Public Administration Reform and the Politics of Scale: the case of Solomon Islands

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Abstract
Public administration reform (PAR) has been a core pillar of many international donors’ aid programs in recipient countries for over two decades, especially in the context of international statebuilding in so-called ‘fragile’ states. Although it is often recognised that PAR programs rarely meet their objectives, existing explanations are limited by their neglect of contestation over scale as a key dimension shaping outcomes. Donors are not simply trying to build ‘national’ capacity and legitimacy, but to transnationalise the apparatuses of intervened states – ‘rescale’ parts of the ostensibly domestic administrations of recipient states so that these become not so much responsive to local demands, typically viewed as pernicious, but to international governance agendas, geared towards meeting international targets. However, scalar strategies have become also integral to the way that domestic actors respond to these programs, as they struggle to promote governance outcomes favourable to them. These groups often seek to promote or constrain the rescaling of governance, as well as shape the actual functioning of rescaled apparatuses, in ways that best serve their interests and normative preferences. Solomon Islands is a hard and therefore illuminating case study for my argument because it shows the importance of existing elites’ scalar strategies for determining the outcome of PAR programs, even where donors are incredibly materially preponderant relative to all other groups and the government. Despite extensive and relatively well-funded efforts, it is widely recognised that donors’ PAR and governance objectives have not been met in Solomon Islands. But rather than a blanket failure, donor efforts to rescale state apparatuses and insulate them from ‘undesirable’ political and societal ‘interference’ have achieved profoundly variable results, shaped by a politics of scale related to decades of highly uneven capitalist development.

Introduction
Public administration reform (PAR) – often also called ‘public management reform’ or ‘public sector reform’ – has been commonly, and broadly, defined as: ‘Deliberate changes to the structures and processes

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of public sector organizations with the objective of getting them (in some sense) to run better’ (Pollitt and Bouckaert 2011: 2). It has been a core pillar of many international donors’ aid programs in recipient countries for over two decades (Grindle and Hilderbrand 1995). Aid agencies have funded and encouraged PAR as a means of creating conditions seen as supportive of economic growth, development and even security and political stability. It incorporates a wide range of programs, including: changes to the organisational structure of state agencies; devolution of budgets and responsibilities to subnational authorities; creation of merit-based public service appointment, promotion, and dismissal processes; and introduction of mechanisms for holding officeholders to account by citizens or other government agencies (Heredia and Schneider 2003: 3; Pollitt and Bouckaert 2011).

Though donors have promoted PAR in many recipient countries, it has been a particularly prominent subset of the broader international statebuilding agenda in so-called ‘fragile states’, where the urgency of getting public administrations to function ‘better’ appears particularly acute, for humanitarian, developmental and security reasons (Brinkerhoff 2005; Fukuyama 2004; Ghani and Lockhart 2008; Hillman 2013; World Bank 2011a). The rationale for PAR, grounded in a liberal, pluralist conception of statehood, is that a state that is capable of fairly and efficiently delivering basic services to the populace would win over people’s allegiance from more particularistic sources of authority, such as kin groups or warlords. This is seen as crucial since, as an Asian Development Bank (ADB) report on state performance in the Pacific argues, although the ‘state is not an answer to everything…[it is] best placed to resolve important collective action problems’ essential to development (Laking 2010: 8; Murray et al. 2014: ix).

Yet, as with many other forms of donor programming, available evidence suggests that it rarely achieves its intended outcomes (Hillman 2013). While donor explanations for failure often emphasise technical matters, such as capacity, resourcing and sequencing, critics, including within major aid organisations, have repeatedly stressed the folly of treating PAR, and foreign aid in general, as a technical issue, emphasising its political nature (for an overview, see Carothers and De Gramont 2013). Hillman (2013: 2), for example, argues that particularly in post-conflict situations ‘even apparently straightforward reforms to personnel management are inherently political and prone to controversy.’ Relatedly, scholars and practitioners have also increasingly debated the nature of state capacity and legitimacy, questioning the assumption of a linear relationship between state capacity, legitimacy, and the delivery of public goods and services (e.g. Batley et al. 2012; Brinkerhoff et al. 2012; Fukuyama 2013; Hillman 2013; Krasner and Risse 2014; Lemay-Hébert 2009; McLoughlin 2014; vom Hau 2012).

PAR programs are indeed inherently political and contested, because they necessarily involve attempts to reallocate power and resources (Heredia and Schneider 2003; Hillman 2013). However, existing approaches to explaining their outcome are limited by their neglect of contestation over scale as a key dimension shaping the outcomes of statebuilding interventions (SBIs) in general and PAR specifically. Scale, in political geography, refers to hierarchised social, political and economic spaces, each denoting ‘the
arena and moment, both discursively and materially, where sociospatial power relations are contested and compromises are negotiated and regulated’ (Swyngedouw 1997: 140). Scales ‘do not exist in mutual isolation but are always interconnected in a broader, often-changing inter-scalar ensemble’ (Brenner et al. 2003: 16). The politics of scale is a crucial focus of socio-political conflict relating to donor-driven PAR programs, because SBIs essentially operate through state transformation (Hameiri 2010). Donors are not simply trying to build ‘national’ capacity and legitimacy, but to transnationalise the apparatuses of intervened states. Their aim is to ‘rescale’ parts of the ostensibly domestic administrations of recipient states so that these become not so much responsive to local demands, typically viewed as pernicious, but to international governance agendas, geared towards meeting international targets (Hameiri 2010; Harrison 2004). For example, donors often attempt to intervene in parts of the bureaucracy responsible for designing budgets and disbursing funds, to limit the control of local elites over the public purse and redirect funds to objectives that donors deem more appropriate, such as primary education or paying off interest on public debt. These efforts reflect a broader trend in international politics away from conceiving of national sovereignty as autonomy from external interference, towards its reinterpretation as responsibility vis-à-vis the international community (Bickerton et al. 2007; Chayes and Chayes 1995). It also reflects a concurrent shift from ‘intervention’ to ‘governance’ in international development aid delivery, whereby donor programming is not imposed from the outside, but becomes deeply embedded within the ostensibly domestic apparatuses of recipient states, whose formal sovereignty remains intact, but where substantive authority is shifted onto transnationally networked technocrats and regulators (Hameiri 2010; Williams 2013). Thus, although SBIs work through states, not by undermining or replacing them, they produce increasingly fragmented forms of multilevel statehood.

However, because rescaling is so pivotal to PAR, scalar strategies have become also integral to the way that domestic actors respond to these programs, as they struggle to promote governance outcomes favourable to them. These groups often seek to promote or constrain the rescaling of governance, as well as shape the actual functioning of rescaled apparatuses, in ways that best serve their interests and normative preferences. In a nutshell, powerful actors and groups will attempt to resist rescaling or modify the operation of rescaled institutions when rescaling is seen to undermine the basis of their power, by threatening its material underpinnings and/or the dominant ideology rationalising it. They will support rescaling when it is seen to reinforce their interests and normative agendas and undermine their opponents (see Hameiri and Jones 2015: Ch 2). Therefore, analysing the outcomes of PAR requires attention to the multiscalar contestation that results through, and in response, to these programs, and specifically to the relative power of the coalitions mobilising to promote, resist or modify rescaling in particular contexts. As we shall see, even when the relative material preponderance of donors appears overwhelming vis-à-vis domestic social forces, their capacity to attain desired policy and governance objectives is powerfully mediated by these struggles, because their interventions take the form of state transformation. In other words, the agency of public
administrations to pursue particular policy agendas is established and contested within a multilevel governance context, not a national shell.

With this in mind, recipient governments’ scalar strategies in response to donor-promoted PAR programs can take one of three forms. First, recipient governments can completely resist donor PAR programs, thus preventing the rescaling of apparatuses altogether. Because international statebuilding maintains the formal sovereignty of intervened-upon states, the implementation of PAR programs necessitates the consent of recipient governments. Governments thus retain a key role as ‘scale managers’ (Peck 2002: 340), able to harness national sovereignty claims to prevent foreign aid from coming in, reinforcing the primacy of the national scale. Outright rejection of all foreign aid is, however, quite rare because the resources brought in by interveners are typically attractive for embattled governments in poor countries. A second possibility is local-scale contestation. Subnational actors, seeking to contest the dominance of the national scale may attempt to harness PAR’s fragmenting of the national scale and the attendant blow to the authority of national elites to shift governance downwards to the local level. These efforts often emphasise the legitimacy of modes of governance based in socio-culturally organic subnational communities, vis-à-vis illegitimate, introduced postcolonial institutions, like the state. This is what scholars of peacebuilding and development have come to call the ‘local turn’ (Mac Ginty and Richmond 2013). Related is the call that ‘the local’ should enjoy greater autonomy and improved resource-allocation. This local-scale contestation is often reinforced by the donors’ ubiquitous decentralisation agenda (see Hadiz 2010). Much like the upwards rescaling associated with PAR programs, these localisation strategies involve an active effort to ‘unravel’ the state (Hooghe and Marks 2003), in this case downwards, but within a broader context shaped by international intervention and uneven development. A third, and particularly significant response, is at the national scale. This entails the use of the state’s ‘scale management’ function not to reject intervention wholesale, but to selectively admit or constrain PAR programs in ways that bolster existing elites’ authority and control over resources. But this selectivity is not simply a matter of choice; it reflects the broader political economy context, shaping socio-political power relations more generally and the role of political and bureaucratic elites within this.

In the remainder of the paper I examine the case of Solomon Islands. Solomon Islands is a hard and therefore illuminating case study for my argument because it showcases the importance of existing elites’ scalar strategies for determining the outcome of PAR programs, even where donors are incredibly materially preponderant relative to all other groups and the government. Subsequent to the arrival of the Regional Assistance Mission to Solomon Islands (RAMSI) in 2003, to restore peace and stability following a period of conflict from 1998, Solomon Islands became the world’s second most aid-dependent country (Pryke 2013). PAR and state capacity-building were at the very core of RAMSI’s approach in Solomon Islands and remain central to subsequent aid programming following RAMSI’s partial withdrawal in 2013, mainly through the multi-donor Solomon Islands Economic and Public Sector Governance Program (SIGOV).
Despite these extensive and relatively well-funded efforts, it is widely recognised that donors’ PAR and governance objectives have not been met in Solomon Islands (Fraenkel et al. 2014; Hayward-Jones 2014). But rather than a blanket failure, RAMSI’s efforts to rescale state apparatuses and insulate them from ‘undesirable’ political and societal ‘interference’ have achieved profoundly variable results, shaped by a politics of scale related to decades of highly uneven capitalist development. PAR and capacity building programs focused on revenue collection have been relatively successful, whereas those focusing on controlling spending have mostly failed to meet their objectives. Crucially, the achievements of revenue collection have been harnessed by national elites, through the massive expansion of Constituency Development Funds (CDFs) – discretionary funds available to Members of Parliament (MPs) to spend in their constituencies – to overwhelm persistent demands from below to rescale governance downwards and reallocate resources to the local level. This exemplifies the use of selective rescaling – the third strategy discussed above – to attain governance outcomes advantageous to national elites, which preserve the dominance of the national scale as the main locus of power and wealth.

