

The European Union, the Pacific Islands, and Fiji: Diplomacy, Trade, and Democracy Promotion

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European relations with the Pacific islands have evolved from exploration and exploitation through a century of colonialism to the current post-colonial links of diplomacy, trade, aid, and cultural exchange. Bilateralism has been overlaid by the collective policies of the European Union (EU) and the coordination efforts of the Pacific Island Forum, although policy variations remain. The most significant development of the past decade, illustrative of the growing influence of the WTO, is the conversion of the preferential trade arrangements of the Cotonou Agreement into Economic Partnership Agreements with Pacific island states and the potential consequences, namely loss of import tax revenue and erosion of the competitiveness of island enterprises. Of secondary but rising priority is the EU's exercise of political dialogue in pursuit of democracy, human rights protection, rule of law, and good governance on the part of partner island governments, which was applied to Fiji following the coup of December 2006. Despite EU (and other governments') admonitions and sanctions, the Interim Government of Fiji by mid-2008 had not responded with substantial plans for an election and return to civil government. Nevertheless the EU has gone ahead with an interim Economic Partnership Agreement. At time of writing the stalemate continues without a resolution in sight. The essay concludes with brief remarks regarding the relevance of this case to theories of post-colonial relations, democracy promotion, and foreign policy analysis.

Introduction

After sketching the evolution of European-Pacific island relations through the aftermath of World War II, this paper notes the significant diplomatic and economic linkages that connect the two regions. It then turns attention to three issues. First is the EU initiative to negotiate Economic Partnership Agreements (EPAs) with island states to replace the preferential trade passages of the Cotonou Agreement ruled illegal by the World Trade Organisation. The aims, process, content, and possible adverse consequences of these new agreements are surveyed. Second is the implementation of 'political dialogue' prescribed by the Cotonou Agreement, particularly the democracy and suspension clauses now standard in all EU agreements with partner governments. Third is the application of political dialogue to Fiji in the wake of the December 2006 military coup. This section traces the actions taken by the EU (and other governments) and the Interim Government's responses. Finally, the paper attempts an assessment of the EU's deployment of its diplomatic, trade, and aid influence to promote democracy, human

rights, rule of law and good governance in the region and in Fiji in particular. It concludes that evidence of substantial success remains lacking but that it is premature to judge until March 2009, the date the Interim Government has indicated an election is to be held. It notes further that no other government has provided a more promising alternative, and that all governments are working in consultation with the EU to persuade the Interim Government voluntarily to return to constitutional democracy. The actions of the Interim Government suggest indifference to, and sometimes defiance of, the EU's importuning, suggesting limits to the effectiveness of EU democracy promotion policies. Nevertheless the EU is expected to persist since democracy promotion policies are expressions of the EU's identity whether or not they produce results. Although it is not an aim of this essay, it is suggested that further study of this and related cases of EU-Pacific island relations could be adapted to hypothesis-testing in several spheres, notably post-colonial theory, democracy theory, and foreign policy analysis.

Europe and the Pacific in History

From the 16th century Europeans have transited, explored and exploited the Pacific islands.¹ The earliest were the Spaniards Magellan, Ortiz de Retes, and de Mendana in the 1500s, at which time the first European colonies in Guam and Manila were founded. The English explorers Francis Drake, James Cook and William Dampier arrived in the 17th century, and France sent its first explorer, Antoine de Bougainville, to the Pacific in 1767. A succession of English, French, Dutch, German and Russian explorers arrived soon thereafter, most of whom left their names on the maps of the region but little else of permanence. They were followed by whalers and sealers, petty traders, and missionaries.

Settlement by Europeans began in earnest in the 19th century, initiated by the British colony of New South Wales in 1799. Colonisation was driven in part by the rivalry of Britain and France following the Napoleonic Wars. During this period Spain extended her colonies in the central Pacific and Germany established new colonies in the south Pacific. But by the end of the century Britain emerged as predominant in the region with colonies or protectorates in Australian and New Zealand, Cook Islands, Niue, Tokelau, Fiji, Tonga, Solomon Islands, Kiribati, Tuvalu, Nauru, Papua, Pitcairn. France followed with overseas territories in New Caledonia, Wallis and Futuna, and French Polynesia and a condominium with Britain in New Hebrides, now Vanuatu.² For a time Spain hung on in Guam, and Germany held Nieuw Guinea and Western Samoa, but by the end of World War I both had been expelled from the region by Japan, the United States, Australia and New Zealand respectively. By the end of World War II Japan, a relative late-comer in the inter-war period, retired to its home islands and only the United

¹ For South Pacific history see J. C. Beaglehole, *The Exploration of the Pacific* (London: A.C.Black, 1934), D. L. Oliver, *The Pacific Islands* (Garden City: Doubleday, rev ed 1951) and N. Douglas and N. Douglas eds., *Pacific Islands Yearbook*, (North Ryde NSW: Angus & Robertson, 16th ed. 1989), and R. D. Craig and F. P. King, eds., *Historical Dictionary of Oceania* (London: Greenwood, 1981). A convenient chronology may be found in Steve Hoadley, *The South Pacific Foreign Affairs Handbook* (Sydney: Allen & Unwin, 1992), pp. 16-17.

