



National Integrity Systems

Pacific Islands

Overview Report 2004

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Executive Summary

National Integrity Systems Surveys were designed by Transparency International, the anti corruption NGO, to provide a standardised way of assessing anti corruption activity in particular countries. This paper compares the results of 12 such studies carried out on small island states in the South Pacific (excluding PNG and Fiji, which were studied separately by TI groups in each country). The studies found vagueness and disagreement about what counted as 'corruption'. There was widespread concern about political corruption, particularly during election campaigns and by governments manoeuvring to sustain support in parliament. Several countries were found to be less corrupt than they had been in the recent past, whereas in Solomon Islands corruption had become endemic since the late 1980s. There were special risks of corruption in small scale societies, though more opportunities for oversight when 'everyone knew' what was going on. Judiciaries were generally regarded as free of corruption. Courts in Kiribati were having some success in distinguishing 'gifts' from 'bribes'. Traditional cultural or familial factors seemed to affect the willingness to act against corruption that people recognised was taking place. Civil society organisations and the private sector were unevenly developed, and faced corruption problems of their own. Most countries had a range of formal institutions in place, but they often worked ineffectively, casting doubt on strategies that involved creating new independent bodies.

National Integrity System Pacific Islands Country Study

The 'National Integrity System' is imagined as a series of pillars, holding up integrity in government (Pope 1997). The number of pillars is variable, but the model points to the relationship between them (sometimes expressed in terms of 'checks and balances' or a need for more coordination). Cabinet government divides government work into often-arbitrary portfolios assigned to ministers. Democratic accountability points upwards to ministers, and perhaps downwards to the voters. The need to keep secrets may make it particularly difficult to get agencies involved in fighting corruption to cooperate. Against these vertical tendencies, the NIS model talks of 'horizontal' accountability between agencies, and broader 'sectors' – public, private and NGO. Transparency International, which promotes the model, prefers a strategy of coalitions between the public sector, the private sector and NGOs like itself.

As well as this 'external' relationship between the pillars, the model also points to their 'internal' self-policing functions (Doig and McIvor 2003: 321). For example the legislature may act, in some circumstances, as a check on corruption in the executive, but it also needs to ensure its own integrity (perhaps through a leadership code). One of the oldest questions in politics is 'who guards the guards' and police forces have been particularly vulnerable to corruption themselves.

The reports used a survey already applied to 18 countries by Doig and his colleagues. The results were reported in an earlier issue of Public Administration and Development (Doig and McIvor 2003). PNG and Fiji have already been surveyed by TI groups in each country. We extended the terms of reference for 12 smaller South Pacific states to seek answers to questions about culture tradition and scale that are often asked in discussions of corruption in the region. The average population of these twelve countries is 103,000 - ranging from Solomon Islands with 448,000 to Niue with 1,900 (South Pacific Commission 2000). We also added questions about corruption in the private and non-government sector, including churches and NGOs. In the past the private sector has often been viewed as the perpetrator of corruption, bribing innocent officials. Now it often sees itself as a victim of 'rent seeking' bureaucrats and politicians. Churches and other NGOs sometimes criticise corruption in government, but may be vulnerable to it themselves.

We advertised on the net, and selected twelve researchers based on their close knowledge of the countries, either as academics or former officials. This paper compares the findings of the twelve reports, looking first at what they say about the extent of corruption, then at the components of the National Integrity System, summarised in the Table in Appendix Two. Then it identifies and discusses some ideas in the reports about what should be done, and draws some general conclusions.

How Much Corruption?

No country was completely free of what some people understood as 'corruption'. There are differences between countries, and within them (in Chuuk, for example, rather than other states of the FSM). In many countries, the reports found:

- Abuse of ministerial and official travel, and unnecessary travel
- Suspicions of ministerial favoritism towards relatives in appointments, contracts and scholarships
- Budget processes distorted by pet projects and what is called, in the Federated States of Micronesia (FSM) 'pitch and catch' where legislators benefit from expenditure they authorise.

The reports found particular sectors and activities more at risk of corruption than others:

- the police and customs
- land and titles administration
- forestry and fisheries
- ports
- health and education
- retirement funds
- tendering
- trade in the tokens of sovereignty (passports, internet domain names)
- offshore banking (but not offshore trust funds)

Government ministers were the people most often mentioned as at risk of corruption, particularly because of their powers to regulate and license. They were also in a position to interfere with public service processes of recruitment, promotion and selection for training.

In every country, except currently Samoa, parliamentary allegiances were fluid, and governments used their powers to create offices, and make appointments to them, to shore up or reward political support. In Tuvalu, for example, the appointment of an MP as Governor-General had conveniently opened up an opportunity for a by election that government hoped to win. Or in Kiribati a minority government had recently asked traditional leaders to allow independent MPs to cross the floor and join the government.

Perceptions or Reality

The amount of corruption is in principle hard to assess. The Tonga report found 'lack of consensus' about what counts as corruption. Some people may regard all politics, or particular political manoeuvres such as those described above, as corrupt. Some see public and private morality as continuous, including 'personal as well as professional indiscretions' (Solomon Islands). In Vanuatu an unwelcome, but otherwise innocent, new tax on bank withdrawals in Vanuatu was criticised by some people as corrupt. The amount of corruption is also partly a question of perception – is the glass half empty or half full? By the standards of 'zero tolerance', the continuing audit reports and court cases suggest the region has a long way to go. Those perceptions in turn relate to people's trust and suspicion of government. A paranoid or cynical style imagines corruption everywhere, while bureaucratic standards of behaviour may not be appropriate for assessing the behaviour of politicians.

Visible petty corruption – routine small payments for services rendered – was only a problem in a few countries (Samoa, Tonga and Palau). Other forms of corruption took place in secret, and often between 'consenting adults'. Like crime, the underlying rate is hard to assess from police reports and successful prosecutions. Reports and court cases are typically seen as the tip of the iceberg. Libel laws may restrain reporting on cases that are 'generally known'. More may be taking place than is ever found out, yet perceptions may work both ways. Small societies are often vulnerable to suspicion and jealousy of neighbours, and people may imagine more corruption than there is.

