

As elaborated in the general view of Vanuatu to ODA earlier, framing of policies is conducted in both English and French to be discussed in Bislama in parliament, which is already a mismatch. Participants affirmed that although they do not expect much from France, keeping their language and culture in Vanuatu is becoming a concern.

Table 4.4: *Total Net ODA Disbursement from France to Vanuatu (USD million)*

Year	2011	2012	2013	2014	2015
France	1.78	2.49	3.02	3.15	1.06

Source: From OECD.Stat (Extracted on April 12, 2017)

Although Vanuatu argued that France provides little development assistance to Vanuatu, participants affirmed that France does claim that their aid is directed through the EU although the aid is decided in France. The low figures on table above confirm this claim compared to the aid effort from other donors in Vanuatu like Australia and Japan. Nevertheless, processing of aid via the EU is argued to run using the EU’s own style

and can take up to five years. One government participant shared the reputation of EU aid in that for “Infrastructure, I will never give to the EU because they are just hopeless, process is terrible.” A further response to the EU processing time was phased as appear below:

When I was with EU funds, it took us 5 years to finally get the fund, and then as soon as we sign the financing agreement, you have 2 years to spend all the money. We tell them and say this is impossible... The way of structure, procurement of donor agencies are done is a way that yes, we are showing we are giving but they go around and build a stairs for you to climb up and by the time you reach the top, you have 15 seconds to fall down (MOI Interview).

Looking at the four variables for the study, dependency of Vanuatu on aid from France is considered natural and methods of disbursements including the amount are determined according to the interests of France. This leads to a very weak position for Vanuatu for influencing the flow of aid in favor of their requests.

4.6.3 Colonial Influence

All participants affirmed that living in Vanuatu and the PICs is based on peaceful co-existence with everyone, which is the basis of the Pacific character and has led to the image of peace-loving people. People are so used to the colonial system that Westerners from outside are considered superior. This assumption gave birth to the understanding that Westerners know better and the culture now is to accept Western views without argument, as arguing would rock the boat. An example of an old man who traded a piece of land for tobacco explains the rationale. “We know it is not same but it is not polite to say no and seemed stingy not keeping the relationship so you’ll just accept it. That is our strength and our biggest problem” (DSPAC Interview). The government officials affirmed that these are traditional concepts that they carry to the negotiating table, and although they do not talk about it, the French know.

The difference between the British and the French form of colonization is expressed below as an addition to the discussions in the literature.

British when they colonized countries they were not trying to make you an Englishman. They

were very smart. They come in and look at the social fabric and they target the chiefs. They take the big men and make them administrators... They don't destroy the system; they used the system because they are not interested in making you an Englishman... As long as they control the resources, economics and they are able to control the population by using the people against the people. The French are different. The French will try and make you French because from their perspectives, every other race is a barbarian... If you are not a French then you are inferior but if I turn you into a Frenchman, you think like me, you talk like me, you act like me in everything then you are civilized. British trained a lot of administrators in Vanuatu that's why people in Vanuatu thinks that the British was a better colonialist then the French because the French didn't train anyone. They wanted servants and slaves and you will be a slave until and when you become a French and you will be elevated to equal. The British it didn't matter. They will teach you and educate you but you'll never be equal. What the French were doing in Africa is exactly what they are doing in the Pacific from Vanuatu's perspectives. Well the aid they give to Vanuatu is negligible. Very, very small. They say that they are committed to Vanuatu through the European Union because EU is a big donor, relatively. EU is an institution (DSPAC Interview).

Vanuatu's understanding of the approaches used in French aid shapes Vanuatu's motivation and response to its priority needs, the dependency mindset and also leverages for negotiation. Knowing that Francophonie is very much alive in Vanuatu and also that France does not give much compared to other donors, what still keeps France in the country without much commitment?

4.6.4 Threat – independence of New Caledonia

Since Vanuatu was the first former colony of France in the Pacific to fight for independence, all participants affirmed the close proximity of Vanuatu to New Caledonia as a threat to France. Participants argued that if Vanuatu is allowed to develop and demonstrate a high quality of life, it might trigger an independence movement in New Caledonia. As a result and based on observation, France will always show Vanuatu's primitiveness by highlighting various problems and the fact that France finally stabilized the country. The response below explains further:

It's about feeding their populations. For them its trying to meet their interest in Vanuatu, it's about

ensuring that we don't cause too much of an example so that New Caledonia opts in their referendum in 2018 for independence. France really has not much raw materials. They get nickel, copper and everything from New Caledonia and with New Caledonia they have a really large maritime boundary, which allows their nuclear subs to pass by. Its about these other things as well (DSPAC Interview).

Observing the four variables of the study, the foreign policy concerns and interests of France do not match with the expectations and ideal needs of Vanuatu. This situation illustrates a theory similar to that of Australia, that France is overwhelming Vanuatu to secure their foreign policy interests and domination in New Caledonia. The interview also suggests that Vanuatu is able to influence how ODA is administered by negotiating in a manner that involves compromise, but at the same time allows Vanuatu to get some of what it sees as a priority.

4.6.5 Leverage

Since Vanuatu is already in a weak position due to relying on development aid from donor countries including France, Vanuatu does not have much leverage to support its efforts to influence the direction of development in the country. One successful story that was shared involves how the mandatory requirement to teach French language in the school system helped Vanuatu during negotiations.

This is how I play the aid. I told the Ambassador, French is a dying language and Vanuatu is a few countries in the Pacific that speak French. Now, if you want us to continue teaching French as a national language, then you need to front up with assisting our education to do that... Keeping French, as an official language is not in our interest. It was one of your requirements when we became independent but you are not giving us any support to help us keep it running. So there is no point keeping it running... English is dominating and Chinese is coming up. Why would we waste time and money training our people in French and keeping the language in the system? If you want us to continue to do that, give us money. They then build the French university in Vanuatu (DSPAC Interview).

It seems that one of the few leverages that Vanuatu could use with France is keeping Francophonie alive and setting high hopes for New Caledonia as a sovereign country. Having this leverage allows Vanuatu to influence the disbursements of aid according to

their interests.

4.6.6 Summary Result for French ODA

Even though Vanuatu won its independence in 1980, its relationship with France is secured through having francophonia in the constitution. Nearly 40% of the population speaking French is the outcome of Vanuatu's long relationship with France. However, looking at France's ODA commitments, the insignificant effort as perceived by government officials of Vanuatu was a new phenomenon. One of the main mediums for French aid is through the EU, but the long processing time that characterizes EU aid keeps it from being considered a favorable source. The approach to French ODA in Vanuatu is shaped by France's foreign policy interests and maintaining its status as a former colonial power. Other than the francophone community, this key interest highlights resources that are available in New Caledonia and marine supplies for the French economy. As a result, the quick development and high standard of living that Vanuatu could reach is a threat to the natural influence of France in the area. The leverage that Vanuatu used to influence aid from France concerns the presence of French language in the constitution.

4.6.7 Hypothesis Analysis Result

Priority

The result revealed that all the four hypotheses outlined for "priority" were all true with French approaches to aid in Vanuatu. Priority Development Hypothesis 1 agreed with the relationship, as it was common for Vanuatu to adjust its priorities to those of France through the regional office of the South Pacific Commission. Priority CPR Hypothesis 2 was also true as France is a member of DAC supporting aid harmonization according to the Paris Declaration (see literature review). Sharing the ODA burdens of Vanuatu was also observed during Cyclone Pam when France allied with Australia and other donors. Priority Schismogenesis Hypothesis 3 was found to be true on many occasions, as France wanted to keep its colonial influence and reputation, regardless of the insignificance of France's aid effort in Vanuatu. The Priority Gift Giving Hypothesis 4 was also true that France is considered superior not only as a donor, but also as a former colonial power. French is an official language, and French culture is highly respected in spite of the minimum effort of France's aid in Vanuatu. The result concluded that since

France's interests and Vanuatu's need did not appear to match, France would continue to shape Vanuatu's priorities due to the absence of reciprocity.

Disbursements

Disbursements of French aid are made through the EU and South Pacific Commission (SPC) where consultants shape decision-making according to their rules with weak influence from Vanuatu. All four hypotheses proposed for the "disbursement" concept were found to be true that Vanuatu rely heavily on aid from France. Disbursement Development Hypothesis 1 was commonly observed due to the strong presence of France in Vanuatu in spite of Vanuatu's successful fight for independence in 1980. Disbursement CPR Hypothesis 2 was also true especially through long processing time that characterizes French aid through EU and the SPC. Disbursement Gift Giving Hypothesis 4 was true as argued by participants about the insignificant of France's aid efforts in spite of colonizing Vanuatu for decades.

Dependency

As a result, the reliance on development brought by France during the colonial period characterizes the country and their perspectives. All four hypotheses designed under the "dependency" concept were found to be true to Vanuatu's perspectives of French aid. Dependency Development Hypothesis 1 was true that Vanuatu's reliance on French aid is considered natural. This reliance is observed to occur due to colonial and historical ties. Dependency CPR Hypothesis 2 were also found to be true as France is still actively connected to Vanuatu through the national language, constitution and other resources such as gardens and French nationals residing in Vanuatu. Dependency Complementary Schismogenesis 3 was also found to be true as France continues to keep its reputation as a former colonial power although Vanuatu no longer maintain strong ties since independence. Dependency Gift Giving Hypothesis 4 was also true as France giving aid and Vanuatu receiving it is considered natural. It is concluded that Vanuatu relies heavily on aid from France in even with insignificant aid effort amount.

Leverage

Leverage that was observed to work for France was the fear that Vanuatu would remove

French language from the education system. This would affect France’s reputation and serve as a motivation threat to New Caledonia. Out of the four hypotheses designed for the “leverage” concept, three hypotheses were true and only one untrue to Vanuatu’s leverage perspectives with French aid. Leverage Development Hypothesis 1 was not true since the presence of France in Vanuatu is highly respected regardless of France’s weak commitment to aid. On the other hand, Leverage CPR Hypothesis 2 was found to be true and was witnessed through Vanuatu’s suggestion to remove the French language from the education system. As a result, France agreed to fund Vanuatu’s requests by funding the free education system for primary school. Leverage Symmetrical Schismogenesis Hypothesis 3 was also true, as France’s aid is observed not to help the development of Vanuatu as a threat to New Caledonia’s possible referendum for independence. Leverage Gift Giving Hypothesis 4 was also true as French aid is not regularly available and disbursements are usually through regional offices. Therefore it is concluded that Vanuatu has weak leverage in articulating its interests to influence French aid.

Table 4.5: *Hypothesis Analysis Result between Vanuatu and France*

France	Priority	all true
	Disbursement	all true
	Dependency	all true
	Leverage	Leverage Development H1: false, the rest: true

4.7 Japan

4.7.1 Background

Japan established diplomatic relations with Vanuatu in January 1981, following Vanuatu’s independence in July 1980. Other than the mutual benefit between Vanuatu and Japan at United Nation (UN) by dealing with global challenges, Japan is one of Vanuatu’s biggest trading partners. Japan exports mainly machinery, electrical equipment and automobiles, while Vanuatu exports mainly fishery and agricultural products with a total value exceeding 15 billion vatu (more than USD\$135 million) – Embassy of Japan in Suva. Excluding China, the ODA data from Japan to Vanuatu is outlined in the table below.

Table 4.6: *Total Net ODA Disbursement from Japan to Vanuatu*

(USD million)

Year	2011	2012	2013	2014	2015
Japan	4.98	6.89	11.31	8.59	18.37

Source: *From OECD.Stat (Extracted on April 12, 2017)*

4.7.2 Result

Motivation – War Conscience

The reputation of Japanese ODA in Vanuatu is mainly humanitarian and Japan is perceived as a peace-loving country. At the same time, it has been observed that, “they try to occupy positions of influence that they can sort of ensure their agendas are on the table” (DSPAC Interview). This approach is noted as complicated, but during meetings, “Japanese people listen to local. They seem to understand better” (Consultant Interview). On the same mode, Japanese are viewed as ruthless negotiators, but they do so politely. They are never confrontational, always methodical, and very procedure driven (DSPAC Interview). In terms of the area of focus, Japan provides grants, soft loans, sends a great deal of Technical Assistance and invests much in improving the infrastructure of Vanuatu (DSPAC Interview). In regards to human relations, the equal treatment of PICs as dignitaries at the PALM by the Japanese PM is appreciated positively in Vanuatu (Think Tank Interview).

Other than the characteristics of the Japanese approach mentioned above, government participants acknowledged that Japanese ODA emphasizes the importance of humanitarian considerations in the distribution of its aid. The rationale for this perception is articulated below as representative of all those who remarked on the same phenomenon.

The aid has to be humanitarian because they still feel that they are obligated and they have to pay reparations for what they did in WWII... Right now, it is time for you to build Japanese interest. You need to have own foreign policy... You have fishing interest. We will say, give us what we want and we'll let your fishing boat come in. It doesn't really matter. You need to use it to do that. They are very self-conscious not wanting their aid to be seen something like that and so they lose out quite a lot. I think after they lost the war, they lost the face, still

physiologically affecting them. They have so much they can do. I like Koizumi. He understands that Japan is a sovereign country, it did pay in the past and it paid for it. Hiroshima and Nagasaki...they are still paying now... After him PM kept changing and now Abe. I like his Abenomics and he is quite strong but Koizumi so far the best. To me, he gave Japan a backbone after a very long time. That's what they need in their aid. Their aid needs to have a, not just a proactive policy, but it needs to be able to support their interest more openly...The UN is being held up by Japan, functioning on Japanese money. They are the largest donors per capita in the world and they are not using that... There is nothing wrong with it. Why can't they do that with other areas? China is using it. Australia and others are using it. Japan is not doing it to the full potential (DSPAC Interview).

4.7.3 Processing

As known in the literature, Japanese aid requires that extensive reporting be completed, but if their paperwork requirements are fulfilled, “they do not give too many conditions” (Consultant 1 Interview). In addition, Japanese aid is observed to be very procedural driven and the order of doing things is decided by Japan: for example, A, B, C, D E must be completed before moving to F. “If it goes to F then they will make sure that all the boxes are ticked before that” (DSPAC Interview). The same participant elaborated that the JICA office still uses a facsimile machine instead of scanner and email when sending important information from Vanuatu to the head office in Tokyo. “It's because it is the accepted form of communication inside JICA. Unless there is a decision from up high to change that, they will continue to use analog. It is very weird but that is how their aid program works as well. They are very methodical about things” (DSPAC Interview). The difference in the fiscal year calendar was also brought up as a factor that troubles Vanuatu as the rest of the world follows the normal calendar.

The process of articulating the needs of Vanuatu to Japan starts off with the Vanuatu government sending an ordered list of priorities. Japan then sends a preliminary team to undertake a project study before the formulation period, which usually lasts a year. Reaching the detailed design stage means the project is being approved and everything else to achieve the objective of the project has been assigned. The next step is the Exchange of Note (EON) and changing anything after this stage does not happen with Japanese aid. The DSPPAC participants shared a story of Vanuatu losing face once due

to a lack of understanding about the expectations of the process. After the EON for a project with Japan, Vanuatu was signaled to support Japan's candidacy for the President of the World Health Organization (WHO). The officer in charge at the time accepted a wristwatch from Korea to vote for them instead. Korea lost as did Japan, but since Japan did not get the support expected from Vanuatu and the funding could not be cancelled, Japan funded a project in Fiji instead (DSPAC Interview).

The processing time for Japanese aid is around three years, which is considered too long for Vanuatu since the priorities of the government could change if there were to be a change in the government. Since Japanese aid is procedure driven as mentioned earlier, Vanuatu's priorities must remain consistent throughout the three-year processing period. Due to the instability of the government of Vanuatu and changes in priorities, there was a period of 10 years when Vanuatu was never able to receive any grant aid from Japan.

Their fiscal year starts from April and their parliament runs on that schedule. Ours is the normal calendar and so we have pipeline projects. If you look at the history, we had a period where for nearly 10 years; we had no grant aid from Japan. It was not their fault. It was our fault. There were so many frequent changes in the government that the priority listing we sent to Japan kept on changing (DSPAC Interview).

Learning from this lesson, Vanuatu was able to keep the priorities at the bureaucratic level for the next term.

4.7.4 Voting Influence

Government officials argued that Japan does not care much about them except for the value of their votes at the UN, WHO, World Bank, IMF, Climate Change and so forth (DSPAC Interview). When asked about the method for reaching an understanding about what is expected from the other party, the officer who spent many years negotiating for Vanuatu shared his experience.

They will never say, if you give me this, I give you that! It is always implied. You will never say it straight and if you say it straight then it is insulting. It is expected. It is expected. It is expected. Everyone wants something for something. Normally they come over and request

Vanuatu's support for Japan's nomination to the Security Council for example. They will talk about the relationship about the two countries. We then say that we are thinking of applying to a particular project and so we would require for our initiative in that sector. The implication is that we will give you our support if you give us that. If you don't give us that then we won't give you that support (DSPAC Interview).

This response above clearly shows that Japan is not using aid openly as a foreign policy tool as argued earlier. It is openly discussed, but decisions are not forced regarding the funds Japan holds for disbursements. Further questions were asked about the nature of who gives first and the practices involved. The experience below provides a clear image of how disbursements are facilitated by Japan.

Normally when they come in, the host country will always do the welcoming and we don't tell them what it is we want. We will talk about our bilateral relations and we'll talk about our common interests and basically just setting of the tone to going in. Japan would say, we would like to request for Vanuatu support for Japan's candidate for the ILO for example. My response would be, Vanuatu is always supportive of Japan and we are thankful for all the development assistance that you have done so far and name quite a few and then say that in the pipeline you have this type of things and I'm pretty sure that when we will take this to cabinet, we should be able to support Japan candidature for these positions and we know that we can count on your support in your parliament for these critical projects and it will strengthen the relationship between Japan and Vanuatu. So it is always pitch a map type of tone (DSPAC Interview).

Similar to the interpretation above, mutual benefits are both implied and openly discussed, but Japan is gentle in its approach compared to other donors while in essence being equally transactional in advancing its interests. This knowledge is relevant to answering how Vanuatu responds to Japan's approaches to ODA. Priorities are compared and disbursements are facilitated by mutual trust between the relationships. The section below looks at the means used by Vanuatu to match their priorities when there is a mismatch in interests.

4.7.5 Leverage

The leverage used by Vanuatu with Japan is expressed in various experiences. I have identified a few tools successfully used by Vanuatu as outlined below.

1. To balance China's influence

Vanuatu confirmed that Japan is not happy with the influence of China in the region. As a result, Vanuatu plays China against Japan to get what they want. “Every time I negotiate with Japanese, it's the understanding that they have their own issues with China. And the way they view things these peace loving people, they don't try to dominate militarily” (DSPAC Interview).

Another example was Vanuatu securing their first ODA loan from Japan to build the Lavatasi wharf, which is scheduled to be completed later in 2017. Japan approved the request to be given as a grant, but Vanuatu requested to change it from a grant to a loan so that Japan could be a policy dialogue member to balance off China. “You need to be able to keep some skin in the game and this is why I think you should come in and also if you come in, then I can balance the influence that China has in Vanuatu because it has so much grant and loans going on. If I have Japanese in then that should be able to balance the scale. For them it was really good” (DSPAC Interview). This logic was well accepted by Japan and it was also in Vanuatu's favor, since Japan could only handle three or four projects at a time.

2. Voting influence

It is observed and confirmed by the participants that although Japan does not admit that its aid is political, the influence of voting at international organizations is a major concern for Japan. The experience below was shared as an example of how Vanuatu successfully negotiated for a project and voting influence was the leverage Japan wanted.

They came in and ask for support and I said, look it is going to be very difficult for me to give you support because every time for the last 5 years, we have asked for major projects and they've always being knocked back. So if you want my support and my country support for this I am going to just come out right and say, you give me a yes for these projects and I'll

give you this support... China gives us everything we asked for. So where do you think my cabinet would be politically inclined for these kind of support? They'll go to China. But they say, oh China funds all ornamental type of projects and I said, it is not me that you have to deal with. It is about perceptions. Politic is all about perceptions. They would be happy to vote for Japan but politically, I don't see how my political masters are going to vote for Japan when China has a lot more on its plate. You need to give me something so that I can use that to convince my politician to believe yes, there is merit in voting. I tell them that I don't have a lot of resources but my vote is valuable and you need it. And you want it. I am going to tell you how you are going to get it. You give me that and I will give you these. Simple! And it was really weird because I have never done that before. And they weren't embarrassed about anything because they always knew that was the game but that was really horrible being blunt. Everyone lobbies (Think Tank Interview).

Using the two main leverages described above successfully allowed Vanuatu to articulate its priority needs and secured disbursements of funds. It is observed that Japan appreciates logical approaches such as the shifting from grant aid to a concessional loan in order to have more voice in making the final decisions.

4.7.6 Summary Result for Japanese ODA

Disbursements of Japanese aid are not framed by foreign policy, but it is implied that they are based on mutual benefit while maintaining good relations. The mild character of the Japanese approach is observed to be a consequence of the war, which is reflected as a failure in slowing down Japanese influence in the region. Nevertheless, Vanuatu finds the processes of Japanese aid to be pleasant with not many conditions to be fulfilled. The leverage used by Vanuatu to getting its requests through includes the influence of China and Japan's international reputation conscience, especially as regards votes at international organizations.

From the observation above, Disbursements are not based on Priorities, as Japan is gentle with their approach, but rather more on the leverages Vanuatu is able to utilize to gain its needs. Although interests do not match, the method of facilitating disbursements is not predetermined; instead, it is based on how well Vanuatu is able to grasp what Japan would feel comfortable in funding.

4.7.7 Hypothesis Analysis Result

Priority

Out of the four hypotheses under the “priority” concept, two of them were found to be true. Priority Development Hypothesis 1 was not true to the relationship as Japanese aid was confirmed not to shape the priorities of Vanuatu. Priority CPR Hypothesis 2 on the other hand was true as Japan joins forces with traditional donors in sharing the burden of ODA needs in Vanuatu. Priority Schismogenesis Hypothesis 3 was also true as Japanese interests were observed not to match with Vanuatu’s priorities. On the other hand, Priority Gift Giving Hypothesis 4 was not true, as Japanese aid was not observed to be superior in character. It is noted that although Japanese interests and Vanuatu’s need does not match, the absence of reciprocity did not allow Japan to shape Vanuatu’s priorities.

Disbursement

Disbursements of Japanese aid are found to depend on requests from Vanuatu. Although considered to be mild in paperwork requirements, administrative pressure from Japan influenced behavior of decision makers. Most Japanese aid is given as grants though the request from Vanuatu to transfer the grant aid to concessional loan in order to balance off China’s domination in Vanuatu was a phenomenon. Out of the three hypotheses defined for “disbursement,” all of them were found to be true that disbursements are all decided at donor’s side with no influence from Vanuatu. Disbursement Development Hypothesis 1 is true as Vanuatu relies on the yearly aid budget set aside from traditional donors. Disbursement CPR Hypothesis 2 was also true and observed when Japan redirected its aid due to Vanuatu not committing to the vote expected and implied from Japanese ODA. Disbursement Gift Giving Hypothesis 4 was also true since Japan decides the sectors of its interests based on direct requests from the Vanuatu government, following the Japanese “request based” system. These findings conclude that donor decides Disbursement with limited influence from the recipient unless direct requests are made.

Dependency

Japanese aid is observed to require a unique processing structure for disbursements. Adjusting to the procedures set by each donor country is another example observed with the dependency concept. All four hypotheses designed for the dependency concept were found to be true that Vanuatu relies heavily on Japanese aid. The Dependency Development Hypothesis 1 was found to be true and common that Vanuatu naturally depends on aid, especially aid related to infrastructure. Dependency CPR Hypothesis 2 was also true observed with Japan's fishing interests. Dependency Complementary Schismogenesis 3 was also true observed with Japan's long-term provision of ODA to Vanuatu regardless of the country's economic performances. Dependency Gift Giving Hypothesis 4 was particularly true as Japan continues to provide ODA budget for Vanuatu and appreciating of Japanese ODA was observed as natural. The Dependency concludes that Vanuatu heavily relies on Japanese aid.

Leverage

The observation of Leverage with Japanese aid was found to include the flexibilities of Chinese aid and the fear of China's influence in the region. Of the four hypotheses designed for the "leverage" concept, only one was found to be true regarding Vanuatu's leverage towards Japanese aid. The only hypothesis found to be true was Leverage Hypothesis 4 with the observation of Japan stopping aid to Vanuatu for about 10 years due to miscommunication of vote implications mentioned earlier and regular changes of political system in Vanuatu. Japan required stability for at least 3 years for processing requirements, but Vanuatu's government changed much more frequently. Leverage Symmetrical Schismogenesis Hypothesis 3 was not true as Japanese aid continues to be available regardless of the reactions from Vanuatu to Japanese aid. Leverage CPR Hypothesis 2 was not true either as Japanese aid is well received by the community as it provides mostly for Vanuatu's infrastructure needs. Leverage Development Hypothesis 1 was also not true since the relationship between Vanuatu and Japan continues even without reciprocity from Vanuatu for Japanese aid. Since only one of the four hypotheses were found to be true, it is concluded that Vanuatu has very weak leverage over Japanese aid.

Table 4.7: *Hypothesis Analysis Result between Japan and Vanuatu*

Japan	Priority	true (CPR H2, Gift H4), false (Development 1, Schismogenesis 3)
	Disbursement	all true
	Dependency	all true
	Leverage	true for Gift Giving H4, the rest false

4.8 China

4.8.1 Background

Vanuatu and China signed their diplomatic relations on August 26, 1982. The close relationship between the two countries can be observed in the speech made by the Ambassador of China to Vanuatu during the handover ceremony of the newly built Convention Center. “China and Vanuatu are true friends, we respect each other, support each other and help each other. We hold similar views on many regional and international issues and we support each other in that respect... The friendship between our two countries and people will be further strengthened day by day” (Embassy of China in Vanuatu). Another event in 2009 was a statement from former Ambassador of Vanuatu to China calling for China to “have a foot firmly as planned in the Pacific through Port Villa” (Embassy of Vanuatu in Beijing).

4.8.2 Result

Motivation – favor relationship

All participants affirmed that China has never made secret the fact that its aid and friendship is political. The participants know that keeping the relationship is about favor and maintaining relationship is an acceptable norm in Vanuatu, the Pacific and even in Asia (DSPPAC Interview). Participants argued that China is perceived as not caring much about the aid, but instead caring more about how to create happiness in the relationship. “China commits to international commitments, but doesn’t allow it to dictate its aid. China’s aid is always political. It’s to further China’s interests. By furthering China’s interests is by making as many friends as possible” (DSPPAC Interview). The author wish to note that data for Chinese ODA was not available for collection from the government of Vanuatu.

Chinese aid is considered the most flexible to work with as it does not have many conditions and it is especially flexible with the reporting requirements (MFA Interview). At the same time, Chinese officials are also perceived as being bullies by character. The local consultant elaborated that the previous government signed an agreement with China to build the convention center, but the new government wanted China to reduce the size and move the location to a different complex. China told Vanuatu that if Vanuatu insists on changing the already signed plan, then China would not assist in funding the 2017 South Pacific Mini Games to be hosted by Vanuatu. Commenting on the same situation, the Think Tank participant noted the Ambassador of China to Vanuatu yelled at the Minister of Land for asking to change the plan. The commitment nature of Chinese aid is also witnessed in the Prime Minister's Office.

With China we sit down and chat. We write a request and say, we need 4000 water tanks, send it from the Prime Minister's Office and goes out, done. Every year, we sign an Economic Cooperation Agreement (ECA). Every time we travel to China, we sign an ECA, which is basically China, agrees to give X million RMB to fund projects which are mutually decided upon by the country. Basically, they make a commitment to fund, which is an envelope. Then we talk about things we want to do like building a classroom and things like that. (DSPAC Interview)

It is observed that once China has committed by signing an ECA, funds are disbursed and they are stored in different envelopes. When China signs an ECA, it is observed that China not only shows generosity as a large country, but also is showing mutual concern together with international responsibility. It is this visibility that motivates China to sign these ECAs.

If the Chinese Foreign Minister comes here, it's about face as well. Big country we come in, I don't want to come in and just sign something. I come in and show my generosity... We've got stacks of ECA which we haven't used yet because when the government changes, a new government comes in place and PM flies over and signs one... I honestly have no idea how many ECA we have and I am from the department. How much fund has been committed?. This is one thing about the Chinese, once they commit, they do not remove the fund. The funds are allocated to Vanuatu and they stay. We forget about it because our government

change all the time (DSPAC Interview).

4.8.3 Approving requests

Other than funds allocated through the signing of ECA as explained above, few strategies are found that influence the disbursements of Chinese aid. For Chinese aid to be approved at any time, the three key offices below are confirmed in Vanuatu to smoothly articulate their needs to China. These are the three central agencies for representing the government to any country, and China values this relationship. The DSPPAC participant acknowledged that almost all requests coming from these three offices to China, the answer would always be a yes.

1. Prime Minister's Office: Policy direction of the country
2. Ministry of Finance: Money to keep the country running
3. Ministry of Foreign Affairs: Communication responsibility for speaking to the outside

4.8.4 Leverage

Most participants affirmed that the flexibilities and absence of conditionality of Chinese aid suit them. As a result, Vanuatu finds it easier to work with China, as Chinese assistance comes as either loan or grants. Most of the infrastructure and major construction projects in Vanuatu are funded by a combination of loans and grants and are mostly from China. Since priorities and requests from Vanuatu are observed to be a priority to China's aid, Vanuatu highly favors the Chinese approach where leverage may not be necessary. In this case, the political motivation of China becomes the priority, as it suits what Vanuatu lacks. A recent example that could explain this relationship was the public announcement by Vanuatu in 2016 as one of the first few countries fully supporting China's claim over the disputed territories in the South China Sea. Vanuatu claims to have supported China based on historical and traditional values that Vanuatu feels towards New Caledonia (Cowlshaw 2016). Since China is not a member of the OECD, the research observed that furthering China's interest means China making many friends through supplying assistance to recipient countries such as Vanuatu.

4.8.5 Summary Result for Chinese ODA

Disbursements of Chinese aid are found to depend highly on political interests and those interests are to increase the number of friends who would support China. This favor relationship is secured through the provision of Chinese aid whenever requested through the three central government agencies. Processing of Chinese aid, including reporting requirements, is considered not demanding and favorable for Vanuatu to accommodate. As a result, aid disbursements do not depend on China's priorities, but rather on requests from Vanuatu. Dependency on aid is considered natural and leverage practiced by Vanuatu is to return the favor of aid by being a good friend for China.

4.8.6 Hypothesis Analysis Result

Priority

After carefully observing the four hypotheses proposed for the "priority" concept, none of them was found to be true for Vanuatu's priority relationship with China. Priority Development Hypothesis 1 was not true as China was observed to follow Vanuatu's priorities. Priority CPR Hypothesis 2 did not agree as China was observed to be on its own as a non-DAC donor. Priority Schismogenesis Hypothesis 3 was not true either, as China never rejected any aid requests from Vanuatu. Priority Gift Giving Hypothesis 4 was also not true, as China was never observed as either superior to responses from Vanuatu. Since none of the hypotheses were found to be true, it is concluded that Vanuatu's priority needs matched with China's political priorities. Nevertheless, the concept of reciprocity is not recognized.

Disbursement

Disbursements of Chinese are considered the most flexible for Vanuatu, as it requires fewer conditions. Although aid is provided mostly as loans, all requests from Vanuatu for aid are never rejected especially when they are made from the Prime Minister's Office, Ministry of Foreign Affairs or the Ministry of Finance. The results revealed that the three hypotheses set for "disbursements" were all true in regards to Vanuatu's relationship with China. Disbursement Development Hypothesis 1 was true as China was observed to refer to its experiences as a developing country in its assistance to Vanuatu's development needs. Disbursement CPR Hypothesis 2 was also true and witnessed when China declared not to fund the Vanuatu to host the 2017 South Pacific

Mini Games after Vanuatu changed their mind about the location of the convention center previously agreed with China. Disbursement Gift Giving Hypothesis 4 was also true as it was commonly found that Chinese aid in Vanuatu favored direct requests from the central agencies mentioned above. Since all of the hypotheses were found to be true, it is concluded that disbursement of Chinese are decided by China with no influence from Vanuatu.

Dependency

The availability of Chinese funds is observed as another element shaping the dependency concept of Vanuatu. Among all four hypotheses designed for “dependency,” they were all found to be true to Vanuatu’s perspectives of Chinese aid. Dependency Development Hypothesis 1 was found to be true as ODA in Vanuatu is a necessity and also as Chinese aid is available whenever requested. Dependency CPR Hypothesis 2 was also true as Chinese aid continues to support Vanuatu’s infrastructural needs. The Dependency Complementary Schismogenesis 3 was also true as China continues to provide aid regardless of Vanuatu’s economic situations. In addition, Dependency Gift Giving Hypothesis 4 was true and common as China providing aid and loan assistance to Vanuatu and Vanuatu taking advantage of this assistance was expected as natural. The findings concluded that the dependence of Vanuatu on Chinese aid is expected and considered natural.

Leverage

Since China basically approves any requests from the central agencies of Vanuatu, leverage was not a concern and Vanuatu was willing to support China’s interests in order to return the favor. Among the four hypotheses designed for the “leverage” concept, only one hypothesis was true with Vanuatu’s leverage perspectives of Chinese aid. Leverage CPR Hypothesis 2 not true that the political interests of Chinese aid did not match with traditional values witnessed as observed through the convention hall disagreements due to land disputes. Leverage Symmetrical Schismogenesis Hypothesis 3 did not agreed as both China and Vanuatu depend positively on the friendship established between the two countries. Leverage Hypothesis 4 was also not true as Chinese aid was motivated by the good relationship established with Vanuatu. In addition, Leverage Development Hypothesis 1 was also not true, as the relationships

mentioned above are assured due to availability of reciprocity and Vanuatu being a donor in return. Since the result revealed more false than true, it is concluded that there is enough leverage for Vanuatu to influence Chinese ODA.

Table 4.8: *Hypothesis Analysis Result between China and Vanuatu*

China	Priority	None true
	Disbursement	all true
	Dependency	all true
	Leverage	CPR H2 was true, the rest true

4.9 General Discussion

Priority

Referring to the research result, all four priority hypotheses were found to be true in regards to the aid practices of Australia and France. For Japan, the result showed that two was true compared to China's practice where none was found to be true. The priority concept revealed that China's aid satisfies Vanuatu's priorities most. The western practices found from Australia and France are observed to be the opposite and Japan is between. The application of the four theories to each combination is summarized below.

Australia: Priorities of Australian aid are affirmed so as to further Australia's foreign policy by maximizing its influence in the region. In securing this objective, Australia's most effective influence is centered in education, governance and the health sector. According to the four hypotheses designed for priority, they all agreed with Australia's aid regime in Vanuatu. This result agrees with the Development theory as Australia is a developed nation and shaping Vanuatu's priorities was true as expected. It also agreed with the common pool resources theory as Australia harmonizes with other donors according to the Paris Declaration. Priority Schismogenesis, Dependency Complementary Schismogenesis and Leverage Symmetrical Schismogenesis were also true to the relationship, as although Australia's foreign policy did not match with Vanuatu's development needs in the short term, Vanuatu would face significant challenges without the aid it is presently receiving from Australia.

Vanuatu cannot operate without Australian aid. As a result, the gift-giving theory was also true in that Australia was found to be superior and Vanuatu to be inferior in the relationship due to the absence of reciprocity to balance the aid influence of Australia.

France: France focuses its priorities on keeping its status quo and reputation as a former colonial power in the region. France places a great deal of emphasis on the francophone community in Vanuatu. As with Australia, all four hypotheses designed for priority were true in regards to France's aid regime in Vanuatu. This result agrees with the Development theory, as France was the colonial power in Vanuatu and attempting to shape Vanuatu's priorities was the norm. The result was also true to the common pool resources theory as France also is a member of DAC who joins with other donors to share the burdens of developing countries through ODA. Similar with Australia, Priority Schismogenesis, Dependency Complementary and Leverage Symmetrical Schismogenesis were all true. Although Vanuatu gained independence from France, its reliance on French aid is still common. The result was also true to gift-giving theory as France was observed to be superior in character due to the absence of reciprocity to balance the influence of French aid.

Japan: Japan is observed not to publicly use its aid as a political tool, but rather focuses on mutual benefit with a vote-conscious mind. Among the four hypotheses proposed, two were found to be true to Japan's aid practice in Vanuatu. The result was true to the Priority CPR 1 as Japan also is a member of DAC, which is committed together with traditional donors to sharing the burden of developing countries through ODA. It was also true to Gift-giving theory as Vanuatu heavily depends on infrastructure development. An absence of reciprocity from Vanuatu to balance the aid contribution from Japan was also observed to have contributed to the situation. To the contrary, Priority Development theories and Priority Schismogenesis theories did not agree with Japanese priority practice in Vanuatu. It implies that Japan does not shape Vanuatu's priorities. Dependence Schismogenesis was a common phenomenon in the relationship as Japan provides Vanuatu's infrastructure needs. On the other hand Leverage Schismogenesis did not appear to be true as Japan was not open with using its aid politically. As a result, the presence of reciprocity from Vanuatu towards Japanese aid was not observed although it was implied.