Public Administration Reform and the Politics of Scale in Solomon Islands
The archipelagic state of Solomon Islands, population 560,000, has been the recipient of very high levels of international development aid since the arrival of RAMSI in July 2003. By 2009 it was the world’s second most aid-dependent country, measured in terms of aid to gross national income (Hayward-Jones 2014: 6; Pryke 2013). RAMSI arrived at the request of Solomon Islands’ then Prime Minister, Allan Kemakeza,
following a period of violent conflict since 1998, known locally as ‘the tensions’, that devastated the formal economy and emptied the state’s coffers (Fraenkel 2004; Moore 2004). Solomon Islands was commonly framed in Canberra at the time as a ‘failing state’, at risk of failure and collapse. Its troubles were thought to be the result of the failure of postcolonial state institutions to deliver on the promise of independence. Captured by venal and narrow interests, it was argued, the state had lost the allegiance of most Solomon Islanders, who continued to give their support to more particularistic identities, such as kin groups or islands (Wainwright 2003). The task of intervention was thus seen as giving the central state a second chance, by initially restoring law and order and budgetary controls, and then by rebuilding its governance capacity. A central state capable of providing the conditions for market-led economic development and delivering basic services, it was expected, would become more legitimate in the eyes of Solomon Islanders and secure longer term peace and stability (see Batley 2005; Coppel 2012: 6). PAR programs have been at the heart of this statebuilding agenda. The main objectives of all of RAMSI’s three pillars – law and justice, economic governance, and especially machinery of government – were primarily to be achieved through PAR, aimed at ‘capacity building’ (Hameiri 2009). Subsequent to RAMSI’s partial withdrawal in 2013, PAR remains at the core of ongoing aid programs delivered in Solomon Islands by bilateral and multilateral donors, as well as in RAMSI’s ongoing ‘police-building’ mission.

Despite the vast resources, relative to the overall size of the economy and the government’s budget, that donors have funnelled into Solomon Islands since 2003, their ability to implement PAR programs and achieve anticipated governance results has been limited (Fraenkel et al. 2014; Haque 2013; Hayward-Jones 2014). Explanations for this vary, but two main strands are apparent: the first is derived from what Allen (2013) calls the ‘new political economy’ approach which draws on microeconomic theory to explain conflict and development (e.g. Collier et al. 2003). This approach is essentially the one that underpinned RAMSI’s design and objectives and that continues to inform aid programming in Solomon Islands (e.g. Coppel 2012). Based on the assumption that individuals are utility-maximising, understood to mean seeking pecuniary gain, resistance to RAMSI is seen as driven by ‘vested interests’ – corrupt politicians, public servants and affiliated business people benefiting from the status quo. The problem, according to Haque (2012: 6), ‘is not just that the systems are broken, but that those in positions of power have no incentive to see them changed.’ Furthermore, the material incentives facing individuals at the village level and upwards are also seen to militate against electing the kind of politicians that would transcend their own self-interest and those of their followers (Haque 2012). This approach leads to an emphasis on external intervention as necessary for change. Haque (2012: 8) for example argues that only donors are interested in and capable of instigating change because they do not benefit from the existing arrangements. This is to be achieved through institutional redesign to locate decision-making beyond the reach of vested interests and change incentive structures by strengthening accountability mechanisms and the judicial system. Donors’ apparent inability to
do so is seen to be the result of their unwillingness to be more forceful with the Solomon Islands government.

A second perspective, meanwhile, sees RAMSI’s problems in meaningfully reforming governance as emanating from the incompatibility between the ‘Western’ or ‘Northern’ values and objectives of donors and Solomon Islands’ culture and society, especially wantokism (favouritism towards one’s kin). Two strands are apparent in the cultural argument. On the one hand, some observers, echoing modernisation theory, see Solomon Islands’ culture as a problem to overcome, because it is viewed as incompatible with the delivery of the modern state’s essential political and administrative functions (Fukuyama 2008; Wainwright 2003). This perspective converges with the economistic approach in essentially viewing intervention to limit Solomon Islander control over policy, resources and service-delivery as the only means of overcoming entrenched and ultimately undesirable influences. A second strand, which is derived from the ‘local turn’ and ‘hybridity’ literature, concurs that Solomon Islands’ culture and society are incompatible with the ‘modern’ state institutions donors are attempting to construct, but views RAMSI’s own objectives as the problem, not Solomon Islands’ culture and society. RAMSI is seen to have failed by neglecting important informal institutions outside the state, such as local communities and churches, as well as customary forms of authority, which are seen as very important to maintaining social cohesion (e.g. Allen and Dinnen 2010; Kabutaulaka 2005). Rather than recommending sidelining Solomon Islands culture and informal institutions, this approach instead advocates ‘hybridity’ – combining introduced state institutions with local traditions and social forms (see Boege et al. 2008; Brigg 2009; Dinnen and Allen 2013; Richmond 2011).

Any attempt to make broad generalisations based on either ‘culture’ or ‘incentive structure’ is problematic, however. This is because of both approaches are unable to explain variation in the outcomes of specific donor programs in Solomon Islands. If Solomon Islands’ culture is incompatible with, and resistant to, donors’ ‘Western’ statebuilding, or if incentive structures militate against any reform, we would have expected the results of intervention to be largely consistent as well: all PAR programs should have failed. In reality, however, results are instead very uneven. Programs aiming to improve revenue collection, for example, have been apparently successful, with state revenue quadrupling between 2006 and 2011; however, attempts to impose greater controls on public spending have been very unsuccessful, with aid continuing to fund public services, despite rapid growth in revenue (see Fraenkel et al. 2014). To explain this variation we must focus on struggles at the level of the programs themselves. Nonetheless, it is also not the case that programs that have worked are those where ‘good’ incentives or culture are present. As we shall see, considerable variation in outcome is evident at the program level as well. For example, although the Solomon Islands Internal Revenue Division (IRD) is often held up as an example of successful capacity-building in the bureaucracy, its capacity to extract revenue has been highly uneven across different industries. Therefore, to explain program outcomes we must go beyond program-level contestation towards
an approach in which scale is properly theorised. Indeed, in addition to their other weaknesses, the approaches mentioned above simply assume that what is being built by donors is *national* capacity. But we cannot understand the contestation that emerges through donor interventions or its outcomes without recognising their transnationalising effects and the implications for the politics of scale more broadly. Donors’ attempted rescaling occurs in a context, not of a pre-defined and static national shell, but one in which the exercise of state power and control over resources had already been powerfully shaped by a politics of scale in the colonial and pre-RAMSI periods. Indeed, how the local, provincial, and national scales are currently structured and interrelated, as well as the socio-political power relations running through these, is shaped by long term patterns of uneven economic development, resulting from the highly asymmetric integration of Solomon Islands’ various regions and sectors into the global economy (Allen 2013). Specifically, as political power at the national level requires centralising control over rents from natural resources exploitation, which is physically conducted in the periphery, both ‘national’ and ‘local’ scales are not neatly defined but deeply interpenetrated and contested.

As the foregoing will demonstrate and explain, donor attempts to rescale core state functions beyond domestic political control and societal influence carry uneven implications for Honiara-based political elites. Whereas efforts to improve the state’s revenue collecting capacities, although not without challenges, potentially increase the resources at their disposal, efforts to redirect spending are directly threatening to national elites’ capacity to redistribute this income to supporters, thereby deeply threatening not only their individual survival in power but their continued dominance at the national scale, and the national scale’s own dominance over local scales. As a result, donor PAR programs aimed at rescaling revenue collection have been remarkably successful at meeting their objectives, while efforts to dominate spending ministries and procurement processes have been far less successful (Fraenkel et al. 2014: 64). Furthermore, the Solomon Islands government has pursued its own PAR agenda, funneling revenue growth into the massive expansion of CDFs – discretionary funds available to MPs to spend in their constituencies – putting at MPs’ disposal resources far superior to anything available to their rivals, thereby reinforcing the power relations and attendant interscalar hierarchies associated with uneven development.

The following subsection will show that rather than attempts to build ‘national’ capacity or legitimacy donor PAR programs essentially seek to rescale parts of the state, though without usurping formal sovereignty, so that these are no longer responsive to domestic demands, but to international agendas. I will then, as a precursor to explaining the outcomes of donor PAR programs from RAMSI onwards, provide the historical context, by focusing on the power relations produced by uneven economic development, and their manifestation in the politics of scale. Based on the foregoing, the final subsection will focus on how these programs have affected interscalar relations in Solomon Islands.
Public Administration Reform in Solomon Islands and the rescaling of the state apparatus

The arrival of the Regional Assistance Mission to Solomon Islands in Honiara on 24 July 2003 initiated a period of enhanced international engagement in the small Pacific archipelagic state, with foreign aid increasing from 16 to 30 percent of GDP between 2004 and 2011 (Haque 2013: 13). Largely Australian-funded and led, though officially under the auspices of the Pacific Islands Forum (PIF), RAMSI was one of the most ambitious and expensive statebuilding operations ever attempted, especially relative to the size of Solomon Islands’ population and economy (Hayward-Jones 2014). In July 2013 RAMSI’s scope was reduced to a ‘police-building’ mission. However, the broader agenda for statebuilding and capacity development it set in Solomon Islands is ongoing through bilateral and multilateral aid programs, especially Australia’s, which provides about three-quarters of the overall aid to Solomon Islands.

From the outset, RAMSI’s objectives were defined as supporting the capacity of the Solomon Islands state to function more effectively, in terms providing basic services, such as policing, health and education, as well as in terms of providing conditions suitable for private sector-led economic development. Thus, on deployment day, Nick Warner, RAMSI’s first Special Coordinator stated that the mission’s aims were:

to bring stability to the budget, to rebuild the machinery of government, and restore the delivery of essential government services to people… to restore the capacity of government to represent its people and to act in the public good. We will ensure that the people of Solomon Islands regain control of their destiny from a minority of criminals with guns (Warner 2003).

Indeed, improving state performance in these areas has been justified as necessary for rebuilding the state’s legitimacy in the eyes of Solomon Islanders, and thus ensuring longer term social and political stability. Nicholas Coppel (2012: 6), the final special coordinator of a full-capacity RAMSI, also wrote: ‘The efficient and effective delivery of services throughout the country is important for its own sake, and to alleviate feelings of social injustice and exclusion.’ More recently, the likelihood of private sector-led development ever becoming sufficient for attaining adequate service delivery and improvements in living standards has been questioned (e.g. Haque 2013; World Bank 2014). However, the link between service-delivery and state legitimacy has remained established in the objectives of the multi-donor Solomon Islands Economic and Public Sector Governance Program (SIGOV) that has replaced RAMSI’s economic governance and machinery of government pillars.

