“Worlds in Collision”: An inquiry into the sources of corruption within Vanuatu Government and Society.

A thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy

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Map of Vanuatu
Declaration
I certify that except where due acknowledgement has been made, the work is that of the author alone, the work has not been submitted previously, in whole or in part, to qualify for any other academic award, the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program, and, any editorial work, paid or unpaid, carried out by a third party is acknowledged, and, ethics procedures and guideline have been followed.

Gregoire Nimbtik

January 2016
Dedication
I dedicate this thesis to my family. First and foremost, I dedicate this thesis to my late parents, Mr Virambath Nimbtik and Mrs Nimbtik.

My father Jif Virambath with five of his wives standing in our traditional village of Amr (Amok)
Source: Photo was taken by Kirk Huffman on 23 August 1983 and was used with permission.

Second, I dedicate this thesis to my wife Berlinros Nimbtik and the two children, Annryl Nimbtik and Randall Nimbtik.
Acknowledgements
The success of a person in any aspect of life draws on the support of many people. The seed of the idea to pursue tertiary level education was sown, without their knowing, by my parents. I have since been fortunate to receive the support of teachers, friends, relatives, as well as government by way receipt of a scholarship that enabled me to pursue those studies.

I lost my father when I was in grade six and I thought my education would end there. I stopped going to school at grade six because of the lack of school fees and had to stay in my village for two years. However, I resumed my education through a distance learning program that the University of the South Pacific has provided to the citizens of its member countries since 1990. In time I completed my Bachelor of Arts and Masters degrees.

When I reflect on my journey as a grade six leaver to being someone pursuing a PhD, I feel thankful for the guidance, protection and grace that I have received from God. He is the pilot and captain of my life, especially through several challenging periods that I have gone through during my academic journey. I feel as if I have received his blessings through many friends and family members who have become mentors. Among these mentors, I’d particularly like to note a friend who I met in Port Vila in 2006, Dr Bill Vistarini, and his wife, Mrs Tam Vistarini. Bill and Tam supported me in many ways and their roles as mentors expanded when I moved to Melbourne in 2012. I came to regard them almost as parents who not only took care of the academic side of my life but also played many of the roles that a parent would, helping to ensure my wellbeing. I want to express my utmost gratitude to them.

The PhD journey has the potential to be full of mental agony and stress. When I applied to RMIT University I had no idea of whom I might be working with as my supervisor. It was through a network of friends that I found Associate Professor Paul Battersby. He is a wonderful person to work with and he has true compassion, and a heart to see his students progress in their academic journeys. I want to commend Associate Professor Paul Battersby for that and thank him for his immense efforts, patience, and guidance that he has provided me during the course of writing this thesis. I also want to acknowledge the assistance of my second supervisor, Dr Julian Lee, who came in at time when he was needed and has provided helpful comments on my chapters. This thesis could not have come to the point it has without their on-going guidance and support. I also acknowledge the assistance of the following editors: Mr Robert Bain for proofreading and editing the first draft and Dr Bradley Smith of Semiosmith Editing and Consulting Services and for proofreading and copyediting of my final draft thesis.

