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CORRUPTION AND GOVERNANCE IN THE SOUTH PACIFIC

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Talk about corruption has increased in the South Pacific, though it is hard to tell if there is more corruption or just more reporting of it. Defining corruption as "the use of public office for private gain," this article considers some recent reports of corruption in relation to other issues in South Pacific politics: tradition, ethnicity, aid, land tenure, sovereignty, and governance.

"Corruption seems to be gaining ground in the highest ranks of our leadership," announced Vanuatu's president in a public address on the 1993 Constitution Day (Timakata 1993). Two years later Papua New Guinea's governor-general warned that "innuendos, manipulations, undercover deals, greed and corruption are becoming deeply rooted in this society (*Australian,* 14 June 1995, 17).

Suspicion of corruption has contributed to the crisis the PNG government recently faced over the use of mercenaries on Bougainville (Regan 1997), with the governor-general reported as referring to the "termites of corruption" (ABC Radio, 24 March 1997). Meanwhile the World Bank has announced a "renewed approach" to preventing corruption, including a revision of its own global-lending policies (*The Independent,* 14 February 1997).

Corruption is hard to pin down, in principle and in practice. Transparency International, the anticorruption nongovernment organization, distinguishes between "grand" corruption, or the use of public office for private gain, and "petty" corruption, in which officials demand "facilitation payments" to carry out perfectly legal tasks, such as clearing a container from a wharf, that they are supposed to perform in any case (Pope 1996). The examples

used in this article refer mainly to grand corruption, which is often linked to election campaigning.

A characteristic of corruption is often the attempt to conceal it, so it is hard to tell if greater visibility means more corruption—or just that more is being found out. The situation in the South Pacific is probably both. The greater visibility of corruption is partly a reflection of the effectiveness of anticorruption agencies, such as ombudsmen enforcing leadership codes in Melanesia, the courts in Kiribati, ad hoc commissions of inquiry in the Solomon Islands, or the auditor general in Western Samoa. Visibility is also related to changes of government, as new governments take power and reveal the excesses of their predecessors. The number of examples quoted here for a particular country does not necessarily imply there is more corruption there, merely that more is being suspected or found out.

Greater visibility can more generally be considered a reflection of the increasing spread, competence, and confidence of the media in the region. Newspapers have an interest in scandal. While they sometimes expose corruption directly, more often they publicize the activities of state agencies that have uncovered corruption, agencies whose reports would otherwise be suppressed or not acted upon. The Barnett Commission of Inquiry into the timber industry in Papua New Guinea, for example, produced a series of seven interim reports and a two-volume final report deeply embarrassing to several politicians. Only two of the interim reports were ever printed and distributed. However, long extracts were published in the *Times of Papua New Guinea,* a church-owned weekly newspaper.

The importance of the media in fueling the campaign against timber-industry corruption was attested to, in a backhand way, when the logging company Rimbunan Hijau set up its own daily newspaper, the *National,* in 1993 (Robie 1995:28–32). By undercutting advertising rates and hiring staff away with offers of better conditions, the *National* caused or contributed to the demise of the *Times* in 1995. The *National,* according to journalist Rowan Callick, now "steers well clear of the huge issue of logging" *(Islands Business,* June 1995, 47).

There certainly seems to be more talk and moralizing about corruption in the region. Politicians are widely suspected of it. The word itself (in English) carries connotations of decline, decay, and falling away from the high ideals of the past. It has religious overtones in the strongly Christian countries of the region. In this essay, I survey some well-publicized examples of corruption in the South Pacific and try to understand them in relation to some other issues in South Pacific politics: tradition, identity, land ownership, privatization, aid, and sovereignty. These are issues in a wider study of governance in the region.

Tradition

Politicians accused of corruption sometimes defend their behavior as being traditional, or they appeal to a disjunction between local traditions and introduced (colonial) law. A distinction between "public" and "private" is hard to sustain in reference to stateless societies like those that preceded colonial rule or in a constitutional monarchy, like Tonga's, where "crown land" is to some extent still the personal property of the monarch and his family.