Much like most academic observers, RAMSI officials and their Solomon Islands counterparts have consistently understood RAMSI’s stated role as providing external support to the development of national state capacity and hence national state legitimacy. For example, the second special coordinator, James Batley (Batley 2005), argued: ‘we see RAMSI’s core state-building agenda as providing an essential foundation or underpinning in which discussion about these basic national issues can take place. Just as RAMSI’s work provides a platform for national economic recovery, RAMSI has succeeded in creating an environment in which this national discussion can occur.’ In the 2009 partnership agreement signed between
the Solomon Islands government and RAMSI, RAMSI’s overarching goal was defined as ‘A peaceful Solomon Islands where key national institutions and functions of law and justice, public administration and economic management are effective, affordable and have the capacity to be sustained without RAMSI’s further assistance’ (Pacific Islands Forum Ministerial Standing Committee 2009: 6).

Notwithstanding this rhetoric, however, the key aim of donor programming in Solomon Islands since RAMSI has actually been to reshape the objectives and function of public governance in Solomon Islands to make it responsive not to the demands of Solomon Islanders, which are typically viewed as pernicious or illegitimate, but to international agendas and objectives. The rescaling and internationalisation of public governance in Solomon Islands is multilevel, beginning at the highest level in the way that strategic policy objectives are formed, and running through the bureaucracy’s central agencies. A key mechanism at the strategic level has been the Core Economic Working Group (CEWG). The CEWG was established in 2009 at a time when Solomon Islands’ fiscal position was badly affected by the global financial crisis and its government requested urgent assistance from donors and the International Monetary Fund (IMF) to avoid defaulting on the state’s international debt. CEWG was formed as a condition for granting donor assistance to the government (Brown et al. 2012). It includes all the biggest donors to Solomon Islands – Australia, RAMSI (also mainly Australian aid), New Zealand, the European Union (EU), the World Bank and the Asian Development Bank (ADB). On the Solomon Islands side, the CEWG has representatives from the Ministry of Finance and Treasury (MOFT), the Central Bank of Solomon Islands (CBSI), the Office of the Prime Minister, the Ministry of Planning and the Ministry of the Public Service. The CEWG’s main task is to monitor the Solomon Islands government’s implementation of the Economic and Financial Reform Program (EFRP). The EFRP is a matrix of policy objectives and benchmarks relating to economic and financial policy, set by the IMF and officially adopted through the CEWG framework. The policy objectives are the IMF’s typical neoliberal ensemble including: fiscal stability; strengthening the government’s revenue base; improving the budget preparation process, budget transparency and control over government expenditure; and enhancing the management of state-owned enterprises (SOEs). Progress on the EFRP benchmarks is reviewed annually by a CEWG Joint Review Mission (e.g. The Solomon Islands Core Economic Working Group 2011). The EFRP also includes ‘incentive funds’, which are released or withheld depending on the attainment of IMF benchmarks (Brown et al. 2012: 5-6). Thus, when a recent Joint Annual Review found that about half the policy objectives were not met in 2013, some donor funding was withheld, about A$4 million, according to one donor representative.2

The CEWG is often presented as a negotiating forum between donors and the Solomon Islands government. This view is problematic for two reasons. First, the resources at the donors’ disposal give them considerable power vis-à-vis the government, especially considering Solomon Islands’ deep aid dependency. Equally important, however, is the fact that key agencies on the Solomon Islands side of the CEWG have

2 Author’s interview with donor representative to Solomon Islands (name withheld), Honiara, 22 July 2014.
been heavily rescaled as well, especially the lead agency, MOFT. As an Australian government review of CEWG effectiveness notes:

[T]he secondment of RAMSI staff, Overseas Development Institute fellows, and other technical expertise to MoFT has helped to bolster the Ministry’s technical capacity and to develop more robust financial management systems and procedures. This capacity has allowed SIG [Solomon Islands Government] to engage more effectively at a technical level with bilateral and multilateral partners and has served to reassure donors about MoFT’s systems and procedures. As a close observer of CEWG noted: ‘without RAMSI staff, SIG and donors wouldn’t be on an? even footing’ (Brown et al. 2012: 11).

This supposedly ‘even footing’ has clearly been provided through the significant internationalisation of MOFT, which naturally leads it to endorse donor agendas through CEWG. Essentially, this process involves donors talking to themselves.

This is part of a broader pattern. Because RAMSI and other donors have been very reluctant to assume formal sovereign authority over Solomon Islands, one of the main mechanisms for attaining donor goals has been PAR, which seeks to transform key government agencies from within and, in particular, to insulate them from apparently undesirable political and societal pressures that are seen to produce deleterious or suboptimal governance outcomes. This involves rescaling the governance of core state functions beyond the scope of domestic political contestation and control. The CEWG clearly exemplifies this modus operandi. The strategic objectives of economic and financial policy in Solomon Islands are determined in a forum involving donors and significantly internationalised Solomon Islands government agencies, which largely precludes serious political and societal debate in Solomon Islands over policy directions and their effects.

Empowering the public administration to withstand pressure from above and below has meant that RAMSI was not a case of ‘rolling back’ the state, like the ADB-promoted structural adjustment program enacted in SI in? the late 1990s (see Knapman and Saldanha 1999), but rather the ‘rolling out’ of a governance infrastructure insulated from the society it is meant to govern (Peck and Tickell 2002). Indeed, RAMSI and other donors have funnelled considerable resources into the Solomon Islands public administration. From 2003 to 2013 the Solomon Islands public sector doubled in size to approximately 16,000 employees and public spending shot up 180 percent (Fraenkel et al. 2014: 79; Haque 2013: 5). Government expenditure now accounts for 60 percent of GDP, with the public service payroll taking up 40 percent of the recurrent budget (World Bank 2014: 30). Donor attention and resources have not been evenly distributed, however. Particular emphasis, as mentioned, has been placed upon MOFT, the key institution responsible for managing incoming and outgoing public monies. Donors have also focused on state agencies responsible for basic service delivery, mainly the Royal Solomon Islands Police Force (RSIPF), and the Ministries of Health and Education, as well as public accountability institutions, mainly the Office of the
Auditor-General (OAG). Many other ministries, such as the Ministry of Forestry have been almost completely neglected. This choice reflects the liberal assumptions regarding the state and state-society relations underpinning RAMSI and most SBIs more broadly.

One prominent example for the rescaling of Solomon Islands’ public administration is the Internal Revenue Division (IRD) within MOFT. As mentioned, MOFT as a whole has been the target of considerable intervention. It receives the bulk of SIGOV’s annual funds of A$60 million, and remains ‘dominated by expatriates’ (Barbara 2014: 11). Public finances almost completely collapsed before RAMSI’s arrival, because of a drastic decline in the formal economy and incessant compensation demands from ex-militants and politicians upon the state during the time of ‘the tensions’ (1998-2003), a period to which I will return below. This resulted in the near-total cessation of public service-delivery, as most public servants, teachers and health professionals had to go without pay for months (Dinnen 2002; Fraenkel 2004). Since venal politicians were viewed as a major cause of Solomon Islands’ fiscal woes, attaining RAMSI’s objectives of improved service-delivery and state legitimacy was explicitly seen to require insulating both revenue-collection and public expenditure from domestic pressures.

Therefore, the IRD – responsible for taxation administration and compliance – was a key RAMSI target for intervention (Hayward-Jones 2014: 13). Supporting Solomon Islands’ revenue-collection capacity was seen as important to ‘increase the Solomon Islands’ self-sufficiency and thus reduce reliance on [donor] budgetary support’ (Murray et al. 2014: 141). It was also thought crucial for improving state legitimacy, since taxation has come to be seen as important for ‘establishing a functioning relationship between governments and tax paying citizens’ (Murray et al. 2014: ix; see Bräutigam et al. 2008). However, as with public finances more broadly, the IRD’s revenue-collection capacity was seen to be hampered by a corrupt ‘culture where granting of [tax] concessions became “endemic”’ (Murray et al. 2014: 134), because of political pressure and public servants’ own greed. Therefore, aside from efforts to improve basic capacity by upgrading computer and record-keeping systems, the main thrust of donor efforts in the IRD has been to insulate it from domestic pressures for tax exemption, whether from politicians or wantoks, and increase regulation of the exemption-granting process.

This has involved the considerable internationalisation of the agency, through the establishing of a direct relationship with its New Zealand counterpart. Since 2005, the New Zealand Internal Revenue Division (NZIRD) has had a close engagement with the Solomon Islands IRD which, apart from sending advisors, providing training and funding IT upgrades, has from 2008 also included seconding a Commissioner (Murray et al. 2014: 134). This reflects the view within the donor community, clearly expressed by a senior expatriate advisor, that ‘the best performing organisations are all run by expats.’ Indeed, since NZIRD became directly involved, revenue collection rose fourfold from SI$365.5 million in

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3 A term in Solomon Islands pijin that refers to members of an extended kin group. It literally means ‘one talk’ – the people speaking the same language (there are about 80 indigenous languages in Solomon Islands).

4 Author’s interview with senior donor advisor (anonymous) in the Solomon Islands bureaucracy, Honiara, 17 July 2014.
2005 to approximately SI$1.7 billion in 2012 (Murray et al. 2014: 135). Specifically, a new regulatory process for approving tax exemptions and concessions was developed. This process’s explicit aim, according to the same advisor, was to ‘remove [decision-making over exemptions] from the political level and give it to bureaucrats’, and then insulate these bureaucrats from political pressure. New legislation, heavily promoted by the donor-dominated MOFT and driven by the IRD, has led to the setting up in 2008 of a joint committee for approving tax exemptions, involving IRD, the Customs and Excise Division (CED), the Ministry of Planning and the Ministry of Commerce. The heavily internationalised IRD is the lead agency in the joint committee and a high-level IRD official serves as its permanent secretary. The committee’s first task was to actually develop guidelines and standards for awarding tax concessions or exemptions, as previously there were none and decisions were entirely at the discretion of the Finance Minister and tax officials. It meets every month to assess requests and its decisions are subsequently made public. By including CED, this committee was also part of an effort to rescale the granting of excise and duty exemptions by CED officials. The Solomon Islands CED department is widely viewed by donors and IRD officials to be under-performing relative to the IRD, because of the pernicious influence of logging-related interests. Indeed, when the idea of a joint committee was first proposed by the heavily internationalised IRD it was resisted by CED, which remains under Solomon Islander leadership.