It would be a remiss for me not to mention the level of moral support that I got from my family. I want to acknowledge the support that I have received from my wife, Mrs Berlinros Nimbtik, through her words of encouragement, prayers and her role as care taker of our family while I have been busy
with my study. It is often a challenge to study with children at the ages of 9 and 10, who demand and deserve a great deal of time and attention. I have only managed the years over which I’ve undertaken my studies through their cooperation and support. As such, I want to acknowledge my son Randall Nimbtik, and my daughter Annryl Nimbtik. They, in their various ways, have contributed to my thesis’s completion.
Abstract
This study of corruption in the context of Vanuatu government and society asserts that international models of “good governance” do not adequately acknowledge the role of culture and entrenched social practices in shaping relations between the governed and the governing. Of such influences, certain sections of Vanuatu’s elites have used kastom authority, kinship networks, and the power of the state to entrench their interests and those of their clients. There is, however, an aspect of kastom authority that may be a means to break down these power structures through processes of deliberation and reform that harness kastom practices as a way to re-engage the country’s populations in a national governance reform process. This research describes ways in which traditional ideas and practices and the modern world can be better reconnected in order for society to implement reforms that will avoid conflict. It also maps out layers of customary practice and authority in Vanuatu and highlights the ways in which their absorption into the modern structures of government has led to serious problems of official corruption. These findings were achieved through an empirical investigation of key selected case studies of government institutions, including the analysis of key government documents. The semi-structured interviews, participant observation, and nakamal storian were used to generate the data or inform its interpretation. This research data was analysed using a thematic and category analysis approach, and by interpretative methods which were informed by the grounded literature review from which the themes emerged. The emerging themes were discussed and analysed in accordance with the findings of the research outlined in previous chapters and the literature.

The findings illustrate that the clash between traditional ways of doing things and the expectations of international institutions about how things ought to be done creates a gap in which corrupt practices emerge. As such, what looks like corruption from a legal-rational point of view is actually perceived as normal behaviour by local communities. Understanding corruption as a consequence of tension between different social obligations and authority in a localised context, this research argues that addressing corruption in Vanuatu is not a matter of stamping it out, but rather of unravelling and addressing the social expectations and practices that have allowed corruption to evolve. Hence, this thesis proposes a collaborative and deliberative governance framework, using traditional authority structures in Vanuatu, to help guide Vanuatu through the process of social change that is necessarily to become a resilient and independent state. The Jifly institution (MNCC) and its nakamal system, despite some imperfections, are considered to be the best equipped institutions still within Vanuatu society to achieve reconnection and reform in order to restore state legitimacy.
Preface

Why study corruption and governance in Vanuatu? I answer this question using my personal reflections as a son of kastom jif, an elder in the church, and a departmental Director in the government of Vanuatu. I grew up in a traditional village of Amok, North West of Malekula in Vanuatu. My father was a kastom jif and he married ten wives. I had eleven brothers and eleven sisters. We lived in a tightly knit community and grew our food on our communal land. Christian missionaries came into our village and sowed seeds of division, dividing my family into two groups: one group converted to Christianity and moved to a coastal area, and the others live in the interior of the island. Those who settled in the coastal area embraced modernity by enrolling their children in Christian education and by working as wage labour in European-run plantations growing cash crops such as coconut, cocoa, and cotton. The two groups usually came together during the pig killing ceremony called nimangi, which was one of the important traditional festivals in the local community upon which local leaders altered their leadership status. Pigs were valuable commodities in the local community during the ceremonial activities, and people built their prestige and status through the number of their pigs they sacrificed at the pig killing ceremony. The members of the family who joined religious denominations were banned by their churches from trading pigs in the pig killing ceremony and thus they had to find a substitute. They brought goats, chickens, cows and bulls instead of pigs as their contribution to pig killing ceremonies.