A PNG prime minister excused himself from criticism over payments made to prevent a minister's defecting to the opposition by arguing that "gift giving" is part of the Melanesian political tradition (*Pacific Islands Monthly,* June 1992, 12). Yet a brisk distinction between gifts and bribes can be made, for example by a former Nigerian head of government, that "the gift is usually a token. It is not demanded. The value is usually in the spirit rather than the material worth. It is usually done in the open, and never in secret. Where it is excessive, it becomes an embarrassment and it is returned. If anything corruption has perverted and destroyed this aspect of our culture" (Obasanjo, quoted in Pope 1996:5). A bribe is thus substantial, insisted upon, and secretive. However, the distinction between traditional gifts and modern bribes creates two other possibilities to explore. What did traditional bribes look like? And what do modern gifts consist of?

The distinction between gifts and bribes has been addressed by a number of South Pacific courts interpreting electoral legislation. The results have been somewhat inconsistent. In Western Samoa the Supreme Court canceled the result of a by-election after it found that money, cigarettes, and food had been distributed before the election, which, though of no "great magnitude," amounted to a "systematic and sustained effort to subvert the electoral process" (*Islands Business,* February 1992, 10).

In Kiribati, a government minister who made gifts of tobacco during his election campaign was found guilty of electoral malpractices and dismissed from office. He was then replaced as a member of parliament by his wife, who made similar gifts and who was also prosecuted and dismissed (Koae 1993). Yet a presidential candidate who gave gifts of tobacco to elders within *maneaba*s (meetinghouses) a few years later was found by the High Court not to have acted corruptly (High Court of Kiribati, 30/94). Among its reasons the court found continuity with an older tradition of *mweaka,* in which tobacco was left at a shrine; it was an offering rather than a gift; it was obligatory for visitors; the amount was not excessive; and the candidate explained, when making the offering, that it was not meant to influence the vote (ibid.:64–73).

The Kiribati court also noted that public-service regulations sanctioned such payments by visiting officials. The court distinguished its decision from the earlier decision against the minister by arguing that, in that case, the gifts of tobacco had been made outside the *maneaba,* or "inside a *maneaba* but [one] to which the respondent had not been invited and to which he was not a visitor, as he lived locally" (ibid.:73). Thus the court was making decisions about context: what was appropriate behavior in one context was corrupt in another.

When leaders try to conceal their behavior it suggests that they are not confident that others will either recognize it as "traditional" or approve of it as such. Traditional habits of deference to leaders may have prevented open criticism but not grumbling and other actions that have been called "weapons of the weak" (Scott 1985). Leaders may be lamenting a loss of deference, rather than any substantive change in values: people are now more willing to complain, and they have agencies to complain to.

In any case, countertraditions may be invoked against corruption. A notion of excess lies behind the traditional Polynesian criticism: "Chiefs that eat the power of government too much" (Sahlins, quoted in Kirch 1989:254). Popular anger at grand corruption, evident in recent demonstrations in Papua New Guinea, for example, also draws on subsistence traditions that make people suspicious of accumulation. These egalitarian traditions may lead to perceptions of more corruption than exists.

Traditions are constructed, and reconstructed, as such over time. People often look back to a period when there was less corruption. Sometimes this golden age is thought to be traditional times, when leaders were felt to be more accountable to their followers, and at others the colonial era, when officials were distant but viewed as incorruptible.

Kinship, Nationalism, and Identity

Mauro found some statistical evidence of correlation between ethnolinguistic fractionalization and corruption, and suggested officials might be favoring their own ethnic groups (1995:692–695). This argument is reflected in the popular theory of *wantok*ism in Melanesia. People readily suspect that others have been appointed or promoted for reasons of kinship or friendship rather than qualifications.