China: China clearly showed that its aid is political and giving aid is a favor for making

many friends. China also focuses on infrastructure development and uses its experiences as a developing country to support Vanuatu's priorities. Since none of the priority hypotheses was true in regards to China's aid practices in Vanuatu, it is concluded that China's aid Priorities did not influence the priorities of Vanuatu.

Disbursement

Since all of the hypotheses for disbursement were found to be true for all donor countries the result implied that aid disbursements are facilitated entirely by the donor nations according to their interests. Referring to the "priority" result above, disbursement of both Australian and French aid would be framed by each country's foreign policy, respectively. Disbursement of Chinese aid on the other hand would align to Vanuatu's priority needs as a good friend although mostly soft loans. Disbursements of Japanese aid lying in the middle according to the priority result take a balancing role between the extreme approaches of Australia and France versus that of China. The result concluded that disbursement is facilitated on the donor's side with no influence from recipient countries.

Dependency

The result indicated that the hypotheses designed under the "dependency" concept in Vanuatu were all true for all the donor nations. The result implied that the role of donor nations to giving aid and Vanuatu to receiving and relying on aid was a natural phenomenon.

Leverage

Here are some of the tools successfully utilized by Vanuatu when articulating their needs to donor nations. For Australia, it was the 1% budget initiative the Vanuatu government set aside to use when the country hit a state of emergency. This fund allowed Vanuatu to operate without relying on Australia, which made Australia surrender to Vanuatu's plan instead. Staying close friends with Australian officials who worked in Vanuatu also assisted Vanuatu not only with access to information but also in influencing policy. The successfulness of these officials in climbing up the career ladder contributes to this view.

Vanuatu policy initiatives for creating a priority action agenda allowed Vanuatu to take control of the system. Sharing a thorough understanding of Australia's fears and interests amongst government officials is observed to have led to a better structure in framing requests to fit the requirements while at the same time suiting Vanuatu's needs. Australia's fears include the influence of China in the region. The result illustrates that out of the four hypotheses outlined for the leverage concept, Australia and France agreed to two leverage hypothesis while China and Japan only agreed to one (Gift Giving H4 for Japan and CPR for China). Leverage Common pool resources hypothesis and Leverage Schismogenesis were true for Australia and France. It could be explained that the commonality between the features of their aid could come from their colonial power experience in the region. Japan on the other hand was true to the gift-giving theory due to the absence of reciprocity. Since the leverage concept correlates with negotiation power, Vanuatu's leverage was found to be stronger with Japan and China since three of the hypotheses were not true with the relationship. Vanuatu's leverage over aid from Australia and France was found to be limited in weight. Referring to the application of the four theories selected for the study, the development theory was not considered under the leverage concept. It could be explained that since leverage is observed as a stage where the recipient influences disbursements, it is a stage where the recipient would become a donor. The Leverage concept suggests that an increase in leverage could be interpreted as a step for recipient countries to balancing relationship by becoming a donor.

4.10 Afterthought Summary

Based on the result and discussions above, questions about the approaches of donor nations to ODA are answered. As illustrated on the table below, the result for the concepts of Disbursement and Dependency are perceived to be common to all the donor nations of the study. Vanuatu perceives that Disbursement is controlled by donor nations and Vanuatu heavily depends on ODA. However, the concept of Priority and Leverage defines the differences in their approaches to ODA as discussed above. Western donor nations of Australia and France follow same pattern while Asian donors of Japan and China behave differently. By taking a bird view of this result and comparing it to perspectives from the other two PICs, the next two chapters follow the same methodology used in this chapter.

Table 4.9: *Combined Hypothesis Analysis Result in Vanuatu*

Donors	Concepts	Findings form Vanuatu
Australia	Priority	all true
	Disbursement	all true
	Dependency	all true
	Leverage	True with CPR & Schismo, false with the rest
France	Priority	all true
	Disbursement	all true
	Dependency	all true
	Leverage	True with CPR & Schismo, false with the rest
Japan	Priority	true (CPR H2, Gift Giving H4), false (Development 1, Schismo 3)
	Disbursement	all true
	Dependency	all true
	Leverage	One true (gift giving), the rest false
China	Priority	None true
	Disbursement	all true
	Dependency	all true
	Leverage	One true (CPR), the rest false

Note:

CPR: Common Pool Resources

Develop: Development

Schismo: Schismogenesis

CHAPTER 5

Perspectives from Tonga

5.1 Introduction

This chapter answers the research questions from the perspective of the Kingdom of Tonga. Historical perspective is provided below to assist with rationalizing the perspectives of participants who contributed to the research. A brief introduction of the stakeholders is provided below before moving to the findings. Summary and hypothesis analysis is provided at the end.

5.2 Historical Background

The Polynesian Kingdom of Tonga was discovered for the first time by Dutch explorers Wilhelm Schouten and Jacob Le Maire in 1616. Another Dutch explorer entered Tonga in 1643 before Captain Cook finally landed in 1773 and again in 1777. It was during these trips that Cook labeled Tonga as the “Friendly Islands”. In his book, *Shirley Baker and the King of Tonga*, Noel Rutherford (1996) remarked that missionaries are said to have arrived in Tonga for the first time in 1826 led by Reverend John Thomas and Reverend John Hutchinson of the Methodist church. Taufa’ahau Tupou I, the King and founding father of modern Tonga unified and Christianized Tonga on November 4, 1875, through the support of Reverend Shirley Baker. On the same day, the new Constitution was professed, which not only secured Tonga as a modern civilized state, but also protected Tonga from being colonized by the British and Western allies. Taufa’ahau Tupou I had faith in modernizing his people but retaining Tonga’s sovereignty and independence was his priority. This goal was successfully accomplished through the support of the King’s adviser, Reverend Shirley Waldemar Baker who established a mutual partnership agreement with the King. Noel Rutherford outlined a few biased perspectives about Baker’s account in his book, using the work of Basil Thompson who was in Tonga after him. Thompson’s mission was to pave the way for British influence, which had been hindered by Baker’s strategies with the King in both documentation and practice. This view is relevant to the research as Tonga is the only country in the PICs, which was never colonized and the success of this strategy was achieved through the consultations of a British-raised missionary who spoke for the King. The peaceful transition led Tonga to fortifying a balanced fusion of Tongan and

Western models of Government, which allowed for treaties and friendship with influential colonial powers of the time.

The figure below shows the map of Tonga

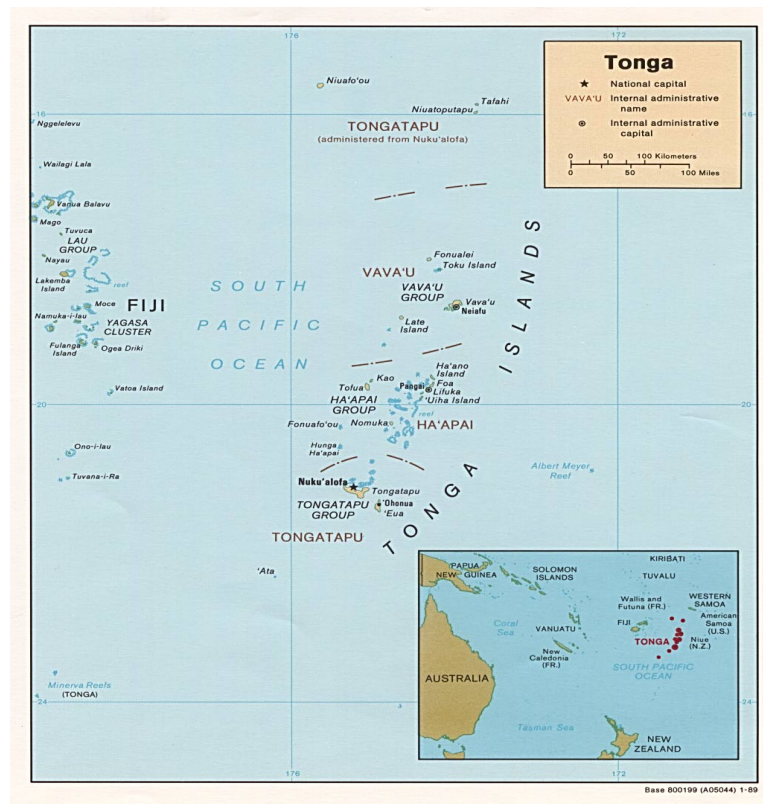


Figure 5.1: Map of Tonga. Source: nationsonline.org

The Kingdom of Tonga is the only monarchy in the Pacific, consisting of about 48 inhabited islands out of 171 islands in total. The politics of Tonga function under the framework of a constitutional monarchy wherein King Taufa'ahau Tupou VI is the head of state. Tonga follows a unicameral legislature with 26 seats where 9 members are elected by the 33 noble titles and the remaining members are representatives of the people. Tonga is a member of the British Commonwealth and, same as other PICS, Tonga's foreign policy is "*friends to all*" through maintaining development and cooperation links. The speaker of the house is selected by the parliament members and is constitutionally appointed by the King. The current Prime Minister, Hon. Samuela 'Akilisi Pohiva, has been an active member of the parliament and the people's representative for Tongatapu for 28 years, since 1987.

The 2011 census recorded around 100,000 Tongan nationals compared to 97,784 in 1996 (Statistic Department). More than two-thirds of the population lives on the main island of Tongatapu, with 23% concentrated in the capital area of Nuku'alofa. As could be expected, most development benefits focus on the main island, which has better facilities. In trade, agriculture contributes to around 70% of total export and 30% of GDP despite the narrow market and product variations (Ministry of Finance). Fisheries are reported to be a potential sector, but are not yet fully fledged due to a lack of technology, transportation means and a secure market amongst other reasons. Tonga's exports are dwarfed by its reliance on imported goods and services, leading to a deficit balance of payment. This deficit has existed as long as Tonga has operated as a nation and hence characterizes the country as depending on imported goods and services. Figure 5.2 below shows the Balance of Trade situation between 2004 and 2014.

The figure below shows the negative balance of trade of Tonga between 2004 and 2014

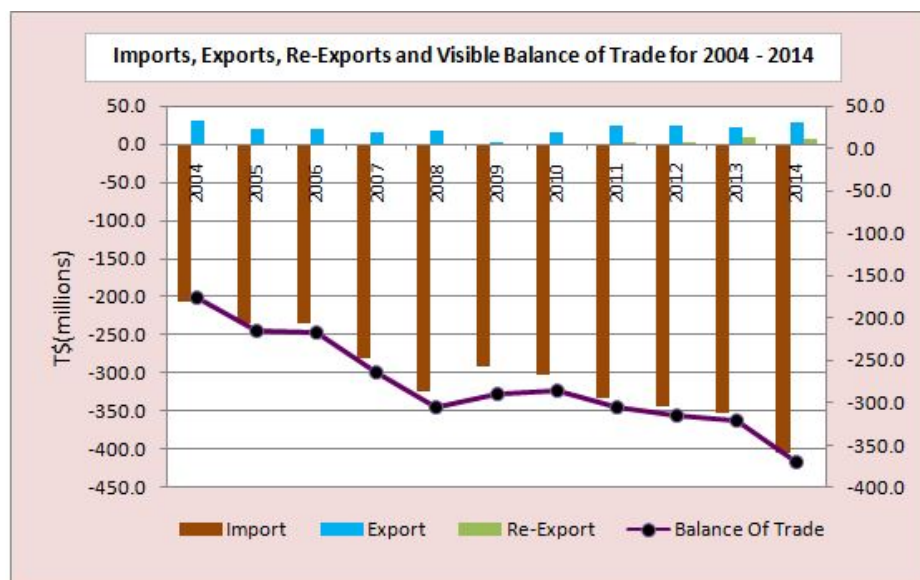


Figure 5.2: Balance of Trade in Tonga between 2004 and 2014. Sources: Adapted from the Tonga Forum Meeting Presentation (July 2016). Ministry of Finance and National Planning

The deficit is balanced out by remittances from Tongans overseas and aid from donor countries and organizations. The international migration of Tongans started in the 1960s,

leading to more Tongan people living outside the country than in it (Latu 2006)⁴. The strong connections between Tongan communities can be observed through the dependency on remittances, which is the highest rate of dependency in the Pacific . In 2015, total remittances amounted to a third of the GDP, averaging 114 million between 2011 and 2015, in comparison to the 79 million received as aid (IMF Report). At the same time, Figure 5.3 below reflects Tonga’s reliance on the economies of neighboring countries for remittances.

The figure below shows the high rate of remittances to Tonga in various currencies

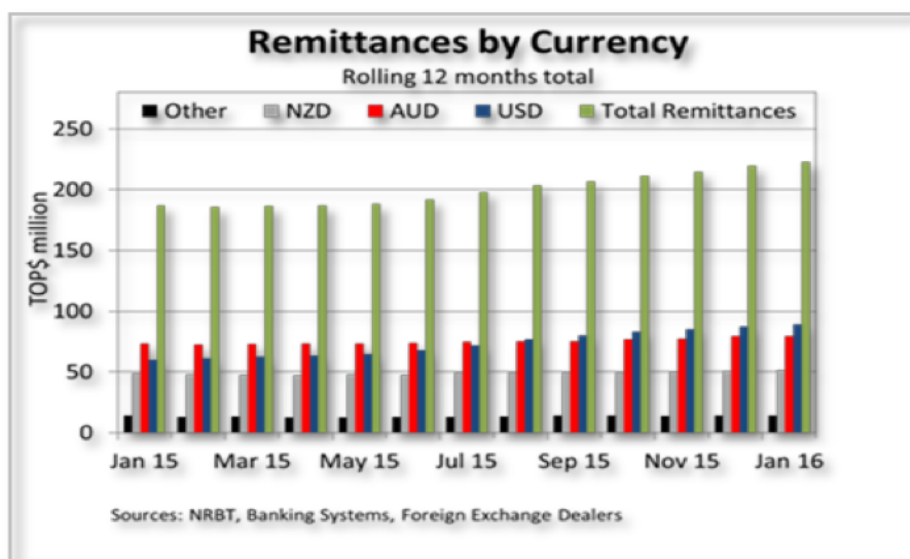


Figure 5.3: Remittances to Tonga

Source: Adapted from the Tonga Forum Meeting Presentation (July 2016). Ministry of Finance and National Planning

Tourism is beginning to pick up with around 10% of GDP (IMF Report) and although it provides the second largest receipts for the country, it is considered a sector yet to reach its full potential.

⁴ Latu, V (2006). International Migration and Societal Change in the Kingdom of Tonga. Ph.D Thesis, Ritsumeikan Asia Pacific University, Japan.

5.3 Stakeholders

The stakeholders who contributed to the research were mainly Government officials; additionally, views from Consultant and NGOs were incorporated. The Government officials were decision makers at the Ministry of Foreign Affairs and Trade (MFAT), Ministry of Finance and National Planning (MFNP), Policy and Aid Management Division (PAMD under the MFNP) and the Ministry of Infrastructure (MOI).

5.4 Findings

General views of participants from Tonga are divided into various challenges according to the responses received from participants through the aid processing stages. Through these challenges, the key variables of priority, disbursement, dependency and leverage are analyzed before reviewing the perceptions of each donor countries selected for the study.

5.4.1 Consultation Challenges

The concept of consultation, according to the participants, was to ensure the needs of the recipients are appropriately relayed and at the same time to suit the donor's conditions and expectations. This connection was accomplished through the support of consultants and the experiences of Government officials. Hearing the needs of the recipients was conducted in the form of a face-to-face biannual donor meeting forum. After consideration of the needs requested through the forum, bilateral meetings are then arranged for each of the donors and Tonga to further specify interests, represented by Cabinet members. All participants acknowledged that up until recently, many PICs were unable to design a neat priority document that donors would recognize. "When you sit down on the table, they ask for your priorities. It is not a time to ad hoc manner to fish for ideas. These are all done up by that time. There is a clear neat set of priorities through public consultations up to that time. If you didn't do that, there would be a lot of blame on the Government" (MFAT Interview). In Tonga's case, these priorities are reflected in the Tonga Strategic Development Framework (TSDF). The first TSDF was a 39-page document first introduced for the 2011 to 2014 fiscal years. It carried the theme "to develop and promote a just, equitable and progressive society in which the people of Tonga enjoy good health, peace, harmony and prosperity, in meeting their

aspirations in life.” The second TSDF was (130 pages) designed for the next 10 years between 2015 and 2025 fiscal years carrying the theme of *A more progressive Tonga: Enhancing Our Inheritance*. More insight about the situation was elaborated as follows:

We have the donor sitting in, we have the recipient sitting in at a given point in the year and they do consultation at a meeting face to face whereby they try to identify their priorities. This is where the TSDF comes in handy. In the document, you have your priorities and you can see correlations in the priorities of Tonga and other countries with the priorities of the Pacific region or forum. It could even reflect Sustainable Development Goal (SDG) agenda because one mode of your outlook, strike a chord whereby a great resemblance between the national priorities, regional priorities and the international priorities. Good example is Climate Change & Sustainable Development Goal. Somewhere in the priorities, you will see SDG reflected in the framework. Fisheries and poverty eradication but somehow it links to SDG (MFNP Interview).

Since the priorities are outlined using this framework, it is considered a strategic tool for Tonga to maximize disbursements as they are framed to link with donor’s interests as well (PAMD 1 Interview). The TSDF is then matched with the policy priority of the donors before approval for disbursements is given. In terms of grants, no negotiation is required except for high-level consultation on the target sectors for disbursements. The outcome of this strategic document is observed to have contributed to more than 50% of the 2016 national budget being financed from aid, including budget support (PAMD 1 Interview). Further, the skills of the negotiation officers are argued to have contributed significantly to this success. The main officer in charge for this success was confirmed to be the current Minister of Finance, who was the Secretary of the Treasury for more than 20 years.

On the contrary, participants in the forum are aware that donors are coming to provide assistance and they are not giving it for nothing. There are conditions and strings attached that had to be committed during the consultation stage (MFAT Interview). All participants confirmed that since donors control the disbursements of the funds, Government officials are usually weak and always give way to the donors’ policy priorities. “Their mentality is we will give in and follow their suggestions” (MFNP

Interview). In the same context, the interview from Government elaborates further:

When the donor sits with us, you can assume that not all our shopping lists are met. When the needs are not met, it may be due to the priorities of other countries... When donors cannot meet your list, it creates another challenge. Where would you look to get funding for that? ...You necessarily need to look elsewhere (MFAT Interview).

It is noted that when the requests are not met, it portrays that donors make the final decision and these decisions are based on the policy priorities of the donors. In this situation, negotiation officials either choose to look elsewhere as mentioned above, or twist the requests to fall into the category predetermined by the donors. Participants confirmed that once something is written into a donor's policy, nothing could be changed to adjust it to their needs.

5.4.2 Processing Challenges

The next phase after the agreement to implement the requested needs of recipients is to deal with the processing requirements. Each donor necessitates different processing styles, format, timeframe and expectations. Participants confirmed that donors place their policy interests in sectors, which require different sets of processes since the parties involved vary. For example, a major infrastructure project would involve bids from many contractors while agricultural projects would involve only few experts. The MFNP interview below outlines some of the challenges:

For the credit loans, we have to sit down and listen to their conditions. What are the limitations, what are the areas we cannot spend money on? We have to sit down with them and go through paragraph by paragraph. These are the conditions... Tonga told them that it is too much, can you dilute some of the process... (They said) This is being decided so we can't change anything... What they have been doing in Africa, they are doing it in Tonga. I don't believe in one-size fits all. I believe in tailor making (MFNP Interview).

The conditions mentioned above are sets of rules for disbursements; in order to maximize the benefit, Tonga must abide by them strictly. The observation above illustrates that the disbursement of funds depends not only on matching interests, but a

great deal of emphasis is also placed on timeliness of the processing requirements. A similar context was obtained from the interview below:

Qualified people are stretched... Time limit and work required are so much... Its not that we can't do it, we don't have the number of qualified people to do it. There is so much to complete for donors that we don't have time to think of how to improve our system.... Last financial year, we had 2 special audits. Not that we couldn't do the job but we couldn't do it within their timeframe (MOI Interview).

The concept of scarcity is observed not only with aid funds, as they must be efficiently distributed within the fiscal year, it also points to the processing time and capable human resources who could complete the process. In this situation, Dependency is considered customary as the donor's policy interests control disbursements and the leverage capability of the recipient becomes very weak. A similar view was observed from the NGO participant.

They are very demanding compared to what they give. We ask for this and they demand an over exaggerated document, extra rubbish vocabularies, fake outcome but all we wanted was a water tank. We feel being strangled, as they demand so much and we become their dog (NGO interview).

Processing Flow

According to the PAMD 1 Interview, it is confirmed that the requests from line ministries are all framed and linked to the TSDF (national plan). The first step is submitting the requests to the Project and Aid Management Division (PAMD) under the MFNP in order to be considered for appraisal. When done, the plan is then submitted to the Cabinet Development Coordination Committee (CDCC) for approval and then returned to the PAMD department to locate donors. The search for donors is usually conducted by the MFNP. If successful, the MFNP will then pass the plan back to the MFNP in order to sign the agreement with the donors. The MNFP then becomes the executive agency and the line ministry then undertakes implementation. Monitoring and Checking are conducted by the MNFP to assure the line ministry follows the terms agreed upon. The diagram below illustrates the key Government offices and how they

connect to donors for aid approval.

The following figure shows all the offices and organizations that influence the processing of aid.

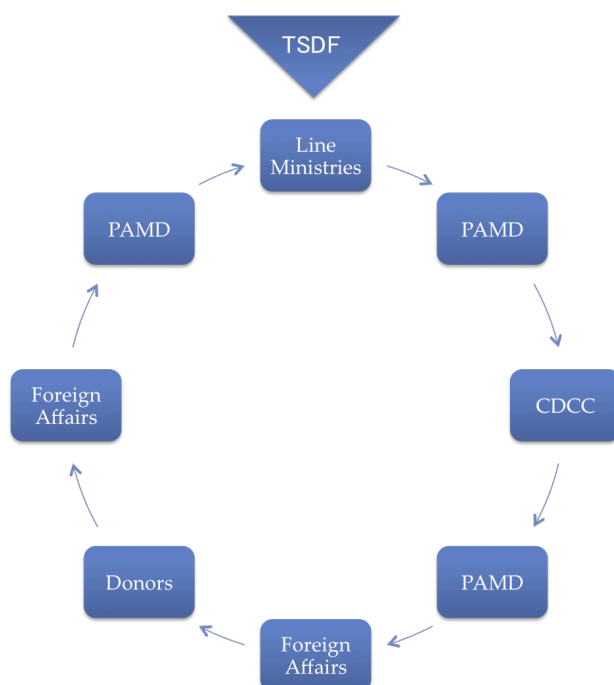


Figure 5.4: Aid Processing Flow Diagram of Tonga. Source: Author

Participants affirmed that the length of time it takes for a request to complete the full cycle could range between 6 months and 1 year, depending on the time donors take to process the funds. It was also found that some bilateral donors only recognize their aid as ODA if it goes through the MFAT; otherwise, aid is processed by the MFNP. Regarding the nature of the assistance (whether to make it ODA or use other form), this is decided by the donors who then select the ministry to approach for processing the aid in the appropriate manner.

The frustrations caused by the processing challenges above are further exacerbated by the experience shared below.

The conditions are just too much to bear... I am heading the aid processing and filling the forms must be timely. These are the things we have to give, otherwise they will see us ineligible and they come back to us to return the money. A couple of months ago, we returned 1.5 million dollars back to Australia. Not because we spent outside the scope, just because of

the process and that we couldn't use the fund within the timeframe. We have our internal processes and they have their internal processes. We take around 6 months and then the end of the year. Maybe the design was too advanced and big without recognizing the absorption and the capacity on the ground. There should be at least some flexibility in the system to allow us to do the project in our own time, not their time. Not to compromise our accountability, not at all. We need some time to work to push (MFNP Interview).

Other than the irritations caused by the conditions required for processing, these conditions lead to this other issue of funds being transferred back as ineligible and unspent. The PSPD participants added their comments, saying the “left over from aid goes back to donor country due to capacity problem” (PAMD 1 interview). This situation is perceived as a multilayer dilemma since assistance is available at this stage after consultation and unspent funds could be interpreted as incapability. National pride is at risk and threats to the relationship between partners could be expected. On the contrary, the view that Tonga wants more than they can handle also exists.

5.4.3 Implementation Challenges

All participants confirmed that the next challenge after the disbursement of funds through the processing procedures involves Implementation. As mentioned above and as appears on the processing diagram, Implementation is conducted at the line ministries to be monitored by the Ministry of Finance and National Planning (MFNP). At this stage, the aid must be implemented in the most efficient and effective manner in terms of timing, costs and other terms assigned by the donors. Analysis of these terms revealed that a big opportunity cost is lost when the recipient country fails to implement a project on time. This cost refers to the inability to capitalize the annual aid budget from each donor as each year has different budget. In other words, the more timely the implementation of projects, the more funds is expected to be available for disbursement. One example is the office complex in Nuku'alofa, which was delayed for 3-4 years due to land disputes. The MFAT Interview stated that “the Chinese has repeatedly said, we have put on money for each year and this goes back to mainland.”

Funds could be committed, but without timely implementation they could either be used for something else within that fiscal year or returned to the donor. This explanation

verifies an observation from the MFNP interview about processing, which is that even when requests fall within the donors' priority areas, if the donor has committed the funds to other areas, Tonga must wait for the next round. "Whenever there is aid, there is a need and the matching point is the Implementation; so you can repeat a cycle, but if you are not doing that within the given time. If you defer it, you are speaking of taxpayer's money. Donors can't just give money without implementation. In implementation, you talk about timing because there is a next pool of money coming" (MFAT Interview). The explanation here highlights the availability of funds to be capitalized, but the use of the funds has to follow the timeframe and conditions required by the donor. Leverage power of the recipient does not exist, and the dependency concept turns into reliance by conforming to the given settings.

Table 5.1: *Contribution of Donors to Tonga by Sector.*

Donor by Sector		
Donors	Sector Development	% Contribution in Budget 2016/2017
ADB	Infrastructure	83.4
	Social	14.1
	Others	2.5
People's Republic of China	Central Agencies	46.6
	Social	40.7
	Others	12.7
Japan	Infrastructure	78.9
	Central Agencies	20.2
	Others	0.9
Australia	Social	53.8
	Central Agencies	18.8
	Others	27.4

The table shows percentage of contribution from donor nations to Tonga's budget in 2016/2017

Source: *Adapted from the Tonga Forum Meeting Presentation (July 2016). Ministry of Finance and National Planning*

Table 5.1 illustrates how each donor nation prioritizes its ODA towards development

sectors in Tonga for 2016/2017. China appears to put 87.3% of its total aid to the central agency and social sector, compared to Australia's contribution to the same sector with 72.6% only. On the other hand, Japan contributes 78.9% of its ODA on infrastructure and 20.2% to central agencies.

Implementation for Budget Support

Another observation regarding implementation challenges refers to the budget support system. As mentioned above, Tonga relies heavily on aid to the point that aid covered more than 50% of the 2016 budget. The former Minister of Finance confirmed that the budget support started during the financial crisis period and there was a need for it in order for the country to function. With the assumption that donors would not provide this support forever, 14 conditions have been set that Tonga must fulfill that are intended to lead Tonga to self-reliance (PAMD 1 Interview). These conditions are defined in a framework called the "Joint Policy Reform Matrix" (JPRM). It was confirmed by the interview that, "each year, each target must have some sort of reformation to ensure continuity of the support" (PAMD 2 Interview). An example brought up by the same participant was the Public Enterprises (PE), which came with the condition that at least "2 of the PE either are privatized or going through reformation." The result of the most recent JRPM conducted in July 2016 is available in the Appendix section. At the time of the interview, one of the PEs had been completed. The JPRM coordinator's job under the PAMD division is to liaise between donors and the implementing ministries towards fulfillment of the JRPM conditions. It was revealed that if one of the conditions has been met, the donors would reward JRPM with T\$25 million a year. From the T\$500 million of the 2016 total budget, around T\$30 million was from budget support (PAMD 1 Interview). The JPRM donors consist of the World Bank, ADB, New Zealand, Australia and the EU. It was observed that the priorities of the JPRM donors are based upon the conditions set within the JPRM framework and disbursements are based on fulfilling those requirements.

5.4.4 Maintenance Challenges

Another challenge raised by the participants was the issue of maintenance. After the implementation stage, all participants agreed that tax payers of the donor countries would like to see the prolonged use of the facility for as long as possible for the benefit

of the receiving country. As nearly 50% of the total aid to Tonga according to the diagram below goes to the infrastructure sector, the issue of looking after the finished projects was considered a challenge. It is observed that, like the issue of the “chicken and the egg”, after receiving a 20 million dollar project, “you need a sizable amount of money to be able to upkeep that. It is very difficult to put that in your normal Government budget. You are dealing with another issue but somehow you still have to maintain it” (MFAT Interview). Maintaining the project was observed as being in the best interest of both the donor and the receiving country, although “the question is how can we get an extra money to maintain it” (Consultant Interview). This observation could be interpreted to mean that the donated projects are still attached to the donors and the recipient continues to be obligated with responsibilities.

The figure below shows the allocation of national budget to various sectors

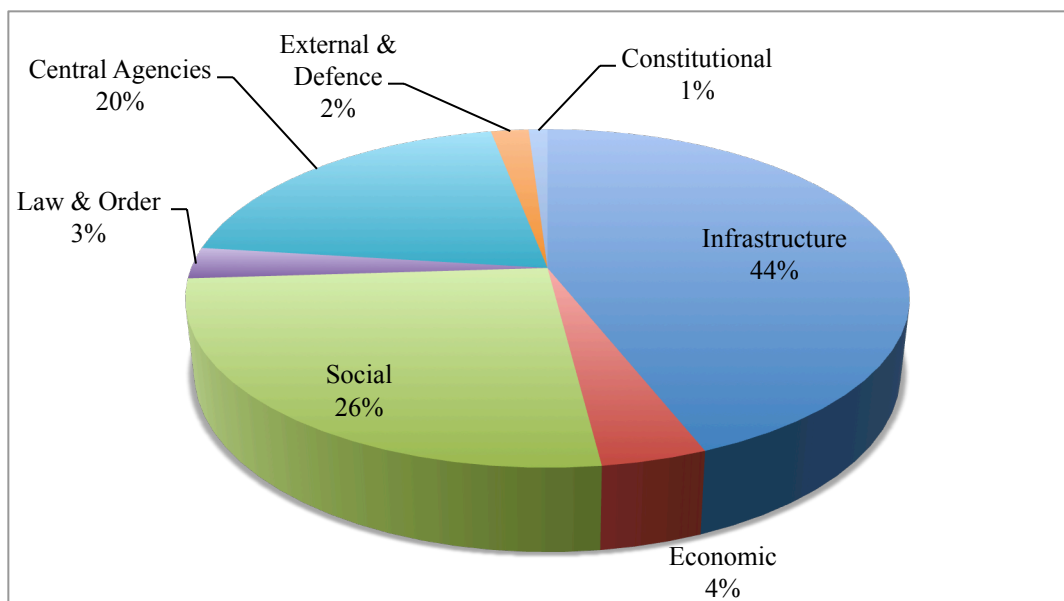


Figure 5.5: Budget Allocation by Sectors in Tonga for 2016/2017. Source: Adapted from the Tonga Forum Meeting Presentation (July 2016). Ministry of Finance and National Planning

In spite of the dilemmas involved in maintaining infrastructure projects, participants were concerned about some donors who have shifted from the infrastructure sector to the building of capacity and the sending of technical expertise. “They would rather see development of roads, hospitals, airports and so on before moving on to other development” (MFNP Interview). Aid towards improving the physical situation by

providing development advice is observed as a non-tangible, but tangibles are preferred as recipients find it easier to put through a policy. Same participant emphasized further saying “we only see the fruits once we see a change”. This situation clearly highlights the preferences and heavy reliance of Tonga on infrastructure assistance. At the same time, it clearly shows that what donors considered important for the country’s development does not match with Tonga’s priority needs. Although it was confirmed that donors do provide funds particularly for maintaining infrastructure, the partnerships are not always considered advantageous or as having a positive impact (Former Minister of Finance Interview).

5.4.5 Debt Management Challenges

One final challenge raised by participants was regarding management of the country’s sovereign debt. As shown on the debt indicator table 5.2 below, debt level as a percentage of GDP 2015 to 2025 exceeds 40%. In the case of Tonga, external creditors⁵ hold 90% of Tonga’s total debt whereas 70% of those are from China. In practice, if the recipient’s debt situation were below 40% of GDP, then the recipient’s public debt distress would be classified as “moderate.” Aid from the World Bank (WB) and International Monetary Fund (IMF) are disbursed in a form of credit and grants depending on the distress level of the recipient country. When the distress level is classified as “high distress,” the aid is provided 100% in grant form. Also, instead of using the debt situation alone as a percentage of GDP, the system recognizes “remittances” to be part of the calculation. Despite the high percentage of debt owed to external creditors, the WB and IMF evaluated Tonga’s debt distress as “moderate”⁶ according to the outcome of the table below. As a result instead of getting a 100% grants from WB and IMF, aid funds for Tonga would be given 50% as a loan and 50% as grant (MFNP Interview). The explanation below further clarifies the situation.

⁵ Asian Development Bank, “Tonga,” Pacific Economic Monitor, (Asian Development Bank, December 2013): 16. Retrieved on 10 February, 2010 from: <http://www.adb.org/sites/default/files/pub/2013/pacmonitor-dec2013.pdf>.

⁶International Monetary Fund and International Development Association, “Tonga: Joint IMF/World Bank sustainability analysis 2013” (IMF, July 2, 2013). Retrieved on 10 February, 2017 from: <http://www.imf.org/external/pubs/ft/dsa/pdf/2013/dsacr13234.pdf>.

If Tonga can go and loan some more and being labeled as high risk, they will give us 100% grant. When you do well, they penalize you... When you do well in managing your resources, managing your debts, they penalize you by giving you 50/50. If you are prudent, they will penalize you. You have to be naughty ... and there are much confusion (MFNP Interview).

Table 5.2 *Percentages of Sovereign Debt Sustainability Indicators of IMF for Tonga*

Indicators	(IMF) Tonga Target	Estimate 2015/2016	Estimate 2016/2017	Estimate 2017/2018	Estimate 2018/2019
% of GDP	40%	49%	55%	52%	50%
% of GDP & Remittances	36%	38%	43%	41%	40%
% of Export	150%	238%	277%	276%	260%

The table shows the percentages of Tonga's sovereign debt sustainability indicators according to IMF between 2015 and 2019. Source: Adapted from the Tonga Forum Meeting Presentation (July 2016).

Ministry of Finance and National Planning

Adding to the explanation above, the situation could be observed in two ways. Firstly, the donors could be seen as giving generously to recipients who do not perform well in order to give them extra momentum. At the same time, recipients could intentionally edit the data in order to maximize grant aid. “The provision for aid money for Tonga is 50% credit and 50% grant because we seem rich. This is the problem with using GDP as the indicator for the economy as it that does not take into account is our vulnerabilities” (MFNP Interview). It is clear that high debt risk of the recipient leads to an increase in disbursements; therefore the leverage influence of the recipient would be to appear weak. At the same time, the availability of funds provided by this method encourages reliance on aid. Further observations from the donor countries appear below.

5.5 Australia

5.5.1 Background

Tonga and Australia established relations in 1970, but the first resident High Commissioner did not enter Tonga until 1980 (*Tonga Foreign Policy and Government*

Guide). Australia is Tonga's largest development partner and as such has been the country that Tonga looks to in all circumstances, and especially for education. Australia has also been assisting Tonga with security, including surveillance of Tonga's EEZ and provision of patrol boats and defense training materials. Australia's aid is framed by its foreign policy focusing on related sectors. The Australian DFAT⁷ confirms that since international migration first began in 1871⁸, more than 18,000 Tongan-born individuals have migrated and now hold permanent residence in Australia. This number is observed to have contributed to the US\$22 million equivalent sent to Tonga as remittances. Australia contributes about 28% to Tonga's total ODA and about 5% of GDP (DFAT). Total aid from Australia since 2014, according to the table below, illustrates a constant increase showing Tonga's heavy reliance on aid. Australia has been the nearest and biggest supporter of Tonga and many other PICs. During the 2006 riot⁹ in Tonga, Australia sent soldiers and police to help settle the situation. In 2009, Tonga was the first country in the Pacific from which Australia accepted seasonal workers, beginning with fifty workers and currently standing at 1,883 in total. Australia also assisted Tonga with the aftermath following the sinking of the ferry Princess Ashika. In the same year, it was predominantly Australia that assisted Tonga with damages caused by the hurricane and tsunami, which affected the outer islands particularly heavily. Referring to the 2009 balance of trade, the value of Australia's exports to Tonga was recorded at A\$13.8 million compared with A\$720,000 in exports from Tonga.