The changing requirements of the traditional pig killing ceremony from pigs to other animals started to cause ill feelings and quarrels among family members in the local community, because it was viewed by the kastom authority and the local community as an insult to our traditional values of social order and authority. The Seventh Day Adventist (SDA) church banned their members from eating and raising pigs, and this was a direct challenge to the traditional values placed on boars and the political leadership system in the local community. This transition could have been done smoothly if there had been dialogue and negotiations regarding meaning and common values between church authority and kastom authority at the levels of local community. The other members who joined different denominations also had to relinquish certain practices such as kava drinking, smoking, and dancing to the spirit of ancestors. Hence, the nature of our local community became more complex to manage given the presence of the multiple layers of leadership authority: kastom jif, missionary chiefs, assessors, pastors and clergy, and the colonial government. As one could imagine, in a village of fewer than one hundred members, there existed multiple authorities with undefined boundaries of responsibilities and roles, as well as different beliefs and philosophies that each authority operated within. In such a circumstance, there was a significant opportunity for conflict, defined by different religious beliefs, practices and, most profoundly, the religious clash with traditional values of social order and authority.
In my local village we had ten different religious denominations that became established permanently, and these were distinct in their doctrines. The impact that they have had in our small local community is the segregation of families into small denominational groups; and this started to create religious differences within family members in the local community. Indeed, the church divisions created perspectives of ‘us and them’ within a family community, and thus challenged the collective sense of unity and belonging which was formerly the moral binding code in local communities. Thus, the seeds of wider conflicts and clashes that were displayed at national levels in various forms began at community level, through the attitudes of missionaries and the experiences of colonisation that forced local communities to abandon their communal ways of life. The two colonial governments (Britain and France) added another leadership layer, called “assessors”, who worked as middlemen between the colonial government and kastom authority in villages or local communities. When Vanuatu gained independence in 1980 it inherited multiple layers of leadership authority, most of which were established by the churches and the two colonial authorities, besides kastom authority. At present, in each local community or village, there exist multiple authorities: church leaders, kastom jif, provincial counsellors, and elected representative to national parliament. In 2009 I led a consultation team on rural infrastructure to the islands of Futuna and Santo, and during the consultation one of the locals stood up and said: I kat tumas instraksen I mekem mifala nomo save se which wan bae mifala I folem (There is too much instruction and we do not know which leader to follow.) Indeed this is the current governance challenge in local communities and, most importantly, at the national level.

My first job was at the Ministry of Education as a scholarship officer, and it was from there that I discovered that at the national level there were wider local divisions between those who spoke French and those who spoke English, island versus island, and more recently province versus province. The division between Francophone and Anglophone permeated all facets of life, starting from religion, education, health, and to government organisations in Vanuatu. As a scholarship officer, I encountered conflict between Francophone versus Anglophone persons on the allocation of the scholarship awards. I witnessed politicians and State Ministers who worked through the Minister of Education to influence the process and policies of the scholarships in favour of their relatives and immediate families. We received calls and letters from State Ministers and appointed politicians pressuring us to grant scholarships in favour of their children and close relatives. During my term in the office the Vanuatu government had only one hundred scholarships to allocate each year, and ninety seven percent of the scholarships were funded by the Australian and New Zealand governments. Each year the scholarship office received four to five hundred applicants, and our task was to select the best out of the best to be awarded the scholarship. The job was challenging because of the increased political interference in the process of allocation and administration of the scholarships. The end result was that the sons and daughters of political leaders and supporters were
awarded scholarships irrespective of their merits, at the broader expense of the other students who deserved the scholarship award but did not have political connections.

I was appointed in 2000 as the Assistant Director of the Public Sector Reform process, and was responsible for coordinating the public sector reform initiatives. The prescriptions of this governance reform were imposed by the Asian Development Bank (ADB) as the conditions of their loan, and our bureaucratic tasks were to abide by these conditions. While our concerted efforts were on the desired outcomes of the reform, little thought was given to the appropriateness and relevance of the programs to the local context. The 2006 Comprehensive Reform Program (CRP) review noted that while the ADB and the government were concerned about getting their numbers right, the whole reform program had little impact on the lives of the eighty percent of the population who resided in the rural and remote islands of Vanuatu (Vanuatu Government 2006). In other words, the state’s transformation policies through reform programs have had little impact on the lives of people because of the fact that the content of the governance reforms were not connected to existing local governance structures and values of social order and authority. As such, the eighty percent of the population who live in rural and remote areas are not familiar with new institutional values, norms and processes.