Another attempt to rescale the CED is the introduction (from 2013, with funding from the Australian aid program) of the Automated System for Customs Data (ASYCUDA), along with a supportive new customs computer system. This system links the international trade databases of countries, and provides data on trading companies, which makes activities in the Honiara port more transparent to international scrutiny. It was initially developed by the United Nations Conference on Trade and Development to improve the collection of trade statistics and assist in the facilitation of international trade. Its data-sharing capacities have since been also harnessed towards controlling illicit trade. I will elaborate on the difference in performance between the IRD and CED later.

Another area where considerable rescaling has been attempted is in public expenditure for basic services. Donors typically view the ‘quality’ of public spending in Solomon Islands as quite poor and rife with adverse political ‘interference’ (e.g. World Bank 2011b). Given this context, Whalan (2011: 241) observed, ‘RAMSI’s highly intrusive role in Solomon Islands government departments, particularly in the Ministry of Finance, was crucial to overcome the usual donor concerns about the high risks of providing budget support at such an early stage in the intervention.’ However, despite substantial revenue growth over recent years, donors continue to carry the weight of providing education, health and policing services in Solomon Islands, through tied grant funding and direct budgetary support. Indeed, donors have such a pivotal role in public service provision in Solomon Islands that Craig and Porter (2014) describe them as

5 Ibid.
6 Ibid. Also, author’s interview with Eric Salea, Compliance Team Leader, Solomon Islands Internal Revenue Department, Honiara, 18 July 2014.
‘co-produced’. Tax, is seen to ‘just fund the public service [wage bill]. Aid pays for all the essentials such as roads, hospitals and schools’ (Murray et al. 2014: 144). In health, for example, donors provided 50 percent of the total budget in 2006, while the Solomon Islands government reduced its own share by 33 percent (Asante et al. 2012: 169-75). Likewise, ‘Government expenditure on education is high, but financed almost entirely by donors’ (Whalan 2011: 237). The RSIPF has been a source of particular concern for RAMSI, as the breakdown in policing was commonly viewed as one of the main factors permitting the 1998-2003 crisis to deepen (Moore 2004). Spending on the law and justice pillar amounted to 83 per cent of the RAMSI total between 2003 and 2013, although the bulk of this was spent on the deployment of Australian Federal Police (AFP) officers (Hayward-Jones 2014: 4). As of late 2014, police capacity-building remains the only component left of RAMSI. In Solomon Islands’ 2014 budget, in-kind support to RSIPF from the AFP still amounted to SI$564 million (US$76 million) (Solomon Islands Government 2014: 15), or about two-third of the total costs of policing in Solomon Islands (Dinnen and Allen 2013: 233).

Notwithstanding their material preponderance, directing public expenditure towards their preferred agendas has clearly proven difficult for donors (Fraenkel et al. 2014: 64; World Bank 2011b). In this context, donors, as well as some ideologically committed senior Solomon Islander technocrats, have attempted to make the heavily rescaled and well-resourced MOFT a key node in government to control public expenditure by disciplining politicians and other ministries. McKinnie Dentana, Under-Secretary for Economic Policy in MOFT and a Solomon Islander, thus argued: ‘MOF[T] is very keen to ensure good quality of spending...We can put people in other ministries under pressure [by] holding the budget and screening for some poor items’. This is an example of rescaling that seeks to impose international disciplines on other parts of the state and society. Indeed, Solomon Islands’ new Public Financial Management Act, mandated as part of the CEWG process, tightens rules relating to the use of public monies and, perhaps more importantly, orders the establishment of a network of accountants and financial controllers with expanded auditing and oversight responsibilities within every government agency and SOE, whose role is to evaluate spending decisions and report misuse to MOFT and the Office of the Attorney General (OAG). A second approach has been to more narrowly ‘ring-fence’ donor funds to prevent these from being misused (Fraenkel et al. 2014: 65). Donors, as mentioned, contribute the bulk of funding towards service-delivery in key ministries, and their funds are clearly demarcated through a separate line in the Solomon Islands budget, alongside the ‘recurrent’ and ‘development’ budget lines. As part of the SIGOV program, donor financial controllers have been placed within the Treasury Division of MOFT, as well as within the Ministries of Health, Education and Infrastructure. These financial controllers are required to check and sign off on every invoice and expense related to the donor-funded part of the ministerial budgets. One financial controller interviewed estimated that approximately 25-30 percent of government funds were

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7 Author’s interview with McKinnie Dentana, Under-Secretary for Economic Policy, Solomon Islands Ministry of Finance and Treasury, Honiara, 21 July 2014.
lost on corruption, including overcharging, fake tendering, and inappropriate imprest payments. The same person said: ‘I saw bullying of [Treasury] staff to give cheques [to] ministers and suppliers… external input is essential… if I wasn’t here, monitoring would stop’.9

Finally, considerable rescaling of accountability institutions has occurred as well, especially of OAG. Until RAMSI’s arrival, the OAG was practically completely dysfunctional, with a staff of three and no reports produced in years. Subsequently, considerable donor resources have been poured in, including the secondment of many in-line auditors and advisors from Australia and the training of Solomon Islander staff (Hameiri 2010: 166). Expatriates have also served as Auditor-General twice – Eric Muir from 2006-2009, and Robert Cohen from November 2013 to the time of writing. As a result, from 2005 onwards the OAG has produced many publicly available reports on the finances of government ministries, public agencies and SOEs. The reports are tabled at the Public Accounts Committee (PAC) of the Solomon Islands Parliament, which is meant to take action. However, PAC is widely viewed within the OAG and donor circles as incapable of or disinterested in following up on OAG recommendations (Clark and Levy 2012: 57; Hameiri 2010: 167). A recent World Bank (2011b: 8) report, for example, stated: the ‘Public Accounts Committee of Parliament has limited capacity and doesn’t go beyond [identifying] spotted [typographical] errors.’ Likewise, Robert Cohen, the current Auditor-General, said that he hoped ‘international agencies will be a bit harder on SIG [Solomon Islands Government]’ to get them to implement OAG recommendations.10

As we have seen so far, the main thrust of donor efforts in Solomon Islands has been to rescale public governance to make it responsive to their own agendas and objectives, not to the demands of Solomon Islanders as expressed through their elected political representatives. PAR programs implemented since RAMSI’s arrival have had the often explicit aim of insulating policymaking from political and societal ‘interference’, which is viewed as pernicious and illegitimate, and empowering technocrats in the public service, who are often either expatriates, closely monitored by international agencies, or transnationally networked with their overseas counterparts. Particular emphasis has been placed upon MOFT – the key node in government in relation to the management of public monies and economic policy – as well as on important service-providing ministries and accountability institutions. The uneven results of this attempted rescaling, however, have been shaped by power relations within Solomon Islands society formed over decades through uneven patterns of development and associated forms of socio-political conflict manifesting as a politics of scale. It is to this context that I now turn, as a necessary background to the subsequent analysis of the outcomes of more recent donor PAR programs.

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8 ‘Imprest’ is an accounting term referring to a cash sum provided to a person for a particular purpose, such as for the purchase of a good or a service.
9 Author’s interview with financial controller (name withheld) from an international development agency, Honiara, 23 July 2014.
10 Author’s interview with Robert Cohen, Solomon Islands Auditor-General, Honiara, 24 July 2014.
Uneven development and the politics of scale before RAMSI

Since the beginning of the colonial era, when most of the land and sea territory we now call Solomon Islands was for the first time unified into a single polity, the main fault-line of socio-political conflict has been characterised by a politics of scale. This has typically been understood to involve a form of territorial politics – as the impressing of the demands of local communities upon, or conversely resistance to, a distant and disinterested central government. In reality, however, the ‘local’ and the ‘national’ are far from fixed categories defined by simple geographical location. Rather, their delimitation and the power relations prevailing within and across these scales have been deeply intertwined, even in the most apparently ‘neglected’ peripheries. In particular, these scales, and interscalar relations, have been shaped by the enduring legacy of uneven development, related to the asymmetrical integration of regions and economic sectors within Solomon Islands within global capital circulation, and its later manifestation in the development and preponderance of the administrative and economic centre, Honiara. Thus, as we shall later see, what is at stake for Solomon Islander elites in relation to donor PAR programs, is not Solomon Islands’ sovereignty per se, but the preservation of the multilevel hierarchical social and political order that this uneven development has produced.

From the nineteenth century onwards, contact between communities in the now-Solomon Islands and Europeans began to intensify, culminating in the British Empire’s formal colonisation of the islands in 1893. The effect of this period on the nature of social and political power relations in Solomon Islands today is considerable. First, it set in motion a longer term pattern of uneven development based upon the exploitation of natural resources that are unevenly spread throughout the archipelago and, following colonisation, the concentration of the rents within a central administration (Bennett 1987). Secondly, the period was also highly significant for the emergence of new identities – especially, but not exclusively, defined in ethnic-island terms – which came to play an important part in the subsequent conflict of the late 1990s that preceded the RAMSI intervention. These identities and their political salience are in no small part related to the geographically uneven pattern of development introduced through European contact and colonial rule (Allen 2013: Ch 3).

Before the intensification of European contact in the nineteenth century, the people of the islands typically lived in small, kin-based communities, and their identities were therefore highly localised. They were often not even aware of the existence of many of the communities later incorporated into the British Solomon Islands Protectorate (BSIP). For livelihood they typically depended upon subsistence agriculture or fishing, bolstered in some cases by exchange with European whalers occasionally passing through. Rulers, as in most of Melanesia, were typically ‘big men’ – influential individuals, selected for their capacity to organise, lead the community and redistribute wealth, not on a hereditary basis. The arrival of missionaries in the nineteenth century and the subsequent Christianisation of almost all communities on the islands was an important first step in establishing new relationships across island communities. Perhaps more important,
though, were two developments in the mid nineteenth century. First, from the 1860s, European traders settled more permanently on the islands, trading mostly with communities in regions in the west of contemporary Solomon Islands that were richer in valuable resources like bêche-de-mer, goldlip shell, pearlshell, ivory nuts, tortoiseshell and copra. In return, these communities were able to obtain rare European goods, such as steel tools, guns and tobacco (Allen 2013: 69). This was the beginning of a longer term pattern of economic disparity and uneven development across different regions, shaped by the availability of tradable natural resources. For the resource-rich communities, especially in the modern-day Western Province and the fertile regions of north and west Guadalcanal, trade with Europeans provided relative material wealth, particularly for ‘big men’, allowing them to remain on their land. A second important development in the same period was the commencement of large-scale international labour migration, both indentured and free, initially to work on plantations in Australia, mainly from the relatively resource-poor but populous island of Malaita. The absence of attractive tradable resources led Malaitans to trade ‘years of their labor, the only commodity they had that the white man wanted’ (Bennett 1987: 78).