² Stephen Hoadley, *New Zealand and France: Politics, Diplomacy and Dispute Management* (Wellington: New Zealand Institute of International Affairs, 2005), p. 7. Also see R. Aldrich, *The French Presence in the South Pacific* (Basingstoke: Macmillan, 1990) and Stephen Henningham, *France in the South Pacific* (Canberra: Australian National University Peace Research Centre, 1989).

States remained in possession of Pacific islands north of the Equator and Britain and France were the sole European powers left south of the Equator, not counting those 'outposts of Britain' (as their detractors in Asia call them) Australia and New Zealand.

Post-war responsibilities to their subject peoples, enshrined in the United Nations Charter and monitored by the Trusteeship Council, and also strategic concerns to forestall rivalry and instability, led the governing powers to set up the South Pacific Commission in 1947. Besides the United States, Australia, and New Zealand and several island governments, its membership initially included Britain, France, and the Netherlands, which latter dropped out after the independence of Indonesia. This forum was devoted to gathering information about, and coordinating economic and technical assistance to, the island dependencies. Over time, as island colonies became independent, the Commission grew in membership to its present 26, changed its name to the Pacific Community, and undertook coordination of initiatives ranging from cultural and educational promotion to environmental protection.³

Table 1. Membership of the Pacific Community

Island state members

American Samoa,
Cook Islands,
Federated States of Micronesia (FSM),
Fiji Islands,
French Polynesia,
Guam,
Kiribati,
Marshall Islands,
Nauru,
New Caledonia,
Niue,
Northern Mariana Islands (CNMI),
Palau,
Papua New Guinea (PNG),
Pitcairn Islands,
Samoa,
Solomon Islands,
Tokelau,
Tonga,
Tuvalu,
Vanuatu,
Wallis and Futuna.

Outside members

Australia,
Great Britain*
France
New Zealand,

³ Find basic information from the Secretariat of the Pacific Community at <http://www.spc.int/corp/> accessed 2 May 2008.

United States of America.

*The United Kingdom withdrew at the beginning of 1996, rejoined in 1998 and withdrew again in January 2005. The Netherlands withdrew in the 1950s.

Source: Pacific Community Secretariat at <http://www.spc.int/corp/> accessed 2 May 2008

Diplomacy

At the same time, the European governments established bilateral diplomatic and economic ties with the newly independent governments of their former colonies. At present Britain has resident diplomatic posts in Suva, Fiji, Honiara, Solomon Islands, Port Vila, Vanuatu, and Port Moresby, Papua New Guinea, and accredited diplomatic ties with most of the other Pacific islands. France has concentrated its attention on its three overseas territories but in the past decade has taken a rising interest in the independent Pacific states and extended a small portion of its bilateral aid to them, particularly Vanuatu, a former colony, and Cook Islands which borders on French Polynesia. France has embassies in Suva, Port Moresby, and Port Vila. The ambassadors of Britain, France, and Germany resident in Wellington, Canberra and Washington are accredited to a number of Pacific island governments, for example the German ambassador to New Zealand is accredited to Fiji, the ambassador to Australia is accredited to Vanuatu, and German interests in Papua New Guinea are looked after by an honorary consul. The freely associated states of the central Pacific are dealt with by the European ambassadors resident in Washington DC. All these European governments encourage trade and investment and facilitate tourism and cultural and educational exchanges between their countries and Pacific island countries on a bilateral basis

Trade agreements

The establishment of the European Economic Community (EEC) in 1957 injected a new element into the Europe-Pacific island relationship. The EEC is a customs union that maintained barriers against imports from non-members.⁴ To accommodate their former colonies as they became independent states and therefore moved outside the EEC's tariff and quota wall, France and Britain persuaded their fellow members to make special arrangements for the so-called ACP countries (Africa, Caribbean, and Pacific). A series of treaties was negotiated between the EEC states and the ACP states granting the exports of the latter preferential entry to the EEC market. Other facets of the arrangements included guaranteed prices to be paid by the EEC for key import commodities such as sugar, coffee, rice and tuna, a programme of assistance to the ACP countries to be administered through the European Development Fund, and loans to private sector enterprises by the European Investment Bank. Over time the membership of the ACP group grew from an initial 31 to the current 79 as small poor dependencies achieved independence, for example, East Timor, formerly a colony of Portugal. The privileges were non-reciprocal, that is, the ACP countries were not obligated to open their markets

⁴ Steve Marsh and Hans Mackenstien, *The International Relations of the European Union* (Harlow: Pearson Education, 2005).

to European imports at zero tariffs or quotas if they chose not to, or to grant any special privileges to European governments, firms, or individuals, but they had the effect of structuring incentives in such a way that the former colonial nexus of exchange of raw materials and commodities for manufactured goods and technical services was prolonged into the post-colonial era. These arrangements were formalised in agreements concluded in 1964, 1971, 1976, 1981, 1986, 1990, 1995, and 2000, better known by their names the Yaoundé Convention, the Lomé Convention, and most recently the Cotonou Agreement, the latter of which was signed in 2000 and came into force in 2002.⁵