The reports also suggested that perceptions are shaped by what has happened in the past. A buccaneering style of politics in Cook Islands and Samoa seems to have permanently soured people against the political system. The Cook Islands Political Review Commission found deep popular alienation from the political process, while the Samoa report found continuing suspicion of government.

There is also a question of method. The NIS methodology tries to go behind external perceptions (embodied in Transparency International's Corruption Perceptions Index) and look at the particularities of each country. It asked about the 'formal or legal position' and what 'actually happened'. The researchers were chosen for their knowledge of the country rather

than corruption in general. Though they followed a standard questionnaire, each report was highly individual, and reflected the personality and position of the writer – some sympathetic, some more angry. The reports were edited to remove examples and criticisms of individuals that might be defamatory, so the picture is less vivid than it might be.

As with crime, perceptions of corruption matter. External perceptions of corruption deter foreign investment (perhaps unfairly if these perceptions persist in spite of attempts to clean up). Similarly just as 'fear of crime' may be as politically important as the crime rate, perceptions of corruption undermine confidence in the government (even if, as the Samoan government argues, it is now doing the right thing).

What is not corrupt?

A consistent finding across almost all the reports is lack of corruption in the national judicial systems – at least in the higher courts. The reports also find electoral administration to be generally clean in spite of the absence of independent electoral commissions in most countries. However, candidates everywhere found themselves under pressure to provide favours to constituents in return for votes. Audit offices generally got a clean bill of health, though they were typically under-resourced, and not listened to.

Is it Growing?

The reports are quite precise about the periods when corruption was bad. The Solomons report says serious public service corruption began in the late 1980s and has continued until the Australian-led military and police intervention in 2003 (the Regional Assistance Mission – Solomon Islands (RAMSI)). Others describe periods when corruption was worse than it is now – Vanuatu in the 1990s, Samoa until the late 90s and Palau in the period 1979-84. This precision about dates suggests that corruption is not something endemic or inevitable, but the particular and perhaps reversible product of historical circumstances. The Samoan authors report the editor of the local newspaper saying bluntly 'corruption has decreased'.

Causes

The reports suggest a variety of causes. In Solomons, corruption was seen as both a cause and effect of the collapse of the state. However most reports refer to issues of small scale, which had a double effect on corruption. On the one hand it led to overlapping roles, endemic conflicts of interest, and a difficulty in separating family from politics and government. On the other, it was hard to keep secrets in small societies, and 'everyone knew' what was going on – even if they were reluctant to act on that knowledge.

Two other background causes also seem important. The first is representative democracy itself, which is an introduced institution. Throughout the world, there is a rough correlation between democracy and GDP. Richer countries are more likely to be democratic than poorer ones. The South Pacific is a fortunate exception to this rule. Though relatively poor, eleven of the twelve countries are representative democracies. The exception is Tonga, where commoners vote for their representatives in parliament, and have the same number of seats as a smaller number of nobles, but the executive is not responsible to parliament.

Democracy has an ambiguous relationship with corruption. The reports describe a number of examples of 'corruption' associated with election campaigns, and with governments' attempts to achieve majorities in parliament. Candidates try to buy votes. Once in power, prime ministers offer cabinet positions to independents, to buy their support, or try and provoke by-elections by offering MPs better jobs – such as Governor General – outside parliament.

Ministers are accused of interfering with public service decisions about the siting of schools, or the scheduling of ships, to favour voters in particular constituencies.

Secondly, seven of the countries are constitutionally sovereign, while FSM, Marshall Islands and Palau are in free association with the US, and Niue and Cooks in free association New Zealand. Sovereignty has its advantages in dealing with corruption: countries can legislate against corruption, if they choose to, and use their powers over, for example, immigration to exclude or deport corrupt individuals. The report on Marshall Islands found that sharing a currency with the US meant there were no exchange controls that could be used to track improper payments. But it also creates new opportunities for corruption, especially related to the symbols and tokens of sovereignty – postage stamps, passports, letters of credit (in Vanuatu) and (in Tuvalu) an internet domain name. The duties of sovereignty take ministers and officials to meetings and conferences abroad, beyond the steady scrutiny and supervision of a small scale society. It also brings to bear new external pressures to support one side, or another, in international conflicts, such as that between Taiwan and China.

Foreign judges have always been a feature of the Tongan system, and appeals overseas remain one of the factors contributing to the good reputation of the judiciary throughout the region. NGOs and civil society – including churches - often depend on foreign support and volunteers. RAMSI is 'guarding the guards' in Solomon Islands.

As well as these structural conditions, many of the reports point to agency – political will, an active official, or a reformist Prime Minister. Individuals do seem to have made a difference, for example comparing the crusading zeal of Marie-Noelle Ferrieux Patteson in Vanuatu with other occupants of ombudsman position in the region.

Relationship between Executive and the Legislature

The NIS model sees institutions providing checks against corruption in each other. The idea of 'checks and balances' underlies constitutions modeled on Westminster and Washington. They are distinguished by different relationships between two 'pillars', the executive and legislature, which here we will discuss together. There were seven parliamentary executives and two Presidential systems, two hybrids (Kiribati and Marshall Islands), and one monarchy (Tonga, where the King is not responsible to the legislature but selects Privy councilors who then automatically become members of parliament).

Apart from Tonga, the differences between 'Westminster' and 'Washington' based systems did not seem very great, and there were similar issues, such as tensions between auditors general and the legislature, and in the use of public service appointments to gain political support. Directly elected Presidents, for example, did not face the problems of votes of confidence that plagued governments in, for example, Solomon Islands or Vanuatu. But they still had to be able to muster parliamentary majorities for their legislation by trying to get independents to cross the floor

The legislature may provide a check on corruption in the executive, for example through a Public Accounts Committee, or through officials made directly responsible to parliament. Several anti-corruption offices, such as those responsible for audit or complaints against maladministration (Ombudsmen, or the equivalent Administrative Tribunal in FSM) occupy a contested ground between executive and legislature. The legislature may of course be vulnerable own forms of corruption, such as travel funds in Palau. In US inspired systems, the President is directly elected, but the legislature plays an active role in reviewing and sometimes blocking senior official appointments, such as the executive's nominee for Attorney General in FSM.

