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## Migration and Foreign Aid as Factors Restraining Regional Cooperation in the South Pacific

**Abstract:** Cooperation in the South Pacific region is unique due to the characteristics of its participants. Following the period of decolonization (1962-1980), countries in Oceania have radically changed. Achieving independence gave those nations international legal personality, yet complete independence from their former colonial powers. The following consequence was gaining an opportunity to draft, adopt and execute own laws in national and foreign policy. PICT (Pacific island countries and territories) have been expanding connections, political and trade ones, within the region since the 1960s when permanent migration of islanders and intra-regional transactions began. Migrations along with foreign aid are considered as the distinctive characteristics of the Pacific Ocean basin. Since the 1980s, the regional integration in Oceania, through establishing regional groupings and increasing the regional trade agreements number, took on pace and scope. The MIRAB synthetic measure (migration, remittances, aid, bureaucracy) has been used in analyzing the Oceania developing microeconomies. Last but not least, migration and foreign aid have been retaining the region from a deeper and more effective stage of regionalism.

**Keywords:** *Pacific, South Pacific, Oceania, regional cooperation, migration, foreign aid*

### Introduction – Some Remarks about the Pacific Region

The article will present the international legal analysis of migration in the South Pacific region, which, together with foreign aid coming from the states outside the Pacific Ocean, constitutes one of the elements strongly influencing regional cooperation. These two factors will eventually be portrayed as having negative or rather preventive effects on further, deeper, and more effective and efficient regionalism<sup>1</sup>. Migration and foreign money transfer

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<sup>1</sup> The author does not consider here the opposing widely known and accepted view that regional

are characteristic features of the region in question, distinguishing it from other continental groupings. Such distinction can be divided into historical and political features, international legal descriptions, and physical-geographical and social ones. The first category includes the colonial heritage of the island states, cooperation in security, engagement or resistance towards nuclear tests, and finally, the American vision of the postcolonial Pacific set clearly against the Asian interests. The legal characteristics of the region, in turn, focus on the multitude of types of entities operating in this geopolitical arena: from the fully sovereign states, through dependent territories (with various agreements with other states affecting their degree of autonomy) to *sui generis* entities, being free-associated states (Siekiera, 2015). The physical-geographical aspects of the Pacific indicate the maritime specificity. Unlike any other continent<sup>2</sup>, the ocean environment has forced the development of certain areas of cooperation while stopping the other possibilities. The ocean specificity causes many difficulties due to the great distances between the participants of the regional cooperation. Here is worth recalling the phenomenon of “insularity” (Quanchi, 2008). This term refers to the civilizational, geographical, and social alienation of those small tribal and island communities<sup>3</sup>. Finally, social characteristics determine how microstates function among their closest neighbors, locally but also regionally. One needs to pay attention primarily to the vital and highly related to Pacific regionalism concepts, such as Pacific identity; tourism and fishing being the two largest branches of island economies; attachment to the natural environment along with perceiving ocean as home (Hau’ofa, 1994); thus, finding political and legal solutions on the devastating effects of climate change<sup>4</sup>; and ultimately migrations of the inhabitants of the Pacific islands inside and outside the region.

Cooperation in the South Pacific region is unique due to the characteristics of its participants briefly summarized above. The formal reasons for the specificity of Oceania cooperation include, on the one hand, the excessive fragmentation of organizations dealing with regionalization of Oceania<sup>5</sup>, but on the other hand, the lack of a leading institution being

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integration usually boosts migration and, vice versa, migration also boosts regional integration. A phenomenon that has amply been recorded from the South Pacific with regard to cases such as migration from the Truk Island to Guam and further from there to the US is an isolated case in this particular region. To receive the benefits from migrations, there has to be embedded some legal and political framework for those migratory workers, students, etc. Such framework, until now, does not exist in the Pacific region.

<sup>2</sup> The other regional grouping of island states is the Caribbean Sea.

<sup>3</sup> What can be added here is the second meaning of this noun. Insularity is understood as ignorance of or lack of interest in cultures, ideas, or peoples outside one’s own experience, where a synonymous word would be narrow-mindedness. The word play reflects thus the process of decolonization in the Pacific, when the islands ceased to be isolated, and therefore, in terms of worldview, ceased to the highly limited metropolises’ perception and politics.

<sup>4</sup> The author works a legal advisor to the Bergen Pacific Studies Research Group at the University of Bergen in Norway. The group deals with consequences of ocean change in the Pacific.

