Submission from Volunteer Service Abroad to the
Inquiry into New Zealand's Relationship with South Pacific Countries

Introduction

Thank you for the opportunity to make a submission from Volunteer Service Abroad to the Inquiry into New Zealand’s relationship with the South Pacific, and the role New Zealand can play in assisting Pacific Forum nations.

Volunteer Service Abroad (VSA) is an independent, non-governmental organisation that promotes international volunteering for development, linking New Zealanders with people working to create positive change in their communities and countries. The New Zealand Government, through NZAID, is VSA's major funder. At any one time VSA has around 100 volunteers in 15 countries in Asia, Africa and the Pacific. The range of assignments, which are usually for two years, are many and varied. Since 1963 VSA has sent over 2,000 New Zealanders overseas on assignment. Further information on VSA can be found on www.vsa.org.nz

Executive Summary

A strong and respectful relationship between New Zealand and South Pacific countries is the basis for peace, stability, and sustainable economic and social development in the region. In this regard New Zealand government agencies, civil society organisations and the business community all have important roles to play.

New Zealand has government-to-government relationships with Pacific countries and is a signatory of the United Nations Millennium Declaration and the OECD Paris Declaration on Aid Effectiveness. These two international agreements, along with NZAID’s Pacific Strategy and the Pacific Forum’s Pacific Plan, set out principles, processes and targets for the New Zealand Government’s development assistance to Pacific countries.

New Zealand based Civil Society Organisations (CSOs), working in the Pacific region and in Pacific countries, have formal and informal relationships with Pacific governments and non-government organisations. CSOs operate within the context of multilateral and bilateral agreements, but also maintain an independent viewpoint.

The New Zealand business community, working through organisations such as the New Zealand Pacific Business Council, have an important role to play in economic development through promoting responsible business practices and two-way trade.

In the final analysis governmental, civil society and business relations depend on the development of strong and enduring people-to-people relationships.

Volunteer Service Abroad's approach of volunteering for international development, set out in VSA's Strategic Intent 2007-2011, promotes the development of the human capacity of Pacific people and their communities. The work of New Zealand volunteers in the Pacific over forty-five years has made a positive difference in improving the quality of people-to-people relationships between New Zealand and South Pacific nations and has been long-term part of the mix of New Zealand’s development assistance.
In VSA's view, the keys to sustainable development are local participation, and ownership; a detailed and objective assessment of development needs; targeted, coordinated development assistance programmes, and balanced economic development. The implementation of effective development assistance requires the development of respectful relationships between governments; CSOs and local communities; business communities; local people and aid workers, and donor agencies.

Whilst the quantum of New Zealand's development assistance is important, it is not the only consideration in our view – the type and quality of aid are also important. This submission argues that the development of the human capacity of Pacific people and the promotion of respectful relationships between New Zealanders and Pacific people should be a priority for New Zealand's aid expenditure.

Specific Comments

This submission is focused on matters that relate to VSA's work in South Pacific countries, and is organised around the concerns identified in the Terms of Reference of this Inquiry. General comments that relate to New Zealand's relationship with the South Pacific have also been included.

1. Identifying New Zealand's key interests and responsibilities in countries belonging to the Pacific Forum

Volunteer Service Abroad promotes international volunteering for development linking New Zealanders with people working to create positive change in their communities and countries. VSA responds to requests from Partner Organisations (government agencies and non-governmental organisations) in Pacific Island countries and takes a 'needs-based' approach to planning and implementing volunteer assignments in the Pacific.

It is VSA's stated intention to improve the quality of life of Pacific people, and contribute to building self-determining communities and stable nations in the Pacific. Through VSA, New Zealand volunteers currently work with Partner Organisations in Papua New Guinea (including the Autonomous Region of Bougainville), the Solomon Islands, Vanuatu, and Tokelau. The VSA Pacific Programme is targeted at these four Forum countries as they each have acute development needs.