Table 5.3: *Total Net ODA Disbursement from Australia to Tonga (US million)*

Years	2011	2012	2013	2014	2015
Australia	22.94	18.98	24.5	18.98	19.77

The table shows the net ODA disbursed from Australia to Tonga between 2011 and 2015

Source: From OECT.Stat (Extracted on April 12, 2017)

Motivations

The strategic direction of Australian aid focuses mainly on governance, education and

⁷ Retrieved on 10 February, 2017 from:

<http://dfat.gov.au/geo/tonga/development-assistance/Pages/development-assistance-in-tonga.aspx>

⁸ Retrieved on 10 February, 2017 from: <https://museumvictoria.com.au/origins/history.aspx?pid=225>

⁹ Matangi Tonga: Retrieved on 10 January 2017 from: <http://matangitonga.to/tag/1611-riots?page=1>

health (DFAT)¹⁰. These investment priorities were reported to cover more than 60% of Australian aid to Tonga, totaling \$29.6 million for the 2016/2017 fiscal years. Dealing with Australian aid was considered favorable by the participants because when “they do something, they do it to the best.” At the same time, “procurement and requirements are many to be fulfilled” (MOI Interview). The same participant shared their concern with Australian aid regarding the nature of the scholarships it offers. “They end up staying in Australia... We can’t build our capacity when they take our young ones.” According to DFAT, the total number of Tongans so far who have received an Australian scholarship is recorded at 66, not including 32 students who received scholarships in 2016. This number was considered small in comparison with the number of seasonal workers (1,883), the program that was initiated in 2009. With this, some participants were skeptical regarding Australia’s interests in education.

Australia’s strategy for education was interpreted as limited to supplying workers for their farms and not necessarily getting a white-collar job in Australia. It was even recommended that, “Tonga should decrease sending students to Australia and increase sending to Asia” (former Minister of Finance Interview). The same participant raised a major social issue in Tonga with families being broken up, as fathers do not return home after leaving for Australian farms. It was interpreted that this strategy favors Australia more as seasonal workers from the PICs supply laborers that Australia is unable to recruit domestically. Since remittances play a major role in the total receipts of Tonga as mentioned above, it was assumed that opening up the job market in Australia would assist more. According to the result from the PAMD 2 Interview, it was revealed that, “before the introduction of seasonal workers scheme to Australia and New Zealand, people sent more money not only to nuclear families but also to extended families since demand for workers were higher than supply. The increase in the number of seasonal workers decreases the hourly pay for picking, packing, leading to reduction in remittances”.

Australia’s method for disbursement was also observed during the 2016 high-level negotiation (grant aid). Participants conveyed that during this negotiation when donors,

¹⁰DFAT: Retrieved on 10 January 2017 from :
<http://dfat.gov.au/about-us/publications/Documents/aid-fact-sheet-tonga.pdf>

including Australia, discussed about the priorities for them to support with the Tonga Government, Australia approached them in advance and said that \$17million had been decided upon towards sectors of their priorities (PAMD 1 Interview 1). As is shown on the graph below, the area of Australia's interests appears to be rooted in the social sector and central agencies. This coincides with Australia's foreign policy (DFAT) as Australia's interests are framed to focus on governance, education and the health sector (DFAT). In addition, the strong presence of China in Tonga was observed as a major concern for Australia's security interests. Since China also invests in the same sectors as Australia, it was observed that, "they are always suspicious of China" (former Minister of Finance and former Minister of Finance Interview).

The diagram shows that more than 70% of Australian aid focuses on social and central agencies

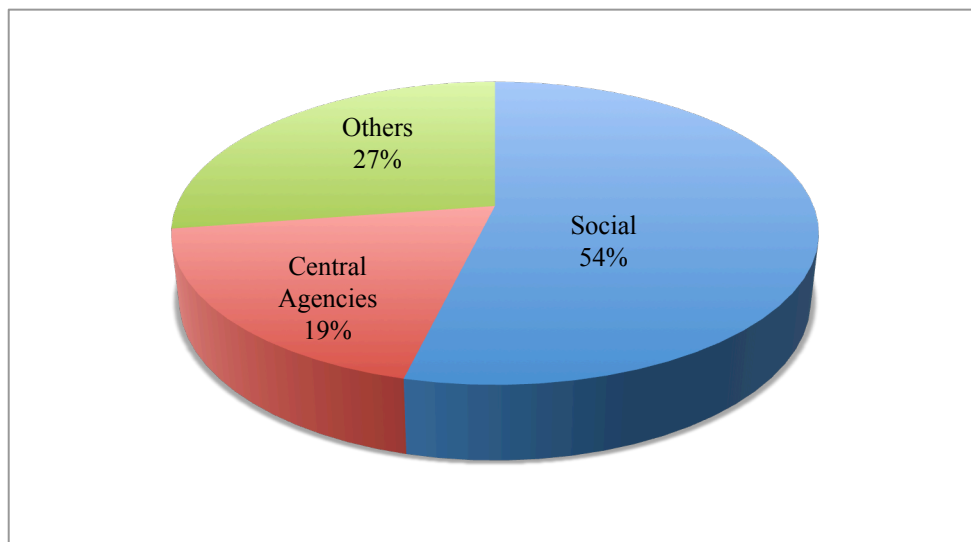


Figure 5.6: Australian ODA Contribution to Tonga's 2016/2017 Budgets. Source: Adapted from the Tonga Forum Meeting Presentation (July 2016). Ministry of Finance and National Planning

5.5.2 Capacity Building of NGOs

Other than bilateral aid, which goes directly to the recipient government, Australia works closely with NGOs. This cooperation is due to the fact that NGOs work closely with communities. Through the work of NGOs, there is no Government interference and no obligation for reporting to the Government of the nature of how the funds were utilized (PAMD 1 Interview). According to the DFAT coordinator, the NGO concept is still foreign in Tonga and the NGOs rely greatly on Australia for training. One of the

challenges brought up by the participants was the processing requirement. The Australian reporting system and documentation requirements are complicated, and that instructions such as “number of pages, points, outcome, goals and so forth makes the project misses the point of our outcome” (NGO interview). In contrast, the DFAT Coordinator elaborated that problems with NGOs in Tonga include the fact that they are “not being able to say what they need.” In their place, the same participant explained that the weakness of the NGOs in Tonga was despite the “lack of funds and processing skills, their demand is too high. We provide them with training, how to plan, how to budget but since they do not have sustained funding, they follow any donor coming up.” The situation raised here could explain why “ownership” of projects seems like a challenge. At the same time, since disbursements are framed by the rules set by Australia, the priorities of NGOs are no longer fully original. In other words, capacity building here means matching the rules and regulations set by Australia for disbursement and to be tied up with the related reporting. As the concept of NGOs is still unfamiliar in Tonga according to the participants, being able to boldly formulate a project without assistance in framing the idea was observed as a challenge.

5.5.3 Summary Result for Australian ODA

The result shows that Australian assistance is provided to fulfill the priority interests of Australia, but also is helping Tonga’s development needs. Establishing the seasonal worker’s scheme was interpreted as being influenced by Australia’s domestic needs, which also was favorable for Tonga’s economy and standard of living through remittances. At the same time, the dominance of Australian influence on education is becoming a concern as greater numbers of Tongans are being guided to farm work and fewer to higher education scholarships. The motivation behind Australian assistance was interpreted as giving for their own interests and therefore being a mismatch with the interests and expectations of Tonga. In terms of consultation, processing and implementation, priorities were predetermined by Australia and the disbursement of funds was based on the fulfillment of conditions set according to those priorities. The use of disbursements through NGOs was found to be a way of reaching maximum influence other than through the central Government. The result showed that the capacity of local NGOs was shaped by Australia as disbursement was based on satisfying their conditions. Observing the leverage of Tonga, there were no observations

of Tonga confronting Australian aid and their aid framework. As a result, reliance on both funds and procedure designed by Australia was considered natural. It is argued that Australia has been using the aid tool to frame its core sector of governance, education and health in Tonga to naturalize its influences.

5.5.4 Hypothesis Analysis Result

Priority

The priorities of Australia were observed to follow its forging policy according to the main focus of its foreign assistance on the social sector and central agencies. These two sectors cover areas related to governance, education and health, which are the main tools for Australian diplomacy. All four hypotheses formulated under the “priority” variable were found to be true that the priority interests of Australia and priority needs of Tonga do not match. By observing the consultation, processing and implementation experiences with Australia, the result agreed with Priority Development Hypothesis 1 that Australia shapes Tonga’s priorities. Priority CPR Hypothesis 2 was also found to be true that donors benefit from sharing the burden of ODA in Tonga. This was observed through the “donor meeting forum” where priorities are coordinated, and also through the JPRM as donors including Australia decides the conditions for budget support. As a result, Priority Schismogenesis Hypothesis 3 was also found to be true, that the needs of the Tonga and the interests of Australia do not meet. Due to this gap, Priority Gift Giving Hypothesis 4 was also found to be true that with the absence of reciprocity, Tonga is inferior to Australia. It is concluded that Priority approach of Australia to ODA will continue to shape the priorities of Tonga as long as reciprocity missing from their relationship.

Disbursement

Through the consultation, processing and implementation stages, the disbursement of Australian aid was found to be guided by predetermined priorities and Tonga’s requests had to be aligned to this standard. The three hypotheses designed for “disbursements” were all found to be true in that the donor controls the facilitation of disbursements. Disbursement Development Hypothesis 1 was true through the use of seasonal workers as the initiative increases remittances for Tonga and also helps close the gap of farm work shortage in Australia. It was also observed through Australia being the dominant

donor to the social sector for many years, which is an area where Tonga relies heavily on Australia's success. Disbursement CPR Hypothesis 2 was observed to be true through the success of processing projects according to the conditional timeframe. It was also observed through the implementation of the JPRM where disbursements were dependent on fulfilling the prearranged conditions. Under the same hypothesis, reduction in Australia's motivations was observed when aid funds approved for disbursements were returned back to Australia due to ineligibility. Disbursement Gift Giving Hypothesis 4 was observed in most cases as Australia decides the terms and conditions for their aid. The effect of direct requests was confirmed through the Tonga Strategic Development Framework (TSDF) as it directly outlines Tonga's priority needs that linked directly to Australia's policy interests and global agendas. The Disbursement concept of Australia's approach to ODA is framed mainly by Australia based on effective models, and direct requests through the TSDF showed further success.

Dependency

Since Australia has been the largest donor for Tonga for many years, especially in the social sector, the reliance of Tonga on this sector especially for education, governance and health is considered natural. In addition, fulfilling the "priorities" and "disbursement" requirements set by Australia (above), encourages the same acceptance. The four hypotheses devised for "dependency" were all found to be true that Tonga certainly relies on Australian aid for development benefits. Dependency Development Hypothesis 1 was true since it was observed that fulfilling the conditions required by Australia for disbursement as mentioned above was the usual practice. Dependency CPR Hypothesis 2 was also true by observing Australia's domination of the three sectors reflecting Australia's policy interests (education, governance and health). Dependency Complementary Schismogenesis 3 was also true as Australia naturally assists in areas of its own interests and Tonga accepts and follows the conditions set as a recipient. This observation also agrees with Dependency Gift Giving Hypothesis 4 as Tonga unsurprisingly depends on Australian aid. It is concluded that Tonga's dependency on aid and on Australia to provide aid is expected and accepted as ordinary.

Leverage

Although the Leverage concept was not discussed thoroughly, it was observed that the

strong influence of China in Tonga was a motivating factor for Australian aid based on observation. Among the four hypotheses framed for “leverage,” all were found to be true. Leverage Symmetrical Schismogenesis 3 was true through the success of the TSDF in matching Tonga’s needs to Australia’s priorities. Leverage CPR Hypothesis 2 was true also and a concern given the mismatch of conditions required by Australia with the capacity expressed by the NGO participants. The NGO participants claimed that Australian requirements confused the purpose of their projects. Leverage Gift Giving Hypothesis 4 was true as Tonga was observed not to have the leverage to influence the aid relationship. The seasonal workers scheme could have been used as leverage as Tonga made up for Australia’s shortage of farm labor, but since it was an Australian initiative, Tonga could only accept. Leverage Priority Hypothesis 1 was also true as Tonga was never observed as a donor to Australia, although the relationship of the two countries continues to operate as normal. It is concluded that recipients will never become donors in the absence of reciprocity. Since all of the hypotheses were true in the relationship, it is concluded that Tonga has very weak leverage to influence disbursements of Australian aid.

Table 5.4: *Hypothesis Analysis Result between Australia and Tonga*

Australia	Priority	all true
	Disbursement	all true
	Dependency	all true
	Leverage	All true

5.6 France

5.6.1 Background

Prior to the Germans and the British who were involved in Tonga during the colonial period, France was the first treaty Tonga ever signed with a foreign power. As Taufa’ahau Tupou I unified and Christianized Tonga through the Methodist missionaries, the purpose of the friendship treaty with France was to allow Catholics to remain in the country (Tonga Foreign Policy and Government Guide, p. 59). Although the two countries have maintained a pleasant relationship, assistance from France is limited and mostly realized through the New Caledonian government. In addition, the

French Embassy to Fiji is accredited to Tonga and funding is directed through “regional organizations”, especially the Pacific Fund Corporation (PFC) and the South Pacific Commission (SPC).

For this study, it was noted that France is not an active member among those in the foreign assistance business in Tonga. French aid was confirmed to operate under the European Union (EU), which all participants confirmed to have the most complicated processes compared to the amount of aid given. Since the EU operates as an institution, there is no relevant information from the participants to contribute to the study. These are some of the responses from the participants when asked about France’s assistance to Tonga. “We haven’t really had anything from France. Not a big player” (MOI). “France assistance is very minimal. The least in terms of ODA but they have other areas of cooperation like the defense relations with their base in New Caledonia.” (MFAT Interview). France: “Very minimal except through EU, a very complicated process” (PAMD 1 Interview).

5.7 Japan

5.7.1 Background

According to MOFA, the official diplomatic relations between Tonga and Japan are considered to have been “excellent” since their establishment in 1970. The resident Ambassador of Japan to Tonga was the fourth in number to be established, and was sent in 2009, after Australia, New Zealand and China. This was also the first resident Ambassador to any of the Polynesian countries (MOFA). Participants confirmed that the close relationship between the Imperial Family of Japan and the Royal Family of Tonga has contributed to this long-standing relationship. Japan has been Tonga’s main donor in the field of both IT and infrastructure. Japan is currently in the process of completing a major port development in Tonga, which was signed by PM Abe during the Tonga Japan Summit Meeting held in May 2015. Exports from Japan to Tonga are mostly machineries, amounting to 459,772,000 yen in 2013, compared to exports from Tonga at 146,239,000 yen (mostly of pumpkin, taro and tuna) (MOFA). One of the cornerstones of the relationship between the two countries is the deep connection through sports, which was established by King Taufa’ahau Tupou IV. The King originally established the connection with the vision of introducing the soroban

(Japanese abacus) to Tonga and Tongan Sumo wrestlers to Japan. It started off well, but the focus has shifted to rugby as nearly all strong rugby teams in Japan, including the national team, include Tongan players. Additional rugby players are increasing in number in preparation for the 2018 Rugby World Cup to be held in Japan, which will be its first time ever to be held in Asia. The most recent official visit from Japan to Tonga was that of the Crown Prince and Princess, who attended the Coronation of King Taufa'ahau Tupou VI in July 2015.

Motivation

Japanese assistance consists primarily of grants and has historically focused on the health, transportation and energy sectors in Tonga. The most recent project was a 1.57 billion yen grant for developing solar power and a micro-grid system to cut fuel costs for diesel generators. This project was intended to support the Tonga Energy Roadmap 2010-2020, introduced with the objective of replacing half of Tonga's electric supply with renewable energy by the year 2020. As nearly 50% of total ODA goes to the infrastructure sector in Tonga, participants expressed their favor of Japanese assistance, not only as it suits their development needs, but also because it was given as grants. Japan confidently considers this sector as its comparative advantage, but recently has been developing a multi-cooperation network, such as co-funding projects with the ADB. Tonga's priorities match this infrastructure assistance and disbursements as they are based on those needs. The two diagrams below clearly illustrate Japan's focal area of primary assistance for infrastructure and in support of central agencies.

The following figure shows that 99% of Japanese aid focuses on infrastructure and central agencies.

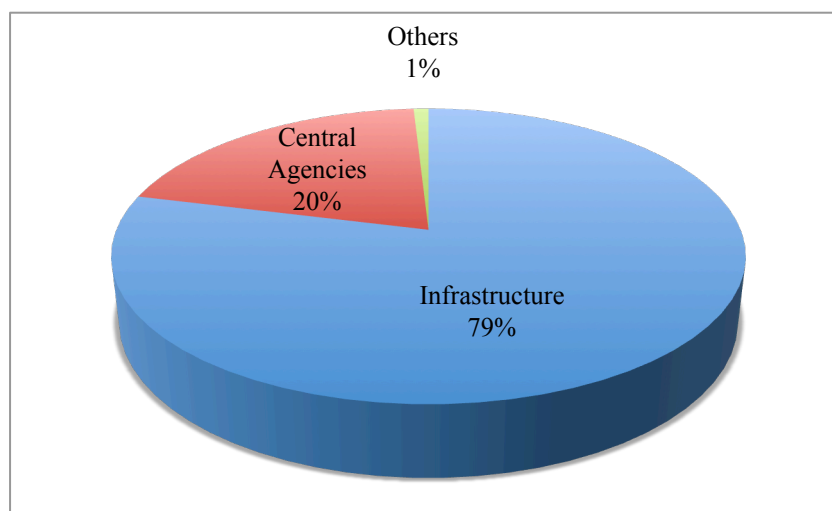


Figure 5.7: Focus Sector for Japanese ODA 2016/2017

Source: Adapted from the Tonga Forum Meeting Presentation (July 2016). Ministry of Finance and National Planning

Since these development needs are not affordable for Tonga, reliance on this assistance negates any possibility of leverage.

The figure below shows that Japan is the largest bilateral donor for infrastructure in Tonga.

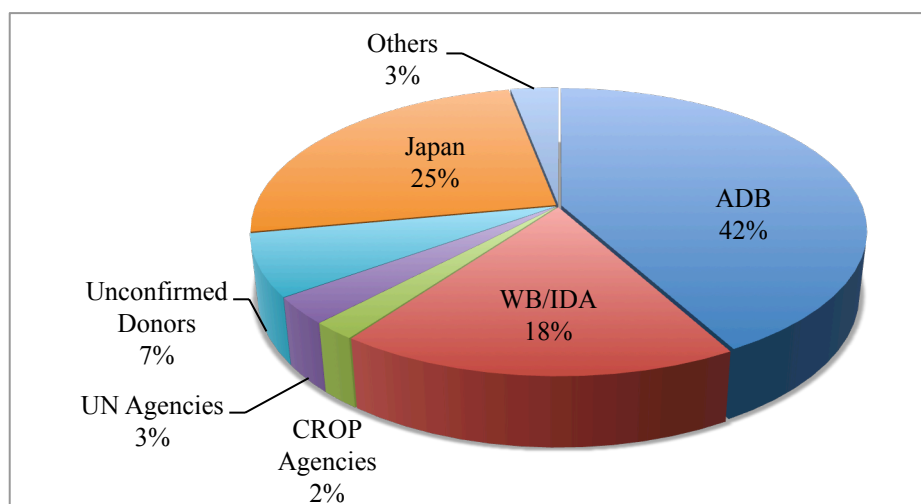


Figure 5.8: Main donor nations for infrastructure in Tonga 2016/2017. Source: Adapted from the Tonga Forum Meeting Presentation (July 2016). Ministry of Finance and National Planning

Participants confirmed that Japan focuses a great deal of interest on providing assistance for agriculture through supplying machinery via grassroots projects as an additional area of interest. The “request based” philosophy of Japanese assistance is very much the core

framework for both grassroots projects and general grant aid (MFAT Interview). Under this framework, the Government of Tonga had to complete a full set of proposals on the needs of the country. Japanese ODA was perceived as assistance to “reach a lot of people through building of primary schools, kindergarten and through scholarships and training” (MOI Interview). According to the former Minister of Finance, “Japan is a significant donor, especially with grassroots projects and infrastructure programs”. Disbursements of Japanese assistance were perceived as being shaped by the content of the proposal and how appropriately it applied to the existing framework set by Japan. The practice was found to be attractive, but some participants were concerned by the fact that the final decisions and selection are based on terms decided by Japan. Although it was not expressed as leverage for Tonga, Government participants affirmed that support for Japan at the UN and other international organizations were implied to have shaped Japanese ODA.

The figure below shows Japan’s ODA disbursement between 2010 and 2014

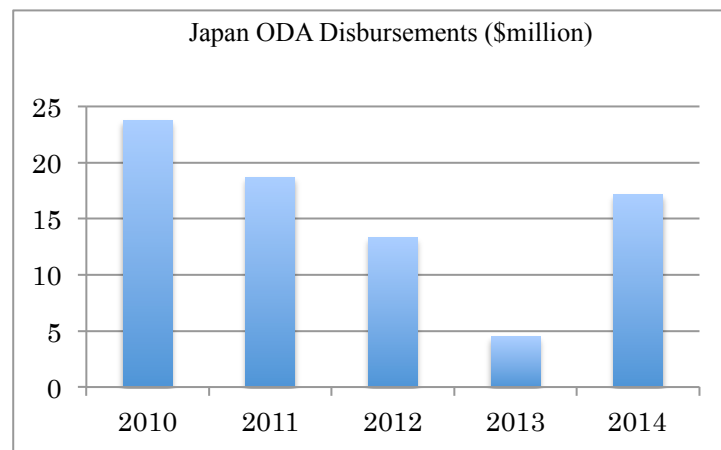


Figure 5.9: Japan’s ODA Disbursement. Source: Japan Ministry of Foreign Affairs (MOFA) based on data from OECD/DAC

From another point of view, an official from JICA Tonga expressed informally that Japan has much that it can support, but Tonga is not fully utilizing this opportunity (JICA Interview). One area that Tonga has yet to tap is its uniqueness as the only Kingdom in the Pacific, and especially their close relationship with the Imperial family. Based on the diagram above, the Government has not been consistent in exploiting the

aid available from Japan; in 2013, only \$5 million was disbursed compared to other years. The disbursement pattern here is observed not to be driven by either donor or recipient according to the processing flow diagram, but to actually be a new pattern with disbursement complementary to both sides. Although Japan is controlling the disbursement of aid, as is its usual practice, the availability of funds is not forced on the recipient with Japanese interests attached.

5.7.2 Summary Result for Japanese ODA

Lack of marketable natural resources was considered a weakness for Tonga in spite of the continuous availability of assistance, even with the “request based” model. The disbursement of these funds is based on the content of the proposal and on satisfying the rationale set by Japanese standards. As a result, leverage strategies for Tonga to be able to influence decision-making were non-existent as the country could not afford them and participants considered this situation to be natural. Thus the high dependency of Tonga on Japanese aid is explained as most of it satisfies Tonga’s infrastructure needs. At the same time, the influence brought through sport diplomacy and the close relationship of the two Royal families could be employed as leverage for Tonga to influence the provision of more aid from Japan’s aid pool resources.

5.7.3 Hypothesis Analysis Result

Priority

Japan focuses mostly on the development of infrastructure, which was observed as Tonga’s priority. Japanese aid was not political as it respects Japan’s “request based” model, but Tonga’s support of Japan in international organizations was implied. Out of the four hypotheses formulated under the “priority” variable, only Priority CPR Hypothesis 2 and Priority Gift Giving Hypothesis 4 were true. Similar to the result for Australia, the situation was observed through the donors’ forum meeting where the priority interests of the donors are matched with the priority needs of the recipient. Both Australia and Japan are members of the DAC where aid harmonization is emphasized under the Paris declaration. Priority Gift Giving Hypothesis 4 was observed to be true as the Government of Tonga could conduct requests for Japanese funds, but selection and approval are all decided by Japan. Priority Development Hypothesis 1 and Priority Schismogenesis Hypothesis 3 did not fit the situation in Tonga. Priority Development

Hypothesis 1 was not observed in the relationship as Japanese aid was observed to follow the request based model. Priority Schismogenesis Hypothesis 3 was not true as Japan heavily invests in infrastructure, which suits the priority needs of Tonga. Priority Gift Giving Hypothesis 4 supported that even when the priority interests of donors and the priority needs of the recipient do not match, the absence of reciprocity did not made Japan to shape the priorities of Tonga.

Disbursements

Japan is strongly guided by the “request based” model where disbursements are based on fulfilling the conditions defined by Japan. One of the conditions was solid content and appropriateness of any proposal. The three hypotheses designed for ‘disbursements’ were true in all respects between Tonga and Japan. Disbursement CPR Hypothesis 2 and Disbursement Gift Giving Hypothesis 4 were all found to be true in that the disbursement of aid funds is decided by Japan, but direct requests were also favorable. With infrastructure being the biggest sector for aid in Tonga and Japan being the biggest infrastructure donor, the reliance of Tonga on the success of the Japanese economy is shown to agree with Disbursement Development Hypothesis 1. Disbursement CPR Hypothesis 2 was also found to be true through the ability of Tonga to prolong the infrastructure related projects in order to encourage further disbursements. It is concluded that conditions are decided by Japan, but disbursement depends highly on the ability of Tonga to request appropriately according to the expectation of the request-based model.

Dependency

For Japanese aid, Tonga relies heavily on the infrastructure developments that Japan provides not only since Japan contribute the most to this sector but also trusted with its work ethics and quality. Following the strict procedures and complicated paperwork set by Japan also encourages the dependency mindset and inferiority as lack of capacity to understanding these procedures reflects incapability of government officials looking after aid. Amongst the four hypotheses for dependency, they were all found to be true: that Tonga depends highly on Japanese aid. Since Tonga could not afford its major infrastructure development, Tonga’s reliance on Japanese advance technology is considered natural. Dependency CPR Hypothesis 2 was found to be true in the case of

maintenance, as the ability to maintain the finished projects requires further assistance from Japan. Dependency Complementary Schismogenesis 3 was observed to be true for Japanese aid in Tonga as aid for infrastructure continues to increase year after year in spite of the low motivations observed with the Government of Tonga for requesting grants. Dependency CPR Hypothesis 2 was observed to be true as disbursement of Japanese aid is entirely dependent upon full completion of aid request requirements from the Tongan Government. It is concluded that reliance on Japanese aid is considered natural as Japan assists in the areas most greatly needed by Tonga.

Leverage

The use of leverage was not found to be much of a practice in Tonga, except for a few cases that were noted by participants and from observations. The long-standing relationship between the Royal family of Tonga and the Imperial family of Japan and their establishments was observed as leverage, although it has not utilized. However, maintaining a good relationship between Tonga and Japan contributed to successful disbursements. According to the four hypotheses considered for 'leverage,' none was found to be true in regards to Tonga's leverage of Japanese aid. Leverage Gift Giving Hypothesis 4 was not true as Japanese aid was not found to be political in character and although reciprocity from Tonga was not observed. On the other hand, Leverage Symmetrical Schismogenesis 3 was not observed since the infrastructure support from Japan satisfies the development needs of Tonga and therefore prevents Tonga from behaving optimistically. Leverage CPR Hypothesis 2 did not agree with the relationship since disbursements of Japanese aid depended on the requests from the Tongan government. Leverage Priority Hypothesis 1 was also not true, as Tonga was never observed as a inferior to Japan, although the relationship and operation between the two countries are not affected by the absence of reciprocity. Since none of the hypotheses for the leverage variable was found to be true in the relationship, it is concluded that Tonga has strong leverage to influence disbursements of Japanese aid although the absence of reciprocity is noted argued balance the relationships.

Table 5.5: *Hypothesis Analysis Result between Japan and Tonga*

Japan	Priority	true for (H2, H4), false (H1, H3)
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	Disbursement	all true
	Dependency	all true
	Leverage	none true

5.8 China

5.8.1 Background

Tonga and the People's Republic of China (PRC) officially established diplomatic relations in 1998. This new beginning obligated Tonga to accept the "One China Policy", thus ending Tonga's 26-year relationship with the Republic of China (Taiwan). In 2001, the number of Chinese in Tonga was recorded as exceeding 3000, or 3% of the entire population. This number shrank in 2006, after the public demonstration that ended up destroying major areas of Nuku'alofa and many Chinese-owned shops. Tonga secured two major loans from the PRC for the recovery of Nuku'alofa; the first one was for T\$119.3 million for reconstruction and the second one was for T\$84.2 million for improvement of the roads in Tongatapu (ADB Analysis 2013). These loans increased Tonga's public debt to more than 40% of GDP, of which 90% is held by China (IMF Analysis 2013). In terms of human resources development, more than 24 scholarships are awarded to Tongan students every year for study in China. On December 22, 2016, the first Tonga-China Student Alumni Association was launched. It was reported that more than 170 Tongan students have been awarded a Chinese Government scholarship (Tonga Broadcasting Commission). On the occasion of launching the alumni association, the Chinese Embassy donated T\$100,000 (US\$50,000) to the association to help with their activities. Additionally, more than 60 Tongan officials are invited for training and other related purposes every year. In terms of aid, China prioritizes governance and the social sector, which historically were dominated by New Zealand and Australia. The current Chinese project is the construction of the St. George Office complex for the Government's executive ministries.

*The figure below shows the percentage of contribution from donor nations to the central agencies of
Tonga*

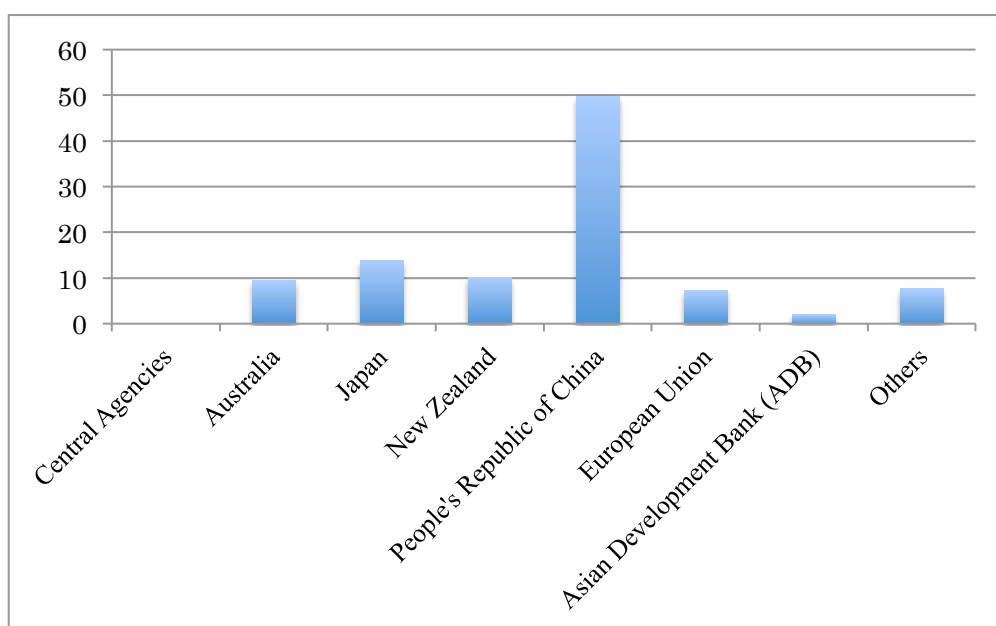


Figure 5.10: Donor's aid for Central Agencies (2016/2017)

Source: Adapted from the Tonga Forum Meeting Presentation (July 2016). Ministry of Finance and National Planning

The figure below shows the contribution of donors to the social sector

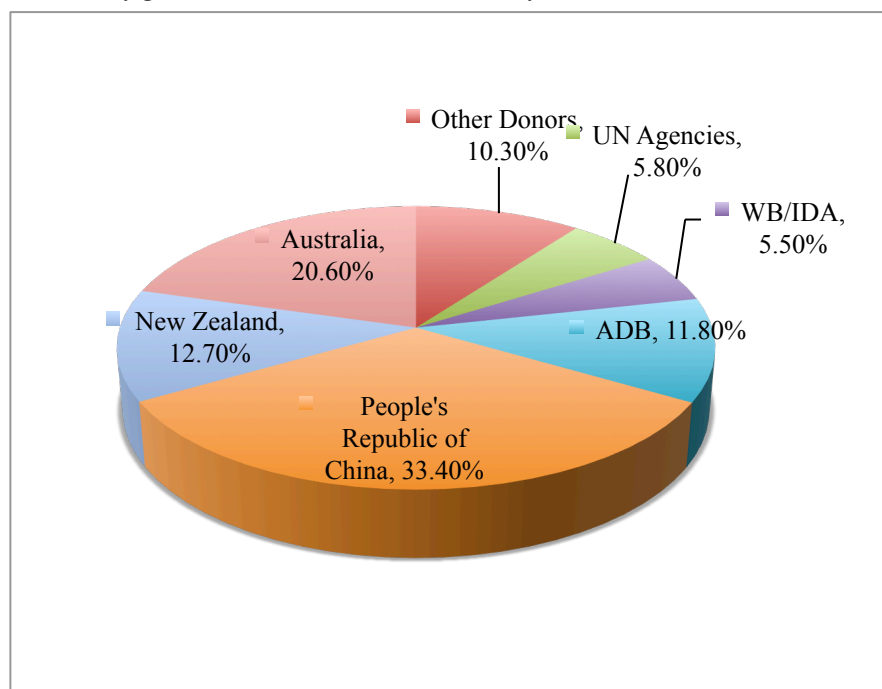


Figure 5.11: Development Partners for Social Sector (2016/2017)

Source: Adapted from the Tonga Forum Meeting Presentation (July 2016). Ministry of Finance and National Planning

Motivation

All Government officials confirmed that Chinese aid is based on a political rationale. The domination of Chinese aid in both the central agencies and the social sector is explained by China's strong interest in politics, trade, infrastructure, technical cooperation, healthcare, education, agriculture, fishing, commerce, tourism and culture. Due to the breadth of Chinese interests, Government officials found Chinese aid to be the most convenient for fulfilling their development needs. One view is shared below:

The advantage of Chinese aid is the flexibility of criteria compared to others. Like building the St. George Complex, the grant is provided by China but we will own the building. We are also allowed to making supervision and not a lot of paper work required. We gave them a proposal of what we would like the house to look like and they did it for us. For the first time, the plan was designed by us (MFAT Interview).

This example adds on to the pattern seen in Japanese aid where disbursements are not driven by either recipient or donor, but both assistance and needs are met. In addition, the processing conditions were not demanding, and for the first time Tonga was able to influence the design. Participants affirmed that Chinese aid seems to understand Tonga's lack of capacity and her development needs, allowing major projects such as St. George to be approved with fewer complications. The diagram below illustrates China as providing the biggest share of actual ODA to Tonga in the last 5 years.

The figure below shows the percentage of total ODA given to Tonga from major donors for the last 5 years.

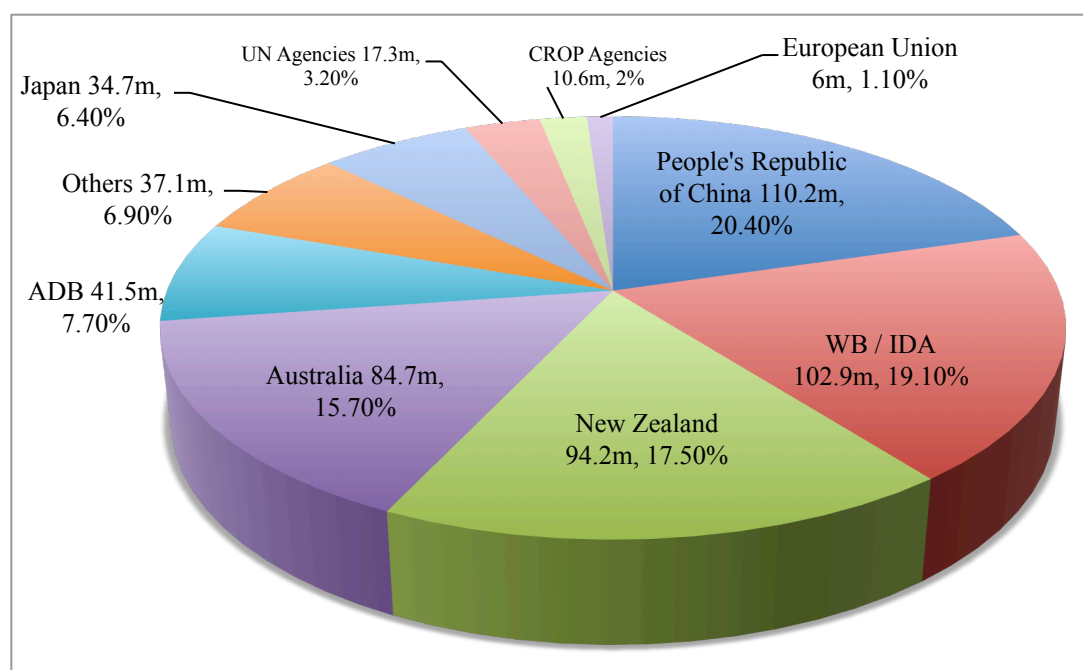


Figure 5.12: Total “actual” ODA from Donors for the past 5 years (2010 – 2015). Source: Adapted from the Tonga Forum Meeting Presentation (July 2016). Ministry of Finance and National Planning

When asking about the Chinese method for disbursements, participants affirmed that the Chinese operate based on human relations and decisions are made even with “verbal conversation at ministerial level” (PAMD 1 Interview). As simple as it sounds, exchanging interests through conversation finalizes the schedule for signing the Technical Agreement and Disbursement. Same participants confirmed “all requests from the MFNP to China all go and accepted. No triggers prior to aid disbursements are an advantage”. A complementary relationship is observed with Chinese aid, but the disadvantages brought up concerned collaborations with local contractors and the transfer of technology. Participants admitted that although processing Chinese aid is the most flexible amongst the donor countries, after the approval of the project, everything for completing the project is sent from China. In this case, leverage for Tonga to be able to influence this aid practice is non-existent, which explains Tonga’s high dependency on the sectors that China covers with its ODA.