<sup>5</sup> According to the author’s calculations, there are over 30 regional organizations and a dozen informal

able to bring together all entities on the Australian continent, regardless of their international legal status. Lastly, among social obstacles translating into a negligible level of regionalism, it is necessary to point out corruption, crime, and reluctance before implementing any reforms, which are being perceived as negative and hostile to islanders, just like the former colonial laws (Siekiera, 2019).

## **Regional Cooperation**

The terms “Oceania” and “Pacific” are not official terms. Thus, their definitions cannot be found in any legal acts. The subjective scope of the paper will therefore include the category of the South Pacific as the southern part of the Pacific Ocean, including the following sovereign states: Australia<sup>6</sup>, Fiji, Kiribati, Nauru, New Zealand, Papua New Guinea, Samoa, Tonga, Tuvalu, Vanuatu, Solomon Islands; the free associated states with New Zealand: Niue and the Cook Islands, as well as the free associated states with the United States: the Federation of Micronesia, Palau and the Marshall Islands; and to a lesser extent dependent territories of other states. Those are the Pacific countries and territories (PICT) that mostly lie south of the equator<sup>7</sup>.

Following the harsh period of decolonization (1962-1980), countries in Oceania have radically changed. Achieving independence gave those nations international legal personality, yet full independence from their former colonial powers. The following consequence was gaining an opportunity to draft, adopt and execute own laws in national and foreign policy. PICT has been expanding connections, political and trade ones, within the region since the 1960s when permanent migration of islanders and intra-regional transactions began (Denoon & Meleisea, 1997). Such openness had helped the islanders to finally, or even fair to say, for the first time in their history, understand their own region, its uniqueness, and the potential benefits resulting from the deepened local cooperation. The intensification of relations in the Pacific region resulted from decolonization, but those were economic factors that mostly pushed PICT towards close integration. Postcolonial states very often saw

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fora or other less structuralized regional groupings in the Pacific Ocean. Importantly, Pacific organizations change their names quite often, mainly as a result of expanding the scope of territorial activities, and thus membership (see the Pacific Regional Environment Program, renamed from the South Pacific Regional Environment Program). Formal unions of states become also absorbed by other larger institutions. It was the case, among other examples, of the South Pacific Board of Educational Assessment, which was incorporated into the Secretariat of the Pacific Community as its subgroup.

<sup>6</sup> The Commonwealth of Australia is not included in the catalogue of Oceanian states. However, because of its vital position in shaping legal norms, it is necessary that Australia will be presented in this article.

<sup>7</sup> This, of course, does not apply to Palau or the Federated States of Micronesia. The northern part of the Pacific Ocean is, just like the American state of Hawaii, subject to internal US jurisdiction or makes up territories belonging to Asian states.

trade as a relatively important and lucrative link with their former metropolis. Such a *stricte* economic, while not anymore political union, could still be a pillar for strengthening the bilateral relations. However, many trade policies based on regional trade structures became widely regarded as strong regional integration motives. Here is worth emphasizing that over 50% of international economic relations are currently carried out based on the preferential regional trade agreements (RTAs) (Hafez, 2004; Stadtmüller et al., 2008).

A strong feeling of belonging to the region is referred to as “Pacific identity”. Loyalty and mindsets of affiliation to one particular community, the Pacific community, are most often taken from home and cultivated at the national level. Islanders see their homelands as a core element of the whole Pacific community (Crocombe, 1989). Participation and any related activities in the regional organizations bring an even stronger sense of Pacific identity, while the feeling of pan-Pacifism is formally embedded in the structures of legally regulated institutions. Such affiliation is demonstrated by a significant increase in membership in regional bodies, frequent meetings, and scholarships for the youth from the islands. Regarding closer integration in the Pacific, the described feeling of “Pacifism” has been growing slowly but steadily from the difficult period of decolonization through the institutional revolution of regionalism in the 1980s when local organizations began to shape the Pacific regional relations. This process was undoubtedly seen as a response to the not always positive effects of globalism. Inhabitants of Oceania have become more and more willing to cooperate with neighboring nations to develop their homelands and achieve the prosperity of the whole region. PICT shares the same history, civilization level, and cultural values and problems, obstacles, and needs. Such a binder is the most reliable receipt for the future of the harmonized and united region.

In the case of the South Pacific, it should be taken into account that conditions there were unusually difficult given the fact that one of the two largest regional institutions, the South Pacific Forum, emerged from the colonial South Pacific Commission, established in 1947, and that the two closest colonial powers, Australia and New Zealand, continue not only to be involved in current regional institutions but also dominate them (with the Australian government even using South Pacific islands as dumping grounds for “unwanted” immigrants). Given these structural impediments, it is not certainly unfair to blame governments of the Pacific small island states for most of the problems that are indeed surfacing instead of resolving them<sup>8</sup>.