The NIS points to pillars' tasks of policing themselves. There are no leadership codes in Cook Islands and FSM. In Tuvalu the Attorney General's office is working on a Leadership Code. The Forum has attempted to provide a regional standard, but an early detailed draft was replaced by something more general. Solomon Islands, ironically, has an elaborate code, and a Leadership Code Commission to monitor it. However it has not exercised its powers, partly because of under-resourcing, but partly because of its own leadership. At least one Commissioner took a deliberately non-confrontational approach (Larmour 2000). Meanwhile the Solomons report finds that the executive had become "a showcase for unethical, illegal and generally corrupt behaviour". The wide scope of its powers also weakened Solomon Islands Leadership Code Commission. It had to collect and maintain files on practically all civil servants. Instead the Solomons report suggests the Commission focus (like PNG's) on the big fish.

Independent or opposition MPs may provide a check on corruption by Ministers, or the public servants they are in charge of. In Samoa the authors worried that the 'unassailable dominance' of the Human Rights Protection Party might reduce parliament's ability to oversee the executive. In Tonga, the pro Democracy movement began with attacks on the disbursements of funds by ministers. Yet the reports often show government and other legislators closing ranks against outside criticism.

Samoa used to have an elaborate systematic (and transparent) system of campaigning in which politicians would make carefully calibrated and entirely public donations to villages, and their leaders for support (So'o 1998). In Tuvalu visiting Ministers are expected to make gifts to local communities, and several court cases in Kiribati have explored the propriety of gifts of tobacco to leaders – finding it is expected, even required, of visitors, but not of local campaigners. In FSM candidates make 'strategic donations'.

In Solomon Islands (and PNG (Barcham 2002: 199-200)) there have been attempts to normalise these payments through so-called slush funds, approved by parliament, but not allocated by civil servants, though these were being chipped away at in donor sponsored public sector reform campaigns.

In Kiribati, the successful candidate's party tried to increase his support in parliament by offering cabinet positions to MPs who were not members of his party. But he did so indirectly, by asking unimane (elders) to allow their MPs to cross the floor. Offering executive positions, and hence salaries and perks, to MPs is a familiar parliamentary tactic throughout the region. It lies behind increases in the size of cabinet in Samoa or the creation of 'Special Advisors' in Tuvalu (later judged illegal). The report on Tuvalu also notes the suspicion that the government appointed a particular MP as Governor General in order to create an opportunity for a by-election it hoped to win.

The Judiciary

With minor exceptions, each report finds the judiciary effectively independent of the government and free of corruption. There was some suspicion reported of political partiality in the appointment of judges in Samoa. A Chief Justice was tried and dismissed and two other justices deported from Marshall Islands in 2003, though not for corruption.

In Solomon Islands, in spite of pervasive corruption in the public service, the judiciary (for the moment) retained popular approval, and was regarded as impartial. However there were breaks in the chain of the judicial process in the public prosecutor's office, and the police.

Some of the independence was explained by the continuing use of overseas recruitment, or appeals to overseas courts, in reducing local, partisan or family pressures on judges. But is a significant finding across the board, and for regional or international action against corruption.

There was also much less confidence expressed in the independence, competence and freedom from corruption of lower courts.

Auditors

In every country, government auditors played a very important role in generating information about poorly managed public expenditure, in general, and corruption in particular. There were differences in who they were appointed by or reported to: the executive (in which case they were part of the internal, self-policing function of pillars); or the legislature (in which case they were part of a process of 'horizontal accountability' or oversight), or both. In Tonga, where the executive is not responsible to parliament, the auditor simply reports to the Prime Minister. MPs can make ad hoc criticisms of ministerial expenditures, but there is no systematic way for the legislature to call the executive to account.

Their oversight role was often limited by the weakness of parliamentary accounts committees, which failed to read, debate or act on their reports. In Kiribati, \$20-30 million was found to be unaccounted for, but parliament had not debated the report. Similarly, Vanuatu's parliament was not reading or responding to audit reports.

Legislatures, however, were vigorous in objecting to the appointments of auditors who criticized them. In Samoa in the 1990s they had turned on the Sua Rimoni Ah Chong, who came from the private sector, and whose reports were highly critical of some ministers. There was intense conflict between the auditor and the legislature in Palau over criticisms of congressmen's use of travel funds.

The public sector reforms of the late 1990s in Cook Islands had introduced a new form of accountability and oversight in the form of a Public Expenditure Review Committee which included private sector accountants, but the report found it now 'ineffective'.

Concern over misuse of the first round of compact funds led the US to create a special office of the US General Accounting Office, based in Hawaii, to oversee expenditures from the new compacts. The New Zealand auditor general audits Niue's accounts.

Ombudsman

Ombudsmen, set up to deal with citizen complaints against government, were rarer than auditors and where these offices did exist, they seemed relatively invisible and ineffective. Samoa had had an ombudsman since 1988 but the report found not much publicity about its role. A Commissioner for Public Relations in Tonga had 'so far made little impact'. The Cook Islands Political Review Commission found 92% dissatisfaction rate with the work of the Ombudsman set up in 1984. In any case, waiting for complaints may not be the best way of uncovering corruption. The big exception was Vanuatu, where the ombudsman also had the responsibility of investigating leadership matters and recommending prosecution, a task vigorously taken on by the first incumbent, Marie-Noelle Ferrieux Patterson in the 1990s. So vigorous was her reporting that the legislature rescinded the legislation setting up her office, which was already provided for in the constitution. However few, if any, of her reports were acted upon. She has been replaced by a quieter figure.