5.8.2 Summary Result for Chinese ODA

The concentration of Chinese aid on the central agencies and social sector is observed as a new phenomenon as these sectors had once been the strategic areas for Australia

and New Zealand. As a result, these sectors illustrate China's new focus and requests from the Executive Ministry of Finance and National Planning are almost never rejected. Since Chinese aid values human relations, China's interest in influencing the social sector and governance of the country was noted. Disbursement was based on mutual benefit from both sides, and conditions were considered mild compared to those of other donors. Nevertheless, Tonga was inferior in the conditions set by China as China offers to provide assistance when others will not agree.

5.8.3 Hypothesis analysis result between Tonga and China

Priorities

Although China covers areas related to infrastructure as well, her priorities overlap with the Australian aid pattern by concentrating on the social sector and the central agencies. Observing the four hypotheses designed for the "priority" variable, none of them were found to be true with the aid Priority approaches of Chinese aid in Tonga. Priority Development Hypothesis 1 was not true as Chinese aid was found to accept all aid requests from Tonga. Priority CPR Hypothesis 2 was also not true as Chinese aid is not part of the traditional aid managed by the DAC. Priority Schismogenesis Hypothesis 3 was not true as disbursements of Chinese aid were based on requests from the Government of Tonga. Priority Gift Giving Hypothesis 4 was also not true since Chinese aid was confirmed to be political; therefore reciprocity is expected in return for satisfying Tonga's priority needs. The result also finds that Chinese aid recognizes Tonga's priorities as reciprocity.

Disbursements

Regarding Chinese aid, disbursement was not much of an issue for Tonga, as requests from the Ministry of Finance and National Planning are never rejected. There are conditions attached to the disbursements, but these conditions are considered mild compared to the requirements of other donors. The three hypotheses proposed for "disbursements" were all found to be true in regard to Chinese aid in Tonga. Disbursement Development Hypothesis 1 was supported in that the Chinese style of ODA giving follows China's own experience as a developing country. The success experienced by China is expected to contribute to the development of currently developing countries. Disbursement CPR Hypothesis 2 was found to be true when aid

funds were returned back to China after the timeframe expired due to issues concerning the land that had not been settled by the Tongan Government. Disbursement Gift Giving Hypothesis 4 was supported through the approval of any aid requested directly by Tonga's executive ministry, even through the informal conversations of ministers. It is concluded that Chinese disbursements are facilitated using China's experience as a developing country and through the personal connections with Tongan politicians.

Dependency

Reliance on Chinese aid was observed as natural since China never rejects a request from the Tongan Government. The four hypotheses projected under "dependency" were all found to be true. Development Hypothesis 2 was true as Tonga is found to be relying heavily on Chinese aid, especially for education, the social sector and infrastructure. Dependency CPR Hypothesis 2 was also supported not only through the returning of funds due to implementation failure, but also through tied aid where workers and materials are sent from China instead of using local resources. Dependency Complementary Schismogenesis 3 was found to be true, as Chinese aid has been proven to be available whenever requested, although most aid is provided as loans. Dependency Gift Giving Hypothesis 4 was also found to be true as Tonga relies heavily on Chinese aid, especially when other donors reject Tonga's requests. It is concluded that dependency on Chinese aid is perceived to be a natural phenomenon.

Leverage

The close relationships observed between Tongan politicians and Chinese decision makers are considered as leverage. Chinese Ambassador in Tonga is observed to approve aid requests from Tonga even through informal conversations with influential Politicians. Among the four-hypotheses set for "leverage," three hypotheses were not true and only one agreed. Leverage CPR Hypothesis 2 was true as Chinese aid was highly regarded by participants as flexible. Leverage Symmetrical Schismogenesis 3 was not true as Chinese aid is motivated by the mutual benefit of both parties. Leverage Gift Hypothesis 4 was also not true as Tonga was observed to reciprocate Chinese aid by supporting political interests of China. Leverage Priority Development Hypothesis 1 was also not true as the aid relationships were observed to be operating due to the presence of reciprocity from Tonga, making Tonga a donor for China. It is concluded

that since the majority of the hypotheses proposed was not true, Chinese aid expects political influence and reciprocity was considered as leverage for Tonga.

Table 5.5: *Hypothesis Analysis Result between China and Tonga*

China	Priority	None true
	Disbursement	all true
	Dependency	all true
	Leverage	True for Leverage CPR, the rest not true

5.9 General Discussion

Priority

Out of the four hypotheses proposed under the priority concept, all were found to be true with Australia, two out of four were true with Japan and none was true with China's aid. The priority concept suggests that during the process of matching priorities, China tends to listen more to the priority needs proposed by Tonga. Australia's approach could be interpreted as the opposite to that of China, and Japan falls in the middle. The application of the four theories to each combination is summarized below.

Australia: Australia's approach to ODA is framed by her foreign policy. By observing the four hypotheses under the priority concept, all were found to be true with Australia's aid regime to Tonga. Australia's approach agrees with the development theory that the interests of the donor shape the priorities of the recipient countries. This approach also held true with Common Pool Resources theory as Australia benefits from sharing the burden of ODA in Tonga. Australian aid is confirmed as Priority Schismogenesis, Dependency Schismogenesis and Leverage Schismogenesis with its relationship with Tonga. As a result, the Gift-giving theory recognizes Australia to be superior and Tonga to be inferior in the relationship as Tonga due to weak leverage to reciprocate Australian aid.

Japan: Japanese ODA is known to prioritize Japan's international reputation as a responsible donor, and with this approach it was found that out of the four priority hypotheses, two were found to be true. Common Pool Resources theory agreed that Japan shares the burden of Tonga's development with other donors through the donors'

forum in matching priorities. Gift-giving theory also applies to Japanese practice as Tonga was observed to be inferior as Japan focuses on supplying Tonga's greatest need for infrastructure development. In addition, Tonga's inability to reciprocate Japan's aid is observed to have contributed to the superior and inferior relationship. On the other hand, Priority development theory did not agree with Japanese priority practices in Tonga as Japan does not shape Tonga's priorities.

China: Since Chinese ODA is overtly political in character, none of the priority hypotheses were true in regard to China's practices in Tonga. The assumptions proposed under the four priority hypotheses did not coincide with China's approaches. This result implies that Chinese aid does not shape Tonga's priorities nor does it share in the burden of ODA as a non-traditional donor. Chinese practices were found to be a Dependency Schismogenesis as Tonga rely heavily on Chinese aid.

Disbursement

As appears in the result of each donor's approaches to disbursement, all the hypotheses designed were true for Australia, Japan and China as donors. This result implies that aid disbursements are facilitated according to the priorities set by each donor country. Since Australian aid is framed by Australia's foreign policy, aid disbursements follow Australia's terms and conditions accordingly. Chinese aid on the other hand clearly shows to Tonga that its aid is political by approving all requests from the Government. Disbursements of Japanese aid being in the middle take a balancing role between Australia and China. Among the hypothesis derived from the four theories selected for the study, Schismogenesis was not recognized as an element for disbursement. As Schismogenesis involves differences of two parties, this result supports that disbursement is facilitated in one side only.

Dependency

The result illustrated that all the hypotheses setup for the dependency concept in Tonga were found to be true with all the donors. It implies that the role of the donors to give aid and of Tonga to rely on aid was natural and expected. According to the Schismogenesis theory, both Japan and Chinese aid practices were confirmed to be a

Dependency Schismogenesis as Tonga heavily relies on their infrastructure assistance.

Leverage

One of the main types of leverage used by Tonga for articulating its needs is the Tonga Strategic Development Framework (TSDF). This strategic document not only relates Tonga's priorities in a framework, it also links them to each donor's interests and global priority agendas. Despite the limited number of skilled workers in negotiations, the long experience of negotiation officers was found to be a key tool for the increase in disbursements for Tonga. The result illustrates that all of four hypotheses outlined for the leverage concept was true with Australia. None of the hypotheses was found to be true with Japan's practices, while three were true with China. Since the leverage concept indicates negotiation power, Tonga's leverage is comprehended as being greater with Japanese and Chinese aid. Tonga's leverage with Australian is very weak. The leverage concept highlights the value of reciprocity whereas none was found with Australian aid, and appeared the most with Japan and China. Out of the four selected theories, the development theory did not concern the leverage concept. This fact can be explained that since leverage is observed as a stage where the recipient influences the disbursement, it is interpreted as a stage where the recipient becomes a donor. An increase in leverage could be interpreted as a one step forward towards balanced relationship of development.

5.10 Afterthought Summary

Based on the result and discussions above, the answers for the research questions about the approaches of donor nations to ODA are discussed. As illustrated on the table below, the result for the concepts of Disbursement and Dependency are perceived to be common to all the donor nations of the study. Tonga perceives that Disbursement is controlled by donor nations and at the same time heavily depends on availability of ODA. However, the concept of Priority and Leverage defines the uniqueness in their approaches to ODA. The result for Australia is observed to follow a different approach to those of Japan and China. In order to take a birds' view of this outcome, comparing the result with the other two case study is relevant for better understanding.

Table 5.6: *Combined Hypothesis Analysis Result in Tonga*

Donors	Concepts	Findings from Tonga
Australia	Priority	all true
	Disbursement	all true
	Dependency	all true
	Leverage	all true
France	Priority	No Data
	Disbursement	
	Dependency	
	Leverage	
Japan	Priority	true (Common Pool Resources H2, Gift Giving H4), false (Schismogenesis H3, Development H1)
	Disbursement	all true
	Dependency	all true
	Leverage	none true
China	Priority	none true
	Disbursement	all true
	Dependency	all true
	Leverage	true for Leverage Common Pool Resources, the rest all false

CHAPTER 6

Perspectives from Kiribati

6.1 Introduction

This chapter analyzes the answers for the research questions from the perspective of Kiribati. The first section will outline key features of the country, followed by a brief clarification of the stakeholders selected for the study. The result is presented by exploring the variables of priority, disbursement, dependency and leverage. Discussion of the selected theories is also available in the discussion section.

6.2 Background

Prior to the first European contact in the 16th century, “Tungaru” was the indigenous name for the Republic of Kiribati (Kiribati) belonging to the Micronesian group. The British, led by Captain Thomas Gilbert, found Kiribati in 1788 and visited again in the year 1800, and thus the name the “Gilbert Islands” was given to the western group of atolls. The name Kiribati (pronounced Kiri-bas) was the local pronunciation of “Gilbert.” The first Christian missionaries who entered in 1850 have contributed to the culture of modern Kiribati. Kiribati consists of the Gilbert Islands (16 atolls), the Phoenix Islands (8 atolls), the Line Islands (8 atolls) and Banaba (formerly known as Ocean Island). Banaba is the only true island; however, its residents were forced to vacate in the 1940s due to phosphate mining. Banabans now hold Fijian citizenship, but still own land in Banaba. After relocating to their new home in Rabi (Fiji), their island was made part of Kiribati. Kiritimati (Christmas) Island is the world’s largest atoll, and is found in the Line group. Although Kiribati’s total land area is recorded at 811 square kilometers, Kiribati’s maritime boundaries are more than 3.5 million sq. km. The distance from the eastern end to the western end of the country extends more than 5000 kilometers, and about 1,500 kilometers from north to south.

The three groups of islands became a British colony in 1916, although most of the islands in the Gilbert group were occupied by Japan during World War II. The occupation by the Japanese led to the bloody battle of Tarawa in 1943. Kiribati gained independence on July 12, 1979, and had a population of 60,000 at that time compared

with the 103,058 count of the 2010 national census¹¹. Among these atolls, a few islands in the Line and Phoenix areas are still owned by the United States. These atolls are located in some of the areas, which the United States and the United Kingdom used for the nuclear testing of weapons in the 1950s and 1960s.

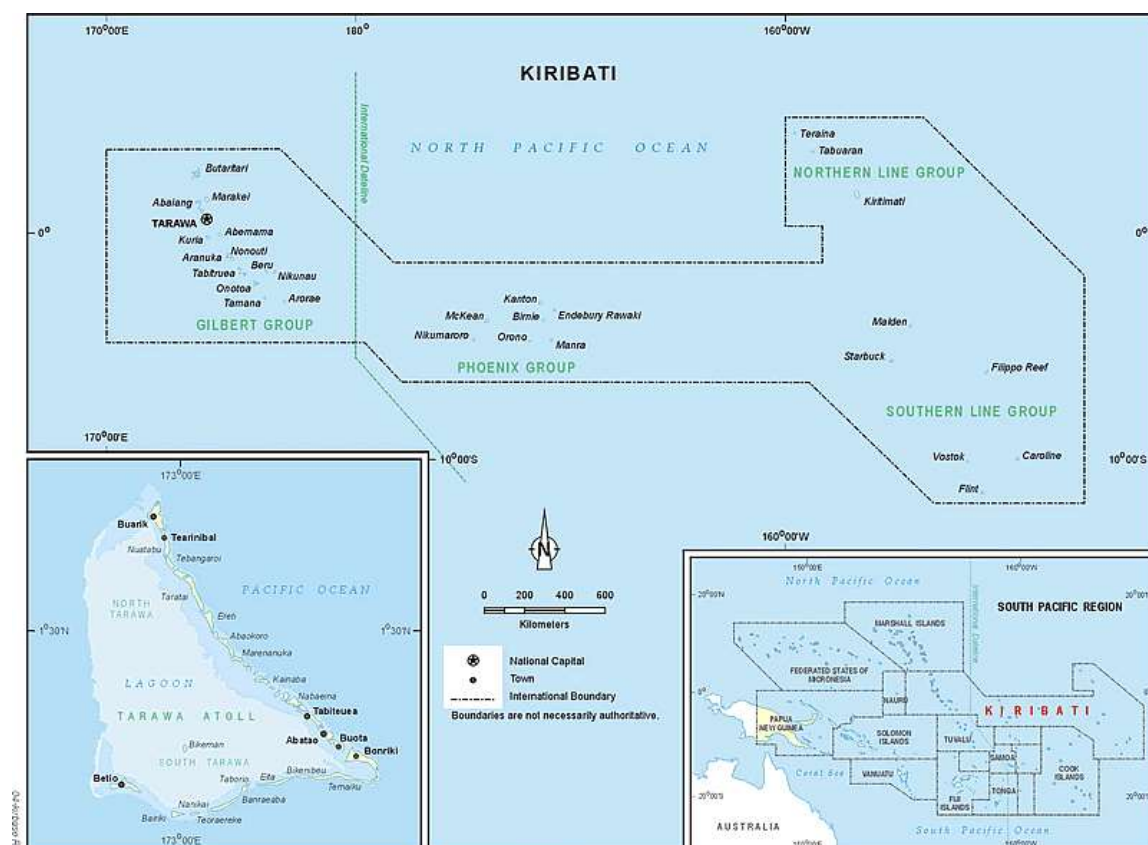


Figure 6.1: Map of Kiribati

Source: Kiribati Development Plan 2016 – 2019 (Government of Kiribati)

6.2.1 Issues

Due to the atoll nature of the islands, which have an average maximum elevation of less than two meters, Kiribati is vulnerable to climate change, especially to rising sea levels. Natural resources, including water, are scarce, and people rely on the ocean for living.

¹¹ Kiribati. Ministry of Finance. National Statistics Office. *Report on the Kiribati 2010 Census of Population and Housing*. Vol. 1. Bairiki, Tarawa, Kiribati: National Statistics Office, 2012.

http://www.mfed.gov.ki/sites/default/files/Census-Report-2010-Volume-1_3.pdf.

The Kiribati Development Plan (KDP) 2016 – 2019 highlights the issue of water pollution caused by over population in the capital island of Tarawa in addition to the long term challenges of climate change to life in atolls. As a result, Kiribati is still a member of the Least Developed Countries (LDC)¹² and is currently in the process of submitting an application for an upgrade to the status of Developing country in 2021. According to the 2010 census, the unemployment rate stood at 31% in total, with youth unemployment of rate of 54%. According to the 2016 – 2019 Kiribati Development Plan, six priority areas are outlined, linked not only internally, but also externally to international agendas such as the Sustainable Development Goals (SDGs) from the United Nation (UN). Priority areas identified in the KDP focus on 1) human resources development, 2) economic growth and poverty reduction, 3) health, 4) environment, 5) governance, and 6) infrastructure.

6.2.2 Economic indicators

According to the 2015 IMF Economic Outlook, Kiribati is the poorest country in the Pacific and 15th poorest country in the world in terms of GDP, with a per capita GDP of \$1,601. Nevertheless, statistics provided by Kiribati show that Kiribati has run a budget surplus¹³ between 2013 to 2015 with \$21.2 million, \$67.6 million and \$117.2 million respectively. Since 2014, the El Niño effect has brought warmer waters to the Pacific, leading to an increase in catches of tuna as well as other fishing activities. The introduction of the Vessel Day Scheme (VDS) and fishing licenses contributed \$58.3 million to the budget in 2012, \$89 million in 2013, \$141.6 million in 2014, and \$756.3 million in 2015 (KDP 2016-2019). In addition, the sovereign wealth of Kiribati is the highest in the Pacific, with \$756.3 million as of 2015 accumulated from the phosphate mining of Banaba. Export is limited to a narrow range of commodities, such as fish and coconut, which earns about \$6.8 million annually, compared to the import of foodstuffs worth \$103.3 million in 2013 (KDP 2016-2019). Official Development Assistance (ODA) was recorded at \$135.7 million in 2014, not including Kiribati's first fund of \$10.4 million as budget support.

¹² United Nation Committee for Development Policy: Available at the link below:
http://www.un.org/en/development/desa/policy/cdp/cdp_news_archive/2015-cdp-plen-pre-6a.pdf

¹³ Kiribati Development Plan 2016 – 2019 (Government of Kiribati).

6.2.3 Political Outline

The Republic of Kiribati operates with a unicameral legislature where the President serves both as the head of state and head of government. The President is selected through a national election held once every four years and based on nominations from members of the parliament. The cabinet consists of the President, Vice President, the Attorney General and eight other ministers designated by the President. The parliament has 44 members plus one member from the Banaba community in Rabi, Fiji elected for a four-year term. His Excellency Mr. Taneti Maamau won the 2016 presidential election and is now serving his first term in office following the 12-year term of Mr. Anote Tong.

6.3 Stakeholders

The government stakeholders for the study were selected from the Ministry of Foreign Affairs and Immigration (MFAI), the Ministry of Finance and Economic Development (MFED) and National Economic and Planning Office, which directly influence decision-making regarding aid in the government. Additional data was also gathered from Think Tank and NGO. Presenting the findings by exploring the key variables of priority, disbursements, dependency and leverage, the perceptions of Kiribati are further subdivided into the main activities that shaped the experiences of the participants.

6.4 Findings

The research result regarding the participants' respective perceptions of aid from Australia, Japan and China is outlined below. Since diplomatic relations between France and Kiribati were suspended in 1995 as a protest against nuclear weapon testing in the region¹⁴, information about aid from France was not found. As a result, France was removed from this chapter.

6.4.1 ODA is inevitable

All participants in the study strongly acknowledged with expressions of appreciation the necessity of ODA to the development of Kiribati. ODA fulfills the needs of developing countries by making up for lacks in the development of both goods and services,

¹⁴ BBC 2011 (Retrieved January 30, 2017 from: http://news.bbc.co.uk/2/hi/asia-pacific/country_profiles/2944816.stm)

including technology, needed by each country. The lacks expressed here are listed and presented to donor countries by the government of Kiribati as their priorities. According to the former Secretary of Foreign Affairs and Immigration;

Reality of Kiribati is very different from other Pacific Island countries, which don't have anything else, but "fish." That's a unique thing for us. How can we survive as a nation? How can we increase economic return? How can we develop? These are questions we keep asking ourselves. My experience at Foreign Affairs has been very critical to me in terms of understanding how important the donors are. They came and gave us program with an approach stating what is good for Kiribati. They have done the assessment, research etc. They explained what they have discovered as our problems and we appreciated, as we want people to be proactive and add solutions to the problems (MFAI interview).

The report from the United Nation Committee for Development Policy¹⁵ also confirmed the significant role of ODA to the economy of Kiribati. Recently, ODA finances around 40% of the central government's expenditures and this proportion reached 50% in 2014. Average ODA flow is estimated at \$41 million a year between 2008 and 2012, and shows the heavy reliance of Kiribati on aid. The 2016-2019 Kiribati Development Plan (KDP) is the current strategy document prepared to outline its priorities. In response, donor countries match these priority needs with their priority interests prior to disbursing funds allocated as ODA.

6.4.2 Fishing License as Leverage

As mentioned above, the Kiribati economy has been funded by a dramatic increase in the sales of fishing licenses resulting from the effect of El Niño. According to the Meteorology Department of Australia, the term El Niño refers to warming of the surface of the central and equatorial Pacific (Figure 6.2).

¹⁵ United Nation Committee for Development Policy. Retrieved February 4, 2017 from: http://www.un.org/en/development/desa/policy/cdp/cdp_news_archive/2015-cdp-plen-pre-6a.pdf

The shaded area on the figure below shows the warm area in the central pacific during El Nino. Tuna are found to migrate to this area at this time of the year where Kiribati is located.



Figure 6.2: Warming area in the Central Pacific during El Niño

Source: Bureau of Meteorology (Australian Government)¹⁶

The region colored red on the map above shows the warm area of water in common in both Papua New Guinea (PNG) and Kiribati even in neutral state. According to Australian Meteorology, the change in surface warming occurs in a cycle known as the “El Niño Southern Oscillation” (ENSO) where the ocean temperature becomes warmer than usual or cooler than usual in the Pacific. While ENSO attracted a lot of attention due to its consequences of a rising sea level and drought, which impacted livelihoods in the atolls, although the increase in fish stock has brought an economic boom to Kiribati. The consequences of El Niño weather caused tuna to migrate from their usual home in PNG eastward towards Kiribati. This shift also attracted countries with interests in the fish, which contributed to the recent economic surplus and growth of Kiribati.

Experiences related to the ENSO were collected from participants. The European Union (EU) was revealed to contribute the most in developing Kiribati’s capacity and provided training and skills to manage the fish stock as common pool resources not only in Kiribati but also in the Pacific Islands. The differences in interests between the EU and Kiribati appears in many articles being written about the EU issuing yellow and red

¹⁶ Available at: <http://www.bom.gov.au/climate/enso/history/ln-2010-12/ENSO-what.shtml>

cards to Pacific Island Countries (PICs) who do not abide by the EU rules and regulations.¹⁷ The participant from the Foreign Affairs Ministry shared her experience below:

The biggest fishing partner was the EU but since they did not get a good deal in buying days from Kiribati, they withdrew despite the fact that they spend so much on building our capacities in fisheries. In the end is all about politics. An article came around with EU says that Kiribati and PNG will get yellow card in fisheries. That is a political tactic to getting us to say yes to the deal but we actually closed them down. Kiribati is a member of the Pacific Parties to the Nauru Agreement (PNA). PNA requires the members on a formula for setting fees but for Kiribati, we like to raise our price because fish is the only thing we have. Last year, we saw a return in fishery benefit close to 200 million dollars a year. We never had that big return. Usually around 25 million dollars from selling fishing licenses and we changed our negotiation strategies and this is outcome. We believe this is the way to go about business because we are the resource owners, we want to have the maximum, not bargained something we have the full ownership of. They are migratory free species but the fish come to Kiribati during El Niño seasons. This is the time we get the best return in fisheries (Consultant Interview)

The response above highlights the donor shaping the priorities of the recipient through capacity building and controlling of the fish resources. It also shows Kiribati being in control of negotiations and the fish pool becoming leverage. It was revealed that the current formula for PNA members uses the Vessel Day Scheme (VDS) where every fishing vessels would pay USD\$6,000 per day with maximum of around 100 days per year. This formula was a new change from the traditional formula of each vessel, paying USD\$2 million for an annual license to fish. The traditional method did not favor Kiribati and the PNA as it encouraged over-fishing and risking the fish stock. In addition, this method was interpreted by Kiribati as the PNA only supplying fish as raw materials with related jobs being given to others. “What they do, is they take the fish from Kiribati and give out jobs to people in their countries in their canneries. We are suppliers of raw materials and they sell the tuna cans back to us” (MFAI Interview).

¹⁷ www.spc.int/DigitalLibrary/Doc/FAME/InfoBull/.../FishNews148_34_Blaha.pdf
<http://www.radionz.co.nz/international/pacific-news/302104/kiribati-yellow-carded-over-fishing-practice>
[S](#)

Disagreements over the license fee were also observed, as Kiribati wanted to charge more than other members of the PNA. “This is our only income and why are we charging the same price with Cook Islands for example who do not have our fish? Within the PNA, Kiribati breaks out to raise our price to \$10,000 USD. This was when the US and the EU pulled out” (MFAI Interview).

When asked about the responses from other countries with interests in the fish, Japan was revealed to be unhappy, saying it was too expensive.

I explained that this is our only resource and this is our only means for our economy to survive. We can never get out on depending on partners if we cannot stand on our own with our own resources. We increased the PNA standard fee of \$6,000 to \$8,000 and then we moved it up to \$9000 again when we wanted to be on our own. Currently, we are charging US\$10,000 per day. Korea is happy with this and they are paying it... EU released an article saying Kiribati is getting yellow card because they write the rules. They are now raising a new argument for two formulas. 1. VDS formula per day and 2. the old way (tonnage) where you can fish up to a decided tonnage and then stop. We cannot monitor this as our EEZ is huge and we will lose out. We prefer VDS but EU are not in favor saying it is not conservational. This is their way of trying to get back to Kiribati because this is where the fish is. (MFAI Interview).

Collin Packham¹⁸ (reuters.com) on December 3, 2015, confirmed that Kiribati is now selling access to fishing for \$15,000 a day, which has contributed to the surplus balance Kiribati has maintained since 2014. The experience above illustrates that Kiribati is able to lead the conversation using VDS as leverage. The rationale for increasing the fees was explained to be an attempt toward self-reliance through strengthening the economy. It could also be argued that Kiribati’s assertiveness could have been influenced by the possible disappearance of Kiribati due to the rising of sea level, which has been widely discussed. During the interview, it was revealed that Kiribati currently is involved in a joint venture with a Chinese company and that a fish-processing factory is under construction. It is assumed that this venture would contribute to the livelihood of

¹⁸ <http://www.reuters.com/article/climatechange-el-nino-tuna-idUSL4N11N2V020151203>

citizens by providing jobs to reduce the unemployment rate in the country.

6.4.3 Processing Cycle and Donor Coordination

Discussion of the idea of donor coordination existed in Kiribati even in the 1970s during the time when Western allies, including Australia, were trying to erase the influence of the former Soviet Union (Russia). The Think Tank participant shared his experience as he was a member of the government at the time. He explained that Kiribati used Russia as leverage for their own interests as they were writing their foreign policy position paper. Aid donors had gathered to hear Kiribati's priorities, and although it is the practice now in the Pacific, the participant shared that it was a worry that the donors might join forces against them.

The diagram below illustrates the cycle of how requests are submitted from various ministries to the Development Coordinating Committee (DCC) which is comprised of the Secretaries from each of the Ministries and chaired by the Secretary to Cabinet. Projects costing more \$50,000, including large projects, are required to pass through this process for recommendation to the Cabinet.

The figure below shows the flow of documents to government offices who are directly involved with aid transactions.

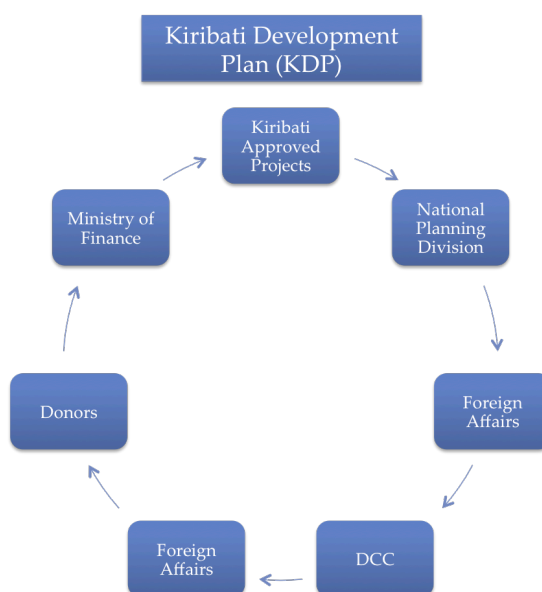


Figure 6.3: Kiribati Aid Processing Flow

In general, the Kiribati government presents their needs to donors through the Ministry of Foreign Affairs and Immigration (MFAI) after approval by the DCC (MFAI Interview). The interview with the Ministry of Finance and Economic Development (MFED) elaborated on this further:

When a project is approved but has no funding, national planning division of the MFED writes a request to foreign affairs to locate an appropriate donor. In that way, we have a number of donors where we know their priorities and that are where we tab those funding. From National Planning and Finance, after receiving the recommendation from DCC, we do a Cabinet paper on that regarding the recommendations from DCC on the project. Once they are approved, we then forward it to the Foreign Affairs to be forwarded to donors (MFED Interview)

The explanation above illustrates that donors control disbursements and that government priorities are based on requests from various ministries. It was also noted that not all projects match with donor priorities and in this case, the Kiribati government had to rewrite their proposals to suit the standards set by donors according to the flow diagram. One interviewee shared her experience below:

From my experience, some donors agree to assist projects but sometimes the objectives of the project does not agree with the priorities of the donors. In that way, we have to adjust some of the objectives. Sometimes the donor says, this is what I want but for us we say, but this is what we want. Then they have a due date for disbursement of those funds and that's when we have issues in negotiations (NEPO Interview).

This answer verifies that when interests do not intersect, donors remain firm while Kiribati adjusts its priorities to match those of the donors for disbursement. The issue of a “due date” for disbursement was highlighted, showing the strong influence of donors on decision-making. This response also emphasized that donors have their own areas of interest despite the requests received from the recipient. The interview with the MFED agreed by saying that “donors have their own interest niche that they would like to focus on” which may not necessarily meet with needs of recipients. The Foreign Affairs

interview supported this argument by referring to the UNICEF fund that built water basins at all the schools in Kiribati in 2007. “They ticked their list and left the project without running water. I raised that to the UN when they came, that this project was like forcing a horse to a well with no water. We are surrounded by a lot of water but no clean water” (MFAI Interview). The strong influence of donors in shaping the priorities of the recipients is observed even through the processing flow through the effect of disbursement deadlines. Other than controlling the processing flow and the priorities of recipients, local staffs were found to be stretched in many directions by other conditions as required by each donor country. The same participant elaborated further as follows:

I was working with education and labor before and all development partners wanted to do everything and often times they wanted to do the same thing. We are just a little nation with poor system and low capacities and we also have the challenges in managing these projects, and the owner wants to task you what to do and with whom and everything (Consultant Interview).

The explanation reveals the small capacity of the government for handling these projects. It also explains how the situation disallows Kiribati to initiate its own proposals without being framed by various interests. The next section shares other examples of going through different processes.

6.4.4 Tool of External Pressure

In regards to donor coordination and leverage as discussed above, the Think Tank participant shared an experience relevant to the understanding of Kiribati’s behavior and motivations. The strong influence of the former Soviet Union (see literature review) was viewed as a threat to the US and Australia, but also an opportunity for others, including Kiribati.

The Soviet Union deal was the thing that really made us strong. On our independence settlement with the British in 1979, they were going to give several millions a year to balance our budget as part of the settlement. At the time, the Kiribati government signed a deal with the Soviet Union. They said to Britain, hold on to your money, as we don’t need it now. We can generate our own money but its good even if it’s a small amount. It does a lot to the

national psyche, if there is something like that. Kiribati said, it gives the leader confidence to say that we can deal with our own but the UK kept on talking about the Russian bear and scaring us.¹⁹ (Think Tank Interview)

The information shared here contributes to the concept of leverage as well as dependency. The idea of receiving funds in order to run a system introduced by a counterpart was considered natural. External pressure is observed not only to provide another alternative, but also as leverage for obtaining more aid funds. These issues are further discussed by observing the practices of each donor country and especially the interpretations of those practices from the perspective of Kiribati.

6.5 Australia

6.5.1 Background

Although Australia's diplomatic relationship with Kiribati was established prior to independence in 1979, the first Australian High Commissioner entered the country in 1981.²⁰ The Australian Department of Foreign Affairs and Trade (DFAT) assured Kiribati that Australia's relationship with Kiribati was based on "shared development and security goals." Australia is confirmed to be the largest of Kiribati's aid donors, contributing about 45% of the total ODA received by Kiribati in 2016 (see graph below). The DFAT confirmed Australia's strong interest in Kiribati's stability and prosperity and therefore focuses mainly on the education sector, health and governance. These sectors link closely with SDG Numbers 3, 4, 6 and 8. In regards to priority actions taken by Australia, the DFAT announced that Australia is concentrating on advancing Kiribati's six priority areas as outlined in the Kiribati Development Plan (KDP) 2016-2019. Recent developments in Australia's foreign policy closely observe the *Making Performance Count* framework, not only for enhancing accountability regarding aid given, but also in order to determine the future of Australian aid.

Kiribati relies heavily on aid from Australia as Australia is Kiribati's largest single

¹⁹ This comment summarizes the views in the book chapter by, Uentabo Neemia 1988, Kiribati: Russophobia and Self Determination, in *The Pacific Peace, Security & the Nuclear Issue*, ed. Ranginui Walker & William Sutherland (Zed Bookd Ltd.) New Jersey.

²⁰ Australian High Commissioners to Kiribati

donor. At the same time, the DFAT confirms it will prioritize the fulfillment of Kiribati's six priority areas (KDP), which illustrates the disbursement pattern of Australian aid. Australia's interest niche appears on the graph below showing that aid is concentrated primarily on education, governance and health. According to the Australian DFAT aid facts as of October 2016, the estimated Australian ODA for 2016-2017 sits at \$28.7 million which contributes 28.7% of the estimated 2016-2017 budget.

The figure below shows Australia's investment priorities in Kiribati

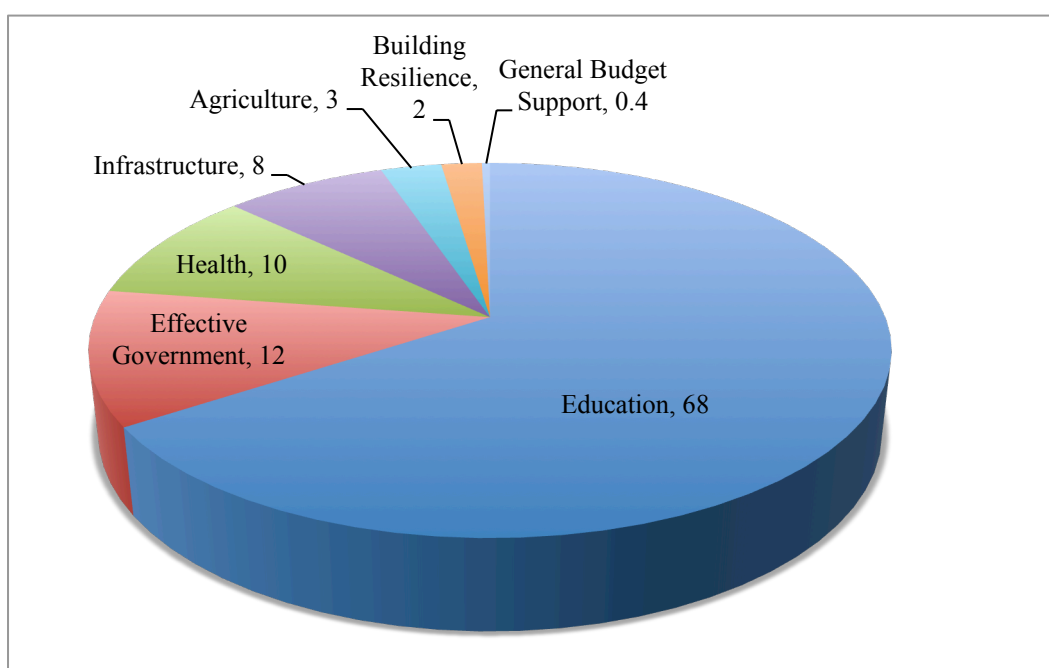


Figure 6.4: Australian ODA to Kiribati by Investment Priority 2016 – 2017

Source: *DFAT.gov.au (Kiribati Fact Sheet)*

6.5.2 Matching Priorities

The interview with the Director of the Ministry of Finance brought new insight to the approach of Australian aid. The participant was an Australian national placed in the Kiribati government by DFAT to assist with the development of Kiribati. When asked about the matching of priorities between Kiribati and Australia, he elaborated as follows:

Kiribati is quite good in setting the overall direction of the aid program and what they want to

achieve. Certainly from my point of view, although I am funded by DFAT, my priorities are set by the Cabinet priorities and economic performance set by the government and not by DFAT. I work to the needs of the Kiribati people and the government. KDP embodies that approach so Australia has been quite particular saying okay, you give us the KDP and you give us the economic perform list and we'll tell you where we can handle. Where the gaps are left is when the government of Kiribati to search for other assistance. This is where we know who does what. Still fragmentation but from what I can tell, not as bad on DFAT than it could be (MFED Interview).