Table 2
ACP members, by region
Africa

Angola	Ethiopia	Niger
Benin	Gabon	Nigeria
Botswana	Gambia	Rwanda
Burkina Faso	Ghana	São Tomé and Príncipe
Burundi	Guinea	Senegal
Cameroon	Guinea-Bissau	Seychelles
Cape Verde	Kenya	Sierra Leone
Central African Republic	Lesotho	Somalia
Chad	Liberia	South Africa
Comoros	Madagascar	Sudan
Congo-Brazzaville	Malawi	Swaziland
Congo-Kinshasa	Mali	Tanzania
Côte d'Ivoire	Mauritania	Togo
Djibouti	Mauritius	Uganda
Equatorial Guinea	Mozambique	Zambia
Eritrea	Namibia	Zimbabwe
Caribbean		
Antigua and Barbuda	Guyana	
Bahamas	Haiti	
Barbados	Jamaica	
Belize	Saint Kitts and Nevis	
Cuba	Saint Lucia	
Dominica	Saint Vincent and the Grenadines	
Dominican Republic	Suriname	
Grenada	Trinidad and Tobago	
Pacific		
Cook Islands	Palau	
Timor-Leste	Papua New Guinea	
Fiji	Samoa	

⁵ On the Cotonou Agreement see http://ec.europa.eu/development/geographical/cotonouintro_en.cfm accessed 2 May 2008. For discussion see Holland, Martin, ed. *Common Foreign and Security Policy: The First Ten Years* (London: Continuum International, 2nd ed 2004) and Martin Holland, *The European Union and the Third World* (Basingstoke: Palgrave, 2002).

Kiribati
Marshall Islands
FS Micronesia
Nauru
Niue

Solomon Islands
Tonga
Tuvalu
Vanuatu

Source: Map at http://ec.europa.eu/development/geographical/regionscountries_en.cfm accessed 2 May 2008.

Trade controversy

Traders of those countries not members of either the EU⁶ or the ACP treaties suffered tariff and quota discrimination, and their governments began to complain that the EU was violating the principles of the World Trade Organization (formerly General Agreement on Tariffs and Trade) that prescribed non-discrimination and ‘most favoured nation’ treatment.⁷ The complaints escalated as a consequence of the so-called ‘banana war’ wherein the United States and several banana-growing states filed a case against EU discrimination of ‘dollar bananas’ (grown in Central and South American countries and sold mainly to the United States) in favour of ACP bananas. The WTO ruled against the EU. Other non-ACP developing countries joined the chorus and opposition in the WTO to the EU-ACP arrangements hardened. The EU was obliged to seek a temporary waiver to prolong the special arrangements, now formalized in the Cotonou Agreement of 2000. With reluctant acquiescence of the complainants, the WTO granted a waiver, but only to the end of 2007, with little prospect of it being renewed, given the determination of the non-ACP states and the United States to oppose it.

The EU in the early 2000s devised a new strategy to maintain Europe’s special links with the ACP countries. It proposed to negotiate Economic Partnership Agreements (EPAs) to replace the Cotonou Agreement. These EPAs were to be reciprocal free trade agreements, therefore ‘WTO-legal’ under Article 24 of the GATT agreement. EU and ACP states would be on a level footing, agreeing as nominal equals to open their markets to each other. These agreements were to be comprehensive, that is, to include liberalisation not only of commodity trade but also of services and investment. The EU’s aim was to group the ACP states into six regions, each of which would have a uniform regional EPA. This approach was designed by the EU to encourage regional cooperation, policy harmonisation, and institutional consolidation, and thus be better equipped to compete in a rapidly developing and globalising world.

⁶ The EEC, set up by the Rome Treaty in 1957, was subsumed by the European Communities in the Brussels Treaty 1967, which were subsumed by the first pillar of the three-pillar European Union in the Maastricht Treaty 1992, of which the European Commission is the executive agent for purposes of treaty negotiation. For simplicity the term EU is used hereafter, which may be taken to mean the European Commission (primarily the Directorate General for Trade) representing Pillar One (trade and economic affairs) of the European Union.

⁷ This and following issues are summarised by Martin Holland, *The European Union and the Third World* (Houndmills: Palgrave, 2002). The official EU version is found at http://trade.ec.europa.eu/doclib/docs/2003/december/tradoc_115007.pdf and related documents presented by the Directorate General of Trade <http://trade.ec.europa.eu>, accessed 12 May 2008.