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<sup>8</sup> Without going into details, Pacific regionalism is threatened by the subregional forces, where some smaller groups inside the region prefer to impose their perception of the regional politics, as well as the formal leadership of the whole region. Compare the latest political affair from February 2021, where Palau’s president said his country was preparing to leave the Pacific Islands Forum, the region’s premier political and economic policy organization over the decision by other Pacific leaders to ignore Micronesia’s request for their candidate to take up the role of secretary general of the Forum.

## Migration and Aid

According to the International Organization for Migration, being the United Nations agency, the Asia Pacific region has one of the largest migration corridors in the world (Broich, 2006; Reinalda, 2013). Factors influencing migration here are income inequalities, and thus economic migrations, political and armed conflicts generating refugees, and lastly, the impact of climate change on the environment creating a new group of so-called “climate/environmental migrants/refugees” (fr. *réfugié écologique*) (Black, 2001). The damage scale to households that have already been affected even to a minimal extent by the effects of global warming and sea-level rising over the last decade is as high as 97% in Tuvalu, 94% in Kiribati, and 74% in Nauru (UNECAP, 2015). Although the term “climate refugee” has not yet been codified by international law, it can be understood as an environmental refugee who is displaced due to environmental causes, notably land loss, degradation, and natural disaster (OECD, 2001).

Regional connectivity and inter-island integration (Kleinschmidt, 2006) contribute strongly to facilitating mobility<sup>9</sup>. Temporary migration, mostly illegal, is common in the region, with most migrants being unskilled and unemployed, almost half of whom are women (IOM, 2020a). Migration and foreign aid are among the main demographics and economic features in the Pacific, as islanders perceive them as the most convenient and fast tool to solve the economic problems of their developing democracies<sup>10</sup>. What appears to be significant from the point of view of the possible external aid is that PICT receives nine times more humanitarian aid than any other developing region. Moreover, countries such as Tonga and Samoa receive foreign remittances equal to the value of the gross domestic product (AAID, 2006). In addition, the aid sent to the free-associated states and dependent overseas territories is 32 times bigger than that to the sovereign island states (Jędrusik, 2005).

Another aspect of foreign aid is expressed by the transfer of huge financial aid to the island partners in Oceania by the governments in New Zealand or the United States. Free-associated states benefit the most from being taken care of, especially in foreign policy and security, but one should not forget the financial aspect of pumping the constant development of those poor and undeveloped nations in the South Pacific. For example, the US government allocates nearly USD 1.5 billion a year to the Marshall Islands development (CIA 2020). Similarly, Tokelau, under the jurisdiction of New Zealand, being its dependent territory, prefers to remain non-sovereign despite diplomatic pressure from both the United Nations and the government in Wellington. The inhabitants of Tokelau insist on staying in close

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<sup>9</sup> There are migrations to other states or territories, thus external migrations, as well as internal among the islands of the same state, mainly to the island with the capital of bigger urban agglomeration.

<sup>10</sup> The governments of the Pacific states are elected and make politics using democratic means. The overwhelming majority of the Oceania politicians follow the democratic principles, including the rule of law in a stable manner. Well-known exceptions to this state of facts is the conflict in West New Guinea (a former province of Indonesia called West Irian) in 1950-1962, and the military coups in Fiji (1987, 2000, 2006).

relation with the much more developed and wealthier partner. It appears that material benefits, expressed in financial aid and providing infrastructure and other public services, convince Tokelauans much more than gaining international recognition as an independent state. Leaving New Zealand's jurisdiction would result in the loss of financial aid. Fatu Tanasiasi, a consultant in the Tokelauan government, said: "Why would we want to declare to the international community we have self-determination? Is it going to feed our mouths? Is it going to feed our children? What good is it for future generations? Independence is a good thing, but looking at the resources and things in Tokelau, I don't know that there are other things we've got to rely on. Our big provider is New Zealand" (Fickling, 2004).

This regional phenomenon of a relatively larger amount of migration channels and foreign aid transferred to Oceania was scientifically analyzed already in the 1980s. The MIRAB synthetic measure (migration, remittances, aid, bureaucracy) has been used in analyzing Oceania developing microeconomies by two New Zealanders, Geoffrey Bertram and Ray F. Watters. Although initially, the research concerned only the economic situation in Niue, Cook Islands, Tokelau, Tuvalu, and Kiribati, it soon turned out that the conclusions drawn from the research could be equally applied to other countries in the Pacific. The researchers proved that increase in dependence (financial dependence) of PICT on aid from foreign markets is closely related to the simultaneous permanent or temporary migration of the inhabitants of the Pacific islands. For this reason, according to Bertram and Watters, PICT ceased to rely on its own sections of the national economy, including its own human resources, thus became more reluctant to pursue any kind of reform (Bertram, 1999; Jędrusik, 2005; Lee & Francis, 2009; McCall & Connell, 1991; Ware, 2005).