The Public Service

Most reports painted a dim picture of the performance of the public service. In Kiribati and Nauru, the public service was regarded as a kind of welfare system, providing jobs and incomes. In Palau there were frequent exceptions to the rules 'poor administration, bias, abuse and poor accountability'. In Vanuatu the public service was described as 'weak'.

In Solomon Islands there was 'an almost complete disintegration of state capacity', including misappropriation and embezzlement within the public service. The report describes endemic illegal activity and the abuse of discretionary powers in the regulation of natural resource exploitation, like forestry and fisheries licensing, and in the leasing of government land in Honiara.

Bottlenecks in public administration provide opportunities for corruption associated with delays. Clients are ready to pay 'speed money' to get their cases dealt with earlier. Poor record keeping and lack of supervision provide opportunities for corrupt officials, who come to have a stake in preserving a chaotic system of administration.

Most of the reports saw promise in the public sector reforms promoted by donors in the 1990s. However the Cook Islands report was critical of the introduction of short term contracts for Heads of Ministries, fearing it would reduce their incumbents' independence and ability to stand up to ministerial interference in public service decisions.

The Police

These general problems with the public service particularly affected the police. They were expected to act against corruption, but their own jobs made them particularly vulnerable to it. Police were tempted by corruption in Tonga. Reports expressed concern about police competence in Cook Islands, Kiribati and FSM. In Vanuatu there were particular tensions following the integration of the police with the paramilitary Vanuatu Mobile Force, and several examples of police rebellions. In Solomon Islands a large faction of police led a coup that forced the Prime Minister to resign, and investigations and prosecutions of senior police has been an important task for the Regional Assistance Mission. One deputy commissioner, for example, has been accused of abduction, intimidation and making false claims for allowances and danger money. Meanwhile, twenty five per cent of the Solomon Islands force has been sacked (O'Callaghan 2004)).

Local Government

The reports mainly deal with the central government. Many of the countries have experimented with decentralisation. The report on FSM notes differences in legislation and the incidence of corruption between the federal and state governments. Only the Tonga report investigates a government away from the centre, in this case Vavau. It notes the additional pressures on police and prosecutor in a small town.

Otherwise the reports are generally negative about the prospects for limiting corruption at local government level where, in any case, there is strong overlap with traditional institutions.

Traditional Organisations, Values and Meanings

Gifts versus Bribes

Several reports referred to the issue of gifts to politicians, officials or judges, and the difficulty of drawing a line between an innocent and appropriate gift, and a bribe, made in the expectation of improper favours. The High Court in Kiribati has addressed the issue of gift giving to unimane (elders) during election campaigns, finding that gifts of tobacco were appropriate coming from candidates visiting the island, but not from local candidates (Larmour 1997). Indeed public service rules explicitly required visiting officials to make small gifts to local leaders. Gifts were also an issue in Samoa, where small payments for services were customary. Samoa had an elaborate 'Secret Commissions Act' that was directed against

improper payments in the private sector and public service. The report on Samoa describes how public service managers had developed policies for dealing with gifts, either sharing them publicly among colleagues, or handing them over to charitable organisations. Land court judges would only accept gifts after judgements were given.

Different Understandings of Corruption

Several reports pointed to difficulties of translation, or to broader disagreements about what counted as corruption, and the seriousness with which it mattered. In Vanuatu, for example, the word, and concept tended to be applied to bad behaviour in non-traditional urban contexts. The report found ambivalence and 'lack of ownership', and many people did not think it mattered much.

Some differences had to do with the content of particular understandings – what was appropriate behaviour for leader, or a chief. Nobles in Tonga, for example, did not feel particularly accountable to commoners. Others had to do with the problems of double standards, the result of two cultures rubbing up against each other. The report on FSM, for example, found it wrong that politicians were acting like chiefs.

Culture seemed to play different roles at different stages in the process of dealing with corruption – identification of wrongdoing, prosecution, and punishment. Many described reluctance to act when corruption had taken place. The issue here was not relativism, or different understandings. It was more that people were fearful of intimidation, or reluctant to rock the boat by public criticism. Some seemed simply forgiving, particularly of kin. These cultural factors were not causing corruption to happen, but rather allowing it to continue unchallenged.

Traditional Institutions

The reports considered the role of particular 'traditional' institutions within the current system of government – the Council of Iroij in Marshall Islands Nitijela, or the National Council of Chiefs. Most countries had some kind of traditional institutions, particularly at local level, though their role and character had been substantially changed by colonial rule. There were exceptions – Kosrae in FSM was without chiefs, and in Niue the traditional authorities were simply 'gray hairs' – older folk in extended families.

Tonga was the exceptional case. It had reconstructed its Polynesian chieftaincy along the lines of a nineteenth century European constitutional monarchy. Where state and family overlap, it is hard to apply the conventional definition of corruption as the use of public office for private gain. Public and private are indistinct in concepts such as 'crown land'. The royal family were involved in business ventures, such as a company exploiting Tonga's right to a slot in space for a communications satellite, as well as Shoreline, a company that monopolises the production and distribution of electricity.

The reports did not find much evidence of corruption among formal traditional organisations at national level. Nor did they seem to be playing much of a role in checking or exposing corruption in other parts of the system, so they were not forming a new pillar of the NIS. Nor did they seem to be concerned about corruption among their members.

Civil Society

There were differences between reports about the existence, composition and effectiveness of 'civil society'. Some of the differences were about definitions – whether to include traditional organisations, or the private sector in it. But there were also real differences about the presence and activity of intermediate groups between government and clan or family. This is important for anti corruption strategies, like TI's, which depend on a mobilised civil society

There were no citizens groups reported in Kiribati, in spite of the encouragement that might have been provided by Section 68 of the constitution, requiring local consultation on proposed national legislation. Civil society in Tonga was described as 'poorly developed', as Tongans followed their own family or individual ends.