It is VSA's view that working towards the sustainable development of Pacific countries is a key to strengthening New Zealand's interests in the region.

As an independent, non-governmental organisation, VSA is not specifically mandated to work to further the Government of New Zealand's key interests in the Pacific. However, VSA works closely and collaboratively with NZAID and MFAT to harmonise our programmes, to avoid duplication, and to ensure resources are effectively targeted. In this way, VSA volunteers and staff work as part of 'NZ Inc.' making a contribution as New Zealand citizens to promoting New Zealand's interests and responsibilities in the Pacific region.
2. **Identifying strategic threats to New Zealand's relationship with Pacific Forum members**

Political instability and conflict, within some Pacific Forum nations, and the impact of some 'big players' on the regional stage are strategic threats to New Zealand's relationships.

**Political Instability and Conflict**

Political instability and conflict has been a feature in a number of Pacific Island nations over the last two decades and represents significant threats to New Zealand's relationship with Pacific Forum members.

Instability and conflict are, in part, a product of the poverty of opportunity in newly independent Pacific nations, demographic pressures due to population growth, and attempts to develop economic independence and governance structures that are compatible with the often conflicting demands of donors, the international community and local cultural traditions.

Instability and conflict have led to the disruption of the development of public services, the uneven growth of private enterprise, and weakened civil society. In recent years Bougainville, the Solomon Islands, the Kingdom of Tonga, and Fiji have been particularly affected by tensions, open conflicts, riots, military coups and non-democratic changes of governments.

Bougainville and the Solomon Islands have been the focus of two VSA programmes that have aimed to strengthen government and non-governmental organisations in 'post-conflict' societies. A detailed study of VSA's work involving 70 volunteers over seven years in Bougainville (Swain 2006) has demonstrated that building long-term relationships is central to effective development in post-conflict societies. We have also learnt that short-term projects are of limited value in these societies.

Carefully planned, long-term programmes, based on well established relationships between individuals and organisations, with strong local ownership, are the keys to successful post-conflict development.

In VSA's view, the root causes of instability and conflict are best addressed by foreign policy and aid relationships that demonstrate a long-term engagement, as a close neighbour and supportive friend, with Pacific nations as they work through the complex challenges of governance and development in the 21st Century.

**Big Players**

The People's Republic of China (PRC), Taiwan (ROC), Japan, the European Union, the United States, France (in New Caledonia and French Polynesia) and Australia are the 'big players' in the Pacific. Geopolitical rivalries, particularly between the PRC and ROC, Japan's stance on whaling, and Australia's approach based on an economic growth model, represent strategic threats to New Zealand's relationship with Pacific Forum members. There are sufficient examples of "cheque-book diplomacy" and "aid conditionality" to give cause for concern that the influence of 'big players' on small island
states is having a detrimental impact on New Zealand's relationship with Pacific Forum members.

New Zealand has good relationships with most Pacific countries because of our location in the Pacific region, our size, our historical and familial linkages and our 'low key' approach.

Relationships between nations are writ small in relationships between individuals. This is particularly evident in the Pacific. New Zealand is a small nation and a minor player when it comes to the quantum of aid. However, New Zealanders have a very good reputation throughout the Pacific, and Kiwis are the volunteers and aid workers of choice for many Pacific countries.

New Zealand is a Pacific nation. New Zealanders, living in our multicultural society, come to the Pacific with Pacific Island friends and family and a respect for and appreciation of Pacific cultures and lifestyles. These factors contribute to New Zealanders' ease of relating with Pacific people and go some way to mitigating threats to relationships between nations.

New Zealand volunteers and aid workers who live in community for substantial periods of time have a particular contribution to make to building enduring relationships.

3. Identifying opportunities to advance New Zealand's relationships with governments and peoples in the Pacific Island Forum countries

There are many formal and informal means of strengthening New Zealand's relationships with governments and peoples in the Pacific. People-to-people relationships at all levels are the key in our view.