Even policies favoring national entrepreneurs and affirmative action for citizens can also attract suspicion because of the ways they are implemented. In 1986, stock in the mining company Placer Pacific was floated in Australia on the basis of its rights to mine at Porgera and Misima in Papua New Guinea. The PNG cabinet directed the prime minister, who was also minister of

Finance and Planning, to insure that the 10 percent of company shares promised to Papua New Guineans was taken up. To do so, he relaxed foreign-exchange controls and arranged a loan with the Papua New Guinea Banking Corporation so that many members of PNG's elite, including his relatives, could buy shares (*Far Eastern Economic Review,* 9 April 1987, 134–135). Tax concessions to the prime minister's timber company in the Solomon Islands and duty exemptions to ministers and other local businesspeople in Vanuatu have also been defended in terms of encouraging national, rather than foreign, companies (*Solomon Star,* 28 August 1996; Vanuatu 1996b). Policies like Papua New Guinea's or the Solomon Islands' to take "affirmative action" on behalf of indigenous people come uncomfortably close to the use of public office for private gain.[1]

Similar issues have been raised by the recent National Bank of Fiji scandal. The bank had rapidly expanded its lending in the early 1990s, to the point where its lending exceeded its deposits and it had to call on government support. An audit report found many nonperforming loans and loans made outside the bank's own guidelines, including to its own staff members (*The Review,* July 1995, 16–32). The bank had lent to people of different ethnic groups but in a political climate particularly sympathetic to indigenous Fijian enterprise. The 1990 Fiji Constitution specifically provided for affirmative action. Politically well-connected companies held loans. The elements of commercial incaution, procedural breakdown, political pressure, and government policy are hard to disentangle; but they provide a context in which the use of public office for private gain becomes both more possible and widely suspected.

A more fundamental moral process than favoritism may also link ethnicity and development. In subsistence and peasant societies Evers and Schrader identify what they call the "traders' dilemma," which "arises out of their moral obligation to share proceeds with kinsfolk and neighbours, and the necessity to make profits and accumulate trading capital on the other" (1994:5). The dilemma can be resolved in various ways, including accumulation of status honor, the emergence of cash-and-carry petty trade, the depersonalization of economic relations, the immigration of trading minorities, and the formation of ethnic or religious groups outside the "moral community" of the subsistence society (ibid.:10).[2] Trade in many parts of the South Pacific historically has been carried out by immigrant minorities outside the "moral community" of indigenous peasant and subsistence societies (for example, Vietnamese in Vanuatu, Chinese in Papua New Guinea and Fiji, Indians in Fiji, and Europeans throughout the region).

The traders' dilemma suggests that perceptions of corruption may be associated with the formation and maintenance of group identity: "We are

pure, caring, and sharing" goes the story. "They" (Indians, Chinese, Vietnamese, Europeans) are corrupt because they do not distribute their wealth. The PNG crowd's hostility to Chinese businesses and to the Chinese heritage of PNG's prime minister is a recent example. The theory helps to explain the persistent difficulties of indigenous business and the strained alliances between indigenous and minority or immigrant businesspeople (such as the relationship between a former prime minister and a businessman in Vanuatu described in *Islands Business,* July 1994, 24–27). The theory predicts that ethnic tension may increase with development, as a greater moral load is carried by trading outsiders or minorities.

Land Ownership

The timber industry in Melanesia has become a spectacular site for corruption, documented by PNG's Barnett Inquiry and by the Solomon Islands ombudsman (Barnett 1990; Solomon Islands 1989). In both countries, politicians and public servants have been using their public offices for private gain by seeking and accepting bribes to issue licenses, waive regulations, or improperly influence landowners. In Papua New Guinea the Barnett Inquiry found political leaders actively soliciting cash and favors from overseas logging companies. A new forestry minister tried to cover up his share holding in a timber company he was supposed to be regulating and was later found guilty of more than eighty charges of corruption. The secretary for Forests was accepting gifts of golf clubs and cash from a Malaysian timber company, while the premier of New Ireland was writing to another company in code, asking for payments of "cabbages" (one thousand kina) and "apples" (one hundred kina). There were many other instances where "foreign operators misled and bribed local leaders, set up 'puppet' native landowner companies, bribed provincial government, premiers or ministers and gave gifts or bribes to national ministers or members of the national parliament or took such people into some form of partnership with them" (Barnett 1990:100). Timber companies also funded election expenses. In the Solomon Islands, the ombudsman cited evidence that members of area councils deciding on applications from timber companies were given "Negotiation fees, Employment and Hotel stays in Honiara" (Solomon Islands 1989:10–11).