The reform was formulated to address increased political instabilities, decline in business confidence, macroeconomic instabilities, and the deterioration of law and order. However, since 1991 Vanuatu has gone through a series of unstable coalition governments, which period has seen the influence of multiple parties in the running of the nation’s affairs. This situation provides a significant opportunity for corruption in the form of horse trading between members of parliament to make sure they maintain their numbers in the government. In 2005, I was appointed as the Director of the Department of Strategic Management (DSM), responsible for the implementation of the Comprehensive Reform Program (CRP) and to provide strategic policy advice to the Office of Prime Minister. I had the opportunity to experience a change of Prime Ministership more than four times in one year; and the increased political instability this created demonstrated the challenges to the government of the day to satisfy personal political aspirations of individual parties in government. The party politics of the ministerial portfolios and top political positions in government would seem to be one of the reasons for political instability in Vanuatu, as many political parties use cash to lure support for other political parties and members to support them in their endeavour to change government. The involvement of money to pay members of parliament to switch their allegiance has compelled many political parties and leaders to either be involved in corrupt dealings with external funding sources, or to extract state resources outside rules and procedures.

These leadership instabilities have had impacts on policy consistency, continuity and credibility, because of the short-term goals and ambitions of the government of the day to make sure they maintain their political numbers in government. Hence, the state resources that were intended for
development and delivery of services to rural and remote communities have instead been diverted by State Ministers to short-term political activities that helped maintain the numbers in the government. The political parties in government have used state allocated budgets to carry out activities for their political parties and to travel to their constituents to promote party solidarity, with little consideration for the national development objectives.

Vanuatu commenced the CRP in 1997; however, the reform did not address the fragmented political nature of the country at the time, and most importantly did not change the nature of the political system in Vanuatu. There are two observations that can be made from this experience. Firstly, in all the reform programs that were spearheaded by the World Bank and other aid development institutions in the region, a careful consideration was made to make sure that their approaches were not interpreted by the recipient government as foreign interference into domestic politics. In adherence to their various mandates, the World Bank, United Nations and other aid agencies have worked with the assumption that their structural adjustment requirements are sufficient only to ensure responsible government. Secondly, the state-centred governance reform approach in Vanuatu has reflected a conventional approach where reforms are imposed on developing countries with little consideration given to local context and governance capabilities to manage the transformation process (Knapman & Saldanha 1999).

The experiences of different levels of conflict and clashes of values that I encountered in my childhood and at the work place in three different departments of government prompted me to undertake this research, to try to plot a way through the complexities of religion, authority, language and custom in order to find a possible strategy to address the challenge of official corruption in Vanuatu.
## Acronyms, Terms and Meanings

**Assessor**

This is a new leadership position created by the two colonial powers (French and British) in the local communities to act as a middleman between local communities and colonial authority (Rodman, W 1977).

**Bislama**

This is a language that has long history of development. The term Bislama comes from Beach-la-mar or bech-de-mer, which is mostly referred to as a sea slug that was used to trade. It is a national language for Vanuatu as per the constitution (Crowley 1990).

**Chief**

Chief is an English term, which is used here to differentiate the Western understanding of a leader from a traditional leader (Rouseau 2004).

**Condominium**

The term “condominium” is used to refer to joint colonial administration of British and French in Vanuatu (Miles 1998).

**Jifly system**

The term *jifly system* is used to describe the essence and fabric of traditional political institutions in local communities and villages. It covers traditional dispute resolution mechanisms, leadership, governance, and the role of the *kastom jif* in development within their own jurisdiction. Whenever it is used in this thesis it means the traditional institution of *jif* in the local community and village.

**Kastom Jif(s)**

This is the Bislama term for *kastom* leader, which is used throughout this thesis to refer to traditional authority. Article 29 of the Constitution makes an explicit distinction with the prefix *Kastom* in front of the term *jif - Kastom jif*. Thus the term *jif* or *Kastom jif* is used to denote a traditional leader who, according to the 1983 national policy of the MNCC, has: inherited their position through a bloodline; who follows the proper *kastom* fashion and has a *nasara*, *nakamal*, land and people; who is known by the whole village and has
killed the pigs at the *nasara* while people from his village have followed him and participated in his pig killing ceremony; and whose title name and meaning is from his original language (Lindstrom & White 1997).