The reports on Vanuatu, Cook Islands and Solomon Islands by contrast found a diverse 'civil society' and the first two included traditional leaders within their definition. However, outside the TI groups in Vanuatu and Solomon Islands, none particularly focussed on corruption. Where lawyers' associations are mentioned in the reports (in Samoa and Palau) they were not particularly focussed on corruption issues.

Civil society might of course have corruption problems of its own. Churches in Kiribati and Samoa collected of relatively large amounts of money in donations and spent it on construction work and other activities. The report on Vanuatu warned against NGO complacency – seeing themselves as 'good guys', they had not addressed possibilities of corruption in their own activities. A similar complacency might have affected the churches. Recently the General Assembly of a church in Kiribati had declared corruption in its own ranks 'intolerable' and had laid down procedures. Similarly the report on Samoa finds churches having learned from past problems of poor accounting.

Private Sector

Some reports included the private sector, particularly organizations like Chambers of Commerce, in their discussion of civil society. The terms of reference also asked about corruption in the private sector and some legislation, particularly Samoa's Secret Commissions Act deals with both sectors.

Generally, the reports point to the small size of the private sector, its dependence on government expenditure, its lack of self-organization and the popular perceptions that it is something foreign and exploitative. In Marshall Islands the private sector 'had only really emerged recently'.

The Solomons report points the finger at the private sector as a source of political and public service corruption. It blames the Malaysian logging companies that began to harvest timber from customary land in the 1980s, and at some members of the Honiara Chinese business community.

In two cases, Nauru and Cook Islands, that foreignness is explicit and deliberate. Both countries have created offshore financial centres. Both countries have come under sustained external pressure to increase regulation, partly through concern about money laundering, partly through concern about tax avoidance in metropolitan countries.

Nauru's offshore investments have often become embroiled in court cases, and suspicions that ministers may be acting on their own, rather than their country's behalf. The Tuvalu report expresses concerns about the role of politicians abroad, negotiating with the company promoting the country's internet domain name. However, not all offshore activity is risky. The report also concludes that the trust fund that Tuvalu has created is not subject to corruption.

The Media

The reports consistently and repeatedly show the importance of the media in reporting on corruption. A measure of that importance is the degree of personal intimidation faced by journalists and publishers in some, but not all, countries. In Palau for example the radio reporter Alphonso Diaz has had three cars firebombed. An editor in Solomon Islands has been physically intimidated by thugs associated with politicians. A publisher has been threatened with violence in Vanuatu, and publishers have been deported from Vanuatu and Palau.

In some countries formal controls are strong. The government either owns the media, or regulates it closely (for example in Samoa the Publishers and Printers act does not allow a journalist to protect sources, and requires they be named). In Tuvalu the report describes how the media were 'ruthlessly and heavily censored'. In Tonga, the government has amended the constitution to allow it to ban newspapers. Government motives in muzzling the press, of course, go wider than a simple desire to cover up corruption.

However, a privately owned press is not necessarily more critical. Advertisers can chill reporting as much as governments do. In Solomon Islands the press was said to be 'free but docile'. Its 'narrow ownership base', and publisher's links within the elite, led to self censorship. Paradoxically, the government-owned SIBC provided more persistent independent criticism.

The media, and their readers, also have an interest in scandal – the moralising that follows revelation of corruption or other bad behaviour among the rich, famous and powerful. The Tongan government says it is concerned about scandal concerning the royal family in its current attacks on freedom of the press.

New media, such as the internet, are promising sources of alternative news and discussion, including the diaspora of Pacific Island students and settlers in Australia, New Zealand and the US.

Role of donors

The reports saw a role for donors in strengthening existing anti-corruption institutions and supporting national strategies. Only one suggested that aid be made conditional on the existence of such a strategy. Another suggested twinning arrangements between local anti corruption agencies and those in the donor country. In some places donors were already closely involved in anti corruption activity. The New Zealand Auditor General audited Niue's accounts. Expenditure of funds under the new Compact of Free Association with FSM and Marshall Islands would be audited by a new office created for that purpose in Hawaii. Australian police were involved in bringing prosecutions under Solomon Islands law as part of the RAMSI intervention.

What is to be done

Political Will

Most of the reports point to the importance of political will in fighting corruption. That 'will' is not something fixed and given (Nelson 1984). It can strengthen and weaken according to the pressures on leaders, including the pressure of popular opinion, from civil society organisations and from the media. It is often higher soon after a change of government, and in relation to opponents rather than supporters.

Most reports find widespread popular suspicion of corruption, anger and even despair with it. Yet the Vanuatu report finds popular lack of interest and 'ownership' of the issue of corruption. Several reports suggest public education campaigns to strengthen the demand for anti corruption, and dialogue to reach agreement on what counted as corruption. Why, in democracies like those in the South Pacific, is demand for action against corruption sometimes ineffectively expressed?

First it is sometimes self-contradictory. People are against corruption in general but in favour of preferential treatment for themselves, their kin and their constituency. Voters are complicit with politicians in promising to vote for them in exchange for personal or local favours.

Second, media are under financial and political pressure, while local private sectors and NGOs – including churches – may be reluctant to criticise governments they depend on for funding or other decisions. Or they practice self-censorship.

Parties

Samoa, exceptionally, has had one party rule since the late 1980s. The absence or weakness of parties creates problems for politicians seeking support. 'Corruption' rather than policy differences provides a stick for challengers to beat their incumbents with. Election campaigns must be financed by interests who expect something in return. Or they create debts that must be recovered through the salaries and perks of office. Candidates must offer tangible benefits for support and voters may demand that they do so.

Several reports, despairing of the fluidity of non-partisan politics, and vote buying in elections, propose that strong political parties would help reduce opportunities for corruption. Ideologically based parties might create a reason for voters to choose apart from the material benefits promised by candidates. Once elected, parties might limit the maneuvering and promising required to stitch together a government, and the flow of resources across the floor to maintain 'confidence' in the government. They might reduce the tendency of legislatures to close ranks outside criticism, for example from auditors of their travel expenses. PNG, for example, has introduced legislation designed to strengthen parties against floor crossers, and independent candidates.