Clearly there are many causes for the comprehensive corruption of the timber industry. These include the business practices of companies, and local and national leaders and officials who are ready to demand and accept bribes. A geographically dispersed industry such as timber is necessarily difficult to supervise centrally, and processes of assessment and categorization of logs that depend on discretion are wide open to abuse. However, the specific institutional framework provided the opportunities.

In both the Solomon Islands and Papua New Guinea, changes in policy and legislation during the 1970s had encouraged customary landowners to harvest forests themselves or to deal directly with foreign companies. These changes in law, like the *Forestry Private Dealings Act* in Papua New Guinea, or in policy, like the New Forest Policy in the Solomon Islands, were reactions to the paternalism and exploitation of colonial policy, in which governments had acquired timber rights from landowners and sold the rights to foreign companies. A new group of local politicians, businesspeople, and lawyers filled the intermediary role previously played by forestry officials. The government was supposed to regulate private dealings by, for example, assessing company proposals, identifying landowners, and insuring negotiations were carried out fairly. In practice, officials were overwhelmed by pressure from two directions. From one direction, budgetary pressures and the personal and political interests of government ministers coincided to encourage the introduction of more logging companies. Ministers intervened directly in licensing. From the other direction, local leaders saw an opportunity for cash and the prospect of development for remote communities. In both countries, decentralization of responsibilities to provincial governments divided forestry departments and officials caved in to political pressure, were bought off, or retreated into cynicism.

Both examples demonstrate the limitations of arguments for a minimal state that merely regulates the private commerce of landowners and foreign companies.[3] On the landowners' side, naiveté and the problems of acting together prevent people from acting in their own best interests:

> Rural people are on their own. Money from logging royalties tempts them and corrupts and divides traditional communities. Their educated leaders may be singled out for special treatment—high court injunctions or more pleasant favours. People are often too disorganised to start a court case, let alone win. I regret to report that those who have been most successful appear to have achieved it with some element of physical force or threat. (Solomon Islands 1989:16–17)

On the investors' side, insecure agreements and the prospect of sudden bans encourage rapid exploitation, with minimal fixed investment. Entrepreneurs bring both sides together, but they are often the same politicians and lawyers as the regulators. The supposedly evenhanded state is also desperate for logging revenues to fund its budget. Yet prospective national and community benefits become privatized in tax evasion or consultancy fees.

In these circumstances it is hard to be good: the incentives all flow the other way.[4] The forestry debacles also suggest a wider view of "public office"

that includes, for example, professions like lawyers and the role of spokespersons for traditional landowners. The institutional breakdowns are not limited to government agencies but include institutions of land tenure, such as "communal ownership," which are easily exploited by unscrupulous middlemen or local leaders. There seems to be a wholesale abuse of "trusteeship"—by government officials, local politicians, lawyers, and other intermediaries.

Privatization

If corruption is the use of public office for private gain, then one way of reducing it is to reduce the scope of "public" activity. This can be done by reducing the number of regulations that officials can use to extort bribes and by limiting the role of government in business. Arguments from first principles suggest privatization may reduce corruption by making enterprises more accountable to consumers and by requiring them to become more efficient. Or privatization may simply transfer public resources into well-connected private hands.