**Kastom**

This Bislama word loosely translates as “tradition(al)”. The terms *Kastom* in Bislama and its English cognate “custom” refer to two different understandings. *Kastom* is understood in the Vanuatu context as a total way of life (Bolton 1999b; Jolly 1997).

**Kastom authority**

This term is used to refer to *kastom jifs* as the only authority in local communities recognised under *kastom* principles.

**Kastom governance**

This is a holistic way of life that encompasses traditional ways of dealing with socio-economic development and political relations in the local communities of Vanuatu (Bolton 1999b; Jolly 1992; Regenvanu 2009). This term has also been referred to as a manner and way people might apply collective wisdom or *kastom* practices to deal with contemporary challenges, and how people might envision organising their lives to live well together (AusAID 2005, p. 7). This thesis applies the first understanding, as a holistic way of life.

**Kava**

The drug that comes from the roots of the plant *Piper Methysticum*. It is consumed as a drink on special occasions in traditional society of Vanuatu. However, the uses and culture of *kava* drinking have changed drastically in the last three decades (Crowley 1995).

**Missionary Chief**

The term that referred to an individual who was appointed by the missionary in the colonial days as a leader in the local community (Rodman, W 1977).

**Modernist state expectations**

This term is used interchangeably in this thesis with modernist governance values, both of which are largely borrowed from the modernization theory of liberal economic and political democratisation.
**Nakamal**

This is a traditional house in a village that symbolises the functional leadership structure of a village. It is where members meet and dialogue over certain issues affecting their welfare and also discuss ceremonial activities such as marriage, circumcisions, funerary services, and birth celebration (Huffer & Molisa 1999b).

**Nasara**

This is a consecrated area and a house where a chief conducts the pig killing ceremony, and also it is a place where the head of clans performed the leadership ranking ceremony.

**New Hebrides**

Prior to independence Vanuatu was called the New Hedrides, until 1980 when it achieved its independence from Britain and French.

**Nimangi**

This is a traditional pig killing ceremony where a *kastom jif* is graded with *jifly* status and titles.

**Ni-Vanuatu**

This term is used to refer to all ethnicities originating in Vanuatu. It also refers, more generally, to nationals and citizens of Vanuatu, whatever their ethnicity.

**Socially Embedded Practices**

This is a term used interchangeably with a *kastom* practices, in this thesis and means traditional ways of life that are embedded in the society and valued by the people.

**Wantok**

The term *wantok* is a slogan used in the Melanesian region to refer to someone who speaks the same language or comes from the same tribe or village.
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<th>Full Form</th>
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<td>Area Council of Chiefs</td>
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<td>ADB</td>
<td>Asian Development Bank</td>
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<td>AILAC</td>
<td>Agriculture and Industrial Loans Advisory Committee</td>
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<td>AusAID</td>
<td>Australian Agency for International Development</td>
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<td>BPI</td>
<td>Bribe Payers Index</td>
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<tr>
<td>CEDAW</td>
<td>Convention on the Elimination of all Forms of Discrimination Against Women</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CPI</td>
<td>Corruption Perception Index</td>
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<td>CRP</td>
<td>Comprehensive Reform Program</td>
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<td>Development Bank of Vanuatu</td>
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<td>DSPPAC</td>
<td>Department of Strategic Policy, Planning and Aid Coordination</td>
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<td>European Investment Bank</td>
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<td>FSP</td>
<td>Foundation of the People of South Pacific</td>
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<td>GCB</td>
<td>Global Corruption Barametre</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GWE</td>
<td>Good Will Entitlement</td>
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<td>ICC</td>
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<td>NA</td>
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<td>OECD</td>
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<td>POCA</td>
<td>Proceeds of Crime Act</td>
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<td>RAMSI</td>
<td>Regional Assistance Mission to the Solomon Islands</td>
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<td>RAP</td>
<td>Resettlement Action Plan</td>
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<td>SDA</td>
<td>Seventh Day Adventist</td>
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<td>SOEs</td>
<td>State Owned Enterprises</td>
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<td>STABEX</td>
<td>System for the Stabilisation of ACP and OCT Export Earnings</td>
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<td>UCC</td>
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<td>UMP</td>
<td>Union of Moderate Party</td>
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<td>UN</td>
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<td>United Nations Convention Against Corruption</td>
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<td>UNDESA</td>
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<td>UNDP</td>
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<td>United Nations Economic and Social Commission for Asia and the Pacific</td>
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<td>UNTCAOC</td>
<td>United Nations Transnational Convention Against Organised Crime</td>
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<td>United States</td>
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<td>VCCCC</td>
<td>Vanuatu Christian Council of Churches</td>
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<td>VCC</td>
<td>Village Council of Chief</td>
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<td>VCMB</td>
<td>Vanuatu Copra Marketing Board</td>
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<td>VFIU</td>
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<td>VIPA</td>
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<td>VMA</td>
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<td>VMF</td>
<td>Vanuatu Mobile Force</td>
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<td>VNPF</td>
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<td>Vanuatu National Statistic Office</td>
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<td>VTDPL</td>
<td>Vanuatu Trade Development Pte Ltd</td>
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Chapter 1: Introduction