European contact, and the new spatial inequalities it wrought, also created new social hierarchies within communities, based on individuals’ relations to the emerging capitalist economy. In labour-exporting regions, returnees brought with them valuable European goods, thus creating intra-community inequality and increasing the pressure for labour migration (Allen 2013: 70). In resource-rich communities, whereas before the arrival of Europeans, reef and land resources were available to all community members, when these resources became saleable commodities, conflicts began to arise over who had control of them (Bennett 1987: xviii). As a result, those within the community capable of controlling resources and benefitting from trade with outsiders became even more powerful.

In 1893 the islands were officially colonised by the British Empire, largely at the request of the Australian colonies, creating the BSIP. As is often the case, colonisation was drawn along arbitrary borders that brought together communities that previously had little or no contact yet separated hitherto closely connected communities in Bougainville and New Georgia, which became part of German New Guinea and the BSIP respectively (Allen 2013: 64-66). Another important outcome of colonisation, because the BSIP was meant to pay its own way, was the emergence of ‘enclave development’, based on plantations. This reinforced the pre-existing trend of uneven development, related to the availability of tradable natural resources. The colonial administration alienated11 large tracts of land, amounting to approximately five percent of the BSIP’s total land area, in the relatively few regions suitable for plantation development, especially in the north and west of Guadalcanal, but also in the Western Province and Russell Islands (Allen 2013: 70). Significantly, the establishment of large-scale, expatriate-owned plantations in Solomon Islands coincided with the end of international labour migration in 1910. Labourers from Malaita and other resource-poor areas, such as Guadalcanal’s Weather Coast and Makira, migrated instead to work on

11 ‘Alienated land’ refers to land expropriated from the original customary owners and made crown land.
plantations in the BSIP, providing almost the entire workforce, with Malaitans accounting for 68 percent of the total. In fact, by 1932, 22 percent of all adult Malaitan men were involved in wage labour elsewhere, mainly in the plantations (Allen 2013: 71). This pattern of development, whereby those with tradable natural resources were able to sustain a relatively comfortable life on their land, while those from resource-poor regions preferred to migrate for labour and send remittances back to their communities, was sustained well into the late colonial era and beyond, creating marked differences in income per capita. Large-scale surveys conducted a decade or so before independence show that average income in some parts of the Western Province and the resource-rich regions of Guadalcanal was up to five times higher than income in resource-poor regions in Malaita and south Guadalcanal. The studies showed that the regions with the highest average income also had the lowest share of income contributed by wage earners’ remittances (Allen 2013: 87).

As Allen (2013: 15) persuasively argues, the uneven integration of different regions of Solomon Islands into the global capitalist economy in the colonial period, whether as producers of natural resources exported abroad or as wage labourers, had created multiple scales in Solomon Islands. It disrupted and transformed pre-existing relationships between people, places and identities, while creating new power relations and social hierarchies, as well as novel forms of social conflict. It is in this context that ‘local’ claims for autonomy and resources must be understood.

One key example is the emergence of the concept of *kastom*, a scalar strategy for localisation invoked mainly but not exclusively by Malaitans. Although often portrayed as a demand for recognition of customary, pre-colonial social and cultural practices in contemporary governance, the term should be understood principally as an ‘ideology of resistance to external forces’ (Akin 2013; Allen 2013: 16; Keesing 1989), arising explicitly out of the colonial experience and the uneven development it wrought. It constituted ‘a challenge to both the legitimacy of the colonial law and the exploitation of resources, including land by Europeans’ (Allen 2013: 82). It emerged initially in the Malaitan Maasina Rule movement of the early postwar period, which unified Malaitans in resistance to the colonial administration. The movement’s key goals, according to David Akin (2013), were to reject the low status of Malaitans relative to Europeans, and work for social change and development in line with ‘Malaitan sensibilities’. Maasina Rule, which at its peak claimed almost all Malaitans as members, demanded that the colonial government instituted regional autonomous courts and a Malaita-wide council, codified *kastom* law and improved working conditions on plantations. It later forbade Malaitans from working on plantations in other islands, requiring them to work for the development of Malaita, through the establishment of larger settlements and the cultivation of communal gardening and cash-cropping (Allen 2013: 78). It is perhaps not surprising that this ideology initially emerged among Malaitans, with their experience of plantation wage labour. This experience created a sense of relative disadvantage based on material inequality, vis-à-vis both the European plantation owners and managers and landowning communities encountered. It also helped create a unified island identity among members of hitherto disparate communities brought together by their labour. Arguably a similar
process led to the emergence of the Moro movement, which shared many of Maasina Rule’s characteristics, on the impoverished Guadalcanal Weather Coast (Allen 2013: Ch 3). While Maasina Rule was eventually repressed by the colonial government in the early 1950s, though not without some tangible achievements, *kastom* remains a powerful ideology of resistance to ‘external’ influence, including contemporarily to the postcolonial state and donors, but one whose emergence and salience are inherently related to the transformations in Solomon Islands political economy since the 1800s.

The post-World War II era brought about a further important development in this multi-scalar context. Honiara, which replaced Tulagi as the colonial capital, and its environs, became a centre for considerable economic activity and investment. The British authorities institutionalised ‘enclave development’ by explicitly basing their economic development strategy for the BSIP upon a small number of foreign-owned, large-scale, export-oriented agricultural development projects, mainly in the northern and western parts of Guadalcanal (Kabutaulaka 2001). They also decided to greatly strengthen the BSIP’s administrative capacity to drive and manage development – a common approach in British development assistance circles in the Keynesian, early postwar decades – by developing the capital’s infrastructure and the government’s expertise base. Thus, in the 1960s and 1970s half or more of all public expenditure in infrastructure development was spent in Honiara, creating a boom in public and private sector employment (Allen 2013: 86). This attracted thousands of migrant workers, the vast majority of whom were Malaitans, because of their long history of, and dependence upon, labour migration. Malaitans took up most of the jobs in the capital and in the major agricultural development projects on Guadalcanal, and also began to permanently settle in Honiara and its surrounds on both customary and public land (Allen 2013: 86-91; Bennett 2002).

As Allen (2013: 86) argues, the institutionalisation of ‘enclave development’ sharpened perceptions of relative disadvantage among the many that did not benefit (also Kabutaulaka 2001). Crucially, the increasing concentration of wealth and investment in Honiara had two important manifestations that became even more significant after independence in 1978. First, for Solomon Islanders in resource-poor areas, personal connections between villagers and Honiara-based elites in government and the public service became a ‘valuable component of rural self-help’ (Herlihy, quoted in Allen 2013: 88). Village development in large parts of Malaita, Makira and other resource-poor regions, thus came to be dependent upon villagers’ capacity to secure resources from the government, or from Honiara-based kin – a capacity that itself was uneven within and across communities. This created new social hierarchies based on villagers’ relations with urban elites capable of commanding and redistributing resources. With the introduction of elections in 1976, in the lead-up to independence, it also became an important driver of increasing electoral contestation in rural communities, as personal connections to people of authority became crucial to local power and material well-being (Corbett and Wood 2013: 330). Also significant, however, was the emergence of growing resentment in resource-rich areas, especially in the Western Province and the parts of Guadalcanal.
close to Honiara and major agricultural development projects, towards the national state. Many in those communities became concerned about the perceived usurpation of their wealth by a central administration viewed as dominated first by Europeans and later, post-independence, by Malaitans. This resistance was generally less organised than movements like Maasina Rule, which as mentioned was enabled by the particular ‘melting pot’ experience of labour migration and plantation work. But nonetheless, the central government came to be seen by many in those communities as another ‘external’ power unfairly benefitting from ‘their’ resources, leading to calls for federalism in the years before and immediately after independence, especially from the areas now in the Western Province, which threatened secession. On Guadalcanal too, the settlement of Malaitans in large numbers on land around Honiara, which they purchased in the postwar era from some landowners, created considerable resentment among youths who felt their future had been sold. The resentment of marginalised groups in both resource-poor and resource-rich regions played an important part in the eruption of violent conflict in the late 1990s (Allen 2013; Kabutaulaka 2001).

The tensions produced by the colonial legacy of uneven development came to a head in the early postcolonial period, producing policy responses from the Solomon Islands government that accentuated the interpenetration of the national and local scales. Unable to contain secession pressures, mainly from the West, Solomon Islands’ first government, led by Peter Kenilorea, a Malaitan, collapsed after 14 months (Alasia 1997: 8). Kenilorea’s successor, the wily Solomon Mamaloni, sought to manage this problem through two significant legislative changes that were aimed at tying fissiparous ‘big-men’ into the national state. The first was the Provincial Government Act of 1981, which created seven (now nine) provinces, based on colonial administrative units, as well as the lower level Area Councils, based on the colonial Native Councils. Although the Provinces’ administrative and political structures were modelled on the central government, with their own assemblies, executives and bureaucracies, the Act entirely denied them fiscal decentralisation and they were made dependent upon central government allocations. Their functions and relationship with the central government were also left vague by the legislation, again making them largely dependent on their relationship with the central government (Cox and Morrison 2004).

Perhaps more importantly, Mamaloni also introduced legislation early in his term to allow logging on customary land, which fundamentally shifted the political economic underpinning of inter-scalar relations in Solomon Islands. Logging began in Solomon Islands in the 1960s, but it was largely carried out by large British and Australian companies logging on alienated land. Customary land was kept out of reach for development, a policy that many Solomon Islanders had resented as patronising, because it prevented them from profiting from their land (Bennett 2002). As approximately 87 percent of all land in Solomon Islands was customarily owned, opening it up for development vastly expanded the opportunities for logging. By 1985, 95 percent of logging was conducted on customary land, mostly by Southeast Asian companies and often through ‘joint ventures’ with Solomon Islanders (Bennett 2000: 235; Frazer 1997), and logging in
Solomon Islands has exceeded the estimated sustainable yield, by as much as eightfold, every year since 1981 (Allen 2011). As a result, logging’s share of exports had risen from about 25 percent in 1977-8 to around 60 percent by 2008, or 16 percent of GDP (World Bank 2010: 49).

Mamaloní’s logging reforms had a tremendous effect on the constitution of the national and local scales, and their interrelations, in Solomon Islands. Access to logging-related rents, whether directly or indirectly, has become crucial to attaining power locally and at the national level in Solomon Islands. As Scales (2003) documents, despite the fact that forests remained communally owned by law, the emergence of logging as the main economic activity in many rural communities created local hierarchies and conflicts over their de facto control, typically privileging those with better education and access to Honiara, who have been able to arrange permits and liaise with foreign companies. Furthermore, governments have been formed and sustained since the 1980s to a considerable extent by the ‘glue’ provided by logging rents, either formally though the use of royalties as patronage, or informally, as logger-backed politicians possessed the cash required to buy the allegiance of political allies. The rents from logging also worked to undermine the secessionist impulse among elites, especially in the Western Province where many have benefitted handsomely from large-scale logging and have been able to convert it into political power at the national scale.