Such a transfer took place in the sale of government housing in the Solomon Islands in the early 1980s. The ombudsman described how

> Government houses have been sold off—invariably without proper tendering procedures, usually at undervalue and to public servants in Honiara who have some kind of influence on the transaction. These sales—made under the guise of "easing the burden of repairs on Works division" or "increasing house ownership among Solomon Islanders" have led to unfairness and corruption, a chronic housing shortage (since neither the Government nor other authorities have managed to build enough new houses); large income and capital losses to the government; dissatisfaction from those who have not benefited and other problems. (Solomon Islands 1988b:9)

The ombudsman's report describes how a 1985 committee appointed to allocate housing allocated themselves houses and how many of the people awarded houses managed to avoid paying anything for them. Some, quite legally, continued to receive housing allowances. A civil service strike in protest led to a Commission of Inquiry, which recommended the allocation be redone. No one was prosecuted—the ombudsman notes that the director of Public Prosecutions had been advising the government at the time and had himself "won" a house, and so was "in no position to act in this matter" (ibid.:10).

The World Bank now recognizes that privatization “presents corruption risks of its own” (*The Independent,* 14 February 1997, 24).

Aid

South Pacific governments receive relatively high levels of foreign aid, which is often delivered by private contractors and their local counterparts. Aid donors are becoming more interested in anticorruption activities, in part because the aid process is itself vulnerable. The bi- or multilateral character of the transactions and difficulties of supervision create opportunities for corruption.

For example, a World Bank primary-school project in the Solomon Islands in the 1980s was intended to provide training, purchase textbooks, and provide building materials for the construction of classrooms and expansion of the Teachers’ College. An Australian consultant was appointed as project director. A government Commission of Inquiry subsequently found evidence that the permanent secretary in the Ministry of Education had received payments, above his official salary, from the consultant—though both denied it (Solomon Islands 1988a:30). The commission found that the permanent secretary and the consultant had “a very close business and personal relationship,” including both serving as directors of a local consultancy firm. That firm had a contract with the Solomon Islands government to recruit Australian-funded staff, but it was apparently not involved in the primary-education project (the firm’s other directors included a former prime minister; ibid.:67–69). Exercise books, stationery, and other educational materials had been ordered at “exorbitant prices” from another local company, without tender (ibid.:15–25). Some of the project textbooks seem to have been ordered through a company partly owned by the consultant’s wife (ibid.:43–44). A curriculum-development component was added to the project, then awarded to the Australian consultant outside Solomon Islands government and World Bank guidelines (ibid.:51–54). The commission concluded that the consultant should not have been allowed to play “a dual role as education adviser/project director and as a businessman representing a company in a contractual relationship with the project” (ibid.:62).

Aid funds were also at stake in the IPSECO power plant scandal in Palau. In 1981 the president signed a contract with IPSECO, a British firm, to build Palau a relatively expensive power plant. It was financed by British banks on the basis of optimistic revenue projections and an American government promise that aid funds would be available to pay for it under the Compact of Free Association, which was still being negotiated with Palau. The power plant was built and worked, but in 1985 Palau defaulted on its

first repayment. Palau went on the offensive, accusing IPSECO of fraudulently promising the project would be self-financing. When IPSECO went bankrupt in 1997, it was found to have paid over a million dollars to Palauan officials, including the current president, who had been Palau's ambassador to the United States at the time, and his brother, who had been speaker of the House of Delegates (Aldridge and Myers 1990:97–118; Leibowitz 1996:47–180).

The former ambassador argued, technically, that his job as ambassador had been unpaid and that Palau had no law against conflicts of interest. In any case, there was no substantial conflict: he never acted against the Palau government's wishes, nor did he change his views as a result of the payments. Palau needed a power plant and the United States had not provided one. And if the plant failed to make money, the United States would have to pay (Leibowitz 1996:55). Although he may have used his public office for private gain (the IPSECO payments), he did so in a maneuver that traded on Palau's semisovereign position (negotiating with IPSECO, while relying on U.S. guarantees and the prospect of aid). The ambiguity about sovereignty left Palau with a functioning power plant and IPSECO bankrupt. Clearly certain Palauan officials made private gains from their public or semipublic offices. Yet their activities were clearly in the Palauan public interest, endorsed by the legislature, and it was other taxpayers' money that was at stake. The IPSECO case is one of a wider category of scams that involve trading on a country's sovereignty.