1.0 Introduction

The persistent failure of international institutions to recognise the importance of adjusting their governance principles to local conditions is one of the root causes of the governance challenges confronting Vanuatu. In the South Pacific region, and more specifically in Vanuatu, the state has imported Western ideas and models of democracy and, as a consequence, institutional design and practices reflect a strong Western influence. In the case of Vanuatu, the British Westminster system is the model upon which the country’s constitution is founded (Larmour 2002). There was obvious utility in this approach in forming a viable structure of government for Vanuatu.

This thesis explores the gap between political modernization and traditional bases of authority. It asks how this gap can be bridged in order for Vanuatu to re-start a national conversation about democracy and social development. It seeks available avenues and means to integrate traditions into governance and transform it in ways that are positive, progressive, democratic, inclusive, and equitable, in order to minimise opportunities for corruption. This introductory chapter gives an overview of the research setting. It begins to describe the central concerns of this study and looks at the issue of “good governance” as an imposed strategy to address corruption in developing countries. This is followed with an outline of the research aims, research questions, and research significance and the contribution the research will make towards existing governance knowledge in Vanuatu. The chapter ends with a brief outline of chapters covered in this thesis.

1.1 The statement of the problem

In discussions about constitutional drafting in Vanuatu, Professor Zorgbibe, a French government representative and a Technical Advisor to the constitutional committee, made the following comments:

I agreed with Professor Ghai [British representative and Technical Advisor to the committee] that the constitution for the New Hebrides [Vanuatu] should draw more from the British political system with its simplicity and deeply democratic inspiration, rather than from the French, which tended to be more complicated (Minutes of the Constitution 1979, p. 24).

This quotation illustrates the colonial approaches to decolonisation in the Pacific, where the Euro-centred notions of the state and democratic statehood were simply transferred into a landscape of great diversity and complex socio-political structures. This transplanted political model was never fashioned to accommodate the socio-cultural and political realities of Vanuatu. For example, this
model failed to take into account the traditional bases of political authority, which varied across the culturally and geographically diverse country. This failure to consult is one of the root causes of enduring social division and conflict in Vanuatu and, as is argued in this thesis, also one important contributor to the problem of official corruption.