However, many ACP governments hesitated to forego revenues generated by import duties or to surrender control over their economies entailed by guaranteed entry of European service providers or investors. They also noted that countries within a region differed substantially, and therefore standardised regional agreements were not only politically difficult to achieve but also insensitive to local economic conditions. Some sceptics, and many ACP leaders of a nationalistic persuasion, saw this approach as a barely disguised and paternalistic attempt to replicate the European Union model in the developed world. Finally, the ‘political dialogue’ provisions were characterised as imposition of European values on non-European governments and criticised as a new version of ‘conditionality’ so disliked when applied by the IMF during financial crises.⁸

Throughout the mid-2000s the EU devoted considerable diplomatic energy to drafting EPAs and negotiating with ACP states. To the consternation of the Europeans, but to no surprise to those familiar with the regions and sensitive to their wide diversity, the negotiations were more difficult than anticipated, and slipped well behind schedule. The ACP governments required varied ‘carve-outs’ (exemptions) to protect sensitive industries or services, and long phase-in times to stretched the envelope of WTO acceptability. They lobbied for continuation of guaranteed purchases of sugar and other commodities, the more generous provision of aid and loans, and limitations of ‘political dialogues’. Furthermore they demanded access to labour markets as well as commodity markets, essentially the right for their workers to migrate in search of jobs in Europe. EU negotiators, well aware of heightened political controversy in Europe over rapid legal and illegal migrations, fended off these demands by pointing out that immigration was a competence of member governments and could not be negotiated at the EU level.

EPAs in the Pacific?

By the end of 2007 only one region, the Caribbean Economic Community (CARIFORUM) had signed a consolidated EPA. Southern, Eastern and Western African regions signed partial interim agreements but minus those of its members that objected to provisions that they found incompatible with their specific interests.⁹ In the Pacific, no regional agreement was achieved. In 2006 Papua New Guinea, Solomon Islands and Kiribati had broken ranks with their Pacific Islands Forum partners by asserting their intention to negotiate a separate tuna access agreement with the EU.¹⁰ Issues including fisheries, services, investment, rules of origin and migration proved intractable. A heated exchange of letters ensued in which the Pacific islands representative accused the EU of ‘pressure’ by threatening to withhold European Development Fund monies development funds if the Pacific ACPs did not accept the European draft agreement.¹¹ The EU

⁸ Tenu Avafia and Dirk Hansohn, ‘Political Conditions in the Cotonou Agreement: Economic and Legal Implications’, Namibian Economic Policy Research Unit, Windhoek, NEPRU working Paper No. 93 (February 2004).

⁹ ‘Update: Interim Economic Partnership Agreements’, in EU Directorate General for Trade newsletter *Trade Policy in Practice* (19 December 2007).

¹⁰ Samisoni Pareti, ‘Trade Furore: Pacific Solidarity Thrown into Disarray’, *Islands Business* (September 2006), text found at www.bilaterals.org, accessed 26 February 2008.

¹¹ Samisoni Pareti, ‘EPA with Europe in Doubt’, *Islands Business* (January 2007), found at www.bilaterals.org, accessed 26 February 2007.

spokesperson denied that was the case.¹² The EPA initiative was partly salvaged by the Directorate General for Trade by negotiating 'interim' EPAs bilaterally with Papua New Guinea and Fiji and by announcing that the region-wide EPA negotiations, with the assistance of the Pacific Island Forum Secretariat, would continue with a target date for completion set for December 2008. Meanwhile the WTO's continuance waiver for the Cotonou Agreement had expired at the end of 2007, and its preferential access provisions became 'illegal'.

But the practical consequences for the small Pacific states were minimal because their exports to the European Union were miniscule and already granted preferential entry under either the Generalized System of Preferences (GSP) or the special provisions for non-reciprocal entry allowed by the WTO to Least Development Countries (LDCs). All of the Pacific ACPs were also LDCs, and the EU in its Everything But Arms policy adopted by the European Council in 2001 had declared its willingness to accept without tariffs or quotas (save residual restrictions on sugar, rice, and bananas) all LDC non-weapon exports that qualified under normal rules of origin. Samoa, however, is on the verge of 'graduating' from the LDC category, so is expected to encourage the regional negotiations or, if they stall, to explore the bilateral interim EPA route taking by PNG and Fiji. For the other Pacific states there is little urgency. On the contrary, scepticism prevails about the wisdom of surrendering national economic policy prerogatives, losing tariff revenues, incurring the compliance costs necessary to meet and maintain complex European standards of performance, monitoring, and reporting.

Dialogue on democracy, human rights and rule of law

While the economic issues precipitated by the negotiation of EPAs are worthy of more detailed exploration, this essay proposes to turn now to political issues, and in particular on the provision for 'political dialogue' over democracy, human rights and the rule of law. The requirement for political dialogue is embedded in the EPAs and their parent treaty the Cotonou Agreement, which remains in force (minus the non-reciprocal trade access provisions) whether ACP governments have signed an EPA or not. The provision for 'political dialogue' has its roots in the 1980s, emerged formally in the Lomé IV Agreement in 1990, and reached maturity in the Cotonou Agreement signed in 2001.¹³ It is now a consolidated guideline manifested in standardised passages that obligate all signatories of Cotonou and by extension the EPAs that derive from Cotonou to acknowledge liberal political values.¹⁴ The following paragraphs trace how it came to be an element of the economic agreements between the EU and the ACPs.

The original association agreements signed by the EU with European colonies as they became independent were economic in character, devoted primarily to trade

¹² Letter from Roberto Ridolfi, Head of EU Delegation of the European Commission for the Pacific to Greg Irwin, Secretary General, Pacific Islands Forum Secretariat, 3 August 2007.

¹³ The source for this and the following passages is Lorand Bartels, *Human Rights Conditionality in the EU's International Agreements* (Oxford: Oxford UP, 2005).