One of the truths realized from the response above is that Australia has a great deal of authority and that they are the first to pick their areas of focus from the priority needs of Kiribati. In addition, Australia is also able to influence the direction of the country via the key areas of its focus. The same participant explained further in clarifying the approaches of Australia to ODA in Kiribati.

From my experience when talking to Cabinet and DFAT asking about their priorities, DFAT said that they are quite benign and just wanted to help Kiribati develop. Whatever the priorities of government of Kiribati are, DFAT wishes to put their money to those priorities. For them, they have to justify that to Canberra as good value for money and for them, the easiest way to do that is to say that the government has made these priority for Kiribati, therefore goes well.

The response confirms Australia's commitment to the development of Kiribati by agreeing to allocate ODA to requested areas. It also shows that the evaluation of "value for money" is controlled in Canberra. It can be argued that DFAT is influencing both Canberra and Kiribati to say that DFAT wrote the KDP. At the same time, DFAT promises Kiribati that the strategy of allowing DFAT to write the DKP would increase disbursements based on Kiribati's priorities. This approach appears to contradict the argument above; as DFAT also affirmed that there are sectors that Australia would not agree to assist when interests do not intersect.

When asked about the characteristics of disbursement, it was revealed that the procedures and reporting are rigid and that Australia has a multi-year project with a

different financial year and that they plan this project in advance. When a deadline is missed, it was revealed that if Kiribati is able to fulfill the procedural meetings and reporting requirements, DFAT might be able to ask Canberra to fund those projects on the next round. “Australia will never give such a big money to a High Commissioner to approve independently of Canberra. Due to that, it means every dollar of the aid program has to be accountable. While Australia is similar by shifting its program towards the needs of the country, it just takes a little bit of more planning” (MFED Interview). The Australian approach above contradicts the response from the MFAI arguing “they come and do whatever they wish to achieve and then they leave the project to us. It is about us owning the program and using what we have. The concept of aid to me is that we want it to be effective, we want development partners to help us using what we have and what we can do for ourselves. Not what they have.” The response of Kiribati to the Australian approach shows that interests do not meet and due to the absence of leverage, the donors naturally shape Kiribati’s priorities as Kiribati relies heavily on aid.

6.5.3 Work of Consultants

As mentioned regarding the three main sectors of Australia’s interests, Education is one of the core strategies. Kiribati’s education curriculum introduced by the British during the colonial period was changed to the Australian style after independence. The Think Tank participant shared knowledge regarding the consequences of the transitions.

Education sector is all cornered by Australia. I know one time, I met the Australian High Commissioner at a party and he was a very good friend of my wife, I happened to pass by and I said, ay can you tell us the reason why your spending are going down? She thought I was drunk. Two days later she called and said, can you explain what you said? I used the example when Australia changed our English curriculum after independence. Since then, it has been programs after the other. Very unstable and they haven’t found stability or identified a program that best suit us. But the program they changed was running here for about 20 years. It’s all about Consultants, recommending this and the other Consultant recommends that, it kept on changing from one advice to another. That’s what I saw at the time. Before independence, we all have the same English program with other Pacific islands but they changed ours and since then, it has been changed again and again. Some of the people they

sent as Consultants, when you see their CVs, most of them have experiences in Aboriginal education. To me, it is a different context altogether, looking at the situation of people whose language and culture is threatened and they thought they have the background to advise us when our language and culture is very much alive. That's what I found, not all but some of the Consultants have that kind of background that I think not appropriate. Sometimes, background can affect the way you think (Think Tanks Interview).

Kiribati's very first priority in the KDP document points at goals and strategies for human resources development in which education is the core. As shown on the graph above, 68% of Australian aid for 2016-2017 is allocated to education and this has been the pattern of Australian aid. The unstable reputation of the curriculum led by Australia and the commitment of Australia to develop Kiribati's human resources does not seem to match. Nevertheless, it was confirmed that this has been the case since independence while aid has continued to flow as usual. The work of various Consultants coming with different backgrounds is observed as a mismatch with the customs and abilities of the locals. Priorities are clearly shaped by Australia through controlling the curriculum and also through the disbursement of funds. Kiribati's dependency is considered natural as it is a former colony and also because it relies on the system defined for it.

The MFAI participants shared another piece of evidence on a wavelength similar to that of the previous experience about the mismatch of priorities and the inferiority of Kiribati. Since the response answers the research questions on its own, it is divided into various portions below for easy interpretations.

When I was working at the Ministry of Labor and Human Resources Development (MLHRD), we realized that the current education system was for academics (lawyers, doctors, at least teacher). Educating people to manage change after leaving high school was the purpose. Engineering was considered as a dirty work. It was about tailoring their skills to what the country needs and how they can survive after getting off the system. I was at the MLHRD at the time and the program was targeting at young people coming out of school. We have 2000 students every year coming out of high school, out of that 500 get job, 30 – 40 go on scholarship and the rest remain jobless. The challenge was what do we do with this population. Australian government invested on these support projects like the Marine

Training Center. To do this, Australia brought in huge group of consultants around 30. A lot of the money went here as they were paid at international constancy rate.

Kiribati's priority according to the statement above emphasizes employment for school leavers, while the education system kept on producing only students to suit the few positions available with the government. Sending consultants to assess the situation illustrates one of the disbursement methods of Australian aid. At the same time, these consultants were selected according to Australia's suitability without any input from Kiribati, including their high rate of salary. The concept of leverage does not exist as dependence becomes natural.

They came to the Ministry of Labor where I was the deputy director. They had their own office unit, air condition; fax machine, coffee corner and so forth. After their term, they put things together and said it work and they gathered us to sign the aide memoir. We appreciated their work, as we would not be able to come up with what they were able to make... The aide memoire said that the objective was to increase the level of "employability." I studied and said that it is good but we are building a "mini Canberra" in our office. I told them, see that office, it is a mini Canberra because reality is outside here. Most of the machines are broken here which is the reality of our country and over there is like working in Australia. It was a project office designed for the project to be successful and when finished, they go and we back to square one. This is square one where we are now. It will never work until they work with us (Consultant Interview).

The building of the "mini Canberra" inside the ministry illustrates the superiority of Australian aid to Kiribati. In addition, the confidence of the consultants in their assessment explains the gap felt in Kiribati between them and the experts in the field. At the same time, the "employability" interest suggested by the consultants and the "employment" priority of Kiribati show a mismatch.

The next day, they opened their door and allowed everyone to use the microwave, refrigerator. Guess what? I will never forget this. It was really post colonialism, as they needed to work with the system in the country in order to appreciate the challenges. I went to work the next day and the team leader came knocked on my door. He said, Deputy Secretary, I said good

morning cheerfully because I saw their microwave in the common kitchen ... Well, Madam, we did all you wanted us to do. I said, its not that I wanted it, it is the spirit of working together. The leader said, and May I report to you Madam Deputy Secretary that the microwave is broken. Somebody put a corned beef can in there... I asked the leader, did you provide a manual or provided orientation to the local about using the microwave? They said, I thought if you want to use this thing, you would know how to use it. That's all what I wanted to say. He left and we cracked up laughing so bad. Well, if we ask then they would laugh at us.

The situation illustrates a clear example of development as discussed in the literature. Kiribati's inferiority in regards to new technology and foreign ideas is also observed. At the same time, the superiority of donors to the recipient is observed through the control of equipment organized for consultants only.

They asked if I have any comment on the aide memoire and I said yes. I am not going to advise my Secretary or Minister or government to sign this until the objective is set. They asked what as they are the experienced ones. I said I wasn't happy with the word "employability" as it implies "marketability" of our people for nothing. I want the objective to change and say, "Increase employment." We may increase the employability for international standard but if no jobs, problem continues. It took them forever to change. Even when I left the ministry, it wasn't amended but it is now after Australia opened up to take our people... One thing I told them, ... don't expect anyone in the government to read all their report. I asked them to provide an executive summary. I added on and said that the government of Kiribati is only looking at one thing, "the outcome." They tend to mislead you with the 100 pages documents... I told them that if you want development to work, your programs have to have tangible outcomes... It was educating people to continue to be idle and wait for jobs. The biggest employer of Kiribati is the government.

This experience clearly explains the mismatch in priorities of consultants and expectations of the Kiribati government. In addition, the formality of the reports and capacity of the government again did not appear to appreciate each other, which highlights the dependency of Kiribati on development designed from outside. At the same time, the preference of the Kiribati government for tangible projects does not

match with the strategic approaches offered by Australia. In regards to leverage, the situation shared above shows that Kiribati has very weak leverage on influencing negotiations run by Australia.

6.5.4 Summary Result for Australian ODA

The motivation of Australian aid in Kiribati was found to follow Australia's foreign policy motives of maximizing Australia's influence in the Pacific Island Countries (PICs). This influence was not only witnessed through Australia's focus on its usual sectors of education, health and governance, but also through the formation of the strategic document, the Kiribati Development Plan (KDP). The ability of DFAT in placing an Australian national as the Director of the Ministry of Finance and Economic Development was observed as a successful strategy for Australia in Kiribati. It was clearly found that when matching priorities, Australia controls the disbursement of funds and therefore is able to influence Kiribati's priorities. As a result, interests were found to be mismatch and, due to the necessity of ODA to the development of Kiribati, reliance on plans and funds from donors were found to be natural and as expected. Disbursements were influenced by the work of consultants who are trained to plan things for the advantage of Australia.

6.5.5 Hypothesis Analysis Result

Priority

All the four hypotheses designed for the Priority concept were found to be true regarding Kiribati's perspectives of Australian aid. Priority Development Hypothesis 1 agreed that Australia shapes the priorities of Kiribati through the KDP headed by personnel from DFAT. Priority CPR Hypothesis 1 was found to be true as donors, including Australia, benefit from sharing the ODA burden through the process of aid coordination. This is when donors are gathered to hear the priorities of Kiribati and to decide who will take care of which sector. Priority Schismogenesis Hypothesis 1 was found to be true, as the needs of Kiribati did not match with the influence interest of Australia and also due to the absence of reciprocity. In addition, Priority Gift Giving Hypothesis 1 was also true as Australia was found to be superior and Kiribati to be inferior in their relationship. Since all hypotheses designed for the priority concept agreed, it is concluded that Australia will continue to shape Kiribati's priorities unless

Kiribati recognizes reciprocity.

Disbursement

The three hypotheses defined for disbursement were all found to be true with the aid practices between Kiribati and Australia. Disbursement Development Hypothesis 1 was found to be true as Kiribati highly depended on the allocated funds decided by the parliament of Australia. Disbursement CPR Hypothesis 2 was also true as Australia follow the “value for money” policy and therefore not happy when distribution of funds is inefficient. The use of Consultants was observed to cater for this concern. Disbursement Gift Giving Hypothesis 4 also agreed, as Australia was clear to decide the concepts and purpose of her aid but also directly influence the development plan of Kiribati through DFAT inside the government. Since all the disbursement hypotheses agreed, it is concluded that the perception of disbursements are designed and decided by Australia with no influence from Kiribati.

Dependency

For the dependency concept, all four of the hypotheses were found to be true with Kiribati relying on Australian aid. Kiribati relying heavily on development aid agrees with Dependency Development Hypothesis 1. Dependency CPR Hypothesis 2 was also true that Australia controls the resources of Kiribati was found to be true. The clearest example is observed through education and the English curriculum, which is controlled by Australia. Dependency Complementary Schismogenesis Hypothesis 3 was also found to be true as Australia continues to provide aid regardless of the performance of Kiribati in meeting standards set by Australia. At the same time, the expectation of receiving aid from Australia is expected by the Kiribati government and is considered natural. As a result, Dependency Gift Giving Hypothesis 4 was also true as Australia continues to give aid as a policy while Kiribati continues to receive as a developing country. Since all four of the hypotheses agreed, it is concluded that Kiribati relies highly on Australian aid.

Leverage

Among the four hypotheses set for leverage, only one was false with the leverage relationship between Kiribati and Australia and three were found to be true. Leverage

Schismogenesis Hypothesis 3 agreed with Australian practices as Kiribati is observed to closely follow Australia's leadership. The Leverage CPR Hypothesis 2 was also true as the ideas and practices introduced by Australia, especially the work of the consultants, did not agree with the traditions of Kiribati. In addition, the Leverage Gift Giving Hypothesis 1 was also true as Australia was perceived to be superior to Kiribati being the biggest donor. Only the Leverage Gift Giving Hypothesis 4 did not agree, as the conditions for the donor-recipient relationship between Australia and Kiribati were not based on the evaluation of their reciprocal balances. Australia does not expect anything in return, except for processing to be completed according to Australia's terms. Since most of the leverage hypotheses were true with Australia's aid practices, it is concluded that Kiribati has very weak leverage to dominate the disbursement of Australian aid.

Table 6. 1 *Hypothesis Analysis Result between Australia and Kiribati*

Australia	Priority	all true
	Disbursement	all true
	Dependency	all true
	Leverage	False to Gift Giving H4, the rest true

6.9 Japan

6.9.1 Background

Prior to Kiribati's independence in 1979, Japan occupied the Gilbert Islands in 1941, which led to the Battle of Tarawa during World War II. The Japanese army heavily fortified Betio²¹, the largest island of Tarawa with a population of approximately 4,500. The Battle was known to have caused the American casualties, which was not anticipated as the island is only 2 miles long and half a mile wide. With 18,000 American soldiers arrived in the island, more than 1,000 died and more than 2000 wounded after securing the island in a 3-day battle. Figure 6.5 and Figure 6.6 shows some of the remaining coastal guns and hiding places built by the Japanese at the time.

²¹ Retrieved on February 10, 2017 from <http://www.history.com/topics/world-war-ii/battle-of-tarawa>

The two figures below shows pictures of Japanese coastal guns remaining after the World War II in Betio (Tarawa)



Figure 6.5: Remains of Japanese Coastal Guns. Place: Betio (Tarawa, Kiribati)

Photo: Author (2016)

The figures below show one of the remaining coastal guns and a concrete bunker in Tarawa.



Figure 6.6: Coastal gun and concrete bunker. Place: Betio (Tarawa, Kiribati)

Photo: Author (2016)

Japan officially established a diplomatic relationship with Kiribati in March 1980, and while the Japanese Ambassador is based in Fiji. The ambassador is accredited to some small islands, including Kiribati. The participants confirmed that Japan has been a major development partner of Kiribati, primarily in areas of health, education, infrastructure and fisheries. Beyond these areas, the Ministry of Finance participants confirmed that Japan and Taiwan also cover work that the ADB and World Bank will

not do. In return, Kiribati committed to being Japan's affiliate in supporting candidates and votes in international bidding, especially at United Nations councils and organizations. Total exports to Japan were 520 million yen compared to 3,060 million yen in 2013 (MOFA).

6.9.2 Fishing interests

The Think Tank interview revealed that even before independence, Japan and Kiribati maintained a close relationship through fisheries. Although many Japanese researcher do not agree (see the literature review), the participant emphasized that it was clear that Japan's ODA was tied to fisheries. The first project proposed by Kiribati to Japan was the "causeway" to connect the island of Bairiki and Betio in South Tarawa (see the diagram below). The discussion was held in 1978, when the participant and a few others were part of the government team at the time. The negotiation was unique when it was revealed that the Governor of Kiribati who led the Kiribati team (Mr. Wallis) and the leader of the Japanese team both fought over Burma during World War II.

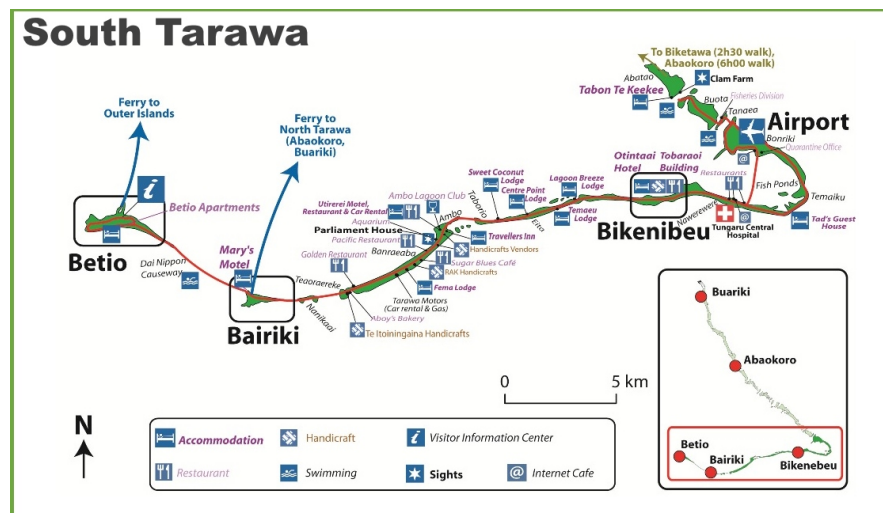


Figure 6.7: Map diagram of South Tarawa

Source: <http://ontheworldmap.com/kiribati/>

The Japanese rejected the proposal from Kiribati and said that it had to be a fishery related project. The participant shared his experience as follows:

That's the reason we have the bridge in the middle of the road to Betio. It is officially called the "fishing passage" to allow small boats to go and that was to make the project qualified for

the Japanese aid. That was in 1978. My section was infrastructure and I remembered going with the Secretary. The Japanese team made it very clear that their aid was fishing related. The design of the causeway had to be modified to meet the fisheries criteria. If you look at the original document of the project, it says that the bridge contributes to fisheries (Think Tank Interview).

The picture below shows the “causeway” and the hump in the middle to allow small boats to pass, although participants confirmed that not many boats use it. The Foreign Affairs participant agreed, and explained the troubles she had with requesting aid from Japan to repair a few sections of the same causeway. This is a portion of her arguments:

It took them a while to agree as we had some closer relations with Korea which Japan did not like. It took them so long to respond and I searched for assistance at the Japanese Ambassador in Fiji. After presenting our situation and asking for suggestions, he said may be you should be more lenient to the fisheries since you are not giving us what we want and seems like you are more lenient to the Koreans (MFAI Interview).

The figure below shows a picture of the causeway that connects Bairiki to Betio (Tarawa)



Figure 6.8: Causeway from Bairiki to Betio. Picture: Author (2016)

6.9.3 Aid Processing

All government participants confirmed that processing aid from Japan requires a great deal of attention, but since the priorities are set by Kiribati Japanese aid is highly appreciated. Japanese institutions, especially the Japanese International Cooperation Agency (JICA), are known to provide significant support for the development of Kiribati through grassroots projects. It was also revealed that since Japan operates according to the Japanese fiscal year calendar, it is a regular challenge. Most document deadlines are set to March in order to match Japan, while Kiribati and the other, traditional, donors align their deadlines to the calendar year ending in December. Participant from NEPO shared her experience. “They are very strict with deadline. If we miss the deadline, we have to wait for the following year. Japan has a big project now that has been planned for about two years in advance and funding arrangements are through Japanese constructors, but priorities are set by Kiribati”. Since Japanese “request based” model requires initiatives from Kiribati, the reliance on Japanese aid was observed to be natural and more when disbursements of funds, including the disbursement schedule, are set by Japan.

6.9.4 Summary Result for Japanese ODA

Japan is found to be a significant donor to Kiribati as Japan’s aid focuses on infrastructure and fisheries, which were found to match with Kiribati’s needs. It was also found that fisheries are one of the core areas of Japanese interest in Kiribati. Disbursements are found to depend upon requests from Kiribati and to be based on needs that are not provided for by other donors. Japan was found to follow the “request based” model, although the requests had to be made through the Japanese Embassy in Fiji. Processing was also found to be a challenge for Kiribati, especially the strict March deadlines that do not align with the regular calendar ending in December used by other donors. Kiribati relies greatly on Japanese aid for large development projects such as wharves, roads and other facilities needed for development, including processes that are set by Japan.

6.9.5 Hypothesis Analysis Result

Priority

It was found that among all the four hypotheses designed for the priority concept, none of them agreed with the priority interests between Kiribati and Japan. Priority Development Hypothesis 1 was not true, as Japanese aid was not found to shape the priorities of Kiribati due to the “request based” model. Priority CPR Hypothesis 1 was also not true as Japanese aid was observed to cater to priority areas of Kiribati that other donors were not willing to take on. Priority Schismogenesis Hypothesis 3 was not true as Japan focuses mostly on infrastructure and fisheries, which suits the development needs of Kiribati. As a result, Priority Gift Giving Hypothesis 4 was also not true, as Japan was not observed as being superior in the relationship, even with the absence of reciprocity. Since none of the priority hypotheses were found to be true for Japanese practices in Kiribati, it is concluded that Kiribati’s priorities are not influenced by Japanese aid, and neither was Kiribati found to be inferior to Japan, even with the absence of reciprocity.

Disbursement

All three hypotheses designed for Disbursement hypotheses were found to be true for Japan’s practices in Kiribati. Disbursement Development Hypothesis 1 was true as the infrastructure development needs of Kiribati heavily rely on the success of Japan. Disbursement CPR Hypothesis 2 was also true as Japan follows the “request based” model of disbursement based on Kiribati’s performance. The delay in response from Japan regarding the funding request due to Kiribati having increasing the VDS fee, also agrees with this point. Disbursement Gift Giving Hypothesis 4 also agreed as aid disbursements are controlled by Japan. It was also observed through the construction of the “fishing passage” when constructing the “causeway” to fit Japan’s disbursement requirements. Since all the hypotheses designed for disbursements were found to be true, it is concluded that Japanese disbursements are decided by Japan with no influence from Kiribati.

Dependency

All three hypotheses defined for the dependency concept were found to be true in regards to the practices of Japan in Kiribati. Dependency Development Hypothesis 1 was observed as Kiribati relies on sectors that Japanese aid provides. Dependency CPR Hypothesis 2 was also true as Japan has fisheries interests and aid was observed to

influence related resources. Dependency Complementary Schismogenesis Hypothesis 3 was also true since it does not seem Japan will stop giving aid anytime soon while Kiribati still expects more aid for the country's development. Dependency Gift Giving Hypothesis 4 was also true, since Japan giving aid as a responsible donor and Kiribati receiving aid as developing country are both considered natural. Since all hypotheses were true, it is concluded that Kiribati is highly reliant on Japanese aid.

Leverage

Among the four hypotheses designed for the leverage concept, one was true and the rest was not true between the Kiribati and Japan. Leverage Schismogenesis Hypothesis 3 was true as Japanese aid was closely related to fishing interests available in the Kiribati EEZ. Leverage Gift Giving Hypothesis 4 was not true as Japan was not superior in the relationship. Leverage Gift Giving Hypothesis 1 was not true as Kiribati was considered a donor for Japan's fishing interests. Leverage CPR Hypothesis 2 did not agree as Japanese regimes were accepted by Kiribati since Japan provided most of Kiribati's infrastructure needs. This is a surprising result considering many of Japan's war guns still remain in the country. Since only one hypothesis agreed to the leverage hypotheses of Japanese aid, it is concluded that Kiribati has some leverage in influencing the disbursement of Japanese aid. It is also assumed that the leverage identified is the reciprocity provided by Kiribati in return.

Table 6.2: *Hypothesis Analysis result between Japan and Kiribati*

Japan	Priority	None true
	Disbursement	all true
	Dependency	all true
	Leverage	true (Schismogenesis H3), the rest false

6.10 Republic of China (Taiwan)

6.10.1 Background

The continuous diplomatic competition between the People's Republic of China (hereinafter China) and the Republic of China (hereinafter Taiwan) plays a significant

role in the politics and development of the PICs. Since the One China policy orders that no state can recognize both China and Taiwan as they both claim to be the legitimate government of China, it has been a major issue in the PICs since “friends to all” is the regional foreign policy. As a result, the six countries of Kiribati, Marshall Islands, Nauru, Palau, Solomon Islands and Tuvalu recognize the movement of Taiwan while the remaining eight countries recognizes China.

Since both China and Taiwan are not members of DAC, Kiribati’s perspectives will be limited to data collected from the participants. According to the Think Tank Interview, Kiribati recognize Taiwan for the first time in 2003, which led to China’s withdrawal from Kiribati despite having built a satellite-tracking station in 1997. China dismantled the station, and since then Kiribati has been one of Taiwan’s strong allies in the Pacific. In order to reveal wider perspectives in answering the research questions, exploring priority, disbursement, dependency and leverage of Taiwanese aid is relevant. This section recognizes Taiwan according to the practice of Kiribati.

6.10.2 Grant Aid

All the participants confirmed that aid from Taiwan prioritizes agriculture and human resources development through training. It was also discovered, as mentioned earlier, that Japan and Taiwan cover work that ADB and the World Bank will not do (MFED Interview). Taiwan is known in Kiribati on placing a strong emphasis on outcomes, and thus paperwork processing is not a big issue. The interview from the Ministry of Finance is further elaborated below:

Taiwan offers Kiribati AUD\$11 million a year and used by government according to priorities approved by the cabinet. This is different from budget support. It is more like a grant pool. I have seen many proposals sent to Taiwan and none have been rejected. Taiwan is quite benign in that way. They just want to know that the fund is being used in the right way. That’s the only check that they make. They trust what the government decided as their priorities. (MFED Interview)

The AUD\$11 million grant given to the Kiribati government every year shows that aid disbursements are not designed by Taiwan, but rather entrusted to the government of

Kiribati. This flexibility of processing also shows that Taiwan respects Kiribati and its priorities on how to spend the annual grant pool highly. The explanation also clarified that other than the grant, all requests for aid by the government of Kiribati are never rejected. This allows Kiribati to drive its development according to its own initiatives while depending on Taiwanese funds for operation.

In regards to the tightness of the application schedule, the same participants argued that, “Taiwan does not have to plan that in advance, they just have the money, and they just give the money out whenever they want. The government of Taiwan gives a lump sum to the High Commissioner here and grants goes to the government when needed.” Different from the traditional donors, it is revealed that the Taiwanese Ambassador is given the authority to approve funds instead of the familiar practice of funds being decided on the mainland.

6.10.3 Leverage

As appears above, the close relationship between Kiribati and Taiwan is seen as another alternative to the international understanding of ODA in the region. The leverage concept assumes that Kiribati would influence aid disbursement if there were enough leverage. Participants assured that the value of the Pacific strongly binds with balances in exchange where dependence on each other is a sign of a good relationship. This relationship was confirmed to be of significant value when reciprocity is practiced. The Director of the University of the South Pacific (USP) participant shared his experience highlighting this value:

When we opened our new campus, China sent a team asking for a space for the Confucius Institute. I said no. I can't say yes, but I will refer it to government because you know our diplomatic alliance is with Taiwan. I mentioned it directly to the President of Kiribati and he said no. Last time I met the Ambassador of Taiwan I said, we have done our bit, we have blocked China, now you have to help us. We want something from you. We want some language program and he said we would do that. If you see, all other USP campuses they have Confucius institute. Cook Islands, Vanuatu, Fiji, a big one and they wanted to open here at our new campus. Now we know how to do things now (Think Tank Interview).

The experience above shows how the concept of leverage is observed to provide for balance in an exchange. Although the interests of Taiwan and the interests of Kiribati are never the same, the provision of reciprocity is proven to connect differences and thus make the relationship equal. It is also observed that the Ambassador in the recipient country controls the disbursement of Taiwanese aid.

6.10.4 Summary Result for Taiwanese ODA

Since Kiribati is among the six countries in the PICs recognizing Taiwan instead of China, the purpose of the Taiwanese aid is to maintain the relationship with Kiribati and at the same time block China's influence. Disbursements are found to be benign with an annual grant pool and all requests from the government of Kiribati are approved. It was also revealed that the Ambassador of Taiwan to Kiribati is given the authority to approve aid grants and other requests from Kiribati. The flexibility of processing Taiwanese aid was found to be an advantage with the small capacity of Kiribati.

6.10.5 Hypothesis Analysis Result

Priority

Among the four hypotheses designed for the priority concept, none was found to be true. Priority Development Hypothesis 1 was not true, as Taiwanese aid was not observed to influence the priorities of Kiribati. Priority CPR Hypothesis 1 was also not true as Taiwan is not a member of DAC. Schismogenesis Hypothesis 3 was also not true, as Taiwan offers aid to areas that are not funded by other donors, which matches with the development needs of Kiribati. Gift Giving Hypothesis 3 was also not true, as Taiwan was never observed as superior in the relationship. Since all the hypotheses did not agree with the priority concept, it is concluded that Kiribati's priorities are not influenced by Taiwanese aid, and neither was Kiribati found to be inferior to Taiwan. It could be argued that the result is the outcome of recognizing reciprocity in the relationship.

Disbursement

All three hypotheses set for disbursement were found to be true about the practices of Taiwanese aid in Kiribati. Disbursement Development Hypothesis 1 was true as the success of Taiwan means more aid disbursements would be expected. Disbursement

CPR Hypothesis 2 was also true, as Taiwanese aid not strict, although it was carefully checked. Disbursement Gift Giving Hypothesis 4 was also true as Taiwan controls the disbursement amount given annually and also controls requests from Kiribati. Direct request was also witnessed to be true and accepted as normal. Since all three hypotheses were true, it is concluded that disbursements of Taiwanese aid are decided entirely by Taiwan with no influence from Kiribati.

Dependency

All the four hypotheses defined for the dependency concept were true, thus Kiribati is highly reliant on Taiwanese aid. Dependency Development Hypothesis 1 was true as the reliance of Kiribati on aid was considered to be natural. Dependency CPR Hypothesis 2 was also true as Taiwan was observed to have control of resources in Kiribati. Dependency Complementary Schismogenesis Hypothesis 3 was also true as Taiwan annually provide \$11 million for Kiribati's needs other than regular aid requests. As a result, the Dependency Gift Giving Hypothesis 4 agreed since Taiwan giving aid and Kiribati receiving it are expected and considered natural. Since all the hypotheses for dependency were true, it is concluded that Kiribati is highly reliant on Taiwanese aid.

Leverage

Among the four hypotheses set for the leverage concept, one was found to be true and the rest did not agree. Leverage Symmetrical Schismogenesis Hypothesis 3 was true as Kiribati shows appreciation for the aid from Taiwan by choosing to recognize Taiwan instead of China. Leverage Gift Giving Hypothesis 4 was not true as the donor-recipient relationship is based on the balances expected from each other. Leverage Gift Giving Hypothesis 1 was also not true, as Kiribati became a donor by providing reciprocity through supporting Taiwan instead of China. In addition, Leverage CPR Hypothesis 2 did not agree as Kiribati greatly appreciates the pooled grant assistance from Taiwan for her development needs. Since more hypotheses were found to be true, it is concluded that Kiribati has the leverage to influence Taiwanese aid. It is assumed that this leverage is the reciprocity that Kiribati is able to return to Taiwan.

Table 6.3: Hypothesis Analysis result between Taiwan and Kiribati

Taiwan	Priority	None true
	Disbursement	all true
	Dependency	all true
	Leverage	true (Schismogenesis H3), the rest false

6.11 General Discussion

Priority

The result shows that the four hypotheses designed for priority were found to be true in regards to aid practices of Australia. On the contrary, for Japan and Taiwan, it showed that none of the hypotheses was true. The priority concept implies that the aid from both Japan and Taiwan satisfies Kiribati's priorities. In addition, it shows that neither Taiwan nor Japan shapes the priorities of Kiribati as their aid is found to match with the development needs of Kiribati. Since the phenomenon of donors being superior was not found, Kiribati is assumed to recognize reciprocity with Japan and China. The opposite was the result for Australia, which implies that the priorities of Kiribati are highly influenced by Australia. DFAT being the main engine for the KDP and appointing DFAT personnel to be the Director of the Ministry of Finance and Economic Development (MFED) explains this further.

Disbursement

Since all of the hypotheses for disbursement were found to be true for all donors, the result implies that aid disbursements are facilitated entirely by the donors according to their interests. It is noted that the schismogenesis theory was not recognized as an element for disbursement since schismogenesis occurs only between two or more parties. The hypothesis result agrees as disbursements are facilitated on the donor's side only with no influence from recipients.

Dependency

The result indicated that the hypotheses designed under the "dependency" concept in Kiribati were all found to be true for all the donors. The result implies that the role of

donors to give aid and that of Kiribati to receive and rely on this aid was reflected as a accepted and normal.

Leverage – *Helping you to help me*

As for Australia, all the leverage hypotheses were true except for the Leverage Gift Giving Hypothesis 4. The opposite was found in China and Japan result with only one true (Leverage Symmetrical Schismogenesis Hypothesis 3) and the rest was not true. Since more hypotheses did not agree with practices of Japan and Taiwan, it is concluded that Kiribati has leverage to influence aid from Taiwan and Japan. It is demonstrated that this leverage is the reciprocity that Kiribati is able to return. The reciprocity of Kiribati found in this research is observed as being woven into the viewpoint of “helping you so you can help me.” This idea did not appear in monetary form, but rather in other means such as cooperating at the UN for Japan and blocking China from Kiribati for Taiwan. The ability to physically see ODA being reciprocated gave Kiribati the confidence to maintain its relationships with its donors especially for China and Japan.

6.12 Afterthought Summary

As discussed above, the answers for questions about the approaches of donor nations to ODA are provided. As illustrated on the table below, the result for the concepts of Disbursement and Dependency are perceived to be common to all the donor nations of the study. Kiribati perceives that Disbursement is controlled by donor nations and at the same time heavily depends on ODA. However, the concept of Priority and Leverage defines the differences in donor nations approaches to ODA. The approaches of Australian aid are observed to follow a pattern opposite of the Asian donors of Japan and China. In order to take a broader view of this observation, it is relevant to compare the result of the three case studies for better understanding. The next chapter assesses the combined result of the three case studies with interpretations and recommendations.

Table 6.4: Combined Hypothesis Analysis Result in Kiribati

Donors	Concepts	Findings from Kiribati
Australia	Priority	all true
	Disbursement	all true
	Dependency	all true
	Leverage	not true to Gift Giving Hypothesis 4, the rest true
France	Priority	No Data
	Disbursement	
	Dependency	
	Leverage	
Japan	Priority	none true
	Disbursement	all true
	Dependency	all true
	Leverage	true (Schismogenesis Hypothesis 3), the rest false)
Taiwan	Priority	none true
	Disbursement	all true
	Dependency	all true
	Leverage	true (Schismogenesis Hypothesis 3), the rest false

CHAPTER 7

Discussion

7.1 Introduction

This chapter is devoted to a summary and discussion of the hypotheses according to the relevance of the result in answering the research questions. Discussion and implications of priority, disbursement, dependency and leverage is organized to give a broader understanding of Official Development Assistance (ODA) by exhibiting the perspectives from the Pacific Island Countries (PICs) for each donor countries of Australia, France, China and Japan. Since Kiribati recognizes Taiwan over China, it is relevant as additional perception to the general understanding of donor's behavior as explained earlier.

In answering the research questions, this section is divided into the four concepts of Priority, Disbursement, Dependency and Leverage. As the result and discussions of the three case studies are provided on their own in Chapter Four, Five and Six, the answers and discussions for the research questions are organized under each concept for each donor countries. The concept of Priority, Disbursement, Dependency and Leverage, highlights similarities and differences in the approaches to ODA in the PICs amongst the donor nations. Diversities from the result of each case study (Tonga, Vanuatu, Kiribati) is combined and further interpreted to contribute to the understanding of PICs perspectives towards the tools of ODA. This chapter discusses the answers and interpretations of the research questions outlined below with recommendations.

7.1.2 Research Questions

1. How do approaches to ODA in the PICs (Tonga, Vanuatu, Kiribati) in terms of Disbursements, Priorities, Dependency and Leverage vary among the main donor nation of Japan, France, Australia, and China?
2. How do PICs themselves interpret these approaches and respond to them?
 - 2.1 Do priorities of donors and recipient match?
 - 2.2 Are countries depending on foreign aid?
 - 2.3 How disbursements are facilitated?
 - 2.4 What means used by PICs to match priorities of donors?

2.5 Which strategies are most effective for dealing with approaches to ODA by these donors in the PICs?

3. What is the most effective strategy to facilitate disbursement?

7.2 Concept 1: Priority – Assessing and Analyzing the Overall Result

As appear on the literature review section, the notion of priority is associated with the interests of donors and needs of recipients. Priorities of donors are not only seen through their foreign policy documents, it is enhanced through the conditions and methods on how their aid is delivered. Priorities of recipients on the other hand are professed through strategic documents acknowledging the purposes of its aid requests. Based on the four theories selected for the study, the following hypotheses were grouped as Priority Hypotheses:

Priority Hypotheses

Priority Development Hypothesis 1: PICs perceives that interests of donor nations shape priorities of Recipient countries
Priority CPR Hypothesis 2: PICs perceives that donor nations benefit from sharing the burden of ODA in the PICs
Priority Schismogenesis Hypothesis 3: PICs perceives that the needs of the recipient countries and the interests of the donor nations do not meet
Priority Gift Giving Hypothesis 4: PICs perceives that recipient countries are indebted and inferior to donor nations

Table 7.1: Priority Combined Result

Donors	Concept	Vanuatu	Tonga	Kiribati
Australia	Priority	all true	all true	all true
France		all true	N/A	N/A
China		none true	none true	(Taiwan) none true
Japan		true: CPR, Gift & False: Develop, Schismo	true CPR, Gift False: Develop, Schismo	none true

N/A: Not applicable, CPR: Common Pool Resources, Gift: Gift Giving, Develop: Development, Schismo: Schismogenesis

7.2.1 Australia

The combined result from the PICs illustrates that all the four Priority hypotheses were true with the aid practices of Australia in all the PICs selected for the study.