The Vanuatu Constitution created a common socio-economic and political space in which there existed multiple sources of authority, each having a distinct worldview concerning the appropriate relationship between rulers and ruled. In the preamble to the Constitution the principles of kastom governance and Christianity were enshrined as the two additional pillars of legal-rational state governance in Vanuatu. The term kastom in Bislama and its English cognate “custom” differ in meaning and understandings. As Bolton (1999b, p. 11) observes, in English ‘custom refers to specific practices, rather than to the whole interlocking network of knowledge and practices denoted by culture’. Kastom, as understood in the context of Vanuatu, is a total way of life, which encompasses knowledge and practices that are critical for human survival and well-being (Jolly 1994). People believe that kastom governance encompasses traditional values of social obligation and authority, and these traditional values include collective entitlements, subsistence living, holistic life, traditional politics, strong kinship ties, and restorative justice. The recognition of kastom in the preamble of the Vanuatu Constitution implies that the state has accepted the whole interlocking network of traditional knowledge and values of social order and authority as part of the state governance system:

We, the people of Vanuatu, proud of our struggle for freedom, determined to safeguard the achievements of this struggle, cherishing our ethnic, linguistic and cultural diversity, mindful at the same time of our common destiny, hereby proclaim the establishment of the united and free republic of Vanuatu founded on traditional Melanesian values, faith in God, and Christian principles, and for this purpose give ourselves this constitution (Constitution of the Republic of Vanuatu 1980, p. 6).

However, the Vanuatu Constitution is also a state-centric political model that does not always work to the benefit of Vanuatu and its people. As stated above, there are tensions in Vanuatu between religious faith and kastom. Eighty percent of the population live in rural areas and retain a deep attachment to kastom governance, and accord greater legitimacy to kastom authority than to the state legislative authority based upon legal-rational principles of government (VNSO 2009; Regenvanu 2009). As such, people hold that kastom authority should become the supreme authority controlling and managing national socio-economic and political affairs. The ensuing contradictions present major governance challenges for Vanuatu on all development fronts. In the last three decades there have been some elected politicians who have claimed the jifly title and held a ministerial position in the state. Most importantly, it is now becoming a political norm that whoever holds the position of Prime Minister and Head of State has to be endowed with a jifly title. This is a classical example of
traditional values of social obligations and authority being entangled with legal-rational forms of authority and, as a consequence, complicating the emerged state-centric political model.

The traditional values of social obligations and authority work in contradiction to legal-rational forms of authority premised on democratic values of election, fairness, competition, leadership impartiality and impersonalisation of roles and authority. In Vanuatu people are familiar with kastom governance and use it in their daily life, as compared to state-centred government institutions that are alienated from the local context (Regenvanu 2009; Wairiu 2006). Kastom governance, as discussed in this chapter, is a holistic way of life that encompasses traditional ways of dealing with socio-economic development and political relations in the local communities of Vanuatu (Bolton 1999b; Jolly 1992; Regenvanu 2009). In this sense “governance” extends beyond the realm of political decision-making and reaches into the daily routine and actions of people living by their accepted traditions.

It is argued here that government in Vanuatu thus falls short of social expectations. The traditional political system is much more extensive and is regulated not by codified law but based upon kastom principles. Hence, people hold that kastom authority is crucial to the political authority of Vanuatu’s elected leaders, carrying with it high expectations from local communities of official duties and responsibilities and how these should be carried out according to local social norms, values, and practices. For these reasons, political power is strongly personalised (Lawson 1993); and it is either inherited through blood line, or achieved through alteration of status and must instead be “won” (Allen 1984). Tensions between traditional and legal-rational forms of political organisation are thus an enduring feature of Vanuatu’s political and cultural landscape.

Government and governance refer to different types of relationships between the state and citizens. According to Bevir and Rhodes (2003), while government refers to a hierarchical mode of governing, governance encompasses a wide range of formal and informal processes through which common problems are discussed and addressed. In other words, governance is no longer a synonym of government, but has become an antonym (Bevir & Rhodes 2003). For the purpose of this research, I have used Douglas’ (2000, p. 1) definition of governance, in which he refers to ‘governance’ as ‘the myriad ways in which people organize themselves, attempt to relate to each other, and represent what they do in the process’. However, contextual differences, including cultural divergences, render formal control by a single system of governance very difficult to achieve in practice (Chhotray & Stoker 2009). What we have witnessed in the last two decades is that the process of establishing liberal democratic institutions in many developing countries has collided with local obligations and expectations, especially where limited attention has been given to cultural context. Thus, not only has the shift to central state authority been problematic, but any move to decentralise stable power is likely to be very complicated because state capacity is very limited, and the power, roles and relationships of the existing authorities are not clearly defined. This situation is compounded by the
diverse nature of a traditional socio-political system that is entrenched along the lines of local values of social obligation, which work contradictorily to legal-rational governance expectations.