¹⁴ Vaughne Miller, 'The Human Rights Clause in the EU's External Agreement', House of Commons Library International Affairs and Defence Research Paper 04/33 (16 April 2004) accessed at www.parliament.uk/commons/lib/research/rp2005 on 20 April 2008., and Horng, Der-Chin, 'The Human Rights Clause in the European Union's External Trade and Development Agreements', *European Law Journal*, Vol 9, No. 5 (December 2003), pp. 677-701.

arrangements, and resting on the implicit assumption that trade would promote development which would in turn foster good governance and democratic politics. Furthermore, the Europeans wished to avoid the appearance of paternalism, and the newly independent leaders were hypersensitive to any action deemed intervention by the former colonial governments. The Lomé Convention of 1976, for example, mentioned in passing in Article 40 only 'social development' and 'greater wellbeing of the population' as purposes of economic cooperation with Europe; it was silent on other matters related to democracy or human rights. The atrocities committed by Idi Amin in Uganda in 1977, added to mounting evidence of repressive behaviour by many governments of former colonies, stimulated reconsideration and a search for a means of using economic agreements to leverage political reform. In 1977 the European Council, reflecting on a study by the Commission, for the first time linked human rights to development assistance. Commissioner Cheysson proposed to formalise the link by inserting clauses referring to Articles 3 (right to life, liberty, and security) and 5 (freedom from torture or cruel and degrading punishment) of the Universal Declaration of Human Rights into the Lomé Convention when it was renegotiated. Strong opposition by the ACP governments, and lack of consensus among EC member governments, stopped this initiative and Lomé II (1981) contained no reference to human rights.

However, pressure from the European Parliament after 1979, continued concern over apartheid in South Africa, and the adoption of the African Charter of Human and Peoples Rights in 1981 combined to produce a more amenable political atmosphere, and the Lomé III agreement of 1986 acknowledged the parties 'faith in fundamental human rights, in the equal rights of men and women, and of nations big and small', albeit only in the preamble. In Lomé IV, concluded in 1989, the pledge 'the promotion of human rights' and 'structures to promote human rights', in Article 5, appeared for the first time in the text of an EC-APC agreement. This innovation paralleled clauses on democracy and human rights inserted into agreements with Central American governments in 1985 and South American governments later in the decade. For example, an agreement with Argentina in 1990 asserted that 'this agreement in its entirety [is] based on the respect for democratic principles and human rights....'¹⁵

The end of Soviet domination and the flowering of democracy in Eastern Europe and Latin America stimulated further European initiatives.¹⁶ In 1991 the Council of Foreign Ministers adopted the Resolution on Human Rights, Democracy and Development formally providing for negative as well as positive measures in aid policy and economic agreements with non-EU states. The following year a democracy and human rights clause was incorporated as 'an essential element' in agreements with Brazil, the Andean Pact states, the Baltic states, and Albania. Also a 'suspension clause' was added, allowing EU to suspend aid in response to bad behaviour by partner governments, and this clause became standard in subsequent EU agreements. And in 1995 a clause enjoining 'respect for the rule of law' was added to clauses requiring adherence to democracy and human rights.¹⁷ To give institutional support to these admonitions, the Council, prodded by the European Parliament, in 1994 established the European Initiative

¹⁵ Bartels, cited above, p. 16.

¹⁶ Rosa Balfour, 'Principles of Democracy and Human Rights', in *Values and Principles in European Union Foreign Policy*, ed. Sonia Lucarelli and Ian Manners (London: Routledge, 2006), 114-129.

¹⁷ Bartels, p. 37.

(later Instrument) for the Promotion of Democracy and Human Rights (EIPDHR) to be managed by Euro Commission. The initial budget of Euro59 million grew to Euro102 million annually by 2001, and member states separately allocated another Euro500 million to DHR by 2000. Germany allocated Euro200 million mostly via political party foundations such as the Konrad Adenauer Foundation for party strengthening.

Despite misgivings by many ACP governments, these initiatives were prominent in the negotiations leading to the Cotonou Agreement which replaced the Lomé arrangements. Cotonou was more ambitious and comprehensive regarding the elements that should comprise an economic partnership. It reversed the previous assumption that development would lead to democracy by asserting that democracy, human rights, rule of law, and 'good government' (a further phrase implicitly decrying corruption) were prerequisites of the effective use of aid, loans, and trade privileges. The Cotonou Agreement's Article 9 states

Respect for all human rights and fundamental freedoms, including respect for fundamental social rights, democracy based on the rule of law and transparent and accountable governance are an integral part of sustainable development...The Parties reaffirm that democratisation, development and the protection of fundamental freedoms and human rights are interrelated and mutually reinforcing...The Partnership shall actively support the promotion of human rights, processes of democratisation, consolidation of the rule of law, and good governance.[abridged quotations]