Sovereignty

A common form of corruption in the South Pacific is linked to schemes to trade in tokens of sovereignty. Governments produce stamps, coins, or phone cards that are more valuable to collectors than their face value. Vanuatu and the Marshall Islands license merchant ships (North 1994). There have been official schemes to sell passports in Tonga and more recently in the Marshall Islands and Kiribati. Fiji recently considered a proposal to sell citizenship to seven thousand Hong Kong Chinese "units" (families) through a semiofficial office in Hong Kong (Naidu and Nata 1995).

Some of this trade is legal, at least onshore—though it generates flows of commissions, semiofficial jobs, and consultancies that are hard to track. Countries that provide offshore banking secrecy and low taxes are presumably trading on tax evasion elsewhere, as is being uncovered in the Cook Islands "wine box" inquiry in New Zealand (Wishart 1995). The illegality is sometimes hard to keep offshore. An Australian federal minister resigned after revelations that he had written a reference and phoned the president on

behalf of a businessman accused of misleading Chinese investors in a scheme involving Marshall Islands passports. The Cook Islands Philatelic Bureau became a sort of private bank for a political party and funded the fly-in voters that won them the election of 1978 (Crocombe 1979).

A common scheme is for government ministers to issue letters of guarantee that overseas financiers use to raise loans more cheaply or without the conditions insisted upon by domestic or international banks (North 1996). The corruption here is not necessarily personal, though kickbacks and commissions may be involved. The scams are not new, either: in 1982 the Solomon Islands Monetary Authority stalled a scheme involving several ministers to raise SI$200 million overseas. One had been involved in even earlier schemes to mint commemorative coins (1975) and promote chain letters (1972) (Larmour 1983:270–271).

In 1994 the Cook Islands government experienced a run on its currency, and the Westpac bank was reluctant to extend its overdraft. Instead the government issued a series of letters of guarantee to a company based in the Bahamas, which would use the letters to borrow money for its own dealings and pay the Cook Islands government a fee from the loans. The Cook Islands would in theory, through a special clause, protect itself from having to honor its guarantee (*Cook Islands Press,* special issue, 25 May 1995).

The Vanuatu ombudsman reported on a similar scheme in 1996 (Vanuatu 1996a; *Pacific Islands Monthly,* September 1996, 23–27). The prime minister, the minister of Finance, the Reserve Bank governor, and the first secretary to the minister of Finance signed guarantees worth US$100 million. These guarantees were supposed to be secretly traded, for a commission, by a foreign businessman who had been given a Vanuatu diplomatic passport. The ombudsman noted that the "scam in this case is very similar to that perpetrated in the Cook Islands" (Vanuatu 1996a:8).

The preferred form of sovereignty scam in the U.S. territories is the bond issue, supposedly to fund local infrastructure and housing. In 1988 a U.S. federal grand jury handed down indictments against a Wall Street underwriter involved in a scheme to bribe Guam's governor and others to support a US$300-million bond to fund housing in Guam; US$70,0000 was defrauded from a fund created by the legislature to support local constructors. Other, unsuccessful, bond issues in Saipan and Palau were also involved (*Islands Business,* January 1988, 42).

In these cases the boundary between private and (domestic) public gain is vague. It is possible to imagine a local government official with motives other than personal gain agreeing to a letter of credit proposition, a bond issue that could be considered fraudulent, a sale of passports, or a special issue of exotic postage stamps or commemorative coins. Not all of these

schemes are ridiculous, and some might—and do—benefit the national treasury. Perhaps we need to think about a paradoxical idea of state, rather than individual, corruption, in which a state uses its international sovereignty for domestic revenue.