It is often argued that the state in Solomon Islands is very remote from the daily lives of the rural majority, playing ‘a negligible role in the governance of rural localities’ (Dinnen and Allen 2013: 226). While this may be true if we focus on service-delivery, it is most certainly not the case if we look at more substantive issues of power, its distribution and reproduction. The multiple scales and associated power hierarchies produced by the uneven capitalist development processes discussed above run through both the state and the remotest locality. Ostensibly multiple scales run through ‘local’ communities, due to the asymmetrical access various community-members have to the broader capitalist economy and the state. Meaningful local power in most cases requires material resources to redistribute among supporters. As Corbett and Wood (2013: 329) show, election to parliament, while impossible without local support-bases does not usually depend on any traditional leadership status. In some cases, elected politicians have never even lived in their ‘home’ village. Rather, it almost invariably depends on politicians’ and aspirants’ capacity to access resources centrally and redistribute these effectively at the local level to win sufficient support (Devesi 2013; Steeves 2011). This, in turn, shapes the ‘local’, the ‘national’ and their interrelations.

In this context, demands for greater ‘local’ autonomy are essentially attempts by structurally weak and marginalised groups to improve their political standing and material well-being – claims which can and often are made also against some in their own communities. But because of these groups’ structural weakness, they typically fail to attain desired change, especially through peaceful means. Claims that pre-political, organic local communities are undermined by an exploitative, ‘foreign’ modern state are indeed common. For example, Solomon Islander academic Gordon Nanau (2011: 46) argues that wantokism has
been corrupted when it was taken out of its original local roots and incorporated into modern politics. But claims to some pure form of ‘genuine’ wantokism are ahistorical and relate to particular views of the appropriate social and political order and associated rights over resources and power. Both ‘truly’ local and ‘corrupt’ national wantokism are manifestations of the uneven rescaling and fragmentation of Solomon Islands society in the context of uneven development, colonialism and Christianisation (Lawson 1996). Indeed, although nearly half of all MPs are replaced every general election, this usually reflects contestations between different networks with similar make-up and connections, not substantive political transformation (see Steeves 2011).

In the pre-RAMSI period, an especially important manifestation of the political economy of logging on customary land, within the broader context of decades of uneven development, was the relative decline of the central state bureaucracy as a source of power. This was in part related to the bureaucracy’s fragmentation and uneven rescaling, as a result of, and in response to, the shift in the logging economy, as different ministries and public servants developed an unequal capacity to benefit from logging. In 1980, 80 percent of Solomon Islands MPs came from a public service career (Corbett and Wood 2013: 327). This reflected the importance of personal connections with the state administration for individuals’ public profile and capacity to redistribute resources. This is because in the era of large-scale agricultural development projects, the greatest share of income went to the state and hence the public purse was the main source of income for redistribution to local supporters. However, as logging on customary land became a greater source of government revenue, and as Honiara-based services sectors grew as well, relations with the private sector became more important. Indeed, by 2001 the share of national politicians with a public service background fell to 45 percent, while the share of MPs with a private sector background rose from 20 percent in 1980 to 62 percent in 2001 (Corbett and Wood 2013: 327). Commensurably, the central administration’s capacity to tax loggers was severely undermined by affiliated politicians, who saw their direct relationship with the industry as supportive of political survival and coalition-building.

This underlying shift in the political economy began to condition emerging struggles over public sector reform and rescaling from the 1990s. For example, The Timber Control Unit (TCU) in the Ministry of Forestry was established in 1993 under pressure from Australia and other donors and with substantial Australian aid funding. Its role was to identify and report irregularities in the logging industry, such as the underreporting of exports, and illegal harvesting practices (Bennett 2000). Then Solomon Islands Prime Minister, Francis Billy Hilly, who was not affiliated with loggers, accepted its establishment, in part because of Australian threats to withhold foreign aid, which for a non-logging-affiliated politician carried considerable weight. But this rescaled pocket of the administration was overwhelmed by logger-backed national politicians, who were able to cultivate far more powerful relationships with logging companies to construct logger-friendly national coalitions and local support-bases, and thus keep the governance of the industry at the national scale.
Attacking the transnationalised TCU became part of the political manoeuvring that saw Solomon Mamaloni, ‘the darling of the loggers’, remove Hilly with a vote of no-confidence (Bennett 2000: 340-41). Importantly for our purposes, Mamaloni pursued a scalar strategy of resisting rescaling by emphasising Solomon Islands’ sovereignty, but which depended on the significance of logging for the consolidation of power within the national scale. Mamaloni, whose 1990-93 government had 11 of 15 ministers closely affiliated with the logging industry, claimed Hilly was an ‘Australian puppet, usurping the rights of landholders’ (Bennett 2000: 344). He also used financial inducements provided by cashed-up loggers to coax members of Hilly’s already tenuous coalition to cross the floor, thereby becoming prime minister again in late 1994. The Mamaloni government quickly changed direction on logging policy, bringing it into direct confrontation with a resistant Forestry administration funded by Australian aid, as well as with the donors themselves. In September 1995, the Minister of Finance, Christopher Abe, cancelled an extensive Price Waterhouse study of forestry taxation and downstream processing in Solomon Islands, which contained politically uncomfortable revelations of the extent of tax avoidance and evasion by logging companies. In the same month, Mamaloni threatened to entirely abolish the TCU because of its supposed ‘inaccurate and erroneous reports of the real state of the country’s forests’ (Bennett 2000: 351). Mamaloni supplemented this by directly attacking the Australian government, telling Australian Prime Minister Keating to ‘shut up and stop interfering with the domestic affairs of Solomon Islands’ (Bennett 2000: 344). In response, the Australian Minister for Pacific Islands Affairs, Gordon Bilney, threatened to withhold aid funds, saying that providing aid to corrupt Melanesian governments was to ‘encourage and condone malfeasance’ (Bennett 2000: 352). After the TCU reported that Solomon Islands’ tax administration lost SI$24 million in 1995 due to various exemptions and remissions, the Australian government felt compelled to act. It cut SI$7 million of its grant to the forestry sector, reducing its overall aid contribution to Solomon Islands from US$10.19 million to US$7.97 million in 1995, and maintained funding approximately at this level until 2000 (OECD DAC n.d.). For Mamaloni this was a golden opportunity to undermine the TCU, and he abolished it in January 1996 (Schultz 2012: 131). Although the TCU was reinstated in 1997, following an election that saw Bartholomew Ulufa’alu elected as Prime Minister, it has remained systematically underfunded and toothless ever since (see T. Hughes et al. 2010). In fact, funds became so scarce that the TCU’s sole officer in Isabel Province had no money for petrol or even a phone (Bennett 2000: 356).

The eruption of serious violent conflict in the late 1990s between militias claiming to represent indigenous Guadalcanal people and Malaitans was directly related to the processes of uneven economic development described above, and their manifestation in a politics of scale. The militias – the Isatabu Freedom Movement (IFM) and the Malaita Eagle Force (MEF) – drew on long-standing discourses of marginalisation. As Allen [cite] argues, it is not a coincidence that the main sources of recruitment for both main rebel groups were the disaffected and disadvantaged Malaitans and Weather Coast Guale. The conflict to a considerable extent represented the culmination of decades of resentment building up among those not
benefiting from development. Underdevelopment and a sense of deprivation, as mentioned, became entangled with mobilisation around island ethnic identities, whose emergence is relatively recent in Solomon Islands. The trigger for the conflict was the collapse in logging exports and hence government revenue following the Asian crisis of 1997-8. The source of the national scale’s dominance was undermined, and unsurprisingly it soon became overwhelmed by localist demands. Thus, RAMSI’s chief achievement has actually been to resuscitate this straining multiscalar system.

In the next section, I will explain the uneven outcomes of RAMSI’s rescaling efforts. As we shall see, results fit well into the historical pattern of multiscalar relations and associated power hierarchies described above. Particularly significant has been the capacity of nationally based elites to harness improvements in revenue collection to further weaken the already marginalised localisation agendas through the enlargement of CDFs.

**Public Administration Reform and the politics of scale since RAMSI’s arrival**

Solomon Islands governments since 2003 have attempted to harness statebuilding programs to reinforce the primacy of the national scale and the attendant socio-political interests benefitting from this arrangement. This has meant continuing to concentrate rents, whether from extractive industries or aid, within Honiara and making these available for political elites to spend at their discretion, to form coalitions and maintain their deep-reaching networks at the local level. Therefore, PAR programs supporting revenue collection have been relatively successful, although not uniformly, whereas programs to control spending have generally been highly unsuccessful. But this is not all. Donors’ PAR programs have helped national politicians and their allies to defeat the relatively popular decentralisation agenda, expressed through attempts to change the constitution to delegate more authority and resources to provinces. This is because Solomon Islands governments since 2004, but especially since 2013, have funnelled considerable resources, generated through the expansion of government revenue, towards CDFs – discretionary funds for MPs to use in their constituency – which far outweigh the resources available to provincial governments or other locally based groups not part of dominant networks. This reflects the Solomon Islands government use of the third scalar strategy identified in the introduction, that of selective and constrained national-level rescaling, resulting in the defeat of both fuller transnationalisation and the localisation agendas.

Despite their considerable material preponderance vis-à-vis the Solomon Islands government, RAMSI and other donors have been unable to attain their preferred governance reform outcomes for at least two reasons. First, as statebuilding programs are enacted through state transformation, recipient governments maintain a key role as ‘scale managers’ due to their formal sovereignty. This is reinforced by the OECD Paris Declaration, which emphasises country ‘ownership’ of aid as essential for reform success. As a result, even RAMSI, which at its peak was a relatively intrusive form of statebuilding, did not seek to formally rule Solomon Islands and had to obtain some government consent. The need for government
cooperation is even stronger in the post-RAMSI era, as donors have apparently shifted from ‘intervention’ to ‘partnership’ (Barbara 2014). Second, apart from some lone voices of resistance, Solomon Islands political and business elites form a remarkably cohesive ruling class in that nearly all are beneficiaries of the arrangements described in the previous section. Donors therefore find no powerful and ideologically committed constituencies with which to align in order to push through reforms that meaningfully threaten the existing social and political order. This is particularly significant in the context of public spending, since budgetary allocations are appropriated through Parliament (Fraenkel 2011: 314), and reflect mainly negotiations in Cabinet, not requests from the ministries themselves (Coventry 2009). Meanwhile, calls for localisation or decentralisation, which as mentioned, are not simply based in peripheral areas, but actually emanate from those groups marginalised within current power networks, are typically relatively weak. These groups are also not natural ideological allies for donors, thus preventing meaningful cooperation, as donors continue to look for ideological bedfellows to champion reform (Hughes and Hutchison 2012). Below, I begin by looking at the uneven results of PAR programs and then proceed to examine the rise of CDFs and the marginalisation of the decentralisation agenda.