However, in contrast to the reputedly more muscular practices of the United States,¹⁸ the European Council mandated that these values would be encouraged not by threats of suspension of agreements but rather by 'political dialogue', meaning EU representatives would undertake quiet diplomacy to encourage voluntary reform rather than engage in public admonition and punishment to secure compliance. The Cotonou Agreement's Article 8 enjoined the parties to 'regularly engage in a comprehensive, balanced and deep political dialogue leading to commitments on both sides' in order to 'exchange information, to foster mutual understanding, and to facilitate the establishment of agreed priorities and shared agendas...'. Other aims included facilitation of consultations and prevention of situations that might lead to the non-execution [suspension] clause. The dialogues are to be 'flexible', 'formal or informal according to the need', conducted at the 'appropriate level', and are to include representatives of regional organisations and civil society organisations. The carefully crafted phrase 'enhanced political dialogue' was reserved for especially difficult negotiations, entailing greater frequency and closer monitoring of progress by the delinquent government. Nevertheless a 'non-performance' or 'suspension' clause was inserted in all EU agreements as a legal last resort to deal with a situation of gross violation such as occurred in Uganda.¹⁹

¹⁸ Pointing out the contrast between EU and US approaches are Tanja A Borzel, and Thomas Risse, 'One Size Fits All! EU Policies for the Promotion of Human Rights, Democracy and the Rule of Law', Paper prepared for Workshop on Democracy Promotion, October 4-5, 2004, Center for Development, Democracy and the Rule of Law, Stanford University, found at http://www.atasp.de/downloads/tandt_stanford_final.pdf, accessed 9 May 2008

¹⁹ Cotonou Article 96 states that 'The "appropriate measures" [i.e. sanctions] referred to in this Article are measures taken in accordance with international law, and proportional to the violation. In the selection of

Interim EPA agreements with Fiji and Papua New Guinea

The texts of the EC's interim EPAs with Fiji and PNG have not been officially released, since they must first be ratified by the governments concerned. An unofficial text is in this author's possession, and others are circulating on the internet, accessible via www.bilaterals.org. Of primary relevance to this essay are the passages relating to political values. In the preamble of the unofficial text the EC and PNG agreed to the following

REAFFIRMING their commitment to the respect for human rights, democratic principles, the rule of law and to good governance, which constitutes a fundamental element of the Cotonou Agreement, and to sustainable and equitable development, along with greater involvement of an active and organised civil society and the private sector, which, along with the market economy, are the main elements recognised in the Cotonou Agreement as contributing to achieving the objectives of the partnership....

In the body of the agreement these values are not repeated, and the 56 pages of text plus annexes are devoted to economic matters. But Article 2, Principles, does make reference to the democracy passages (quoted above) of the Cotonou Agreement, which remains in force between the parties.

This Agreement is based on the Fundamental Principles as well as the Essential and Fundamental Elements of the Cotonou Agreement, as spelt out in Articles 2 and 9, respectively, of the Cotonou Agreement.

Thus PNG and Fiji are bound in the interim EPA agreement as well as the parent Cotonou Agreement to give consideration to the political values of democracy, human rights, rule of law, good governance, and in addition the inclusion of civil society and if they fail to do so, the EC is authorised to commence a 'political dialogue' which as a last resort can lead to a suspension of the agreement.

Political Dialogue with Fiji

On 5 December 2006 the Fiji military led by Commodore Frank Bainimarama staged a coup d'état against the elected civilian government and installed an interim government. Clearly the democracy passages of the Cotonou Agreement, of which Fiji is a signatory, were violated. European Commissioner Louis Michel on 11 December condemned the coup and warned that EU funds were 'in danger'. Michel specified that not only programming for the 10th European Development Fund allocations of some F\$64 million would be delayed but also disbursements of the special fund for adaptation of Fiji's sugar

these measures, priority must be given to those which least disrupt the application of this agreement. It is understood that suspension would be a measure of last resort.'

industry of over F\$340 million would be ‘slowing down’.²⁰ Altogether, the value of EU aid in jeopardy was estimated at E100 million.

The provisions of Article 96 on political dialogue and consultations and of Article 37 on development aid having been triggered, on 27 February 2008 the EU sent a formal invitation to the president of Fiji (a civilian chief who remained in office under military guidance) to begin consultations in Brussels within 30 days.²¹ Consultations began on 18 April 2007. Fiji’s interim government undertook a number of commitments, which are summarised below:

- To respect the 1997 constitution and the independence of the judiciary, the media, and the Human Rights Commission
- To lift the Public Emergency Regulations in 30 days
- To return to democracy within 24 months by means of parliamentary elections not later than 1 March 2009
- To submit a ‘road map’ of steps to the return of democracy to be audited by the Pacific Islands Secretariat
- To agree to ‘close monitoring’ by the EU by means of ‘progress reports’ to be submitted quarterly
- To consult with civil society and other stakeholders and continued political dialogue.²²

During mid-2007 the EU set up a series of meetings between the ‘troika’ of the EU, British, and French ambassadors based in Suva on the one hand and representatives of the Fiji interim government on the other, moderated by the Pacific Island Forum Secretariat. The EU representatives also participated in a second joint committee set up to consult on preparations for elections which included the Australian and New Zealand high commissioners and other diplomats and international agencies offering aid. Meanwhile, EU aid ‘in the pipeline’, including 7th, 8th, and 9th EDF funds, aid for human rights and civil society promotion, environmental protection, and water and energy development was resumed and regional aid and loan programmes valued at approximately F\$100 million were continued.²³ Bilateral aid by EU members was also largely uninterrupted save for selected programmes thought to benefit the interim regime. But the 2008 and 2009 sugar allocation and planning for the next tranche of EU aid from the 10th European Development Fund were suspended pending a return to civilian democratic government. Military cooperation of all kinds was banned and contact with the top military leaders was avoided in preference to civilian representatives. The EU did not ban Fiji military leaders from travel to Europe, not having competency in immigration

²⁰ Delegation of the European Commission for the Pacific Press Release ‘EU Aid Funds in Danger’, 11 December 2006.