Pacific constitutions are oddly silent about parties. Solomons' constitution is even slightly suspicious of them, where it provides for the existence of an 'Independent group' of MPs. Where achieving independence was a struggle, the parties that led the struggle tended to stick together and attract popular support for some years after, before breaking up into factionalism and self seeking (eg the Vanua'aku Pati in Vanuatu, the Cook Islands Party in Cook Islands, and perhaps the Nauru Local Government Council group in Nauru). Other than that, there seems to be no clear trend towards or away from parties. They pop up and dissolve (e.g. in Palau 1963-79). In Solomon Islands for example, political party labels matter to some politicians, but are practically indistinguishable to voters. In Marshall Islands there is a vague distinction made between a 'Traditional' and 'non Traditional' groups in the legislature. The report on Tonga describes how, even in that highly polarised system, the Pro Democracy movement is not organised into a party.

The Samoa report points to the contrary danger of too-strong a party. The Human Rights Protection Party has now been in power since the late 1980s, and the report expresses fear that its dominance may allow corruption to flourish unchecked. Parties as institutions suffer their own internal vulnerability to corruption over such matters as misappropriation of funds, influence peddling, and vote buying (as recent scandals in Germany have shown). The Kiribati report mentioned concern about foreign funding of parties. Party advisers regularly try to interfere with public service decisions, as in Vanuatu.

Parties have not tended to be a focus of donor institutional strengthening (except perhaps from Germany, where party foundations provide aid abroad). Parties in PNG have sometimes sought links with Australian counterparts, and Cook Islands parties with those in New Zealand.

An Independent Commission Against Corruption

The idea of an ICAC has spread from Hong Kong to Australia and South Korea, and there have been proposals in PNG. Typically they combine prevention and education with investigation and, in some circumstances, prosecution. Their independence is first from the police, and to a lesser extent from the government. The NSW ICAC for example reports to a bipartisan committee of parliament. Several reports recommend the introduction of an ICAC.

Doig (1995) and others have argued for the usefulness of an ICAC as a focus of anti corruption activity, and donor support for it. Creating them helps symbolise government commitments. But other evidence in the reports does cast doubt on the value of independent stand-alone agencies in the region.

Each country has an office equivalent to an auditor general, reporting to the executive, legislature, or both. But that office is often understaffed (Tuvalu), or its reports unread (Vanuatu) or undebated (Kiribati). The report on the newish Public Expenditure Review Committee (PERCA) in Cook Islands finds it ineffective. Similarly Samoa has an Ombudsman but the report finds not much publicity about its role, while the equivalent in Tonga, a Commissioner for Public Relations, 'so far has made little impact'. Cook Islands has had one since 1984, but the Political Review Commission found a 92% rate of dissatisfaction with its work. Maybe each of these independent institutions could and should do better. Next time, perhaps, the designers will get it right, but the overall record suggests caution in creating yet another independent agency in these contexts.

The reports' discussions of election commissions also cast doubt about stand-alone independent institutions from the other direction. They generally find elections to be clean, in spite of the absence of independent election commissions in most countries.

As we have seen, senior appointments in these countries are often made to reward political support – the position of anti-corruption commissioner may end up being just such a resource. At a minimum, parliament and the executive, rather than overseeing each other, have a common interest in appointing independent bodies that will not make waves. The appointment of Marie-Noelle Ferrieux Patterson in Vanuatu is the exception that proves the rule.

There is also an opportunity cost in creating new institutions in a context of low state capacity that characterises much of the Pacific. (Barcham 2003: 108-109) Resources, including political attention and donor support, come from somewhere else that suffers. Second, the resources available to such agencies are relatively small. They must pick and choose their fights. The bulk of anti corruption activity, or inactivity, continues to take place in large spending departments, the public service and the police. Third, as a new pillar, they generate new problems of horizontal accountability. They get caught in turf wars, and must ensure their own internal integrity.

National Strategies

Many of the reports recommend a national strategy that would bring together the many separate agencies and activities involved in preventing or prosecuting corruption. Such a strategy is a logical consequence of the NIS analysis. Several countries have already taken steps towards coordination. In Marshall Islands, for example, a cross sectoral 'Task Force on Accountability' has led to the reorganisation of the Ministry of Finance, and there is provision for a Government Ethics Board, consisting of the Attorney General, the Auditor General and the Chief Secretary, though it 'has yet to become operational'. Donor sponsored Public Sector Reform programs have taken a 'whole of government approach'. The reports are generally optimistic about their potential effects on corruption, except where they have reduced the security of tenure, and hence independence, of heads of ministries. There have also been concerns that privatisation, if not independently handled, may simply delivered assets into the hands of government cronies.

A purely 'national' approach, however, will miss two dimensions of corruption, and corruption prevention, identified in the reports. The first is international. Appendix One lists the international anti corruption agreements the countries have signed up to. Financial Action Task Force and OECD have invoked strong sanctions on Nauru and Cook Islands, forcing them to legislate. The South Pacific Forum has been encouraging a regional approach, and the gentle pressure of peer review, to leadership codes (though a review of that process found that agreements reached overseas were often not transmitted locally). Top down codes in any case miss the importance of the process of adoption, profession-specificity, and peer pressure in enforcement.

The reports find the domestic private sector in several countries to be popularly regarded as foreign, whatever its legal status. Offshore Financial Centers and trust funds operate in an international environment, and may provide an opening into domestic corruption (in the persons of several politicians in Vanuatu). The trade in tokens of sovereignty – passports, letters of credit, satellite slots, and postage stamps – also depends on international recognition of domestic sovereignty.

The second is local. For reasons of funding, only one report (on Tonga) carried its fieldwork out of the capital. The report on Marshall Islands described problems of missing funds, and unreported licensing in the urban local government (MALGOV). Several reports expressed concern about the possibilities of corruption at local level, where supervision was reduced, and the pressures of family and kin might be felt more closely.