The uneven results of Public Administration Reform in Solomon Islands

The PAR programs implemented as part of RAMSI and the subsequent SIGOV have yielded highly uneven results. These outcomes can be explained if viewed against the backdrop of efforts to strengthen the national scale and reinforce the socio-political power relations supportive of it, as discussed above.

Perhaps the best illustration of how the precise outcomes of PAR programs are moulded by powerful interests seeking to reinforce the national scale, and the socio-political relations supportive of this, is the discrepancy between the performance of different parts of the revenue collection administration. It is essential to look beyond the headline figures to investigate what precise areas have grown in the IRD and CED, and indeed which areas have not grown much, or at all. It is clear that the most impressive revenue growth has been achieved in areas that do not interfere with the logging industry which, as mentioned, plays an important role in supporting the power of national elites. The IRD’s revenue has grown primarily because of taxes collected from foreign, mainly Australian, companies providing services in Honiara and its environs, including in the delivery of donor projects. Indeed, tax reporting rates remain very low overall, by IRD’s own estimate, at around 30 percent or less for all tax categories apart from Goods Tax (Ministry of Finance and Treasury Solomon Islands 2014: 55), and some sectors are particularly non-compliant. Among these, the logging industry – Solomon Islands’ biggest – is notoriously resistant, which is why it was specifically targeted for tax compliance in the IRD’s 2013-15 Compliance Focus. In fact, tax evasion is also

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12 In an off-the-record discussion with IRD staff I was told that not one of Solomon Islands’ 80 or so logging companies was reporting profits and therefore paying company taxes.
common in the Honiara-based sectors benefitting from the status quo, including wholesalers, retailers and many property owners (Internal Revenue Division Solomon Islands 2013).

This pattern is even more obvious if we look at the CED, which has a far closer engagement with the logging industry because it is tasked with collecting duties on log exports. A recent report concluded that ‘Revenue lost through the port remains a significant issue for Solomon Islands’ (Murray et al. 2014: 138). To be sure, the CED has also been able to grow its revenue, though far less sharply than the IRD, from approximately SI$392 million in 2006 to SI$796 million in 2013. But growth has been primarily achieved in duties on imports and excises rather than exports. In 2006, while a precise breakdown by sector is not available, receipts from export duties were estimated by RAMSI officials at SI$220 million, while import receipts were estimated at SI$172 million (see Fraenkel et al. 2014: 66). In 2013, total CED revenue from duties on log exports was just over SI$408 million, whereas revenue from duties on imports and excises was approximately SI$370 million (Ministry of Finance and Treasury Solomon Islands 2014: 26). Thus, even if all of the export duty receipts in 2006 were from log exports, export duty revenue had grown by 85 percent by 2013, while revenue from import duties had risen nearly threefold. Meanwhile, estimated timber export volumes had approximately doubled, from about 1.1 million cubic metres in 2006 to just over 2.2 million cubic metres in 2013 (CBSI 2014: 18; URS Australia 2013: 6). This means that revenue growth has failed to keep up with export volume growth, despite the claim that ‘some semblance of order and functionality was restored to the [Customs and Excise] Division’ by 2008-9 (Fraenkel et al. 2014: 67). Indeed, the Central Bank of Solomon Islands 2013 annual report claims that ‘only 60% of total export proceeds for 2013 were reconciled and received while the remaining 40% are still outstanding’ (CBSI 2014: 19).

Because of the establishment of the aforementioned joint committee for tax exemptions, led by the IRD, the formal granting of duty remissions by the CED has declined in recent years. Nonetheless, considerable evidence exists of pressure from companies and politicians on Customs officials to allow goods to clear the ports untaxed. In one recent example, in September 2014, the Solomon Star reported that 60 containers of tubi logs belonging to Southern Pacific Woods Trading Company were stopped in the port following a High Court injunction, since the company’s licence to export was cancelled more than nine months previously. However the same company had, since then, managed to export five shipments of at least 144 containers of tubi logs worth millions of dollars without being stopped by CED officials, until a concerned landowner approached the High Court to stop the trade (Namosuaia 2014).

Let us now turn to the general failure of PAR projects related to government expenditure. It is perhaps immediately apparent, in light of the discussion in earlier sections, why politicians, who depend on access to and redistribution of resource rents to their supporters, are keen to only allow rescaling that improves government revenue, but constrain programs aiming to limit their discretion over spending. But the role of public servants is also significant here. Donors have generally been unable to win the active support of most Solomon Islander public servants. The public service, which in 2009 employed 7 percent of
Solomon Islanders (Corbett and Wood 2013: 327), continues to function as an important form of redistribution to public servants’ kin groups, through both official salaries and opportunistic sources, such as skimming off public funds or bribes. This is especially the case in ministries responsible for regulating lucrative activities, such as the Ministry of Forestry (MOFOR; Hughes et al. 2010: 23-24). For example, MOFOR’s own Human Resources officer said that the ministry’s employees ‘don’t depend on their salary… They’re drinking here every day – where are they getting their money from?’

A donor-funded auditor of government expenditure has likewise argued that many public servants are very active in procurement scams of various kinds. For example, the auditor was aware of around SIS$80 million in imprest payments taken by public servants without any record of how they were used. Also common, said the auditor, was the bullying of Treasury staff by politicians and public servants from other ministries, as well as government suppliers, to release cheques. Thus, aside from a very small number of top-level technocrats, who are ideologically committed to the donors’ reform agenda, Solomon Islander public servants generally share political elites’ preference for improving government revenue but not spending or procurement controls.

In sum, the uneven outcomes of donor PAR programs in Solomon Islands make sense if viewed through the lens of the politics of scale and the longer term struggle to maintain the primacy of the national scale, in the context of decades of geographically uneven development. To reinforce this argument, I will now turn to look at how the outcomes of donor PAR have been further harnessed by national political elites to undermine the localisation and decentralisation agenda by massively increasing the size of CDFs.

Constituency Development Funds and the defeat of the decentralisation agenda

In development jargon, the term ‘reform’ typically presupposes a shift towards liberal, international standards of ‘good governance’. The case of Solomon Islands’ rapidly growing CDFs shows, however, how administrative reform can be harnessed to promote a very different governance agenda – one focused upon reinforcing the capacity of actors dominant at the national scale to continue to extract wealth and concentrate power in a highly fragmented country and society.

Development funds for MPs to spend in their constituencies were first introduced by then Prime Minister Solomon Mamaloni in the run up to the 1993 elections. At the time, they were worth SIS$100,000 per MP. His successor, Francis Billy Hilly, immediately doubled the funds to SIS$200,000 per MP. The supposedly reformist Prime Minister Bartholomew Ulufa’alu increased the funds to SIS$300,000 in 1998 and to SIS$370,000 in 2000, with much of the increase funded by Taiwanese aid. The collapse in government accounts during ‘the tensions’ limited CDF allocations to very small amounts in 2001 and 2002. Following RAMSI’s arrival, CDFs were re-established with Taiwanese aid, reaching SIS$600,000 in 2006. From 2007 onwards, broadly reflecting the rapid increase in government revenue began a period of exponential growth

13 Author’s interview with Salome Ramo, Human Resources Officer, Solomon Islands Ministry of Forestry, Honiara, 22 July 2014.
14 Author’s interview with financial controller (name withheld) from an international development agency, Honiara, 23 July 2014.
in the size of CDFs. CDFs tripled to SI$2 million in 2008 and by 2013 they had tripled again to SI$6 million per MP, following the passing of the 2013 Development Funds Bill by Parliament (Fraenkel 2011: 312-15; Solomon Islands National Parliament 2013: 6). In terms of spending in rural constituencies, CDFs now dwarf allocations to Provincial governments by about seven to one (Craig and Porter 2014: 23).

Crucially, the increasing size of CDFs reflects, from 2008 onwards, the diversion of considerable portions of the Solomon Islands’ own development budget, not just Taiwanese aid, into discretionary funds for MPs. Taiwanese aid, which used to account for the entirety of the CDF allocation, has remained at approximately SI$1 million per MP since 2008, so the exponential growth in CDFs is funded through domestic sources which, ironically, are only available because of the rapid growth in government revenue generated by RAMSI programs (Solomon Islands Government 2014: 11). As such, CDFs now represent 40 percent or more of the government’s total development budget, and about half of all new spending announced in recent budgets (Fraenkel 2011: 306; Solomon Islands Government 2014: 33). Even when devastating floods hit parts of Solomon Islands in April 2014, government relief funds were distributed mainly in the form of CDFs (ABC 2014). Aside from Taiwan’s contribution of SI$50 million for Solomon Islands’ 50 constituencies, there are 16 other projects, under the CDF rubric, funded by the Solomon Islands Government, with a cumulative value of approximately SI$250 million. These have managed to escape the scrutiny of the RAMSI-dominated MOFT, because MOFT is only responsible for the recurrent line in the budget. The development budget is prepared by the Ministry of Development, Planning and Aid Coordination, ‘with little RAMSI input’, while CDFs are appropriated by Parliament (Fraenkel 2011: 314). CDF projects are officially recorded in the budget as being under the responsibility of several ministries and agencies, including the Ministries of Rural Development, Forestry, Education and Human Resources Development, Culture and Tourism, Energy and Rural Electrification, Home Affairs, Woman, Youth and Children Affairs, Agriculture and the National Parliament Office.\(^{15}\) In reality, however, these ministries’ administrations have little control over the funds, which are directly provided to the Constituency Development Offices of MPs. To give one example, in forestry, two new projects – a reforestation program and downstream processing, both of which supposedly aim to develop new economic opportunities as whole log exports are beginning to decline – are managed through CDFs, with Ministry of Forestry officials completely marginalised.\(^{16}\)

The spectacular growth of CDFs has been viewed as being driven by both supply of funds for elite politicking and demand from voters, broadly in line with the perspectives on Solomon Islands politics and society discussed above. On the demand side, scholars have argued that national politicians remain ‘embedded in networks and relationships that link them to the communities they represent, including

\(^{15}\) Data collected by Transparency Solomon Islands and provided directly to the author by TSI officer, Louise Hiele, Honiara, 22 July 2014.