²¹ Delegation of the European Commission for the Pacific Press Release ‘EU Invites Fiji Interim Government to Consultations’, 6 March 2008.

²² Delegation of the European Commission for the Pacific Press Release ‘Outcome Statement on Consultations between the EU and Fiji held in Brussels from 18-19 April, 2007’, 20 April 2007. Details on thirteen commitments by Fiji may be found in ‘Agreed Commitments with the Republic of the Fiji Islands’, *Official Journal of the European Union*, L260/19, 10 May 2007.

²³ ‘Council Decision of 1 October 2007 on the conclusion of consultations with the Republic of Fiji Islands under Article 96 of the ACP-EC Partnership Agreement and Article 37 of the Development Cooperation Instrument’, *Official Journal of the European Union* L260/15, 5 October 2007.

policy, but some individual member states such as Britain and Italy imposed travel bans. The EU in September and again in November 2007 was moved publicly to caution Fiji regarding a temporary imposition of emergency regulations and arrests without due process of alleged plotters.²⁴

It might be added that the EU's political dialogue process, which included promotion of the political values specified in the Cotonou Agreement and the interim EPAs, was applied to other Pacific ACP governments. For example, the EU ambassador in Port Moresby was reported to have regular consultations with the government of Papua New Guinea in which democracy, human rights, and the rule of law were on the agenda.²⁵ EU political dialogues with other partner government were reported to be taking place but because most Pacific island government remained constitutional and orderly, with the temporary exceptions of ethnic strife in Solomon Islands and riots in Honiara and Nukualofa in 2006 and 2007, there were few political differences between the EU and the Pacific island governments, and the dialogues remained infrequent, brief, and confidential.

Assessment

The EU believed that the interim government's April 2007 undertakings and its willingness to engage in on-going consultation, constituted evidence of the success of the EU's Cotonou political dialogue process.²⁶ In contrast to frequent public criticism by the governments of Australia, New Zealand, and the United States, the EU was muted in its public criticism of the Fiji government, preferring 'quite diplomacy' and 'pragmatism'. However, media commentators, academic analysts and NGO activists were not so sanguine about the interim government.²⁷ They decried the interim government's failure to set an election date or produce an election run-up plan, and condemned actions such as deportation of two newspaper editors, criticism of the media bordering on threats, a ban of the SDL party that had won the 2006 election, the failure to fund and staff the necessary election administration bodies, and hints by Commodore Bainimarama that the constitution would be amended without reconvening parliament. The EU's negotiation and signing of the interim Economic Partnership Agreement despite the interim government's curtailment of civilian electoral democracy and civil liberties was condemned as expediency bordering on hypocrisy. Officials of partner government made the same points although more discreetly.

Nevertheless the critics could not suggest viable alternatives, and partner governments were able to devise new sanctions to strengthen those already in place. The dilemma facing the EU as well as the partner governments was generic. To intervene in Fiji more forcefully risked economic harm to the innocent and a hardening of authoritarianism by the interim government rationalised by amid accusations of

²⁴ Delegation of the European Commission for the Pacific Press Release 'EU Statement on the Reactivation of Fiji's Public Emergency Regulations 2007', 7 September 2007 and 'Declaration by the Presidency of behalf of the European Union on the detentions in the Republic of Fiji, 20 November 2007.

²⁵ Interview with a European diplomat, Suva, 21 February 2008.

²⁶ Interview with a European diplomat, Suva, 21 February 2008.

²⁷ Outspoken in criticism were the *Fiji Times*, the *Fiji Sun* and the Pacific Network on Globalisation, all based in Suva, and overseas NGOs such as Oxfam New Zealand, Oxfam Australia, and Human Rights Watch. (New York). The Commonwealth Secretary-General Don McKinnon also voiced concern.

insensitivity and neo-colonialism. For instance, in response to a criticism of Fiji's media policy by New Zealand's minister of foreign affairs Winston Peters, Fiji's human rights commissioner Shaistra Shameem, a recent appointee of the interim government which had summarily sacked the previous commissioner, lashed back. Shameem accused Peters of being uneducated, ignorant, racist, anti-Asian, and 'currying favour with the media empire in New Zealand', and advised him to 'tend to his own back yard' before criticising Fiji, a reference to the Labour-led governments controversial Electoral Finance Act.²⁸ Commodore Bainimarama in his infrequent public speeches has made it clear he would make changes in his own way, at his own pace, not in response to pressure from abroad, and he blamed Australia's and New Zealand's economic sanctions and discouragement of tourism for Fiji's poor economic performance.