Governance and Good Government

The World Bank's definition of "governance" includes public sector management, accountability, legal framework, and transparency (1993: vii). Ideas of transparency and the rule of law derive particularly from microeconomic concerns to insure the proper conditions for a freely competitive market. For development to take place, domestic and foreign investors need to know the rules and to be able to rely on their enforcement. The World Bank's "renewed approach" involves economic policy reform, institutional reforms including training for journalists to strengthen scrutiny of public administration, strengthening controls against corruption in its own procedures, and partnerships with other multilateral agencies and nongovernment organizations. Supporters of "good government" are more explicitly concerned with democracy and human rights, but their concerns overlap on issues of accountability and the rule of law.

The link between corruption and public-sector mismanagement is particularly clear in these South Pacific cases. In the PNG and Solomon Islands timber industries, corruption by politicians, officials, and local leaders took place within a much wider context of professional misconduct: lawyers acting for both sides in negotiations, tax evasion by transfer pricing, failures to implement statements of national policy. Barnett found fraud and corruption taking place in Papua New Guinea within a framework of comprehensive mismanagement: an absence of policy, inadequate legislation, lack of information, confusion of responsibilities, and ineffectiveness of government bodies such as the tax office (Barnett 1990: 101–104). The commission investigating the World Bank education project in the Solomon Islands criticized officials for allowing themselves to be "manipulated" by the consultant and for failing to familiarize themselves with, and apply, regulations. The Vanuatu ombudsman found "many—indeed most—of our officials and officeholders have very little idea of 2 things—firstly the realistic demands of the job they have been allocated, and secondly, the moral and ethical standards by which the public is entitled to be served" (Vanuatu 1996b:2)

However, when Western Samoa's chief auditor tried to report on mismanagement as well as corruption, he was suspended.[5] The government then appointed a Commission of Inquiry that confirmed "in the main" the irregularities he identified, but cleared the ministers involved and accused

the chief auditor of exceeding his brief by criticizing government mismanagement (*Pacific Islands Monthly,* November 1995).

The link between "grand" corruption and electoral politics is also strong. The Barnett Commission found PNG politicians seeking funds for their parties or campaigns from foreign timber companies. PNG's Electoral Development Fund was a kind of semiofficial, semicorrupt channel to put political patronage into the hands of MPs in a system where provincial, rather than national, government delivered the most visible services to voters. (A similar Parliamentarians Discretionary Fund has been established—and criticized in the media—in the Solomon Islands; Solomon Islands 1995:4.) Occasionally MPs have been brought before PNG's Leadership Code Tribunal for misuse of these monies, but even if used properly the fund seems to occupy some borderline of the use of public office for private gain and electoral advantage.

Accusations and revelations of corruption typically anticipate, or follow, changes of government. The prodemocracy movement in Tonga gained an early boost by asking where money raised from selling Tongan passports had gone. In the 1987 general election in Fiji, the NFP/Labour coalition accused Alliance Party ministers of corruption—giving those ministers a motive, it has been suggested, for supporting the coup against the coalition when it won. Coup leader Rabuka himself went on to launch an anticorruption drive.

Conclusions

Simply to list examples of corruption, culled from domestic anticorruption agencies, gives little sense of the amount of corruption or its weight. The association of the idea of corruption with the impression of a decline or falling away from an earlier condition may give a false idea of the growth of corruption. How much noncorruption is there?

A recent Solomon Islands commission of inquiry gives pause. Media criticism against its predecessor led the new government elected in 1993 to set up a wide-ranging Commission of Inquiry into Corruption to look at a number of complaints. The commission's report cited a series of newspaper reports criticizing the way decisions had been made to sell the governor-general's residence, award road contracts and work permits, and establish a Parliamentary Discretionary Fund. However, the commission's terms of reference focused on a number of complaints in the media about land allocation; it found evidence of corruption in only one case (the payment of SI$10,000 to secure a land transfer). Yet it found many examples of "impropriety," the absence of proper procedures, and official failure to follow procedures that did exist (Solomon Islands 1995:125–128).