As one of the founding members of the United Nations (UN) and the major trade partner in the Pacific, it is perceived that vulnerability to Australia's foreign policy decision allows Australia to influence the priorities of PICs. This implies that Australia uses power to achieve own objectives in the PICs (Schultz 2012). This unique finding implies that the priorities of Australia are consistent with its foreign policies all over the PICs. In securing this objective, Australia's most effective influence is centered in education, governance and the health sector. These three sectors were found to be the most effective areas to support Australia's foreign policy by maximizing her influence in the region. Firstly by holding strong position in the central government to direct policies, management of future minds through education and controlling the health situation of the region. Since the finding shows that Australia shapes the priorities of PICs, Schismogenesis is observed to occur as needs of PICs are based on the reaction of Australia's interests. It is noted that a study about Australian engagement in the Pacific Islands (1988 – 2007) highlighted the insensitive use of Australian power in the region. It concluded that only a strong commitment to Australia's institutional relations with the PICs is the key to stability for Australia (Schulz 2012). As a result, Australia being superior in the relationship is considered natural and accepted due to the absence of reciprocity according to the Priority Gift Giving Hypothesis 1.

In addition, Australian priorities are predefined and strongly shaped by its foreign policies. Since these interests and the needs of PICs are mismatched, priorities of the PICs are shaped by Australia, as PICs do not have enough leverage to influence negotiations. The result from PICs perceptions argues that Australia will continue to influence the priorities of the PICs as long as her influence continue in the three sectors of governance, education and health. The diagram below illustrates the application of Complementary Schismogenesis with this relationship where the behavior and aspirations of donors and recipients are fundamentally different but they are complementary with each other. Australia as a donor nation giving aid is natural and

PICs needing aid for development compliment each other as schismogenesis. The theory argues that due to differences of personalities of the two groups, it eventually result in mutual hostility as one side could take advantage of the other. The availability of competitions also leads to same result. Many of the experiences of PICs with Australia were observed with the consequences of Complementary Schismogenesis as discussed in Chapter Four, Chapter Five and Chapter Six.

The following figure illustrates the complementary schismogenesis of aid priorities between donors and recipients in the Pacific Island Countries (PICs).

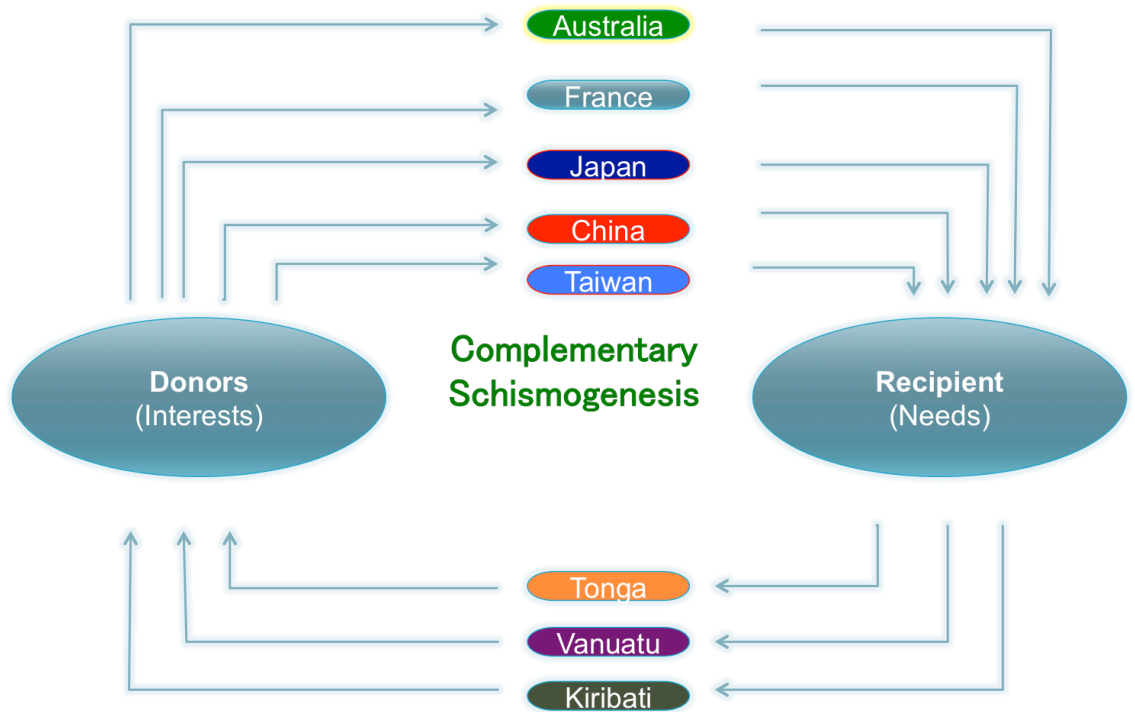


Figure 7.1: Complementary Schismogenesis Model of ODA

Source: Author

7.2.2 France

The Priority result for France was only found in Vanuatu, as both Tonga and Kiribati did not recognize significance of its aid except through the European Union. Nevertheless, the Vanuatu finding is valid as data were collected from different stakeholders as emphasized on the methodology section. France focuses its priorities on keeping its status quo and reputation as a former colonial power in the region. France places a great deal of emphasis on the francophone community in Vanuatu.

The combined result illustrates that all four hypotheses designed for priority were true in regards to France's aid regime in the PICs. This result agrees with development theory, as France was the colonial power in Vanuatu and attempting to shape Vanuatu's priorities was the norm. The result was also true to Common pool resources theory as France also is a member of DAC who joins with other donors to share the burdens of developing countries through ODA. At the same time, benefit from resources in the PICs for economic development interest. Schismogenesis was also true as Vanuatu's priority needs are highly influenced by the interests of its former colonial ruler. The result was also true to Gift-giving theory as France was observed to be superior in character due to the absence of reciprocity to balance the influences of French aid. Since French is an official language, and French culture is in the constitution and highly respected in Vanuatu, this research concludes that France would continue to use her aid to influence Vanuatu according to its foreign policy and economic interests. The diagram 1 above illustrates situation of Complementary Schismogenesis due to differences in aspirations of donors and recipient but they need each other in the relationship.

7.2.3 China and Taiwan

Among the four hypotheses set under the Priority concept, none of them were found to be true with aid practices of China in Vanuatu and Tonga. As for Taiwan's practices in Kiribati, the research finds same result with Vanuatu and Tonga. Among all hypotheses under the priority concept of Kiribati, none of them were true with their aid relationship with Taiwan.

This implies that China and Taiwan does not control the priorities of the PICs. China and Taiwan clearly showed that its aid is political and giving aid is a favor for making many friends. China and Taiwan also focuses on infrastructure development and uses its experiences as a developing country to support PICs priorities. As explained above and also on Chapter Four to Six, it is implied that Chinese aid and Taiwanese aid matches with the infrastructure needs of PICs and PICs are able to respond to their interests. This was revealed as all aid requests to China for Vanuatu and Tonga, and to Taiwan from Kiribati were accepted and approved. It is implied that PICs are able to reciprocate

Chinese and Taiwanese aid with support of its political demand in the region. The diagram below illustrates that when donors' interest matches with needs of recipients, it fits with the model of "Symmetrical Schismogenesis" (see literature review). The model argues that since both sides have same aspirations and behavior patterns (own priorities), they stimulate each other based on the reaction from the other. The research argues that China and Taiwan is motivated to give more aid as a result of PICs providing their political interests. Similar experiences are also true for Japan in the PICs from observation but this understanding is not clearly communicated compared to the Chinese and Taiwanese practices. The model argue that since it is a Symmetrical Schismogenesis, the relationship leads to rivalry and ultimately to hostility in the long run when motivation and expectations drops.

The following figure shows the framework of symmetrical schismogenesis and its application to the aid relationship between donor nations and recipient countries.

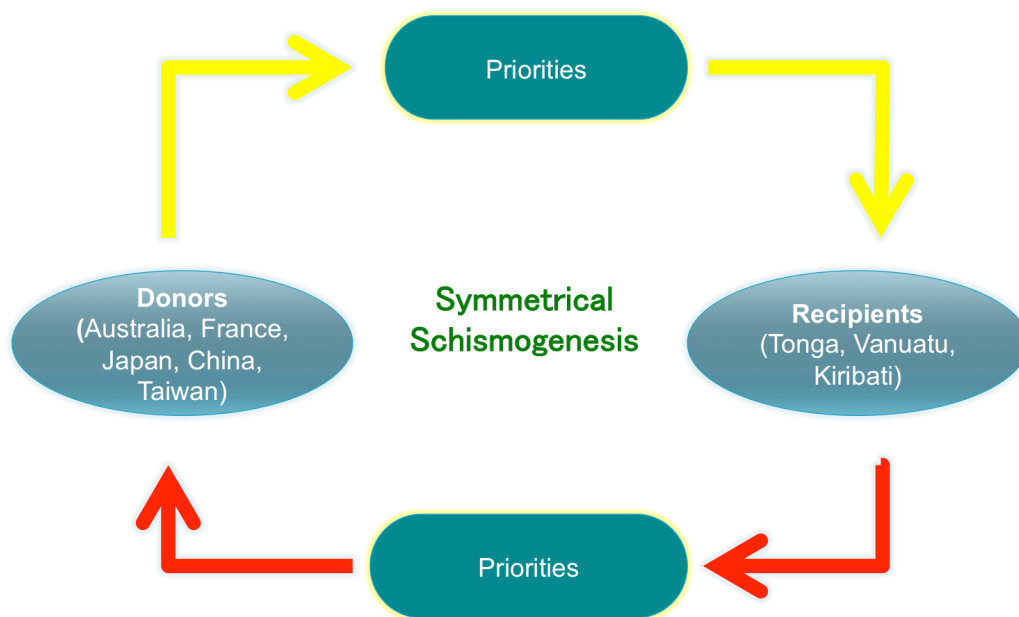


Figure 7.2: Symmetrical Schismogenesis Model of ODA.

Source: Author

7.2.4 Japan

The result for Priority of the Japanese aid in the PICs produced a same result in Vanuatu and Tonga. Priority Development Hypothesis 1 and Priority Development Hypothesis 4 were found to be true, while Priority Development Hypothesis 1 and Priority

Schismogenesis Hypothesis 3 did not agree. On the other hand, none of the four hypotheses were found to be true in Kiribati.

Japanese ODA is known to prioritize own security by committing to her international reputation and focus mostly on the priorities of developing countries especially the infrastructure sector. This sector was observed to be one of the main tangible priorities of the PICs. Japanese aid was not perceived to be political as it respects Japan's "request based" model but support with votes at international organizations was implied. Priority CPR Hypothesis 2 agreed that Japan benefit in Vanuatu and Tonga by sharing with other donors the burden of PICs through the donor's forum in matching priorities. Priority Gift Giving Hypothesis 4 also applies to Japanese practice as Tonga and Vanuatu were observed to be inferior as Japan focuses on supplying the PICs' greatest need for infrastructure development. In addition, Tonga and Vanuatu not being able to reciprocate the Japanese aid is observed to have contributed to the superior and inferior observation. On the other hand, Priority Development Hypothesis 1 and Priority Schismogenesis Hypothesis 3 did not agree with Japanese priority practice in Tonga and Vanuatu. Priority Schismogenesis Hypothesis 3 was not true as Japan heavily invest on infrastructure, which suit the priority needs of Tonga and Vanuatu. Priority Gift Giving Hypothesis 4 was true that even when priority interests of donors and priority needs of recipients do not match; absence of reciprocity did not cause Japan to shape the priorities of Tonga and Vanuatu. Since two Priority hypotheses agreed and two disagreed to Japanese practices in the Tonga and Vanuatu, it implies that Japan does not influence much of their priorities and superior in character.

In terms of Kiribati, none of the priority hypotheses were found to be true with Japanese practices. This implies that priorities of Kiribati are not influenced by Japanese aid at all, and neither Kiribati was found to be inferior to Japan. It is concluded that aid provided by Japan matches the priority needs of Kiribati especially related to infrastructure development. It is understood that since Japan has fishing interests especially in the sea of Kiribati known for tuna, Kiribati is observed to use the fishing interests of Japan to reciprocate Japanese aid by supporting its interests.

7.2.5 Priority Conclusion

The opposite result of Japanese and Chinese aid (Taiwan for Kiribati) practices to those of France and Australia is explained by the differences in their priority approaches towards the development of PICs. The practices of Australia and France corresponds with the influence characteristics of Development theory and Common Pool Resources, while China and Japan signifies the reciprocity values of relationships argued through Schismogenesis and Gift Giving theory. Both of these observations agree to the two types of schismogenesis since interests depends on the responses from the other. PICs prioritize the ODA available at donors for development while donors prioritizes their maximum benefit from economic gains and political influence in return. This research concludes that interests between donors and needs of recipients only matches when donors acknowledge the priority of recipient countries as its priority without manipulating it for own advantage. Nevertheless, either option still falls into long-term destruction result of schismogenesis to their relationships.

The practice of the Japanese and Chinese aid was perceived to be the most effective practice in matching aid to the needs of the PICs especially for China as it openly demonstrates that its aid is political and that it expect a return on its aid. The ability for the PICs to provide the political interests of China was found to be the reciprocity and key element in creating a balance for the relationship argued through the Gift Giving theory. The aid priority interests of Australia and France are rather strategically integrated in soft politics through intangible approaches. The common examples were found through aid for governance, education, health and other sectors in the form of “capacity building.” It is being observed that Australia and France have shifted their priorities to capacity building while Japan and China remain in the infrastructure needs of the PICs. This shift in priorities agrees and further explained by a report sponsored by the Asian Development Bank (ADB) and Australian Aid to illustrate the needs of PICs²². The PICs are mostly comfortable with Chinese and Japanese aid due to mildness of procedural conditions and especially for making PICs priorities as their priority for disbursements.

²² The Development Needs of Pacific Island Countries Report. Prepared by: Graeme Smith, George Carter, Mao Xiaojing, Almah Tararia, Elisi Tupou and Xu Weitao. (Australian Aid and ADP)

The following figure shows the Reciprocity Framework for ODA. The model illustrates that reciprocity is achieved when donors also receive and recipients give back in return.

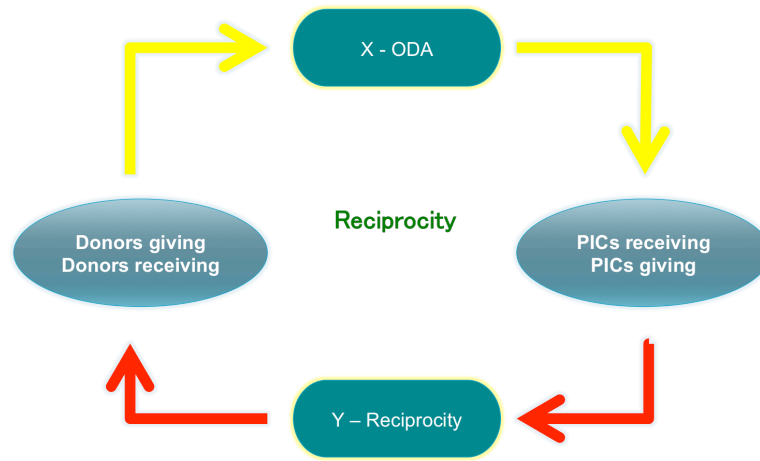


Figure 7.3: Application of the Reciprocity Model

Source: Author

Figure 7.3 above illustrates the reciprocity framework of ODA as the solution for schismogenesis and the hope for a balanced relationship according to the Gift Giving theory. The four hypotheses designed for the Priority concept is argued to work in a cycle where “reciprocity” is the solution. Priority Development Hypothesis 1 explains the background of development theory where wealthy nations are obligated to improve the living standard of poor nations including the provision of ODA. Donors shaping the priorities of recipient countries originated from this initiative. The Priority CPR Hypothesis 2 explains how donors benefit from the commons of resources in developing countries while giving aid. The concept of *conqueror* leading the *conquered* as discussed in the literature review support the schismogenesis in their relationship as argued by Priority Schismogenesis Hypothesis 3. As a result, donors become superior in the relationship as the giver and owner of ODA resources. Priority Gift Giving Hypothesis 4 argues to balance the relationship of donors and recipient by recognizing reciprocity where recipient is obligated to give back to donors in return. This process balances the relationship where donors would become a recipient and recipients becoming a donor. This phenomenon was observed to exist with Japanese and Chinese aid. The author’s recommendation for the Priority section is outlined after the Disbursement concept.

7.3 Concept 2: Disbursement – Assessing and Analyzing the Overall Result

The Disbursement concept as defined on the literature review refers to the approved funds put aside by donor nations to be transferred to the Finance Ministry of recipient countries as aid. Based on the theories selected for the study, three hypotheses were designed for Disbursement. The answers for the research questions and the combined result for the three case studies are discussed below.

Disbursement Hypotheses

Disbursement Development Hypothesis 1: PICs perceives that development of recipient countries is based on the success of Donor nations

Disbursement CPR Hypothesis 2: PICs perceives that donor nations behave opportunistically, but motivation drops when methods of allocation are inefficient

Disbursement Gift Giving Hypothesis 4: PICs perceives that the donor nations decide the concepts and purpose of aid but direct requests from recipient countries influence aid more than donors.

Table 7.2: *Disbursement Combined Result*

Donors	Concept	Vanuatu	Tonga	Kiribati
Australia	Disbursement	all true	all true	all true
France		all true	all true	all true
China		all true	all true	all true
Japan		all true	all true	all true

The combined result from the PICs illustrates that the three Disbursement hypotheses above were all found to be true with the aid practices of all the donors in all the PICs selected for the study. This result implies that the development of recipient countries highly depends on the approaches of donor countries and their successes.

7.3.1 Australia

The disbursement of Australian aid in the PIC is shaped by predefined priorities determined by the Australian parliament. In most cases, PICs' priorities are adjusted and framed to suit this condition, as they are set prior to negotiations. The strong presence of Australia in the central government of PICs allow Australia to not only

direct the government's strategic documents for own priority advantage but also set the conditions for Disbursements to be based on fulfilling national goals. In addition, the common practice of using Consultants for projects and setting standards for budget support, strategically allows Australia to frame the priorities of PICs. This strong control is also witnessed through the phenomenon of Australia claiming back the remaining from disbursed aid to recipients' governments as unused funds. Failing to process and implement disbursed ODA on time under given conditions are to be returned to Australia as inability. Furthermore, the pressures from the strong influence of China in the region motivate Australia to even involve in sectors outside of its interests like infrastructure. The strong political will of PICs government officials also influence disbursements of Australian aid especially on areas directly related to Australia's security interests in the region.

7.3.2 France

Disbursements of French aid are made through the European Union (EU) and South Pacific Commission (SPC) where Consultants play a key role in decision-making according to pre-set regulations with weak influence from PICs. The security and economic interest of France in Vanuatu is interpreted to control its Disbursements with conscious mind that successful development of Vanuatu would motivate its neighbor New Caledonia to consider movement for independence in the upcoming 2018 referendum. Key decision makers argue that French aid is lacking in significance compared to others in spite of its strong presence in Vanuatu. It was supported by participants in Tonga, Vanuatu and Kiribati that the most complicated and difficult to handle among all the donors are the projects from the EU.

Figure 7.4 below shows how the four variables for the study relate to each other when Disbursement is controlled by Priorities of donor countries. PICs perceive that Disbursements are matched to Priorities of donors, forcing recipients to accept the concept of Dependency. This process weakens Leverage and therefore aligns to the Priorities of donors. The model agrees to the nature of CPR and Development theory where appropriators decide and regulate the system. The ODA approaches of Australia and France follow this model where recipients are not given opportunity to make reciprocity. The anti-clockwise flow of the figure below illustrates the strong influence

of donor's priorities over disbursements where leverage of recipients carries limited influences. The figure illustrates the research result by outlining the nature of matching priorities, accepting the facilitation of disbursements, normalization of dependency and alignment to leverage.

The following figure shows how Disbursements are framed by Priorities of Donors causing Recipients to accept Dependency as normal and weakening Leverage.

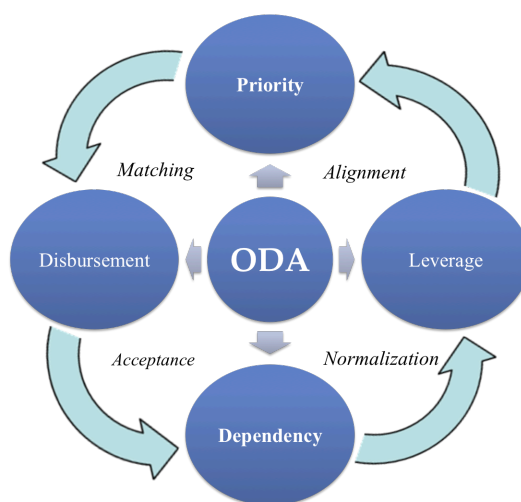


Figure 7.4: Donors' Priority Driven Cycle

Source: *Author*

Australian and French ODA were found to be the best example in following the figure above as priorities are predefined and disbursements are shaped by those conditions. Dependency for recipient becomes natural leading to weak leverage position.

7.3.3 China and Taiwan

Disbursement of Chinese aid (and Taiwanese aid in the case of Kiribati) is considered to be the most flexible for the PICs, as conditions were manageable. Although Chinese aid is mostly given as loans, aid requests from PICs were never rejected especially when they are made from the government central agencies and through influential politicians. The PICs perceives that the authority of Chinese Residential Ambassador to approving aid requests not only assists immediate needs, but especially the most effective method to express China's friendship (including Taiwan). The research finds that Chinese disbursements are facilitated using China's experience as a developing country and

through personal connections with influential leaders.

7.3.4 Japan

The “request based” character of Japanese aid Disbursement is concluded to apply throughout the PICs. ODA is mostly given as grants with strong focus in assisting the development of infrastructure. Processing conditions was considered mild although the differences in the calendar year are a common neck to PICs as expected through the Common Pool Resources theory. The observation in the literature about Japanese aid being used to win favors at United Nations and other international organizations were observed in the PICs. In addition, the fishery interests of Japan influence its Disbursement in Kiribati but not in Tonga and Vanuatu. The research observes that although “request based” is generally respected, Disbursement of Japanese ODA differs to each PICs depending on Japanese interests.

Figure 7.5 below illustrates the cases of Chinese and Japanese aid when Priorities of PICs are made the Priorities of their Disbursements. Priorities of recipients in this case are the Leverages to influencing Disbursements leading to the natural acceptance of Dependency.

Figure 7.5 displays the Recipients’ Priority Driven Model. The model shows how Disbursement is influenced more by the by Priorities of recipient countries as leverage.

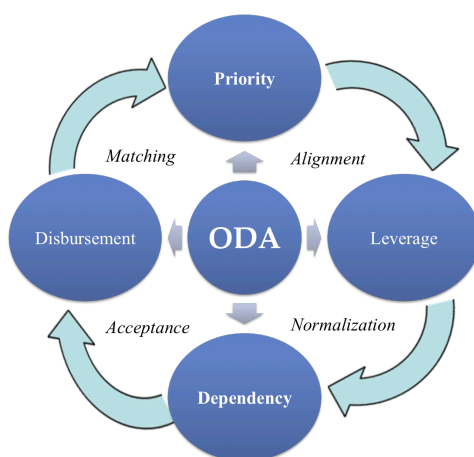


Figure 7.5: Recipients’ Priority Driven Cycle. Source: Author

7.3.5 Disbursement Conclusion

As appear on the result above, the three Disbursement hypotheses were found to be true with the aid practices of all the donors in all the PICs selected for the study. The result implied that aid disbursements are facilitated entirely by the donors according to their interests. This result agrees with theories raised by scholars discussed in the Literature review such as Alesina & Dollar 2000, Bauman 2013 to name a few. Since the interests of donors are reflected through their “Priorities” as discussed on the previous section, disbursement of both Australian and French aid are framed by each country’s foreign policies and are pre-decided at their parliaments. Disbursement of Chinese aid on the other hand would align to PICs priority needs, since China openly declares the political approach of its aid. Chinese Ambassador in each Pacific Island Country is given authority to approve aid requests from central government.

On the other hand, Disbursement of Japanese aid is laying in the middle according to the priority result taking balancing role between the extreme approaches of Australia and France versus those of China. Disbursement of Japanese aid highly commit to the “request based” model based on Japan’s experiences as a former developing country. Although interests of donor nations shape Priorities of recipient countries, and donors also control Disbursement, a positive correlation is found between the practices Australia and France with PICs. In contrast, Priority is not positively correlated to Disbursements according to the result for China and Japan. *This research observes that although Donors control Disbursement according to its Priorities in general, there is Leverage in the recipients’ priorities to influence Disbursement whether it matches with the priorities of donors or not.* This argument implies that leverage is a universal norm in relationships according to the Gift Giving theory.

7.3.5.1 Recommendations

Although Priorities of donors are found to vary depending on its foreign policy interests, the result explains that Disbursement is strongly framed by these interests. The author proposes the following recommendations to assist PICs to engage more effectively with donors.

1. Institutionalize the aid-processing unit for transparency by creating an aid management policy and aid management system. This set up would allow each

government to create a database where details of all ODA including processing information are safely kept. This method would allow each government to view wide range of information including historical data and evaluate various donors and their comparative advantages. The author observed during the study that many projects are given to certain donors due to easy access to Disbursements but not necessarily the best in the sector. Accessing to sufficient information would assist recipient countries to frame their negotiation with confidence and be able to selected appropriate donor(s) for each aid requests.

2. Set up a Central ODA Processing Office for the Pacific Island Countries. Officials of this office could concentrate on gathering information about the overall needs of the region for donors in advance. Relationship between donor nations and PICs is expected to improve with a framework where donors would assist in designing a regional framework to benefit all. This method would assist the development of smaller PICs not to be left behind and also to avoid donor nations from taking preferences in choosing the country to support based on own interests.
3. Train selected officials to master the processing requirements of each donor nations. The preparations would include an understanding of the philosophies and rationales of donors' foreign policies and its connection with recipient country. This method could avoid the preferences of prioritizing donors with fewer conditions and encourage efficiency by maximizing the benefit within the relationship. This research could be used as a guide to begin with, as many cases are revealed from experiences found in the case studies.

7.4 Concept 3: Dependency – Assessing and Analyzing the Overall Result

The Dependency concept of this research carries the notion of “self-sufficiency by emphasizing the goal of ODA to assist developing countries towards “self dependency.” Reaching this goal is the ODA target for recipient countries emphasizing “self-reliance”

Dependency Hypotheses

Dependency Development Hypothesis 1: PICs perceives that dependency by recipient countries is considered natural

Dependency CPR Hypothesis 2: PICs perceives that donor nations tend to control the resources in recipient countries

Dependency Complementary Schismogenesis Hypothesis 3: PICs perceives that efforts of both donor nations and recipient countries are negatively dependent on the result expected from the other.

Dependency Gift Giving Hypothesis 4: PICs perceives that donor nations giving aid and recipient countries accepting aid are expected and considered natural

Table 7.3: *Dependency Combined Result*

Donors	Concept	Vanuatu	Tonga	Kiribati
Australia	Dependency	all true	all true	all true
France		all true	all true	all true
China		all true	all true	all true
Japan		all true	all true	all true

The combined result of the four Dependency hypotheses above was all found to be true, with the aid practices of all the donors, in all the PICs selected for the study. It is implied that Dependency in the PICs is a universal norm, as development from donors is considered natural and expected.

7.4.1 Australia

Australia has been the largest donor for the PICs for many years and therefore reliance on Australia's aid is natural. Since its aid focuses on education, governance and in the health sector, the short term and long-term strategy of the region highly depends on Australia's influences in these areas.

7.4.2 France

Although applied to Vanuatu only, dependency brought by France during colonial period contributed significantly to the characteristics of the country. As a result, France

giving aid and Vanuatu receiving it is considered natural. It is concluded that Vanuatu relies on France in spite of the insignificance of aid efforts compared to other donors.

7.4.3 China and Taiwan

Since all aid requests are never rejected in the practices of both China and Taiwan, PICs favors their aid due to easy access to aid Disbursement although mostly loans for Chinese aid. Also in the case of Taiwanese aid, the availability of funds including budget annually given to the Kiribati government encourages this notion of dependency. In addition, the focus of Chinese aid on infrastructure development satisfies the PICs development needs. China taking up aid projects rejected by other donors also contributes to the dependency of the region on Chinese aid.

7.4.4 Japan

The focus of Japanese ODA on expensive infrastructure projects matches with the development needs of the PICs. The respect for Japan's aid philosophy as a former developing country and technology advantage puts the PICs in a position where reliance on Japanese aid is unavoidable and considered natural.

7.4.5 Dependency Conclusion

Since all the dependency hypotheses were all true to all the aid practices of all the donor countries revealed from the study, reliance on aid is perceived as natural by the PICs. As a result, Dependency of recipients on the success of donors is observed to be true in the PICs. The Dependency CPR Hypothesis 2 is also true as donors are able to influence the resources at recipient countries to suit the system designed for them through development process. This result supports the claim of Complementary Schismogenesis since dependency varies on the responses from both donors and recipients. Dependency Gift Giving Hypothesis 4 also applies as donors giving aid and recipients to receive aid are considered natural. The result for the Dependency variable as illustrated on Figure 7.6 below explains that, Disbursement is influenced by either Donor's Priorities or Recipients' Leverages. They both lead to aid Disbursement found to be mainly controlled by donors. Therefore, Dependency is perceived as a universal norm since donors' priorities and recipients' leverages depend on each other's responses. This argument implies that Dependency is not a concept for recipient or for donors but an

essential factor in their relationship for Disbursement.

The following figure illustrates how Dependency is not influenced by either donors or recipients but a natural phenomenon for aid Disbursements.

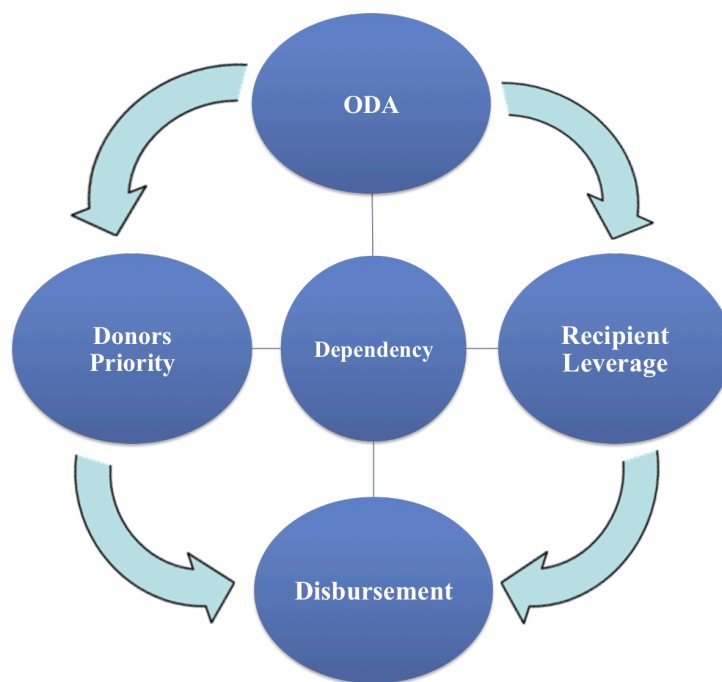


Figure 7.6: Interdependence of donors and recipients in ODA operation

Source: Author

7.4.5.1 Recommendation

Throughout the research, the author interchangeably associated Dependency to the notion of “self sufficient,” “self reliance,” and “self dependency” as its objective. Since this dissertation research reveals that Dependency is fostered by state sponsored ODA processes that advance the interests of donor countries, these processes frequently impose conditions that fail to produce greater self-reliance. Hence, the relationship of donor nations and recipient countries is rooted in the value of inter-dependency. In order to assist PICs to engage effectively with donor nations, the author proposes the recommendation below based on the experiences collected from the study:

1. Design a new “Capacity Building” framework with own definitions. The author observed that a common factor that weakens the negotiation power of PICs were the lack of confidence in its priority needs. Each country is to discuss its core

national concept using cultural value, traditional knowledge and religious ethics and through education to redefine a development framework that encourages future consistencies without involvement of donor nations. This method would avoid confusions of whose capacity definition should PICs adopt when organized by several donor nations. In addition, the PICs would have confidence and take pride in keeping a framework that they are familiar with instead of being defined for them.

7.5 Concept 4: Leverage – Assessing and Analyzing the Overall Result

The Leverage concept as outlined on the literature review refers to the means used by PICs to influence ODA Disbursement from various donors. Since Priorities were found to be different with each donor and each recipient for the study, the strategic leverages are uniquely identified for each donor nations.

Leverage Hypotheses

Leverage Development Hypothesis 1: PICs perceives that recipient countries are indebted and inferior to donor nations due to absence of reciprocity

Leverage CPR Hypothesis 2: PICs perceives that regimes set by donor nations do not agree the norms of recipient countries

Leverage Symmetrical Schismogenesis Hypothesis 3: PICs perceives that efforts of both donor nations and recipient countries are positively dependent on the result expected from the other.

Leverage Gift Giving Hypothesis 4: PICs perceives that the phenomenon of donor nations being superior and recipient countries being inferior is witnessed through the absence of reciprocity

Table 7.4: *Leverage Combined Results*

Donors	Concepts	Vanuatu	Tonga	Kiribati
Australia	Leverage	Gift Giving 4: false	All true	Gift Giving H4: false
		Other three: true		Other three: true
France		true: other three	NA	NA
false: Gift H1				
China		CPR H2: true,	CPR H2: true	Schismo H3: true

		Other three: false	Other three: false	other three: false
Japan		Gift Giving H4: true		Schismo H3: true
		Other three: false	All false	Other three: false

7.5.1 Australia

The research discovered different means used by the three PICs as leverage against Australian ODA. The four hypotheses were the same in Vanuatu and Kiribati where the Leverage Gift Giving Hypothesis was not true and true to the rest of the three. On the other hand, all of the hypotheses were true in Tonga. The general result shows that since most of the leverage hypotheses were true in Vanuatu, Tonga and Kiribati, it implies that *they do not have much leverage to influence decision-making of Australian ODA*. Amongst the few successful models, two types of leverages are identified that PICs successfully used to articulating their needs to Australia. The first one is the short term Leverage by looking at the ability of PICs to frame strategic documents to coincide with the priorities of Australia and at the same time, suitable for its own priorities. The second type is the long-term Leverage tool where using the fear of Australia was found to be effective in influencing the Disbursement of its ODA.

1. Matching with interests of Australia

It is common in all the three PICs that the national priorities are framed through the government strategic documents designed to direct the policies of the country. It is the Vanuatu National Sustainable Development Plan (VNSDP), Tonga Strategic Development Framework (TSDF) and the Kiribati Development Plan (KDP). The document is designed to link the priorities of PICs to international agendas like the Sustainable Development Goals (SDGs) and also the priorities of donors in order to suit the donors' Disbursement requirements. Since Australian ODA is pre-decided in Canberra, the strong presence of Australia in the PICs' central agencies allows Australia to frame the national priorities to suit the conditions for Australian aid.

The strong influence of Australia in providing “budget support” is another example where Australia and other multinational members reward recipient countries with budget support when achieving national goals set for them. In addition, the common use

of Australian Consultants for its aid also coincides with the same point where Disbursement is strengthened by following the Consultant's advices. The characteristics explained here is the example of Symmetrical Schismogenesis where both side stimulate each other in the process. Figure 7.7 illustrates how adapting to the priorities of donors for Disbursements accommodates priority needs of recipients commonly found in the aid practices of Australia and France. Due to existence of other donors with similar aspirations, the long run outcome of rivalry among donors is expected through the Schismogenesis theory. An example of this outcome is observed through Australia's reactions to the strong influences of China in the region. This example is implied to be the consequences of the next section.

The following figure shows the symmetrical schismogenesis of Leverage when aspirations are similar in nature.