\(^{16}\) Author’s interview with Felix Koraimae, Undersecretary for Administration, Solomon Islands Government, Ministry of Forestry, Honiara, 22 July 2014.
through families and churches, but also largesse and other forms of money politics’ (Allen and Dinnen 2010; Corbett and Wood 2013: 332). This relationship of patron-clientelism is seen to be either based on cultural expectations (Corbett 2013; Fono 2007), or corruption and self-interest (Craig and Porter 2014; T. Hughes 2013). It is thus argued that politicians are subject to constant demands for redistribution from families and wantoks and that it is this pressure that pushes them to find new income streams (Corbett 2013: 14). Others see CDF growth as driven by the supply of money and politicians’ own greed. Fraenkel (2011: 319) has argued that CDF increases are typically associated with attempts to hold together fragile political coalitions, not with demands from below, and that they are driven by ‘windfall gains associated with external economic or political engagements’ (Fraenkel 2011: 306). Likewise, Haque (2013: 8) views CDFs’ growth as the product of ‘a resources boom’, reinforcing the pernicious incentive structure that ‘corrode[s] the influence and legitimacy of central government institutions and deepen[s] the dominance of patronage-driven politics.’

Though both perspectives are partly correct, at a more fundamental level, the CDFs can only be properly understood as an intervention in Solomon Islands’ politics of scale, designed to reinforce the national scale in a context of persistent uneven development, and, during ‘the tensions’, escalating resistance. They are a primary means through which national elites have undermined localisation and decentralisation alternatives in Solomon Islands, which remain broadly popular. CDFs are thus part of a wider and longer term effort to marginalise and defund provincial governments and make locally based actors entirely dependent upon resources distributed through nationally based politicians (McDougall 2014: 4); resources that are available because of nationally based interests’ capacity to tap into transnational flows of trade or aid. Indeed, McDougall (2014: 5) claims, in line with the argument made in this paper, that the defunding and dismantling of lower level governments has gone hand in hand with the expansion of logging on customary land, and reflects a deliberate attempt to remove obstacles to the centralisation of rents.

Political and fiscal decentralisation has been a popular agenda in Solomon Islands throughout the entire period since independence. This is perhaps not surprising, in such a highly geographically and ethnically fragmented archipelago, where subsistence livelihoods remain the norm. As mentioned, calls for secession, especially from the Western parts of the archipelago, played an important part in both the permission of logging on customary land and the establishment of Provinces in the early 1980s. Increasingly, however, and especially after ‘the tensions’, many have been demanding a new ‘federal’ constitution and more devolution of resources and authority to lower levels of government, especially to the provinces. Consultations and surveys conducted by UNDP (2003), MPs (2004) and the Constitutional Congress (2007-2010) consistently revealed very high levels of support for ‘state governments’ among ordinary Solomon Islanders around the country (Mae 2010). An ADB survey of local leaders in 2006 found that nearly all were strongly in favour of federal government. Yet, despite some apparent gains, this popular agenda has been consistently stalled by better-resourced interests benefitting from the existing multi-scalar hierarchy.
A major focus of the decentralisation and localisation agenda has been a demand for reform of the 1978 Constitution. The review process of the Solomon Islands Constitution began in unusual circumstances. During the peace talks leading to the 2000 Townsville Peace Agreement between the government and rebel groups, the government agreed to rebel demands to commence a constitutional review process, particularly aimed at establishing a federal system of government. In 2002, a period of serious instability in Solomon Islands, Prime Minister Kemakeza signed an agreement to form a ‘state government system’ based on a ‘homegrown’ constitution (Corrin 2007: 156). This commitment led to a draft constitution bill in 2004, which was followed by a White Paper on constitutional reform in 2005. The White Paper committed the government to setting up a proper constitutional review process (Corrin 2007: 144). Subsequently, a constitutional reform process was started in 2007, with the establishment of the Constitutional Reform Unit (CRU) in the Prime Minister’s Office, the election of a Constitutional Congress and the nomination of an Eminent Persons Advisory Council. Also recruited were renowned constitutional law experts Professors Yash Ghai and Ronald Watts. The First Joint Plenary Meeting for constitutional reform took place in 2009 and in the Fourth Joint Plenary Meeting in March 2014, a draft Federal Constitution for Solomon Islands was finally endorsed by the Constitutional Congress (Constitutional Reform Unit 2014).

Despite the appearance of progress on constitutional reform, however, the government has repeatedly stymied the Federal Constitution’s official adoption. It is yet to be ratified by Parliament and there is currently no clear timetable for the adoption of the new Constitution. This stasis has led long-time expatriate resident and former CBSI Governor, Tony Hughes (2014), to claim in a letter to the Solomon Star: ‘The official response to my recent inquiry about progress with a Federal Constitution indicates that we shouldn’t waste time waiting for it. The present national government doesn’t want it, and most likely the next one won’t either.’ This lack of enthusiasm for deeper decentralisation is shared by donors. RAMSI was viewed as ‘hostile’ to constitutional reform (Fraenkel et al. 2014: 89), and the ADB has warned against the poor cost-benefit ratio of decentralisation as early as 2004 (ADB 2004: 3). Irrespective, however, of whether a federal system will eventually be established, which is possible because of its exceptional popularity among voters, the recent exponential expansion of CDFs is seen, including by the Solomon Islands Parliament’s review of the 2013 Constituency Development Bill, as aiming to ‘pre-emptively undermine the proposed state gov’t system’ (Solomon Islands National Parliament 2013: 9) by channelling vast resources away from lower level governments.

Indeed, the emergence and expansion of the CDFs has been directly aimed at undermining calls for deeper devolution. The arrival of CDFs in the 1990s coincided with the abolition of the Area Councils, the level of government below the Province, which were based upon the colonial Native Councils, thus ‘severing…formal linkages between the administrative centre and local levels’ (Dinnen and Allen 2013: 225). The Area Councils at the time played a key role in service delivery and public works, ‘a function that was made largely redundant by the introduction of constituency development funds for national Members of
Parliament’ (Scales 2003: 9). This was followed by the increasing marginalisation of Provinces from service delivery activities, which according to the 1981 Provincial Government Act they are meant to be responsible for, via budgetary allocations from the centre. A 2004 report stated: ‘Provinces are left managing little more than the payroll of their direct employees and are not able to execute their basic responsibilities’ (Cox and Morrison 2004: 8). The same report also notes that, unlike in national politics, Provincial assemblies and political oppositions are basically inactive, since there are no resources to fight over. Indeed, Provincial administrations are so underfunded that officials routinely cannot get funds to travel within the province, purchase basic office supplies, or even buy a sparkplug to fix a faulty motor (McDougall 2014: 3-4).

Meanwhile, CDFs have been presented by their supporters as making MPs directly responsible for service delivery in their constituencies and thus as a form of decentralisation and better representation. Former government minister Fred Fono (2007: 128), for example, said: ‘The rationale behind this system of service delivery was that MPs should not only talk on the floor of parliament but they must be seen as directly responsible for delivering services to their people.’ Likewise, Rick ‘Hou’ Houenipwela, former CBSI Governor and the Finance Minister responsible for the 2013 Constituency Development Act, said in defence of the legislation when it was before Parliament: ‘The Bill is a clear manifestation of the government’s seriousness for service delivery’. Hou added that MPs should be directly responsible for economic development in their constituencies because they represent the people (Dawea 2013). That Rick Hou, formerly the donors’ darling in his role as CBSI Governor, was the same person who tripled the size of CDFs in one year is somewhat ironic, since he was previously an outspoken critic of government misuse of revenue for electioneering. It conclusively demonstrates, however, that the expansion of CDFs is not primarily motivated by cultural beliefs and norms of wantokism and reciprocity; Hou’s volte-face clearly reflects his shift from the bureaucracy into politics?. Notwithstanding politicians’ rhetoric, there is little evidence that the CDFs are used for service delivery or development projects. Available evidence, which is limited, suggests that the funds are primarily used to purchase and distribute in-demand goods in rural communities, such as roofing sheets, cookers, and outboard motors, as well as consumables like beer and cigarettes, especially before elections (McDougall 2014: 6).

Despite the rapid enlargement of CDFs, the government has been slow to release regulations and guidelines on how they are to be spent and auditing has been very difficult and highly fraught (Clark and Levy 2012: 54-55). Although Constituency Development Plans and Constituency Development Committees are mandated by the 2013 legislation, MPs are still essentially at liberty to select a Committee and Plan at will. The OAG, which as mentioned has been considerably rescaled, has attempted to conduct audits of the CDFs, starting an investigation in 2010. After many delays relating to lack of cooperation, audits were due to be tabled in Parliament’s Public Accounts Committee in March 2013, but were repeatedly delayed. The reports were not released, however, as the Auditor-General, Edward Ronia, was forced by the Public Service Commission (PSC) to step down in November 2013 (Transparency Solomon Islands 29 November 2013).
The official reason cited was that Ronia was past the public service retirement age of 55, however, he was already older than 55 when first appointed to Auditor-General. The widely accepted view, also voiced by Ronia himself, is that he was forced to resign because of his insistence upon auditing the CDFs. Ronia subsequently sued the PSC in the High Court, claiming his dismissal was a matter of public interest (Solomon Star 2014). His successor, Robert Cohen, an Australian, has continued with the CDFs’ audit, but made it clear it was a very politically sensitive issue. But even if the reports were tabled in Parliament, the Public Accounts Committee’s record of following up on OAG recommendations is poor (Clark and Levy 2012: 57). It is, nonetheless, not surprising that attempts to regulate and audit CDFs are resisted so vigorously, since their uneven and discretionary distribution at the local level is an important means for reinforcing the centrality of the national scale over localist agendas.

At the time of writing, the results of Solomon Islands’ 2014 elections have been released. Although Gordon Darcy Lilo – Solomon Islands Prime Minister from 2011-2014 – surprisingly lost his seat, it seems that many long-term patterns have been maintained. For example, 32 of 50 seats were won by independents, once again demonstrating the insignificance of cross-cutting ideological or party allegiances – as opposed to access to resources – for electoral success. Indeed, Lilo lost his seat to his nephew and former campaign manager, Jimson Tanangada, by about 200 votes, reflecting shifting allegiances within the electorate, not substantive political change. Unlike past elections, however, in the 2014 elections, 35 of 50 MPs managed to keep their seats, whereas historically 50 percent of incumbents are replaced (Tamsitt 2014). This result has been attributed by renowned Solomon Islander academic Tarcisius Tara Kabutaulaka to the role of discretionary MP funding (in Kando 2014). It appears to reinforce the view that CDFs could herald a shift towards oligarchy in Solomon Islands from a situation in which elite membership is far more fluid and contested (Craig and Porter 2014; Devesi 2013: 5). Irrespective of whether we will see less fluidity at the top, the analysis here suggests that what is more significant is that the structural primacy of the national scale is being maintained and that donor PAR programs have played an important part in supporting this. However as the benefits from economic development continue to accrue highly unevenly, while development’s negative externalities also accrue very unevenly at the local level, the capacity of national elites to use redistribution to quell resentment is uncertain. This is especially so since government revenue is expected to decline in coming years as logging begins to drop off and aid levels are reduced.

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\[17\] Author’s interview with Robert Cohen (see fn. 7).


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