The variation between countries and sectors suggest that any strategy be targeted towards particular risks. The reports also find sectors and activities that are not corrupt, and so provide models for others. Those sectors doing well – such as the judiciary – also need support if they are to continue to do so.

There are also opportunity costs in anti corruption activity. Officials, resources and political attention are diverted from other tasks. Perhaps that cost is worth it, but open-ended zero-tolerance war on corruption is likely, as many anti corruption initiatives have in the past, to falter and produce cynicism

Codes of Practice

Codes of practice address a problem identified in most reports: there was vagueness and lack of consensus about what counted as corruption. Codes are also part of the internal process of corruption-proofing. Agencies must regulate themselves as well as be regulated by others. Codes of practice adopted by professional groups can pay particular attention to the ethical risks difficulties that are specific to their field – including politics. The public sector reforms of the late 1990s challenged some of the professional values of civil servants, and attempted to introduce new ones.

Several countries were considering or drafting 'top down' leadership codes. The Forum had rejected a model code, but adopted a set of principles, but none had yet taken them up at a national, let alone agency level. Codes need to be engendered as well as imposed (Brien 2001). Particularly in relatively weak states, it is hard to rely on enforcement from outside or above. Peer pressure may be the only kind available. A code needs to set out standards that most people can accept, so that a minority of deviants can be punished or excluded. As with the law, there can't be a policeman in every office (and if there were, many would be tempted into corruption).

Self-regulation is also important for those at the top of the political system, where there is no secular higher authority (beyond aid donors, or a Regional Assistance Mission) to enforce provisions.

Demand-side Approaches

Discussions of aid and good governance, borrowing language from economics, distinguish supply side and demand side approaches. The supply side refers to the familiar menu of grants, loans, training, technical assistance and capacity building, designed to increase the 'supply' of good governance. Donors are well set up as suppliers, and recipient governments welcome the flow. Demand side approaches are more indirect, parsimonious, and a response to perceived failures of the supply side approach. They recognise that developing countries often have laws, institutions, and expertise in place. They are simply not working. Until there is local demand for them, they will remain ineffective. So a demand side approach tries to stimulate local pressure on existing institutions to perform better, by supporting local media and NGOs.

All the countries had laws, or provision in the criminal code or public service regulations that defined and prohibited certain kinds of corruption – typically 'bribery'. There were a few gaps, perhaps, but not a widespread need for new legislation or new institutions – more that the existing ones should do their jobs. So 'supply side', gap-filling approaches seem of limited promise.

Coalition strategies

TI has a lively organisation in Vanuatu, and a newly formed group in Solomon Islands. There was interest expressed at public forums in Tonga and Samoa, where early drafts of the country reports were discussed. TI's global strategy is based on the idea of coalitions of public, private and NGOs sectors. It doubts that governments alone can reform themselves. It also emphasizes education and prevention over investigation and prosecution – the latter involving legal powers in any case not available to NGOs. What do the reports suggest about the prospects for such a strategy?

First, civil society – depending on how broadly it is defined – is unevenly developed between countries. Churches, a major component of civil society, have been reluctant to criticise governments. In Samoa and Kiribati they have also recognized the need to put their own house in order.

Second both civil society and the private sector are relatively disorganized. The Vanuatu reports criticize civil society for lack of coordination and 'reinventing the wheel'. The Tonga report finds Tongans particularistic, and reluctant to join organizations outside the family. The private sector has not shown much capacity for self-organisation, except perhaps in Tonga. There is a Chamber of Commerce in FSM, but Tuvaluan business would be reluctant to pay the fees necessary to join one in Tuvalu.

Governments could, in principle, step in to organise and regulate these sectors, as the Vanuatu government has by using its tax powers to fund a Chamber of Commerce. Politicians are often ready to regulate NGOs, which they see as potential competitors for the affections of voters. But organisation and regulation can easily lead to cooption, and stifling of dissent. And the reports find some governments themselves weak and disorganised.

TI's emphasis on prevention and education, however, seems well suited to the problems identified in the country reports. Prevention is decentralised and pervasive. It involves anticipating risks, and making sure they are avoided. In many ways it is part of the everyday task of managers in medium to large organisations (not family firms). Investigation and prosecution are more centralised, and demanding of specialist skills. The very effectiveness of Pacific judiciaries maintains high standards of evidence and opportunities for appeal. It may have the unintended consequence of making it difficult to bring successful prosecutions against corrupt individuals shielded by lawyers.

Accountability and Transparency

In Marshall Islands accountability was seen as the necessary precondition for dealing with corruption. Accountability is a key element in Robert Klitgaard's (1988) theory of corruption, which has influenced TI and donors. It is summarised in Klitgaard's formula: Monopoly + Discretion – Accountability = Corruption. The NIS points to horizontal as well as vertical accountability. The vertical accountability of officials to ministers may reduce their independence, and ability to act as a check on corruption (for example allowing ministers to interfere with the nuts and bolts of scholarships, or to resist accounting for their travel allowances). Vertical accountability to clients may also encourage street level or field officers to bend the rules for favours, or simply to get the job done.

However, the reports show there can be too much accountability as well as too little. Votes of No Confidence, for example, are a way in which the legislature in Westminster systems is meant to hold the executive to account. In parliaments without strong party or ideological identifications, however, the threat of such a vote may become, as it has in Solomon Islands, simply another way for non-government MPs to extract resources or jobs from the executive. Similarly the reports on Solomon Islands and Cook Islands notice the bad effects of putting Permanent Secretaries or Heads of Ministries on contracts, making them more accountable to ministers (at the cost, they say, of independence and competence)

The international community, including of course TI, strongly promotes transparency. However, not all corruption is hidden, particularly petty corruption, and the corruption associated with elections, or deals on the floor of parliament. Several reports point out that in small-scale societies everyone knows – or thinks they know - what is going on. Opacity is not the problem, but reluctance or intimidation. However, when that activity takes place abroad – during trips overseas, or in offshore investments – that steady local scrutiny is absent, though the suspicion may continue.