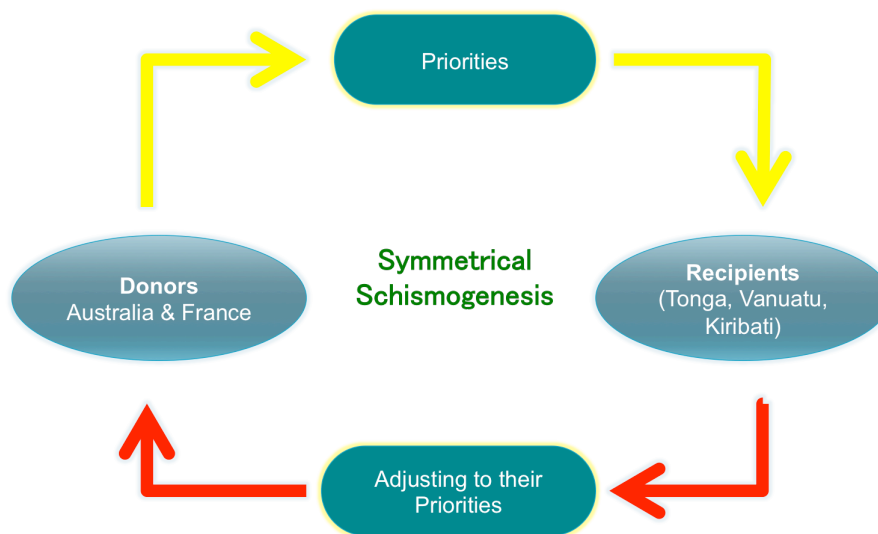


Figure 7.6: Application of Symmetrical Schismogenesis

Source: Author

2. In contradiction with the interests of Australia:

The most successful strategy for Australian ODA as discussed on the case studies, is maximizing its influence in the region by focusing its ODA on education, governance and the health sector for decades. Through education sector, future leaders of the PICs would continue to be friendly towards Australia. Focusing on the health sector satisfies the immediate health needs of the PICs where Australia would continue to be respected

and appreciated. Governance is to be informed of the government's policies in order to influence its direction towards the interests of Australia. The research revealed that this successful strategy of Australia is being adopted by China²³, which was observed to be a threat to Australia's interests. As a result, the PICs are using this phenomenon as leverage against Australian ODA. Nevertheless, despite of regular official visits of Pacific officials to China, Australia is witnessed to give more aid to PICs as its response. Attempting to force Australia out from the education sector in Vanuatu is one example of leverage PICs uses against Australian aid. The characteristics explained here is the nature of schismogenesis where the system is argued to end up failing in the long run.

7.5.2 France

Although France aid was only common in Vanuatu, the hypotheses Analysis result showed that both France and Australia had one hypothesis each to be false and the rest true. It is implied that both Australian and French ODA are similar in character that PICs have limited leverages to influence its disbursements. French language is very much alive in Vanuatu although aid commitment is concluded to be insignificant compared to other donors. An attempt by the Vanuatu government to removing the French language from the education system has been used as a leverage to successfully increase ODA Disbursement. Superior of French in the relationship is still common.

7.5.3 China and Taiwan

The overall result for Leverage Hypotheses Analysis was the same to the Chinese practices in Vanuatu and Tonga. Only Common Pool Resources Hypothesis 4 out of four Hypotheses was true with Taiwanese aid in Kiribati and the rest were not true in the relationship. This implies that PICs have strong leverage to influencing the Chinese and Taiwanese aid. This notion is true as the finding explained that China and Taiwan never rejects any requests from government agencies and influential politician of the PICs. It is understood that the Leverage for Chinese and Taiwanese aid is PICs' ability to reciprocate by responding to the interest needs of China and Taiwan. Figure 7.8 below illustrates both the model of Complementary and Reciprocity. Recipients' needs

²³ Same observation argued through The Development Needs of Pacific Island Countries Report. Prepared by: Graeme Smith, George Carter, Mao Xiaojing, Almah Tararia, Elisi Tupou and Xu Weitao. (Australian Aid and ADP)

are being supplied and in return, the recipients support the interests of donors in the relationship observed with China and Japan.

The following figure shows how Leverage is applied as Reciprocity in balancing the relationship.

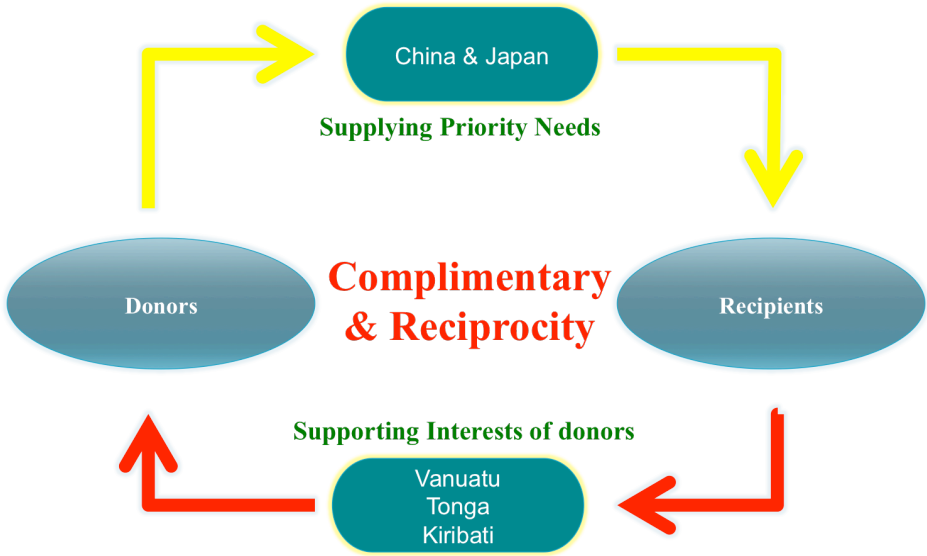


Figure 7.7: Application of Leverage as Reciprocity. Source: Author

Due to existence of other donors with similar behavior, rivalry leads to breaking down of the system according to the Schismogenesis theory. This conclusion is observed to be true in the research especially with Taiwan being used against China and vice versa.

7.5.4 Japan

The Leverage Hypotheses for Japan agreed to one out of four to be true in Vanuatu, and Kiribati while none was true in Tonga. Vanuatu was not true to the Leverage Gift Giving H4 while Kiribati was not true to Leverage Schismogenesis. Tonga on the other hand was not true to all. This implies that the understanding of Japanese practices is not common in the region since the Japanese model of “request basis” is the same model Japan in applying in the PICs according to their needs. Similar to the example used for Australia, two types of Leverages are identified to influence the Disbursements of Japanese aid. The first one is matching to the interests of Japan and the other is for Japan to play a balancing role in the region.

Matching to the interests of Japan

The “request based model” is the key formula to accessing Japanese ODA although project with less than US\$100 million is found not to be attractive enough to contractors. The model guarantees Disbursement only if PICs is able to request within the framework of Japanese grants. Although Japan has fishing interest especially with the tuna rich areas in Kiribati, Japan is unable to bend the rules of “request based model.” The model requires recipients to make the request first under the conditions of Japanese ODA. Although Japanese aid prioritizes recipients’ requests discussed above, its ODA conditions is never compromised neither by PICs’ limited capacity nor by the pressures from other donors. The ability of PICs to satisfy the requirements set by Japanese ODA is the only Leverage. Similar observation relates to Japan’s global reputation interests are observed in negotiation based on implications for ODA in returns for votes. Japanese practice is found to be time consuming and sometimes not properly conveyed.

Balancing Role

The strong influence of Chinese aid in the PICs is both a concern and an advantage. Since China considers that giving out aid means having more friends, most PICs are bonded to China through loans. As for Tonga, more than half of its external loans are from China leading to the introduction of the “no loan policy” common in other PICs. This domination is not only a concern for other donors but also for PICs governments. In response, some recipient countries realized the need for a balance of power and Japan is being used for this strategy. In the case of Vanuatu, the government requested Japan to convert the approved ODA from “grant aid” to “loan aid” in order to balance the domination of China by putting Japan on the negotiation table.

Figure 7.8 below illustrates the relationship of how recipient countries have enough Leverage by aligning to donors’ Priorities and aid Disbursements in their favor.

The following figure shows how recipient countries have leverage in aligning to Donors' Priorities and Disbursements in their favor.

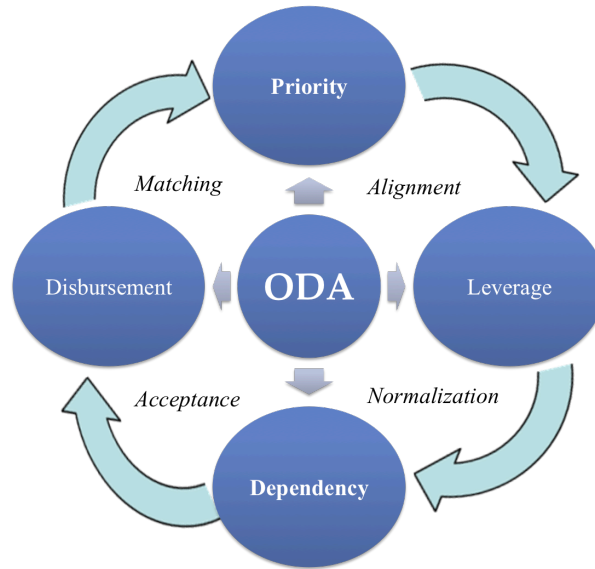


Figure 7.8: Recipients' Leverage Driven Cycle. Source: Author

7.5.5 Leverage Conclusion – *Helping them to help us*

The research finds that Leverages used by PICs vary depending on donors' priorities and potential resources found at recipients' side. These differences signify the consequence explained by the Development theory and Common Pool Resources showing differences in views and a need for fairness. The Leverage concept is observed in the research to function in two purposes, which agrees to Symmetrical and Complementary Schismogenesis. The behavior of Australia and France are found to follow both Symmetrical and Complementary Schismogenesis while China and Japan is observed to follow Complementary Schismogenesis only and at the same time allowing "Reciprocity." It is observed that the destruction warned by Schismogenesis is the absence of "Leverage" used by recipients to balance off Disbursements and Priorities of donors. This Leverage is a form of "reciprocity" found to balance off ODA as an exchange according to the Gift Giving theory. Observation of this argument is found especially through the Chinese and Japanese aid, which focuses mainly on the development of the infrastructure. PICs are more comfortable with these tangible projects and in return able to reciprocate by supporting interests at international

organizations for both Japan and China.

The author observed that the reasons recognized by PICs to use as Leverage are very narrow and mostly framed in a negative approach. *This research finds that PICs perceive that the imbalance of the donors and recipients relationship is due to the absence of “leverage” as “reciprocity.”* The findings of this research implies that reciprocity must be encouraged and to be discussed openly. An observation of this argument agrees with Melville Herskovits (1952) mentioned by Dillon (2004) that, “No matter how freely a gift may be tendered, or how unsought it may be, the very fact of its having been given or presented carries an obligation of some kind of return that can be ignored only on penalty of social disapprobation and the prestige. Psychologically, this holds for all cultures” (p. 73). According to the solution suggested by the gift-giving theory, a balanced relationship is only achieved through “reciprocity” where donors would become a recipient and recipient would become a donor as an obligation to giving in return (Dillon 2003, p. 101).

This result here opposes the core concept of ODA where assistance is framed to encourage self-reliance from the perspectives of donors. Instead, the concept of coexistence observed through Japanese and Chinese aid is suggested as it encourages the idea of helping each other by equating the positions of donors and recipients. ODA for self-reliance carries the concept of Priority and Disbursement on this research based on donors’ terms. This observation suits the ODA practices of Australian and French behavior according to the findings. Since this method leads to schismogenesis, the research finds that improving Leverage as seen with Japan and Chinese practices empowers recipients to recognize reciprocity. Hence, the concept of ODA requires redefinition to consider the moral value of “reciprocity” by empowering recipients and encouraging *helping each other* philosophy in place of *helping you to help yourself*. This method is proposed as donors and recipients mutually depend on each other where generosity is expected to be encouraged.

7.5.5.1 Recommendation

Based on the findings discussed above and from observation, the research is proposing a shift from the concept of “self development” to the universal norm of *helping them to*

help us by recognizing “reciprocity.” This behavior was commonly observed with the ODA practices of Japan and China (and Taiwan) in the case study. In addition, the author observed that while Leverage is a successful tool for PICs to influence Disbursements, the distinctiveness of these leverages per country allow further competitions not only amongst donor nations but also amongst the PICs. Seeking to increase the leverage ability of each recipient country may lead to rivalries and arguments in favor of who gives more. In order to avoid this schismogenesis, the author recommends a regional Leverage framework for a more proactive aid partnership between donor nations and the PICs. The author is proposing Gross National Generosity (GNG) as an alternative contribution to this recommendation based on the research findings. This framework is presented in the following chapter.

7.6 Afterthought Summary

This result revealed that donor nations especially western countries naturally shape the priorities of recipient countries with practices to follow their description of development. The findings demonstrated that the approaches of Australia and France are not only similar in character but also observed to follow the original concept of foreign aid explained to have started from the Marshall plan. This observation is illustrated on the Donors’ Priority Driven Cycle (Figure 7.4) showing Disbursement being controlled by Priorities of donor nations. Accepting these development initiatives is considered natural for recipient countries as moral obligations in maintaining relationships initiated by donor nations. Japan and China behave differently whereby its practices are implied to follow its development experiences. The research finds that reciprocity is a common factor observed in their relationship with PICs and confirmed to be universal in character. Reciprocity is associated to Leverage of recipient countries found to successfully influence Disbursements although very limited and usually framed with negative approaches. This research recognizes the significance of a framework to encourage “reciprocity” as new method for foreign aid by scrutinizing further the aid practices of Japan and China.

CHAPTER 8

Alternative Method of Gross National Generosity (GNG)

8.1 Introduction

The establishment of the Marshall Plan discussed in Chapter Two obligated wealthy nations to assist “underdeveloped countries” by uplifting their economies through various tools of development. This vision allows wealthy nations to shape and suggest the kind of development needed at recipient countries based on own philosophies. The obligation “to give” in Gift Giving theory is observed to suit the position of donor nations and the world vision of eradicating poverty by assisting every country to achieving full development. Through case studies conducted in the Pacific Island Countries (PICs), it further substantiates the discussion by identifying distinct approaches of donor nations to ODA (Official Development Assistance) according to perspectives of aid policy makers in recipient countries. The research confirms that reciprocity is a universal norm based on aid partnerships (Mauss 1997, Dillon 2004). Reciprocity is associated to Leverage of recipient countries found to successfully influence aid Disbursement although limited and usually framed with negative approaches. It recognizes the significance of a framework to encourage “reciprocity” in creating balances as a new method for foreign aid.

The dissertation finds that Disbursement of ODA is influenced by either modifying recipients’ Priorities to those of donor nations or through Leverage. The practice of influencing the Priorities of recipient countries to suit the system of donor nations is explained as “a form of Inviting Gifts” (Dillon 2004, p. 100). It is argued to be “practiced by individuals and nations, consists of discovering the means by which individuals or nations feel indebted, and after discovering their potential gifts, asking them to offer their gifts toward a common goal or the common good” (p. 100). The recognition of this leadership is true in the willingness of recipient countries to offer what donor nations suggest to be the preferred assistance. This method suits the explanation and observation of complementary schismogenesis with outcome of relationships breaking down outlined in Chapter Two. This phenomenon was observed to be a common practice of ODA from the perspectives of the PICs where dependency is a norm.

This Chapter concentrates more on the Leverage concept of recipient countries, found to successfully influence Disbursement. This method suits the explanation of symmetrical schismogenesis where efforts of both donors and recipients positively depend on the response from the other. As symmetrical schismogenesis also predicts the destruction of this relationship due to tentativeness of stronger nations to take advantage of the weaker one, a redefinition of leverage is necessary. Since Leverage involves an exchange (gift theory) according to the findings from the perspectives of the PICs, Leverage takes the role of “Reciprocity.” The obligation to give back as reciprocity is very common with the practices of Japanese and Chinese aid. It was observed from the findings that the reciprocity concept of Japanese aid is implied and expected, but with undefined communication unlike the clear message found with Chinese practices. The value of “reciprocity” is verified to be a universal norm according to the same findings explained by Dillon (2004) to be true in China and by Jacques Gernet (1956) to be true in Japan. Dillon developed and concluded that the “Buddhist theory of the expiatory gift productive of spiritual benefits was the source of productive use of capital” (Dillon 2004, p.100, note 17). The thesis argued is closely connected to the pioneering work of Robert Bellah’s classic study of the Tokugawa Religion (1958). The same research introduced the Japanese ethics of gift giving and repayment in return, which were concluded to apply to all relationships (Dillon 2004, p. 73).

Australian and French aid is found to be an example of “Inviting Gifts” since PICs were willing to adjust their priorities to the donors’ definitions and conditions of their aid. Consequently, since aid Disbursement is framed by both the Priorities of the donors and Leverage of recipient countries, the research concludes that “Dependency” is a natural phenomenon (Development theory) as a factor for Disbursement and also an obligation to receive (Gift Giving theory).

In response to the findings, this chapter encourages a balanced relationship through the recognition of “reciprocity” to the donor-recipient relationship. The author proposes a framework built on the concept of ‘gift-giving’, which is an essential cultural tradition even in the Pacific Island societies. This “gift theory” acknowledges the pioneering work of Marcel Mauss (1872-1950) and a re-examination of the key concepts of gift

circulation and their application to international aid is relevant. The Gift Theory embraces the “obligations to give”, “obligations to receive” and the “obligations to reciprocate”, emphasizing that giving is self-interested and not for free (Mauss & Hall 1990, pp. 16-20). The model argues that through the system of reciprocity, the honor of both the giver and the recipient are guaranteed and set to be neutral. It is also expressed by Dillon (2004) that the “making of gifts and the delivery of returned gifts would be among the ways of organizing an equilibrium and the building of a common culture” (p. 101). Ericksen (2007) discussed the psychological and social effect of foreign aid and claimed that, “most of the poor countries that receive foreign aid reciprocate lavishly through repayment of debt and cheap labor, but these ‘prestations’ are not acknowledged as such” (p. 11). The balanced engagement in this relationship connotes that whatever is in the definition of possessions that “makes one rich, powerful, and influential” is usable for “compensating others” (Mauss & Hall 1990, pp. 12-13.)

Although the gift concept has been neglected in the practice of international aid as a tradition of “archaic societies” (Hattori 2001), it is significant to recognize, as it is common in the Pacific that receiving a gift extends beyond its physical nature. Receiving the gift also involves the spirit of the giver and there is a moral obligation to return the gift as a universal norm (Sahlin 1997, p. 70, Dillon 2004). Mauss phrased it as shown below in terms of the total service involved:

In this system of ideas one clearly and logically realizes that one must give back to another person what is really part and parcel of his nature and substance, because to accept something from somebody is to accept some part of his spiritual essence, of his soul. To retain that thing would be dangerous and mortal, not only because it would be against law and morality, but also because that thing coming from the person not only morally, but physically and spiritually, that essence, that food, those goods, whether movable or immovable, those women or those descendants, those rituals or those acts of communion - all exert a magical or religious hold over you. (Mauss & Hall 1990, p. 16)

It is implied that the obligation to give is uniform with the obligation to receive and refusing a gift is “losing one’s name” or admitting “oneself beaten in advance” (Mauss & Hall 1990, p. 52). The argument recognizes that reciprocity could be provided not

only as physical matter, but also morally and spiritually. This nature of gift giving and receiving enhances the burdens attached within the exchanges. The system encourages hard work by individuals as it forbids one from abstaining from receiving, as this would denote refraining from giving, which in turn means avoiding reciprocity (Mauss & Hall 1990, p. 151, note 199). Chiefs or those privileged in the same context are only accepted as wealthy, powerful and viewed with respect if giving is observed - usually at festivals (Mauss & Hall 1990, p. 50). To share by giving away accumulated wealth is the obligation of chiefs in order to hold a hierarchical position; otherwise they are given the title of “rotten face” (Mauss & Hall 1990, p. 50).

Mauss describes how in the Pacific, especially in Polynesia and Melanesia, reciprocity is the cornerstone of the community and failure to reciprocate results in “slaves for debt” (Mauss & Hall 1990, p. 54) and loss of dignity (Sahlins 1997, p. 70). He also noted a unique characteristic of reciprocity in that it depends highly on the quality of the things that are given (pp. 45, 28-34). As expressed by Ralph Waldo Emerson (1844, p. 27):

This giving is flat usurpation, and therefore when the beneficiary is ungrateful, as all beneficiaries hate all Timons, not at all considering the value of the gift, but looking back to the greater store it was taken from, I rather sympathize with the beneficiary, than with the anger of my lord Timon.

Referring to the donor-oriented nature of aid, this nature defines the “symbolic power of politics” between donor and recipient, where aid signifies ownership dominance and is presented as generosity (Hattori 2001). It is argued that this transformation euphemizes the physical hierarchy that defines the relationship where recipients are “complicit” to the obligation “that enables donors to give in the first place.” As a result, it is argued that negative reciprocity, or aid without reciprocity, traps the recipient in the weak status of this created hierarchy (Mauss & Hall 1990, Hattori 2001 and Sykes 2005).

8.2 New Methods of Gross National Generosity (GNG)

GNG is initially defined as *the moral contributions of recipient countries*. This model replaces the “Gross National Giving” model published by the author in 2016 as “New Visions for International Aid; Perspectives from the Pacific Islands” (Funaki 2016).

Since Shismogenesis explained in Chapter Two argues that destructions of relationship is inescapable as long as human and environment exist, the phenomenon of *giving help* and *being helped* is universal. Borrowing from anthropology, this research agrees with the gift giving theory that reciprocity is universal and therefore inevitable for continuing the relationships of donor nations and recipient countries initiated through ODA. The GNG model identifies six indices gathered and tested in the PICs as an initial conceptual framework to be explored further. The indices proposed for GNG answer the questions of what could be used as indicators to evaluate the level of generosity expressed by developing countries? The philosophy of GNG is centered in empowerment of recipient countries by obtaining dignity lost due to the absence of reciprocity for foreign aid. GNG prioritizes a balanced relationship between donor nations and recipient countries through returning of services. It is also an attempt to answer the questions left by Gregory Bateson (1942) of “What dignified role is each of the various nations best fitted to play? What motivational patterns shall we evoke between those who give and those who receive in order to submit not to each other but to some abstract principle?” (Dillon 2004, p. 106).

The author wishes to acknowledge that the non-economic aspects of wellbeing introduced by Gross National Happiness (GNH), contributed significantly to the idea of GNG. The 4th King of Bhutan firstly introduced GNH in 1972 as a better development indicator over GDP (OECD)²⁴. GNH successfully developed further and led to the first report of the World Happiness in 2012 and its adoption to the United Nation Sustainable Development Solution Network.²⁵ GNH is known to measure people’s quality of life by centering in the original philosophy of peace, happiness and security (Center for Bhutan Studies and GNH)²⁶. However, while GNH quantifies both material and spiritual development by looking at “wellbeing”, GNG rather recognizes “well giving” by identifying the moral generosity of recipient countries to balance ODA from donor nations that are overlooked mainly as they are intangible and immeasurable in character.

²⁴ Retrieved on May 2, 2017 from

<http://www.oecd.org/site/progresskorea/44120751.pdf>

²⁵ Retrieved on May 2, 2017 from <http://www.oecd.org/site/worldforum06/38704149.pdf>

²⁶ Center for Bhutan Studies: <http://www.grossnationalhappiness.com>

The GNG model proposes an alternative method and vision for foreign aid where reciprocity is advocated through fostering of generosity. It is designed with the hope that it will contribute to liberate the PICs, as well as other developing nations having similar characteristics, from the chains of indebtedness.

Figure 8.1 shows GNG and indices identified as moral contributions of recipient countries.



Figure 8.1: The Gross National Generosity Model

Source: Author (Revised from Funaki 2016)

The “giving” philosophy of the PICs is strongly woven into the Pacific mindset as maintaining generosity within the community, knowing one’s defined status within the social structure, and using one’s full resources to demonstrate obligations to others (Small 1997). The author argues that the PICs having been trapped into the lie of “aid dependency” could be the outcome of not having acknowledged their moral generosity as “reciprocity.” By identifying ways to complete the gift giving cycle through reciprocity as discussed throughout the research, we can expect recipient countries to carefully design a better aid framework encompassing dignity towards achieving the positive goals of ODA. The proposed indices are defined below after being tested

according to the perspectives from Vanuatu Tonga and Kiribati.

8.2.1 GNG Index 1: United Nation Votes (UNV)

The common united character of the PICs at the Pacific Island Forum (PIF)²⁷ has significant influence in shaping global decisions facilitated by the United Nations. Although the PICs combined have 14 full members at the United Nations (UN), excluding Australia and New Zealand, PIF member countries are entitled to the UN policy of “*one state one vote*.” The 14 PIF member countries have substantial muscle as not only they are united in character, but also they vote in blocs. From the case study of Tonga, Vanuatu and Kiribati, it is a common understanding woven into the practices of China and Japan especially to win the favor of the PICs and thus their votes in return for ODA. From the research findings, supporting donors through UN votes is an implied Leverage, but it is not a matter that is discussed openly, except for Chinese aid. “We all know it is part of the strings attached. They give assistance to us at the exchange for supporting their candidacy and so forth” (Tonga Interview).

In discussing this index, participants raised questions about the worth of each vote and how much it contributes to developed nations. “ODA from different system from different partners, it’s not on a daily basis, we vote for them all the time” (Vanuatu Interview). If we know the value of each vote and the benefit of being on the Security Council, for example, we would have a better understanding of the value of that vote to the donor country. We could calculate the benefit of that vote to the donor country in terms of a proportion of the value of the ODA provided to the recipient country. This would answer the issue of quantification, but the perceived value to the PICs is up for debate as giving as reciprocity when the giving is not being appreciated is empty.

The PICs have been voting for their former colonial masters and now donors since their admittance to the UN to the present; these votes are given as an implied favor in return

²⁷ Cook Islands, Federated States of Micronesia, Fiji Islands, Kiribati, Marshall Islands, Nauru, Niue, Palau, PNG, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

for ODA. An explanation from one participant enlightens this point about the practices with votes further also appear in Chapter Four:

This is done closed doors. You don't do this type of lobbying because they will deny it. They will never say if you give me this, I will give you that. It is never done that way. It is always implied. It is always implied... The implication is that we will give you our support if you give us that. If you don't give us that then we won't give you that support (Vanuatu Interview).

The value of the votes themselves might not be significant in amount, but the appreciation that one gives as a receiver must be big according to perspectives of participants. It is connected to the motive and the spirit, which is that one, is willing to give everything that matters. The same participant gave an example about Tonga's relationship with China in this matter. "Have you seen their massive building in New York? They got their own building in NY that houses the Tongan embassy. They got that for one vote. They supported China in the Security Council. Very smart negotiations. When Chinese asked what you want? Tongan said we want a building in New York. That was it. They built it" (Vanuatu Interview). The AUD\$11 million given annually by the Taiwanese government to Kiribati discussed in Chapter Six explains the vote needed by Taiwan in their support at the UN. The battle between China and Taiwan among the PICs for votes signifies that this vote has significant value. One interviewee shared some of the consequences of using implications in reciprocity in a region where countries feel indebted to the donors of continuous ODA.

In NY it is a tough gig. You sell a vote for a gold watch, your golf course fees, a lot of cases are for the school fees for your kids because its an expensive place or salaries for your diplomats. Some countries do really well and that money goes back to capital. It's all about the vote in the UN and its institutionalized vote by. The presidency of the general assembly is institutionalized vote by. They have bank accounts in the UN basically to put bribe into to legitimize them. Everyone does it. The whole system is set up to do it. If that is the case, sell the vote for what it's worth. If you want access to our markets, our fish, if you want access to your investors to come in and build, say, hotels, don't give us 75 million dollar aid; we want 150 million dollar aid. Again, we don't want to put up that final figure, but for the shifting of

the perceptions on this side of the fence of the game, we can stand up to be able partners. Once you get that shift, the rest is easy. It is a game and everyone is playing it (Vanuatu Interview).

How much more empowering it would be if the PICs knew that their votes have value and that these votes can contribute significantly to the economies of those that give them first? Would not this method free the recipient from indebtedness to the obligation incurred with each ODA disbursement? From the case studies, votes are sold to PICs officials with personal items like a gold watch, golf fee and even school fees of diplomat's children, expensive dinner, cruise tour to name a few. Since these vote contributions from the PICs have not been accounted for, votes are not sold to its full worth. PICs are fond of eating reef fish²⁸, as they know how to traditionally catch them. For PICs to look for bigger fish in deeper sea requires new sets of skills. An alternative is to shift from the idea of *teaching one to know how to fish* (since it may not be appropriate to the fishing people of PICs) to *teaching one to know how to sell fish*. At the national level, recognition of the UNV index would give recipient governments the confidence to effectively manage ODA as an appreciation of their generosity rather than gifts given with price tag attached.

8.2.2 GNG Index 2: International Security Cooperation (ISC)

The scattered position of the PICs with their wide Exclusive Economic Zones (EEZ) has a weighty significance as regards global security. A document prepared by the Asian Development Bank (ADB) about the shipping sector²⁹ argued that “ensuring efficient transport is essential to the continued development of the PICs.” The report shows that the majority of transport vessels are owned by international shipping companies highly concentrates on a few lines that provide shipping services. The document also highlighted that because each port charges low port fees, there are no regulatory barriers to entry. Since the 9/11 attacks in 2001, maritime security has been observed strictly by

²⁸ Welch, David J. A small- scale vessel registrationsystem for Pacific Island countries and territories / Pacific Community Cataloguing-in-publication data. Retrieved on February 2017 from:

https://www.spc.int/DigitalLibrary/Doc/.../Welch_2016_SSV_Report_Summary.pdf

²⁹ Oceanic Voyages Shipping in the Pacific, 2007 (ADB). Retrieved on March 2007 from: <https://www.adb.org/sites/default/files/publication/29760/shipping-pacific.pdf>

introducing the “24-hour manifest rule”³⁰ as part of the measures taken against the threat of terrorism. This rule was a response by the international community to the development of a maritime regime known as the International Ship and Port Facility Security Code (ISPS)³¹, which took effect in July 2004. The ISPS code applies to all international ships and ports registered to facilitate these ships, including the passages and waterways leading to each port. The report reveals that the global discussion for deciding how to estimate these costs is still ongoing. One example on this point would highlight Tonga for its international vessel registration business. Tonga has been criticized and claimed to have registered an international vessel, which was found to be involved with terrorism and people smuggling (Radio Australia).³² Unfortunately it is a threat to the security of the region but at the same time, it demonstrates high security potential that is yet to be accounted for. On the same ground, Samuel Rueckert Brazys outlined the cost and benefit of the Compact of Free Association between the United States (US) and the Federated States of Micronesia (FSM):

The Compact of Free Association was intended to provide the United States with access to key strategic sea lanes and airways while simultaneously providing economic assistance to promote the long-term economic health and self-reliance of the FSM. Title II of the Compact provided a budgetary grant to the FSM valued at \$60 million USD over the first five years, \$51 million over the second five years and \$40 million over the final five years of the Compact. This economic assistance was provided almost entirely free of conditionality save for a stipulation that a minimum of 40 percent be allocated to a loosely defined ‘capital account’. In consideration for this economic assistance, in Title III of the Compact, the FSM

³⁰ This is a regulation for all shipping lines to inform the US authorities about the contents of all containers bound for the US, 24 hours prior to loading the vessel in any foreign port.

³¹ Details of the ISPS Code. Retrieved on March, 2007 from:
<https://www.apl.com/wps/portal/apl/apl-home/global-security/international-ship-port-facility-security-isps>

³² Radio Australia march 2012. Retrieved on March, 2017 from:
<http://www.radioaustralia.net.au/international/radio/onairhighlights/is-tonga-still-operating-its-shipping-register>

provided the United States with rights of strategic denial to its sea and airspace, as well as leaving open the possibility of US military bases in the country.³³

Considering the Pacific Ocean as the largest ocean in the world and that Oceania cover 1/3 of the face of the earth (see literature review), the region's contribution to international security cannot be underestimated. The Pacific has been proven to have strategic geographical advantage taken advantage of by the donor nations who give ODA. The active participation of the United States in the PICs is known to focus mainly on its dependent territories in Micronesia (western Pacific) and American Samoa (eastern Pacific). American military bases are common in these areas, which were used for the testing of nuclear weapons and currently are maintained as strategic positions. In addition, Japan dominated many countries in the region causing major battles during World War II. The same observation also applies to the strong presence of France in its dependent territories of Tahiti, New Caledonia, and Wallis & Futuna, which are all managed from the other side of the Pacific. The dominant influence of Australia and New Zealand is discussed in the research, which found that their foreign policy interests are based on the threats depicted by this open space extending throughout the PICs (Schultz, J. (2012).

The PICs do not have the facility to trace how many vessels crossing their wide water continent and how many objects traverse its air space. There is no doubt that the value of the commitment of the PICs to world security through their cooperation with the international community is incomparable. One of the participants shared his views of the PICs' contribution and experience.

The main route from the US to Australia and New Zealand is through our airspace. Two months ago, we went to Christmas Island and I was lying down and watched the many lights going by and people said, they are planes but with short intervals, another plane passed to

³³ Samuel Rueckert Brazys (2014). *Paradise Lost: The Cost of Removing Tax and Trade Provisions from the Compact of Free Association*. *Asia & the Pacific Policy Studies*, vol. 1, no. 1, pp. 204–215 doi: 10.1111/j.2050-2680.2013.00002.x. Retrieved on March 10, 2017 from: <http://onlinelibrary.wiley.com/doi/10.1002/app5.2/full>

different direction. Now I have a project with the US air force to built 16 radars in Christmas Island to study the airspace. Christmas Island's position is very ideal for it is only 1 degree north of the magnetic equator. It is a very good position to watch different sides of the world. Japan has a project in Christmas Island called NASTA that monitoring station for spaceships. They wanted to extend it to OPEX un-manned shuttle and they even had an airport there but it was put on hold during the economic crisis. They like the location of Christmas Island because it is right on the equator, that's where the resistance is very less. The other point is the fact that it does not cross enemy territories of China and Russia. These are the resources we sometimes do not make full use of in negotiations (Kiribati Interview).

Although it was not mentioned during the interview, the existence of Chinese satellite tracking facility in Kiribati (Yang 2011, p. 141) is observed to hold significant value for further discussions. This may be interpreted as threats but no doubt that someone would benefit from it if not recognized. First of all, is there a moral value as contributions through PICs maritime territory? Secondly, is their regional setting hold significant value to the security of the region and the world? How about the potential gains from effectively using the airspace of the region for this security if not yet utilized? At the same time, do we have the right to place a value on air and sea spaces? If the PICs, the resources owners, are given the authority to make these decisions, how can we quantify their value system, which is rooted in relationships and trust? It is worth the challenge to conduct further research and discussion about the PICs' support to the ISC index for these elements to be acknowledged as a contribution as it could be utilized as a threat. Such research and discussion would assist not only with negotiations, but also especially support the PICs in confidently expressing their moral obligation to International Security through their scattered location and wide EEZs.

8.2.3 GNG Index 3: Contribution to Cultural Heritage (CCH):

The movement of the United Nations Educational, Scientific and Cultural Organization (UNESCO) towards recognizing the need to preserve cultural heritage was established in 2003. Cultural Heritage according to UNESCO refers to both tangibles and intangibles, including traditions and living expressions inherited from our ancestors. It explains that cultural heritage consists of "oral traditions, performing arts, social practices, rituals, festive events, knowledge and practices concerning nature and the

universe or the knowledge and skills to produce traditional crafts.” (UNESCO)³⁴ Differences in cultural diversities are argued to be particularly significant in international dialogue as they connote mutual respect in society. Cultural heritage is valued as the wealth of knowledge and skills entrusted to our ancestors and now entrusted to current civilization and to be passed on to the next generation. UNESCO recognizes the five categories outline below in order to ensure that all cultural values are preserved for future generations.

- Oral traditions and expressions, including language as a vehicle of the intangible cultural heritage;
- Performing arts;
- Social practices, rituals and festive events;
- Knowledge and practices concerning nature and the universe;
- Traditional craftsmanship. (UNESCO homepage)

The first registration of intangible cultural heritage began in 2008, and currently there are a total of 429 heritages listed as of the year 2016 (UNESCO)³⁵. From the PICs, only Tonga and Vanuatu managed to register one cultural identity each in 2008. Tonga highlighted its “Lakalaka” (dances and sung speeches) while Vanuatu showcased its tradition of “sand drawings.” As explained in the finding chapters, the PICs are comprised of the three ethno-geographic groups of Polynesia, Melanesia and Micronesia with EEZs covering more than 1/3 of the globe’s surface. Considering the region consists of more than 25,000 islands (see Nile 1996, Fischer 2013) and more than 1000 indigenous languages, how many oral traditions could be counted from each community? How about the thousands of dances and arts that are currently performed, not even mentioning those that are no longer practiced. The uniqueness of the social practices and ritual festivals are uncountable as craftsmanship, and many knowledge practices yet to be investigated in the region could contribute to international dialogues and cultural diversities. One interviewee elaborated a view on how cultural knowledge could contribute to society:

There are lots of areas we are contributing like areas to do with climate change. Developed countries come and exploit our locals and use us as guinea pigs. They want to use some of the

³⁴ UNESCO homepage. <http://www.unesco.org/culture/ich/en/oral-traditions-and-expressions-00053>

³⁵ UNESCO List of intangible cultural heritage. Available at: <http://www.unesco.org/culture/ich/en/lists>

designs on the buildings done using traditional knowledge to make the house cool in hot days and warm at night. They are now being discovered in our old buildings and they want to use it somewhere else (Vanuatu Interview).

Another interviewee gave an example of “oral tradition and expression” found to be relevant for the study especially with discussion of the value system of the region.