In the 3rd decade of the 21<sup>st</sup> century, the countries in the South Pacific are still in the MIRAB development phase. It means that one should not expect a quick and smooth transition to the next stage of economic growth with foreign investment, assistance in establishing small and medium-sized enterprises, or conducting exclusive tourism. Interestingly enough, the role of the Pacific immigrants is not only limited to transferring funds to the closest ones in their own country or island of origin. It is especially visible in the so-called "privileged export" (Jędrusik, 2005). Demand for local products by tourists visiting the certain PICT or migrants coming back with family members to their island country give significant money injection to the local economy. It is expressively seen in New Zealand, where the Pacific immigrants have created a market with products from their country of origin, have established stores with food or authentic jewelry, and run restaurants with Pacific cuisine<sup>11</sup>.

The high level of unemployment, especially among the youth and the lack of solid sectors of the economy that would fuel the state budgets for the permanent mode, contribute to the crime development, mainly drug trafficking. Narcotics are imported from Asia due to the proximity of this continent, relatively low prices, and cheap smuggling costs (Staff,

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<sup>11</sup> The personal observations of the author who was living in New Zealand during her doctoral scholarship in 2015-2016.

2016). In addition to that, according to the 2018 report of the International Organization for Migration, the Solomon Islands are the source, place of transfer, and destination towards the local and South Asian men and women subjected to forced labor, including prostitution. As the report of human trafficking enumerates, Vietnamese, Filipinos, South Korean and Fijian have been complaining about being forced to work without pay on Taiwan-flagged ships sailing in territorial waters of the Solomon Islands (IOM, 2020b).

## **Conclusion**

It should be emphasized that the stratification of the PICT economies is enormous. It is hard to find such gross dichotomy in any other region of the world. The poorest extremes are represented by Kiribati, the Solomon Islands, Tonga, and Vanuatu. Australia and New Zealand, in turn, being the most industrialized countries in the Pacific, are using their strong and financially secure position to tighten local trade (Brown, 2012; Herr & Bergin, 2011; Hughes, 2005).

Finally, a regional tendency is known as the “Pacific paradox”, which describes the dichotomy between the level of foreign aid per person (which is, what has been presented in the article, the largest in the world) and the lowest development among all regions. The most significant determinant of the standard of living of the Pacific nations is their level of education. Over the last decades, foreign funds have been allocated to scholarships for young people of working age. However, the negative effect of rising education among the islands’ youth was that they became fully dependent on foreign sponsors and then were absorbed into administrative systems. In practice, students or graduates of technical schools, instead of building up their homelands through professional performance using the just learned proficiencies, eventually joined the bureaucratic system as the only people with higher, foreign education. By that, they ended up expanding the state apparatus, anyhow using the newly gained practical skills. They did not support economic capital in contrast to what they had agreed on when going on the scholarship. The Pacific paradox confirmed that the states of the Caribbean Sea and the Indian Ocean, starting with a similar economic rate and legislative problems of postcolonial states, have inevitably generated a much higher share of investments in the level of GDP. As for the PICT, these countries have either a very low or even negative level of economic development (Crocombe, 2001).

Although the World Bank forged the Pacific paradox in 1992, almost 30 years later, the region has not shown any improvement. This statistical measure did not give any motivating effect on regional integration, which, after all, could have been used by the island’s leaders as an internationally publicized motive to improve the standards of living in the Pacific (Hooper, 2005).

In conclusion, it should be underlined that migration and foreign aid are the key elements influencing cooperation in the South Pacific region, restraining from a deeper phase of regionalism. Migration and money transfer dependent on each other to the greatest extent;

thus, it can even be said that the growth of one factor is driven by the other. Although in other developing regions, foreign aid has influenced the development of the local economies, while inter-regional migrations were the result of a gross change in the economic situation with unobstructed choice of place of work and life. However, no similar tendency can be observed in the Pacific. In Oceania, an excessive attachment to money transfers from former metropolises or the Pacific Rim powers has emerged and is still being developed. It has become dangerous to the inhabitants of the South Pacific as they prefer to fall back into financial reliance rather than pursue economic reforms in their own independent countries. As long as there are “sponsors”, such as Australia, New Zealand, the United States, China (Wang & Bozzato, 2014, pp. 125-152) or Japan, the poor PICT will be likely to ask them for financial aid, falling into even greater social apathy and economic stagnation.

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