New Zealand's relationship with the Pacific

Most New Zealanders relate to the Polynesian Islands and Fiji as the 'Pacific'. Few have an understanding of Melanesia, and less Micronesia. New Zealand has constitutional relationships with, and responsibilities for, Tokelau, Niue and the Cook Islands. People from these countries are New Zealand citizens with free right of access. There is a Treaty of Friendship and strong historical links between New Zealand and Samoa. Tonga's relationship is less formal. Tuvalu is endangered by rising sea levels and increasing numbers of Tuvaluans are seeking residence in New Zealand. There are strong kinship relationships between these six Polynesian countries and family members resident, naturalised or born in New Zealand.

New Zealand's relationship with the Pacific has evolved from that of an 'ex-colonial master' to becoming 'good neighbours and kin'. The relationship has changed from being 'in' the Pacific, to being 'of' the Pacific. The increasing proportion of New Zealanders with Pacific ancestry (7%) is a significant factor, and the character of that demographic is changing. 60% of Pacific people living in New Zealand were born here and are having a significant impact on the social, economic, cultural and political landscape. The changed make up (browning) of New Zealand society will shape the nature of New Zealand's future relationship with Pacific Island countries.
Strengthening and deepening respectful relationships between individuals, organisations and nations is an important aspect of any nation's foreign policy and development assistance. Government agencies have a role to play, but the non-government sector also has an important role.

Organisations, such as VSA, that link New Zealanders with people in Pacific countries, have a critical role in strengthening and deepening relationships – people-to-people.

**Relationship Building – People-to-People**

Volunteer Service Abroad has worked for forty-five years sending hundreds of New Zealand volunteers to work and live alongside local people and organisations in the island nations of the Pacific. Over the years, the focus and nature of VSA’s work has changed to meet the changing needs of South Pacific nations and their requests for assistance. However, VSA’s approach to development, by ‘sending people not money’ to exchange skills with local people and strengthen the capacity of local organisations, has remained a constant.

New Zealanders, living in community with Pacific people, usually over an extended period, develop enduring relationships and a two-way appreciation of lifestyles, attitudes and values. Furthermore, upon returning home they influence other New Zealanders understanding of Pacific people and the challenges facing Pacific nations.

VSA believes that good change can be promoted through long-term, people-to-people relationships. Many New Zealanders, whilst on VSA assignments, have developed long-term relationships with Pacific people through working together to help improve quality of life, and making a contribution to building self-determining communities and stable nations in the Pacific.

Relationships are two-way, and opportunities for Pacific people to study, work and live in New Zealand are an important part of demonstrating reciprocity and showing that both sides have much to learn in aid partnerships. We have received many positive comments from the Solomon Islands, and other Pacific countries, where community members have participated in the newly established seasonal labour scheme. The attendance by members of our Partner Organisations at New Zealand-based short-term training programmes have also been beneficial.

The work of New Zealand volunteers has made a demonstrable, positive difference over time in improving the quality of relationships between New Zealand and South Pacific nations. Recent examples in that regard are VSA’s work in post-conflict Bougainville and the Solomon Islands. We believe that VSA’s particular approach to relationship development has long-term, sustainable impacts, and should continue to be part of the mix of New Zealand’s development assistance.

4. **Identifying current and potential actions to encourage sustainable economic development in, and two way trade with, Pacific Forum countries**

An approach to development assistance that integrates human and economic development, and promotes two-way trade, linked with environmental sustainability, has the best chance of success in our view.
Integrated Development – It is not just the Economy

It is our view that an inquiry into New Zealand’s relationship with South Pacific countries will be seriously limited if its focus is restricted to the development of ‘sustainable economies’ in the island nations of the Pacific.