The reports generally suggest accountability and transparency may be of limited use if civil society or ordinary members of the public aren't willing or able to do much about what is going on. In Vanuatu many people saw corruption as something only associated with the modern urban sector and of little importance to them. In other cases the public seems complicit. In Tuvalu, for example, ministers are subject to pressure from voters to change shipping schedules in their favor. Several reports find the public acquiescent, cynical or merely forgiving.

The Solomon Islands report identifies a particular kind of alienation from the state, which it calls 'insidious tolerance', in which – on the one hand – people come to believe any kind of corruption accusation, without looking for evidence, and – on the other hand – accept it as inevitable. This is not some traditional hangover, or example of different understandings, but the learned experience of a period of corruption that began in the 1980s, and intensified in the four years leading up to the RAMSI intervention in 2003. But 'insidious tolerance' does not seem to have led to complete disengagement – the report also reports on a very active civil society in Solomon Islands.

Pacific political systems are still quite elitist. Sometimes traditional elites are reproducing themselves in the government, as chiefs become Presidents (Amata and his successor Imata Kabua in Marshall Islands) or their children go to university abroad. Or legislators behave like chiefs (FSM). Education, and in some cases even literacy distinguish an urban elite from the majority in the outer islands. There is not a lot that the non-elite can do about corruption within the elite – apart from outbursts of rage when shops and houses get burned, or when voters support one gang of leaders against the 'corruption' of another gang. In these circumstances, the internal processes of self-policing within the elite become as important as the external processes of accountability.

General Conclusions

In the Pacific Islands all politicians – like it or not – have to work in a non-ideological, non-party system of loose informal allegiances, cemented by material rewards to voters and jobs for supporters. They all join in condemning corruption, particularly by their predecessors in office, but the system requires them to do the same. Maybe the political manoeuvring necessary to govern should be distinguished from the pursuit of self and business interests. Even good politicians had to play this game, to get into parliament, and then to maintain government. On the national scale, it should be possible to distinguish (and codify) electoral and parliamentary behaviour from abuses of office to favour leaders' private or business interests – the excess travel; the hanging on to gifts; the public expenditure that favours the minister's private business, rather than electoral, interests. On the small and local scale it may be more difficult.

The NIS model suggests 'gaps' that might usefully be filled by, for example, an ombudsman in Nauru. However the experience of Solomon Islands tended to confound institutional remedies. The country with the most serious problems has the most elaborate Leadership Code. It also had an independent Auditor General, appointed by a Judicial and Legal Services Commission, not the executive or parliament alone. But it was under-resourced and sidelined. Some of the NIS pillars, the reports' authors suggested, were 'hollow'.

Several reports identified cultural, and cross cultural issues as important, and worthy of further research, but there were few concrete recommendations. Similarly Pacific governments have kept coming back to these issues, but shown reluctance to do much about them. Exceptionally, TI in Vanuatu was devising training courses designed for chiefs, and the Samoa report talked of the 'traditional integrity system'. Courts in Kiribati were also managing to carefully navigate between gifts and bribes.

Many of the problems in the region had to do with scale as much as questions of custom and tradition. It also may be no coincidence that the largest country – in terms of land area as well as population - had the most serious corruption problems, which stemmed quite precisely from the timber resources it had to sell abroad. The reports also suggest there may be no entirely national or domestic solution for very small countries.

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Appendix One

Signature (S), Ratification (R), Accession (A), Endorsement (E) of International and Regional Anti-Corruption Instruments by Pacific Countries

Countries in the Pacific	Convention			
	UN Anti-Corruption Convention (not yet in force)	UN Transnational Organised Crime Convention	ADB-OECD Asia Pacific Action Plan	OECD Anti-Bribery Convention
AUSTRALIA	S	S	E	S, R
COOK ISLANDS	-	-	E	-
FIJI	-	-	E	-
FSM	-	-	-	-
KIRIBATI	-	-	-	-
MARSHALL ISLANDS	-	-	-	-
NAURU	-	S	-	-
NEW ZEALAND	S	S + R	-	S, R
NIUE	-	-	-	-
PALAU	-	-	-	-
PAPUA NEW GUINEA	-	-	E	-
SAMOA	-	-	E	-
SOLOMON ISLANDS	-	-	-	-
TONGA	-	-	-	-
TUVALU	-	-	-	-
VANUATU	-	-	E	-

Source: Transparency International

Appendix Two

Pillars of the National Integrity System In Pacific Island States () Indicates the 'yes' or 'no' is qualified in some way - for details see text

Country	Legislative	Executive	Judiciary	Auditor General	Ombudsman	Watchdog Agencies	Public Service	Media	Civil Society	Private Sector	International
Cook Islands	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	Free Association with NZ; Offshore Banking
Federated States of Micronesia	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	Compact with USA
Kiribati	yes	yes	yes	yes	no	no	yes	yes	yes	yes	
Marshall Islands	yes	yes	yes	yes	no	no	yes	yes	yes	yes	Compact with USA
Nauru	yes	yes	yes	yes	no	no	yes	yes	no	(yes)	Offshore Banking
Niue	yes	yes	yes	yes NZ	no	no	yes	(no)	yes	yes	Free Association with NZ
Palau	yes	yes	yes	yes	no	no	yes	yes	yes	yes	Compact with USA
Samoa	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	
Solomon Islands	yes	(yes)	yes	yes	yes	TI	yes	yes	yes	yes	Regional Assistance Mission
Tonga	(yes)	yes	yes	yes	yes	no	yes	no	(yes)	yes	
Tuvalu	yes	yes	yes	yes	no	no	yes	(yes)	yes	(no)	
Vanuatu	yes	yes	yes	yes	yes	TI	yes	yes	yes	yes	