On the other hand, the EU and partner governments cannot ignore Fiji's displacement of a democratically elected government by a military junta. The EU is bound by the Cotonou Agreement to initiate an enhanced political dialogue and to activate the suspension clause if reforms are not made leading to restoration of democracy. The European Parliament is vocal in pressing the European Commission to act. Partner governments likewise are pressed by their media and NGOs to act. The result is a mix of unilateral admonitions, selective aid curtailments, travel and contact bans, bilateral dialogues, and multilateral economic sanctions. In the view of EU spokespeople, the role of the EU collectively is constructive, complimenting the somewhat harsher policies of some EU members and partner governments in the Pacific region. The EU claims its approach is more effective and can show some evidence of success in persuading the interim government to make the April 2007 pledges and subsequent adjustments, notably the lifting of the emergency regulations, and regular participation in consultation with the EU troika in Suva. But if one applies a stricter standard, namely evidence of concrete steps by the interim government leading to the conduct of an election in March 2009, the EU cannot claim much success. But neither can the partner governments such as Australia, New Zealand or the United States, not to mention the media, the NGOs, or academic critics either in Fiji or abroad.

This sceptical conclusion may be applied more broadly to EU results in the ACP sphere, in which governments have signed up to the democracy clauses embedded in the Cotonou Agreement and the EPAs and engaged in dialogues but have not produced notable improvements in the democracy practices attributable to the EU's democracy policies. In contrast, EU results in the neighbouring pre-accession states of Eastern Europe and the Mediterranean during the 2000s, and to a lesser extent in the Euro-Med Partnership and Stability Pact states at present, are more substantial, and significant reforms have been induced.²⁹ The effectiveness of EU democracy promotion appears to be inversely proportional to distance (political and economic as well as geographic) from Brussels. The Pacific ACP states are the most distant so expectations must be the most modest.

²⁸ 'Winston Peters: Still time for Fiji to commit to elections', NZ Herald on line, 25 March 2008, found at www.nzherald.co.nz on 25 March 2008, and 'Blistering attack on Peters from Fiji rights campaigner' in *NZ Herald* (25 March 2008).

²⁹ Karen E. Smith, 'The Use of Political Conditionality in the EU's Relations with Third Countries: How Effective?' *European Foreign Affairs Review*, Vol 3 (1998), 253-274.

Conclusion

Nevertheless, despite its meagre record of effectiveness, democracy promotion by the EU remains a worthy cause deeply embedded in the European identity and in its treaties and external policies. The democracy policy is encouraged and monitored by the European Parliament, political reformers, NGOs, and opinion leaders. Lack of success in Fiji is accepted stoically as a consequence of post-colonial nationalism and the resistance by island leaders to Western liberal political values. Furthermore, interim leader Commodore Bainimarama may perceive that Fiji has alternative partners such as China, Taiwan, and South Korea, and several Pacific island neighbours, which do not impose democracy conditionality. However, assistance from new Asian sources may prove episodic, tied to showcase projects executed by donor agencies, and ultimately insubstantial relative to carefully planned and negotiated project aid from traditional benefactors Australia, New Zealand, Japan, and Europe. And the political centre of gravity within Fiji could shift, making the interim government or its successor more responsive to its old friends. The EU may yet achieve success through persistent dialogue and mild sanctions, as it claimed to have done following the 2000 coup in Fiji.³⁰

Thus, judgement should be suspended at least until 2008 has run its course and the March 2009 election deadline approaches. Meanwhile patience and courtesy, backed by calibrated economic suasion, is sure to remain the EU's continuing mode, as the EU remains true to time-tested European values and diplomatic traditions. Even without visible results the EU will press on with its democracy-promoting political dialogues with Fiji, other Pacific governments, and indeed all of its many partners in the ACP group, the Mediterranean, and around the world. Democracy promotion is an intrinsic good for the EU and its members, however much they may subordinate it to geopolitical and economic interests in specific cases such as Fiji. It is a deeply embedded element of the European identity, not measured by outcomes but by outputs. To paraphrase, the exercise of democratic virtue is its own reward for the EU, and will continue to feature in European relations with the Pacific island states.

Finally, the case of EU relations with the Pacific islands in general, and Fiji specifically, is recommended for further study by theorists of post-colonial relations and also by theorists of democracy. For the former it confirms the asymmetric and contested nature of the North-South discourse in which the final but often effective recourse of a developing state is to say no to its better-resourced patrons, a stance in which political commitment can prevail over material inducement. For the latter it provides a sobering example of the resilience of traditional elite political culture in the face of the liberal assumption that democracy is generic and merely awaits liberation, mentoring, and capacity-building to flower. Foreign policy analysts, too, may gain deeper appreciation of the domestic drivers that sustain foreign policy initiatives in the absence of observable outcomes. This essay does not claim to confirm any of these hypotheses, but rather offers suggestive evidence that may be of use to those pursuing them.

³⁰ Maurizio Carbone, 'Normative Power and Political Dialogue: The European Union in the South Pacific' *Asia-Pacific Journal of EU Studies*, Vol 4:1 (2006), 27-42,