The commission also failed to find any corruption in the aid scheme it

investigated. A provincial assembly member made a series of successful applications for small grants from the Australian High Commission to build classrooms in several parts of the province. In each case he tried to stretch the materials to build more rooms than had been approved, eventually completing none properly. He used funds approved for one project for another and for unapproved projects like repairing a church. But the commission found he had not actually misappropriated money or acted corruptly. It speculated about a political motive: that he had been trying to demonstrate to his constituents that he was doing "a great deal of work throughout his electorate and was not concentrating his efforts in any particular area (ibid.:119).

These rather mild conclusions raise several awkward questions about the role of the media, about commissions of inquiry, and about the incidence of corruption. The Solomon Islands commission just discussed was anxious to dissociate itself from partisan criticism of the previous government. It found less corruption in land administration than had been widely suspected. Did the media get it wrong, or did the commission? Or did the commission's terms of reference, and discretion, turn it away from more embarrassing questions? Were some of the original suspicions of corruption driven (as the "traders' dilemma" would suggest) by traditional values hostile to indigenous business and to partnerships with morally dubious foreigners? And do more-general questions about government secrecy, arbitrariness, lack of accountability, and mismanagement lie behind some of the concern about corruption—as well as providing greater opportunities for the growing number of specific acts of corruption that do take place?

Generally, there may be more corruption in the South Pacific than there used to be: the word itself encourages us to think so. But there may be less than is often claimed, for example by the heads of state quoted at the start of this article or in newspaper editorials. Corruption may be embedded in a wider, but noncorrupt, framework of inept governance (mismanagement, lack of accountability, arbitrary decision making, and so on) that provides the opportunity for specifically corrupt acts and fuels popular suspicion that they may be occurring.

NOTES

Versions of this article were presented to the Pacific Islands Political Studies Association conference in Palau in December 1996, and to the Anthropology Department at the Australian National University, Canberra, in March 1997. I am grateful for the comments made there, and for comments and documents provided by other colleagues who might, in the circumstances, prefer not to be listed.

1. In racially divided New Caledonia, for example, ADRAF, a land and rural development agency set up by the Chirac government in 1986, was found to be buying land at inflated prices and allocating it cheaply to members of its board and their families. The agency also allocated land on ethnic political grounds, favoring applicants with links to the right-wing RPCR, and failed to meet the formal requirement to redistribute land to all ethnic groups in proportion to their population. Thus only 136 of 717 Kanak applications were approved, while Europeans who already owned land, had other jobs, or were not even born in New Caledonia were granted land (*Pacific Islands Monthly,* December 1989, 18). Ron Crocombe describes a conversation at the time in which the high commissioner explained that ADRAF was simply carrying out his instructions to favor Kanaks but also to insure that grants were for economic use of land, rather than simply holding or controlling it (pers. com., 1996).

2. Accumulation of status honor refers to the practice of successful businesspeople "cashing in" their morally dubious wealth in exchange for traditional status, as when a businessman becomes a chief. Cash-and-carry is a pervasive form of indigenous trade in which the absence of profit prevents demands for redistribution. The depersonalization of economic relations is part of the process of development going on throughout the region.

3. Both reports evidence a nostalgia for centralized, bureaucratic forestry departments, which acted to protect landowners from exploitation by foreigners (Barnett 1990:90–91; Solomon Islands 1989:20). At the time, however, and at least in the Solomon Islands, that colonial department had been regarded as too close to foreign multinationals, like Lever's.

4. Economists have the idea of "moral hazard" to describe situations that encourage dishonesty, such as being insured.

5. He had reported that the commissioner for Inland Revenue faced a conflict of interest over his private business activities—some of which he also failed to tax; that a timber company controlled by three ministers made unauthorized use of two government bulldozers for seven months; and that a works director approved payments for false services to another official, who was his brother (*Islands Business,* August 1994, 35).

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