Economic development is an important factor in the development of nations but should be considered as one aspect of a wider development agenda. The balanced and effective development of Pacific Island nations requires the state, the market and civil society each to play their respective roles. In Ian Smillie’s words:

“Development is a product of many things: good education, effective health and welfare services, good and open government, environmental sustainability, high rates of saving and investment, a dynamic private sector, a vibrant civil society and a healthy trading regime.” (1995: 20)

A limited focus on ‘economic development’ is problematic in our view, and in nations where a narrow, economic growth model has been adopted, it has contributed to development failures. (It should be noted that the Australian approach to the development of Pacific nations, as set out in Pacific 2020, is based on an economic growth model.)

The strengthening of the ‘human development’ of Pacific people, the building of the capacity of local organisations (governmental, business and non-governmental), and strengthening social capital, in conjunction with improved governance, should be key development objectives in our view. These objectives can be overshadowed if a narrow, economic approach to development assistance were to be the major thrust of New Zealand’s development assistance.

Two-Way Trade

The establishment of the New Zealand Pacific Business Council, with Government encouragement, to promote people-to-people, business-to-business, relationships through trade missions and other activities would appear to be a good example of strengthening relationships and economies through two-way trade. Linking trade promotions to Ministerial visits adds value, without greatly increasing the costs, to these regular ‘relationship’ meetings, and promotes greater understanding between business people, government officials and NGO personnel both in New Zealand and in the Pacific.

5. Identifying the strategic objectives for expenditure of New Zealand Aid in Pacific Forum countries

A mix of identified needs and ‘political’ considerations govern aid expenditure decision-making for all donor nations. Whatever the nature of the mix, it is important, in our view, that the process of determining aid allocations is rational, transparent, based on a thorough process of consultation, and reflects international best practice.

The United Nations Millennium Development Goals and the OECD Paris Declaration on Aid Effectiveness are important documents that are influencing the planning, coordination, and implementation of development assistance programmes world-wide.
The United Nations Development Programme Human Development Report 2006 provides evidence-based data on the key development needs in developing nations. Other research provides objective evidence of need. And the United Nations Millennium Development Goals set targets for aid support.

If decisions about aid spending were made exclusively on an empirical basis or on international agreements, then identifying the strategic objectives for expenditure of New Zealand aid then would be a simple exercise of putting the money where the greatest needs are. If that was the case then most of New Zealand's aid expenditure would go to sub-Saharan Africa.

Empirical information and international agreements, however, are only part of the aid expenditure equation. Donor nations must also consider 'political' matters such as: special relationships and commitments (Niue, Tokelau and the Cook Islands); treaty obligations (Samoa); encouraging political stability (Tonga, Fiji, the Solomon Islands); geographical proximity (the Pacific), and other matters that influence aid expenditure. Finally, aid expenditure must be funded by taxation. New Zealand governments have to balance a wide range of budget considerations and need the support of citizens for increasing aid expenditure.

Whilst the quantum of New Zealand's aid expenditure has increased, as a percentage of GNI, it remains at the low end of the scale of OECD nations. This has led to comment from the Council for International Development and the international NGO community.

The Council for International Development has called for an increase in aid expenditure as a proportion of GNI. And NZAID has set out New Zealand's responsibility as a Pacific nation to provide ODA. "As one of the most prosperous Pacific nations New Zealand has a responsibility to work with our neighbours to address the challenges they face, and assist in achieving long-term sustainable development in the Pacific Region." (Dr Peter Adams, Executive Director, in the Forward to NZAID's Draft Pacific Strategy 2006-2015.)

The Government has signaled its intention to continue increasing aid expenditure. But critics are not satisfied with good intentions. A substantial increase of aid expenditure as a proportion of GNI is sought.

As aid expenditure increases, the capacity of small Pacific nations to absorb aid and implement effective and sustainable change is challenged. And the capacity of NZAID to deliver effective and sustainable aid programmes in Pacific nations is also challenged.