Try and quantify “fonua.” What does that mean to you? You need to set that aside. We need to find a new way of understanding of saying “fonua”. When we say that, it is everything from being in the womb, connect to Mother Earth, Mother Sea, all of that is embodied in one word, “fonua”. When the babies are born, that is the “fonua”. English value is fetus but for us, it is our land and our being. Maybe there are things we need not to be quantified. Maybe there are things we need to put aside and say that’s it. As soon as we quantify something, it becomes a product, it becomes a commodity, it becomes commercial, and then it will come to an end (Tonga Interview).

Another interviewee shared similar perceptions on the challenges of relating the cultural value discussed above to non-Pacific islanders:

In Melanesia for instance, people and land are one and the same. Same in the Pacific that’s how we view things. Land is our mother and nature. We have that connectedness with our environment. No way the Westerners would understand that and they won’t understand why we have too much dispute over land and things like that. For them, the common law system has made land property. They have divided land from the people and they are two distinct things. Land is property and person is individual whereas in the Pacific, when you talk about land is the same as talking about a person. I cannot see that they would change their point of view to suit ours and I cannot see us changing ourselves, we can change our mentality but the very fiber and core of our being is connected to the land and that’s what makes us who we are. I can never see us at least at the fundamental level matching, integrated, but I can see at a more sort of higher level when it comes to integrating interests at least being able to package it in such a way that there is a compromise (Vanuatu Interview).

Recognizing the moral value of Cultural Heritage would encourage countries to

seriously contribute to the CCH index by conserving traditional knowledge through activities geared towards mutual understanding. Unity is expected through redefinition of disappearing cultures leading to more respect for differences. Instead of building more infrastructure-related development to build a New York-like city in the islands as expressed in the case studies, development would be framed to prioritize the conservation of cultural values and traditions.

8.2.4 GNG Index 4: Contribution to Humanity and Livelihood (CHL)

In addition to the cultural heritage discussed above, contribution to humanity itself is proposed to be a significant factor of GNG. Livelihood here is essential for supporting humanity and is defined in many ways, all of which refer to the means used for securing the necessities of life. The world of anthropology studies people in terms of history, behavior, adaptation and the nature of socializing with one another. Claude Levi-Strauss (1997) defined anthropology as “a system of interpretation accounting for the aspects of all modes of behavior simultaneously, physical, physiological, psychical, and sociological, only to study the fragment of our life which is our life in society is not enough” (p. 46). The pioneering work of Marcel Mauss to anthropology through the Pacific value of the Gift theory must not be underestimated.

Linda Geddes (2014) in her interview with John Edward Terrell (Curator of Oceanic Archaeology and Ethnology, Natural History of Chicago) said, “human culture is about survival of the friendliest.”³⁶ Being an expert in the biological, cultural and linguistic diversity of modern Pacific Islanders, John Edward Terrell agreed with the balance of the gift-giving theory, that our personalities and knowledge are tied to our relationships with others. He elaborated that humans are talented not only with ways for killing others, but also with the ability for “turning strangers into friends”. From the examples discussed below, the PICs can be seen to hold abilities and values that could turn strangers into friends. In making this lifestyle approachable, the tool of international

³⁶ Linda Geddes (2014) An anthropologist finds cooperation, not savagery, throughout the Pacific Islands. Published in the <https://www.newscientist.com>. Retrieved on March 26, 2017 from: http://www.slate.com/articles/health_and_science/new_scientist/2014/12/anthropology_in_pacific_islands_friendliness_rather_than_savagery_in_new.html

migration is observed to be the catalyst for sharing this knowledge effectively at their new destinations. The tools used by New Zealand and Australia through the Seasonal Workers Scheme in the PICs, have been proven to address the shortage of farm workers and also the development of the PICs. A deeper look into the moral contribution to humanity through migration is worth close scrutiny in order to recognize the generosity of each country. Such an index would motivate migrants to have pride in their work and would also work towards the eradication of forced labor. In terms of monetary term, the research conducted by Gibson, Boe-Gibson, Rohorua and McKenzie (2007) ³⁷ finds that remittances of Pacific Islands is higher than aid and direct investment which could reach US\$400 million per year.

Contribution to livelihood in the PICs insinuates the significance of the land, coastal, and marine resources to the existence of humanity, as this region comprises the largest ecosystem of the world. The International Union for Conservation of Nature (IUCN) is the oldest and largest global environmental organization focusing on identifying solutions to environmental and development challenges. Since the Pacific is 98% ocean, IUCN recognizes these valuable resources not only for the PICs, but also for the world. IUCN confirmed that the region is under threat not only from the consequences of climate change, but also from activities resulting in the overuse, misuse, pollution and damage of the environment. In 2010, IUCN produced a document to estimate the “*Economic Value of the Pacific Ocean to the Pacific Island Countries and Territories*” (Henrike Seidel & Padma. N. Lal).³⁸ Although the report acknowledged the complexities of making the estimation, it outlined the economic contribution of sectors associated with the Pacific Ocean. Only two sectors, those of coral reefs and mangroves, will be introduced in this section. The Total Economic Value (TEV) of coral reefs was estimated to be USD\$3.8 billion and that of mangroves to be USD\$3.9 billion.

³⁷ John Gibson, Geua Boe-Gibson, Halahingano Rohorua and David McKenzie (2007), Efficient Remittance Services for Development in the Pacific. *Asia Pacific Development Journal*, Vol. 14, No. 2 (pp. 55 – 74).

³⁸ IUCN homepage. Retrieved on March 2017 from:

https://cmsdata.iucn.org/downloads/economic_value_of_the_pacific_ocean_to_the_pacific_island_countries_and_territories_p.pdf

Nevertheless, the report noted a scientific consensus statement from the Center for Ocean Solution (2009) that a dramatic deterioration in the health of the Pacific Ocean is expected over the next century unless good measures to address the threats is taken. The estimated cost related to the change of the climate due to economic development, natural disaster, coral bleaching and mangrove loss was TEV of approximately USD\$30 billion. This cost implies that the expected value of the damage is four times greater than the estimate of these sectors' current value. On this point, the author wishes to highlight one of the interviewees who shared Pacific perspectives about their contribution to humanity and livelihood:

“From us in the region, it comes from understanding of your identity and who you are I feel. There are other things that might affect us. The fact that we do not know much about what we have in terms of our capital, our environment how much it means to us, that may be a blessing in disguise at all but also our vulnerability. In the Pacific, we are pushing this notion of stewardship of creation that we got this ocean given to us to take care. There is a number estimated about how much the Pacific Ocean gives to the world. There is a figure amount! Trillions. This is the estimated amount of how much the Pacific is giving to the world. How much oxygen are we giving to the world from the ocean as resource owners? They say you can calculate the minerals. The ocean has a value to us that you cannot put a dollar sign to it. It was a big argument between us because we were saying that this figure value would at least give you the opportunity to negotiate on priceless issues. We are saying there is something we cannot put a value to it. There are other things that I wonder sometimes whether it needs to be quantified.” (Tonga Interview)

The explanation above enhances the Pacific traditional knowledge of sustainability by ensuring that resources such as fish stocks, mangroves, riches of the coral reefs and marine ecosystems will be available for many generations to come. One example discussed in the Kiribati case study highlighted the sustainability of fish stocks through the introduction of the Vessel Day Scheme (VDS) instead of the tonnage formula proposed by the European Union. The tonnage formula allows each vessel to fish up to a certain number of tons of fish and then stop for a fixed annual fee. The VDS scheme under the PICs' terms aims to control fish stocks by charging each vessel per day of fishing. The IUCN report confirmed that 50% of all tuna catches is from the Pacific

with a TEV of USD\$3.1 billion, not mentioning anything of other marine resources. In addition, seabed mining of manganese nodules including other mineral deposits was confirmed in the 12 Pacific Island Forum countries (PIFCs) and has an estimated value of USD\$11.93 trillion (IUCN).

The question here proposed by the PICs is whether anyone has the right to put a value on the biggest ecosystem in the world. Otherwise it is suggested to accept the value system of the Pacific based on human trust as raised by the two interviewees above. Although the moral values of the Pacific do not recognize the estimates proposed by IUCN, few of the estimates are concluded to hold economic value that PICs could refer to as “reciprocity” in contributing to GNG. The CHL index not only recognizes the necessity of the resources in the Pacific for future generations, but also especially encourages generosity in conserving priceless resources and human values towards global livelihood.

8.2.5 GNG Index 5: Contribution to Sports and Research (CSR)

The PICs have contributed tremendously not only to academic research, but also to the richness of some major sports. Rugby and cricket were introduced to the region during the colonial period. Of these two sports, rugby is the most popular and has even become the national sport for some PICs, especially Fiji, Samoa and Tonga. Due to the strong build of Pacific players, almost all strong rugby teams in the world have a player of Pacific origin. The increase in the presence of Pacific Island players outside of the Pacific has contributed immensely to the world standard of rugby, even for countries who have only recently adopted the game like Japan. As a result, the outflow of Pacific players to countries offering yearly multimillion-dollar contracts is a common practice. Although the success of players in obtaining expensive contracts leads to an expected increase in remittances for the region, there is no significant recognition given to the countries or the region for this contribution.

If we have data on the economic contribution of each player to each team, and the impact on the reputation of each team, including national teams, the region would effectively improve this sector for global demands. In his article, *Why the world should repay debt to the Pacific Islands: Financial problems and talent drains have led to*

claims of exploitation, Telegraph writer Daniel Schofield (2014)³⁹ expressed one angle of the CSR index. *The debt that rugby owes to the Pacific Islands is enormous. A fifth of players at the last World Cup were either born or descended from Samoa, Fiji and Tonga, whose combined population is little over a million – roughly the equivalent of Birmingham. It is a debt that remains shamefully unpaid.* The writer emphasized that the world profited from the Pacific and proposed offering something in return. Other than rugby, there are many other physical advantage-related sports such as American football and basketball that favor Pacific-origin players with multimillion-dollar contracts.

In terms of research, the region has contributed to knowledge creation since the arrival of Western civilization, Christianity and the Anthropologists. Since the history of the PICs is passed on through storytelling and songs, uncountable scholarships and foundations have invested heavily in the region in order to record and this history. Nevertheless, as experienced through this study, much traditional knowledge is purposely kept from non-Pacific researchers. As a result, the Pacific Island countries could be argued to be the most understudied region in the world. The gift-giving theory, for example, was interpreted through observation in the late 19th century and although it has influenced the world through anthropology for decades, it has yet to be fully recognized. Much more knowledge could still be discovered in the region if only more scholars were to be allowed to discover these untold mysteries and riches.

This CSR index would promote a consistent flow of talented players to receiving countries and at the same time, allow the sending country to take pride in their upbringing. Contributions to research not only would recognize past scholarship for further interpretations, but also allow for creativity in frameworks in order to encourage more researchers, both from outside and within the region, to join forces in knowledge creation. The moral value found in the CSR index can be expected to make significant

³⁹ Daniel Schofield (21 November 2014). The Telegraph online. Retrieved on March 2017 from: <http://www.telegraph.co.uk/sport/rugbyunion/international/england/11247133/England-v-Samoa-Why-the-world-should-repay-debt-to-the-Pacific-Islands.html>

contributions towards a future with better teamwork and creativity.



Figure 8.2: Map of the Pacific Island Countries and their EEZs

Source: IUCN

8.2.6 GNG Index 6: Contribution to Peace and Prayers (CPP)

It is ironic that there is much attention given to the destruction and tensions caused by war, but almost no attention is paid to appreciating the benefits of actions contributing to Peace. The establishment of the Nobel Peace Prize⁴⁰ by Alfred Nobel in 1901 could be referred to as one of the most respected movements supporting this argument. One of the famous quotes left by Martin Luther King Jr., the winner of the 1964 Nobel Peace Prize, “*Peace is more precious than diamonds or silver or gold*” (nobelprize.org). Among the five categories of Nobel Prizes, Nobel recognized the significance of Peace to be awarded to, “...the person who shall have done the most or the best work for fraternity between nations, the abolition or reduction of standing armies and for the holding and promotion of peace congresses” (nobelprize.org). The Nobel Prize amount

⁴⁰ See this page for details: https://www.nobelprize.org/nobel_prizes/peace/

announced for 2016 was 8.0 million Swedish Kronor (equivalent of approximately US\$ 1 million dollars). It is recorded that a total of 97 Nobel Peace Prizes have been awarded since their establishment in 1901 through to 2016. In spite of peace being the core value of the PICs' existence, it is uncertain if anyone from the region will ever win the Nobel Peace Prize as their lives are based on community rather than individual actions. Nevertheless, the value system of a region containing the most peaceful people in the world should not be underestimated. This research argued that a key element to "Peace" is centered on the values argued by the balance of obligations to give with obligations to receive and the obligation to give back in return (Gift theory). One of the participants shared a perspective on Peace in his response to the benefits of aid.

When you talk about government, my government will not be able to give to commensurate the level of what you give but culturally, I give you my heart, I give my vote, I share my resources, I share my life, I share my garden. Come, you are invited to come. We are open; we are open because you have done something good to us because we are not able to give you those 1 billion dollars in return. Just come to the Pacific and enjoy our hospitality. So I think, it is more than giving, receiving at the same level but moral duty that is unbound by anything else (Vanuatu Interview).

The response above agrees with the solution suggested by both Schismogenesis and the Gift Giving theory, where peace is established through giving back as reciprocity. The author witnessed in Kiribati a foreigner who bargained to buy a red snapper fish almost one-meter in length on the foreshore for two dollars Australian. The foreigner insisted on buying the fish for AUD\$2, while the fisherman spoke shyly in the local language in the beginning, but then decided to give away the fish. I asked the fisherman later why he gave the fish away so cheaply; he said that it is embarrassing to argue with someone for money when he could always get more fish from the ocean. In this situation, the knowledge created in this transaction exists in both perspectives. There is knowledge observed from the fisherman going home happily with AUD\$2 and there is knowledge observed from the buyer with the great bargain. It is clear that the peaceful negotiation involved the concept of "sacrifice" to satisfy the desire of the other. Another interviewee shed further light on the cultural value of Peace. "For us in the Pacific, we will never declare war with any of our developing partners. We want to be friends for

life. That defines us. I think if you go back to moral aspect of the argument, it will capture the level of reciprocity we will want to give because in our culture, I can never owe you anything” (Vanuatu Interview). This response highlights how the PICs value the relationship created through the aid initiated by development partners. Another interviewee shared a similar view about how the PICs avoid situations leading to possible disputes.

Our entire existence is always based on peaceful co-existence. We are peace-loving people. When someone comes in and say you give me a 100 acres of land and I give you a stick of tobacco. I know it is not the same but it is not polite to say no then you would seemed stingy not keeping the relationship so you will just accept it. That is our strengths and also our biggest problem. And these countries know that. They know that we are bringing our traditional concepts and psychological make up to the negotiating table. In the Pacific way, we don’t talk about these things (Vanuatu Interview).

The demonstration of the PICs obligation both to receive and to reciprocate is expressed through their commitment to lifetime friendship. Another interviewee shared his similar view on living a balanced life through reciprocity.

You have a lady coming from this tribe going to another tribe and say this year, the harvest is not good but I am expecting a better one next year. That debt is still with me and even if I die tomorrow, my wife, my kids will still have to do something. We can delay but the idea of reciprocity, you will never sleep at night. This is a moral obligation and you can never run away from moral obligations. So looking at the Pacific, before the official notion of the state entered our shores, before Christianity set foots on our shores, what pillars of institutions did we have? We only have our customs, only had our cultures and that’s what’s inscribed in the constitutions of all the Pacific Islands. Three important pillars of Vanuatu are the Custom, Religions and Government (Vanuatu Interview).

It can be argued and summarized that the definition of “Peace” in the PICs is strongly woven into their value system, which is the same system where “reciprocity” is the core commitment to relationships. This value is a commitment to appreciating the spirit of the giver by giving back in return to balance the relationship. In the PICs, it can be

argued based on the findings that, “*Peace is living a balanced life where you do not owe anybody anything.*” This definition appreciates long-term relationships by ensuring the balance is kept through giving, receiving and then giving back in return. The definition of Peace from the perspective of the PICs gives hints to alternative ways for maintaining and building relationships that the international community could adapt to encourage generosity.

The concept of Prayer is complementary to the outcome expected through Peace. Although the practices of prayer is conducted differently in all religions, in general prayer is observed to be an act of humility through surrender to a trusted supreme authority. The online Cambridge dictionary defines prayer as the “act of ceremony of speaking to God or a god, to express thanks or to ask for help.” In the PICs, Prayers are observed to serve not only as a way to speak to God, but also for expressing appreciation and asking for help through the values of Christianity. As introduced in the findings of the three case studies (Chapters Four to Six), the arrival of Christianity contributed heavily to shaping the cultural identities of the region. The concept of “Love” known as the heart of Christianity was observed to appropriately fit the cultural system argued by Gift Giving and solution suggested for Schismogenesis, where reciprocity is the action of “*expressing thanks*”. It is observed that through “Love” as the wheel of Prayer, the idea of “obligation to reciprocity” is replaced by the value of “giving as much as you can” to show love in return. One participant shared that in the Pacific, Love is not about sharing the abundance of your wealth, but rather about maintaining the value system of “*si’isi’i kae femolimoli’i*” (Tongan language for “sharing the little you have”). The story of the widow’s offering in the Christian Holy Bible is an example showing how Christianity contributed to the new definition of the Pacific, by substituting the “obligations” in gift giving with the value of “giving all”.

As he looked up, Jesus saw the rich putting their gifts into the temple treasury. He also saw a poor widow put in two very small copper coins. “I tell you the truth,” he said, “this poor widow has put in more than all the others. All these people gave their gifts out of their wealth; but she out of her poverty put in all she had to live on (Luke 21:1-5).

The expression of the participants regarding their commitment to their relationships

with the donor countries is strongly connected to the value of giving all. One interviewee highlights the Pacific perspectives to keeping Peace in relationships.

In our cultures, you have 1000 dollars, you give that to me and I give you mat and chicken. Which one is worth more? I give you a mat, chicken and my heart and my friendship demonstrating my willingness to be friend with you. It is my willingness to see a long-term relationship with you. Which one of this is worth more value? Western countries will value that in terms of cash, but lots of things in our culture are not valued in terms of cash. It's the compassion, it is the mercy, and it's the heart that you're able to give. No matter how small it is, but the appreciation that you give as a receiver should be more because I am giving. It is like the woman in the Bible who gave 2 coins valuing more than others (Vanuatu Interview).

One of the treasures cherished by the PICs as observed during the research was the commitment to prayer. In Tonga for example, at least seven hours per week are dedicated to pre-scheduled services such as Sundays and a fixed schedule of weekdays for every person in average. These seven hours do not include family prayers at home or private prayers in the morning and every evening before going to sleep. There is always a prayer for opening and ending of any get-together or any function, not to mention before every meal. Longer prayers are conducted at ceremonies such as funerals, birthdays, commemorative functions, official ceremonies to name a few. Due to this background, it is very common to hear the phrase "let's pray about it" in most conversations. Participants shared that wherever Pacific people go, they find their peace in prayers. This index was suggested by one of the participants saying that the strength of the Pacific Islanders is found in their trust and hope in God. She elaborated that whenever there is trouble in the Pacific, the first thing you hear is people encouraging each other to pray about it. "When tsunami warning and earthquake hit, my first action was crying to God for help before thinking about my life, my family's life, our house and how to evacuate. It gives me peace of mind to act calmly and to rely on the power of God" (Tonga Interview). It was expressed that Prayer is the only thing they have and it was observed to be more appreciated in situations when nothing else can be done. The situation in Kiribati where the country is becoming submerged by the ocean is not stopping the country from regular prayer services. The Prayer element would encourage and emphasize that Prayer is a cultural value to be cherished as it contributes to Peace.

As argued by participants and through observation, Prayers and Peace are complementary to each other in the PICs. The CPP index would encourage and emphasize the need for serious Prayers and actions towards Peace. To gain a better view of this concept, further research on this value as interpreted by other religions is necessary in order to see the universal correlations between prayers and peace. It would be ideal if one could correlate CPP and prosperities of developing countries.

8.3 Afterthought Summary

Although Oceania has been the highest in ODA per capita for many years, 2016 recorded a total of USD\$190 compared to USD\$47 in African countries. However, the net ODA to PICs is only 1% of global aid with a total of USD\$1.863 billion in 2014 (2016 OECD in a glance). By combining the GNG indices of UNV, ISC, CHL, CCH, CSR and CPP proposed above, two main considerations is observed. The first one acknowledges GNG as reciprocity for ODA from donor nations. This method is expected to empower recipient countries through their contribution to GNG and regaining of their moral dignity (mana) through the balanced relationship. The second one recognizes the obligations of donor nations to this relationship, by considering the perspectives of recipient countries for mutual benefit. By putting these two thoughts together, the author proposes GNG as an alternative method for foreign aid operation where dignity of both giver and receiver are sustained through generosity.

Figure 8.3 below illustrates the complete framework designed to explain the rationale of the research and the “balance” argued through GNG and centering on the Gift Giving theory. By recognizing the concept of Reciprocity from Leverage, the framework prepared below illustrates the findings of how the aid flow from donor nations to recipient countries is being reciprocated in return with GNG to complete and balance the cycle.

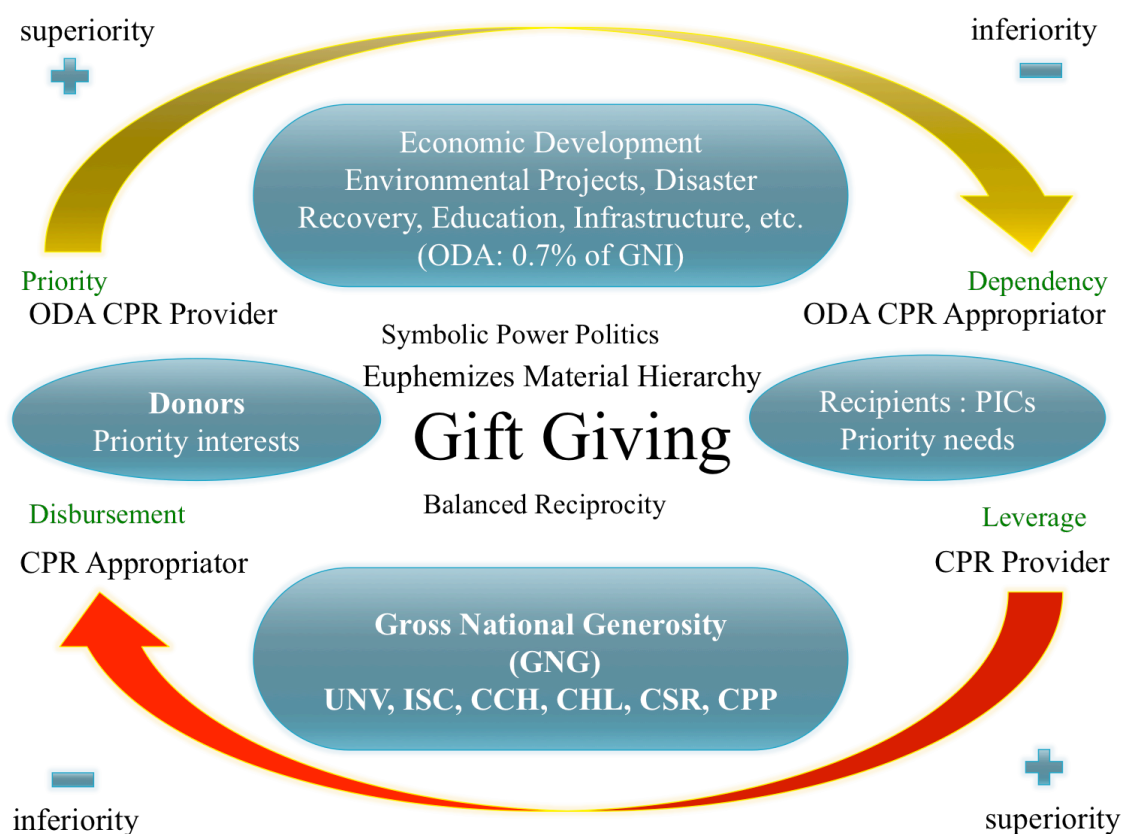


Figure 8.3: The ODA framework introducing a balanced relationship between donors and recipients through reciprocity. Source: Author (revised from Funaki 2016)

8.3.1 Policy Recommendation

Since interests of wealthy nations shaped the rationale for foreign aid (Chapter Two), the original concept of *helping them to help themselves* misled aid operation. Instead, this research is proposing the universal norm of *helping them to help us* by following one of the original mindsets of the Japanese aid philosophies (Rix 1993, Tarte 1998, Lancaster 2010). The alternative method of GNG hopes to contribute to peaceful co-existence in foreign aid operation between developing countries, including the PICs, and their main development partners.

The author wishes to end this chapter with words from one participant who believes in the promises and morals behind GNG.

Once we had a Prime Minister who said that Vanuatu will one day become a donor partner.

He was my foreign minister. We were given assistance for cyclone and he said that one day, Vanuatu will become a donor country. We don't have to give hundreds of million dollars. We can give 500,000 dollars. That's it. That defines us. Its more than giving because of what you give but it's more of obligations on our part. The little that I have in lieu, the little that I have. I needed for my infrastructure but I will give it to you. They need to see that too. When Australia had bush fires. We didn't need to give money but the government decided to give \$50,000 to our biggest developing partner, but it is the appreciation of what you are giving to us. What we are giving you is not enough to what you are giving me but I am doing my part... Tonga will one day become a developing partner. We are already a development partner. They need us in their development; they need us to vote for them so they can build their position. Doesn't that contribute to their development in advancing their development policy, their domestic policies? I think reciprocity is there, but it is a matter of bringing this out more so people can see that it is more with our moral obligations. I think we are very capable people in the Pacific. We've never let anybody down. We are very friendly. That's our culture, that's our nature and we will continue (Vanuatu Interview).

One important factor interpreted from the perspective shared above is that inferiority existed in the relationship with donors for decades since PICs were not given an opportunity to reciprocate the gift of aid with things that they own. Referring to Development theory, Dillon (2014) confirmed that the Marshall Plan did not represent an exchange where the roles of donor and recipients were reversed as is practiced in Melanesia through the “kula” exchange (Weiner 1992). He argued that, “the chance for a receiver to reciprocate with a gift to which he attached value had not been built into the system. Without such a balancing mechanism, recipients felt obliged to invent their own ways of returning gifts and forcing them upon the donor” (p. 92). Unfortunately, the traditions, history and memories that are attached to pig tusks, tapa cloths and fine mats for example are irrelevant as units for reciprocity. These are some of the key tangible wealth that defines the PICs, as it is through this tangible wealth that they are connected to the past and also to future generations. Devaluing these identity artifacts from the start could be argued as the beginning of confusions, loss of dignity and national pride. The GNG model aims to reclaim this source of power (“mana”) for the PICs so that they can proudly perform their global roles knowing the value of their existence and responsibilities as resource owners for the world.

CHAPTER 9

Conclusion

9.1 Introduction

This study took the perspectives of the Pacific Island Countries (PICs) in tackling the main question of whether all donor nations have the same approaches to foreign aid or Official Development Assistance (ODA). Through comparative case studies conducted in Vanuatu (Chapter Four), Tonga (Chapter Five) and Kiribati (Chapter Six), the research explored the concepts of Priority, Disbursement, Dependency and Leverage with the approaches to ODA of Australia, France, China and Japan. Since Kiribati recognizes Taiwan over China, this research acknowledges this relationship for broader understanding of donors' approaches to ODA in the PICs. By utilizing the theoretical applications of Development theory, Common Pool Resources (CPR), Schismogenesis and Gift Giving theory, the characteristics of the donor nations' approaches to ODA were analyzed and interpreted with recommendations.

9.2 Priority

Since Priority interests of the donor nations differ based on each nation's foreign policy, these interests never match the Priority needs of each PIC. Based on this outcome, Priorities of recipient countries always occupy a weak position in contrast to the influence of the donor nations. Chapter Seven clearly explained how the Priorities of the four donor countries are found to behave in two patterns based on their approaches towards ODA in the PICs. The Western approaches of Australia and France corresponded closely with the characteristics of Development theory and CPR, while the Asian approaches of China and Japan reacted to the values of relationships as argued through Schismogenesis and the Gift Giving theory. Nevertheless, both patterns follow the two destruction types of Schismogenesis due to the differences between donor-recipient interests, while at the same time each nation's interests depend on the responses of the other nation in the pair. Accordingly, the interests of the donor nations and the needs of the recipient countries only match when the donor nations acknowledge that the priorities of recipient countries are their own priorities, without manipulating these priorities for their own benefit. However, this option also is argued to end up in Schismogenesis in the relationship.

Priority approaches utilized by Japan and China were mostly successful in matching these donor nations' aid to the needs of the PICs. China openly demonstrated to the PICs that its aid is political and a return is expected, while Japan took a similar approach but with unclear communications. The ability of the PICs to provide for these expectations was observed as leverage, which took the role of reciprocity by creating a balanced relationship as argued through the Gift Giving theory. This process balances the relationship with donor nations becoming recipients and recipient countries becoming donors. This phenomenon was observed to exist in the approaches taken with Japanese and Chinese aid. The aid priorities of Australia and France, on the other hand, are strategically integrated into soft politics via intangible approaches applied through governance, education, health and other sectors as "capacity building." As a result, the PICs are mostly comfortable with the Priority approaches found in Chinese and Japanese aid, not only due to mildness of procedural conditions for disbursement, but especially for meeting infrastructure development needs in a way that the PICs are able to reciprocate.

9.3 Disbursement

Although the study found that Disbursements are facilitated and controlled entirely by donor nations according to their interests, the practice for their delivery varies. The policies for aid Disbursements made by Australia and France are perceived by the PICs to be pre-decided by these nations' parliaments prior to hearing the PICs' priority requests. On the other hand, Disbursement of Chinese aid is aligned to the Priority needs of the PICs, especially when their needs come as requests from the central government or originate from influential politicians. The resident Chinese Ambassador primarily is the one who makes the final decision in approving these aid requests. Taiwanese practices in Kiribati were observed to follow this same system as well. Disbursement of Japanese aid lies more in the middle, with the priority result taking a balancing role between the extreme approaches of Australia and France versus those of China and Taiwan. Japanese aid Disbursement is highly committed to its historical "request based" model, which is centered on Japan's experiences as a former developing country. Although donor nations shape the Priorities of recipient countries and at the same time control Disbursement, a positive correlation of this pattern was

found with the Western approaches of Australia and France. In contrast, Priority is not positively correlated to Disbursements according to the Asian approaches of China and Japan. This research argues that there is Leverage to influence Disbursement to be found in the recipients' priorities, even when the donor and recipient's priorities do not match.

9.4 Dependency

The research concludes that Dependency of the PICs on ODA and the success of donor nations on ODA influence are natural and considered normal. As concluded from the Disbursement concept above, Disbursement is decided by the Priorities of the donor nation with some leverage from the recipients' Priorities, although Disbursement is controlled by donor nations. Therefore, the study concludes that Dependency is a universal norm since the priorities of the donor nations and the leverage of the recipient countries depend on each other's responses. This study argues that Dependency is not a concept only for the recipient or a concept only for donors, but an essential factor in their relationship for aid Disbursement.

9.5 Leverage

The study finds that there are two types of Leverage used by the PICs to influence aid. The first type is that of matching needs to the actual Priorities of the donor nations and the other type refers to leverage resources found in recipient countries that interest donors. As both of these types connect strongly to the concerns of donors, the differences in the donors' Priorities and Disbursement practices as explained above are observed to follow the explanations of both Symmetrical and Complementary Schismogenesis. In regards to the practices of the donor nations for this study, the leverage found in regards to the approaches take by Australia and France is perceived to follow both Symmetrical and Complementary Schismogenesis. On the other hand, the approaches of Japan and China only follow Complementary Schismogenesis, but at the same time recognize "Leverage" as a factor for their relationship with the PICs.

This research argues that the destruction of the relationship warned of by Schismogenesis could be avoided by recognizing "Reciprocity" in the relationship in place of the Leverage used by recipient countries to balance the Disbursement and

Priority control held by donor nations. This research revealed that the imbalance of donor-recipient relationship stems from the absence of “reciprocity.” This argument can be observed especially through the approaches of Japanese and Chinese aid, which focus mainly on the infrastructural development needs of the region. The result finds that the PICs are more comfortable with these tangible projects and in return are able to reciprocate by supporting the donor nations’ political and economic interests.

9.6 Complete Framework with Gross National Generosity (GNG)

The academic contribution of this research, other than the new knowledge regarding Priority, Disbursement, Dependency and Leverage, is through the recommendation of GNG in Chapter Eight as a new method for foreign aid operation. GNG is rooted in the value of balancing relationships by maintaining the dignity of both donor nations and recipient countries through reciprocity. The research argues that the PICs perceive the ODA practices of Western donors as an “exchange” where the approaches are based on self-interests with the power to control whereas the approaches of Asian donors are perceived as a “gift” serving the interests of the recipient. Since both perceptions lead to the destruction of Schismogenesis, the reciprocal nature of GNG embraces the value of coexistence by promoting *helping each other*. With this philosophy of helping each other, donor nations would naturally become recipients and recipient countries would become donors in their relationship.

The results from the case studies and the discussion of the GNG model explain the receiving philosophies of the PICs and how they approach donor nations. Aid philosophies and interests distinct to each donor country are thoroughly discussed. After scrutinizing the hypotheses derived for the study, the arguments of Development theory, Common Pool Resources, Schismogenesis and Gift Giving theory are indispensable in identifying the “balances” for multiple recipients with multiple donors employing politics in the PICs.

By analyzing the approaches of Australia, France, China and Japan to ODA via case studies of the three recipient countries of Vanuatu, Tonga and Kiribati, the study identified better understandings of Priority, Disbursement, Dependency and Reciprocity within each partnership. Using GNG as an alternative method for ODA promises the

following:

1. GNG promotes sustainable development based on interdependence and balanced relationships between donor nations and recipient countries.
2. GNG leads to hard work by recouping dignity lost due to the absence of reciprocating the political tool of foreign aid.
3. GNG promotes empowerment of recipient countries, allowing them to recognize the moral value of what they have to offer and to take pride in their significant contributions.
4. GNG leads to better management of ODA funds in recipient countries, as ODA will not be perceived as charity but rather as fully earned through reciprocity.
5. GNG expects donor nations to fully commit or redefine their efforts to achieve their ODA/GNI target of 0.7%.

This research suggests a redefinition of the core concepts of foreign aid, with such aid shifting away from the philosophy of *helping them to help themselves*. This “helping them to help themselves” approach traps the aid process within the dependency loop and results in the rather inappropriate understanding of ODA that the author could define as *Official Dependency Assistance*. Future research could consider examining the perspectives of citizens to find out possible gaps compared to those of policy makers explored in this study. The author wishes to cooperate with other views through dialog in order to further develop this framework with the hope that it will contribute to improving global prosperity by changing from the benefits of *give and take*, to discovering the riches of *give and give*.

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APPENDICES

Appendix A	List of Interview Participants
Appendix B	List of Questions asked during the interview
Appendix C	Tonga's latest Joint Policy Reform Matrix (JPRM)
Appendix D	Priorities Agreement between Australia and Tonga (2016 - 2019)

Appendix A: List of Interview Participants

For sensitivity reasons, participants are being removed from this section.

Please contact the author directly in case of further queries.

Vanuatu, 2nd August – 11th August 2016

A) Government

B) Consultant

C) Think Tank

Tonga

12th August – 24th August 2016

A) Government

B) Non Government Organization (NGO)

C) Development Partners

D) Consultant

Kiribati, 20th October – 4th November 2016

A) Government

B) Non Government Organization

C) Think Tank

Appendix B: List of questions asked during the Interview.

Part One: *Questions randomly asked during the interview*

1. Could you share your perspectives of ODA and its role in the development of your country?
2. How would you differentiate the characteristics of each donor nations especially Australia, France, China and Japan and their approaches to aid?
3. Please give some examples about the differences in their practices and behavior?
4. Could you identify some of the resources in your country that you find to be attractive to each donor nations of the study?
5. What is the nature of articulating your development needs to donor nations?
6. Please share the challenges you face when dealing with ODA from Australia, France, Japan and China?
7. How influential are these donor nations in your country and what benefits do you get the most from the relationship?
8. Could you explain the processing flow starting from identifying your priority needs up to implementing the project?
9. What is the nature of getting your aid request approved? Could you explain the differences in the practices of Australia, France, Japan and China?
10. How helpful are the regional organizations and consultants in assisting your national plan?
11. What is the role of NGO in aid operation in your country?
12. What would you consider a successful strategy for your aid requests to be approved from each donor nations? What is the nature of this practice?
13. What are your negotiation capitals?
14. Could you identify some of the weaknesses in aid operation?
15. Which donor nation you prefer working with and why?

Part Two: *Questions related to the GNG concept*

1. Could you explain your impressions and application of the CPR and Gift Giving theory to ODA operation?
2. What is the role of PICs to the world in your opinion?
3. What can the PICs give to the world?
4. Please explain the nature of reciprocity in your society and how applicable are the

GNG indices to aid operation?

5. Could you identify some of the moral contributions characterizes the PICs?