Whilst the quantum of aid is important, it is not the only consideration in our view. This submission has argued that the development of the human capacity of Pacific people should be a priority for aid expenditure, and that this needs to be carefully planned and managed over the long-term, and co-ordinated between donors and Pacific governments.

One of the major challenges of aid in a globalised world is coordinating national development planning, priority setting and aid expenditure with regional and international factors. Few Pacific Island nations have the capacity to effectively plan and manage their national development programmes and consequently have little capacity to contribute to regional programmes.
In region-wide matters (climate change, fisheries, HIV-AIDS etc) a co-ordinated approach is important. The Pacific Plan, initiated by the Pacific Forum Leaders Meeting, is one mechanism for coordinating regional development and integration. NZAID also contributes multi-lateral funding to a wide range of regional organisations in the Pacific that are important for small island states and supplement bilateral funding.

A balanced, rational approach to aid expenditure in the Pacific that addresses needs, takes account of capacity issues, strengthens human development, and is based on international best practice is to be encouraged.

6. Identifying the appropriate level and type of aid.

The limited ability of Pacific countries to absorb aid, and the need to strengthen human and institutional capacity, are factors to consider in determining the quantum and type of aid.

Limited Capacity

Pacific Island nations (apart from Papua New Guinea) are very small in the global scale and have a limited capacity to absorb development assistance. Expectations from donors for local people to manage and implement development projects, with limited human resources and within tight timeframes, are often unrealistic. The local labour supply is often very small and local people, living a semi-subsistence lifestyle, have many demands on their time (fishing, gardening, cultural obligations etc.). Small islands states, that have tiny public services and a very limited capacity to absorb aid, are particularly vulnerable in this regard. (eg: Niue, Tokelau, Tuvalu)

Following the principles set out in the OECD Paris Declaration on Aid Effectiveness in March 2005, the harmonization of aid to small island nations by donors, in close consultation with recipient nations, and with an emphasis on the local ‘ownership’ of projects, has led to better targeted aid spending, less duplication and positive relationships developing between donors and Pacific nations.

Quantum of Development Assistance

Given the limited capacity of small Pacific Island nations to effectively absorb aid, and the negative effects of un-targeted spending, New Zealand needs to give very careful consideration of how much and where development assistance is applied. The negotiation of mutual obligations between New Zealand and Pacific nations is to be encouraged.

The establishment of NZAID, and its subsequent decision to make the Pacific the major priority for New Zealand’s development assistance, has increased the quantum of aid to the Pacific. Sector Wide Approaches and other strategies have further tightened the focus of development assistance. Increased NZAID staff in-country has been a recent addition that has contributed to closer links between ‘donor’ and ‘recipient’. VSA would like to see this trend continue.

Throwing money at a problem is unlikely to solve the problem, and frequently creates more problems in developing nations. More money is not the answer. Effective development assistance is a complex business and sufficient financial resources to
complete a project or run a programme are just one aspect of good development practice.

Conclusions

The keys to effective development assistance are local participation, ownership, and partnership. These all require the development of respectful relationships. Extending the OECD Paris Declaration principles of Ownership, Alignment, Harmonisation, Managing for Results and Mutual Accountability, to all New Zealand’s development assistance in Pacific countries, and focusing on the targets set out in the United Nations Millennium Development Goals, is to be encouraged.

Good change happens in the context of relationships and this takes time and effort over months and years. New Zealand’s development assistance has become more focused since the advent of NZAID. The trend is towards fewer, deeper and longer development assistance programmes. VSA supports this trend.

VSA’s approach of volunteering for international development by ‘sending people not money’ has an important place in the mix of development assistance - particularly in the arena of human resource development. VSA encourages the Committee, in its deliberations, to give a high priority to aid expenditure that develops the human capacity of Pacific community organisations and government agencies and promotes respectful relationships between New Zealanders and Pacific people.

Dr Peter Swain,
Programme Manager (Pacific),
Volunteer Service Abroad

References