In the constitution, the *kastom jifs* are recognised and mandated to preserve and promote *kastom* governance in all spheres of life. The term *jif*, or *kastom jif*, is used to denote a traditional leader who, according to the 1983 national policy of the Malvatumauri National Council of Chiefs (MNCC), has inherited his/her position through a bloodline (Lindstrom & White 1997). The *kastom jifs* have promoted *kastom* values of social collectivism, kinship, and reciprocal relationships, based on customary values of strong family support and respect for local tradition. These traditional values exist in tension with the legal-rational state authority and liberal expectations of individual property rights, a free market system, democracy, merit, specialised professions, and retributive justice through a courts system, as is illustrated in Figure 1.1. Indeed, those *kastom* values of social order have now been grafted to state political organisations and development. Thus, Vanuatu politics can be viewed usefully through the lens of a patron-client relationship model or family network. The patron-client network model helps in understanding how informal powers undermine formal legal-rational authority and institutions (Scott 1972). Christian theology constructs yet another worldview that rejects local values and beliefs. Thus, the state’s constitution creates and works within a discordant political space that generates conflict and provides incentives for official corruption.

In this context, conflict is defined as a state of disharmony between two institutions, or incompatible values, norms and processes that operate in contradictory ways. In all societies there are social structures that determine which values and norms dominate, as well as how different resources are used and distributed (Abrahamsen 2000). Local communities or groups have their own social norms and values, and they will always strive to preserve their existing values and social order. Therefore, it is natural that they will react when there are external interferences in their traditional jurisdiction, and as such they will exploit all the available avenues to maintain their status quo. The local values of social order and authority are significant pillars within local communities throughout the Vanuatu archipelago, and they rely upon these as a governing system in their daily life. Where the presence of the state is limited and there is no state delivery of services to people, local values of social order and authority are critical to the maintenance of social order and the socioeconomic wellbeing of the people. The studies used in this thesis illustrate how traditional values of social obligation and authority are interpreted, respected, and applied by people of different social status. *Kastom* authority, it is argued, plays an important role in keeping the peace.

Local communities thus find more relevance in using *kastom* governance to order social life. As such, they give more legitimacy to *kastom* authority at all levels of society because *kastom jifs* work as volunteers taking care of the socio-economic and political needs of their respective communities. The implication is that there is a strong power resistance to legal-rational authority from those who enjoy
*kastom* status and who interpret state-led modernization as a threat to their ascribed social and political roles. This situation is compounded by the fact that the constitution has recognised both authorities as having respective governance systems, and that these were seen as legitimate foundations for the building of the post-colonial state, leading to tension between these two systems. For example, the traditional land tenure system and principle of reciprocity sit incongruently with formal authority and state institutions on many development fronts. Chapter Seven of this thesis illustrates that when there is conflict between social order and authority it is the politicians (both elected and appointed) and government officials who benefit, by using their public positions to extract state resources for their personal gain.

While Christian beliefs and values are recognised as part of the conflict that Vanuatu experiences, this research focuses almost exclusively on the conflict between traditional social order and authority on the one hand, and the more recent imported legal-rational form of authority and governance. Chapter Four of this thesis gives a more nuanced analysis of the nature of this conflict and the social fractures within Vanuatu society defined by religious rivalry, traditional socio-political values, and the imposed legal-rational political authority.

**Figure 1.1** Conflicting values enshrined in Vanuatu's Constitution

Source: Author’s own work
The endemic problems of governance, and development in general, that Vanuatu is confronting are a result of the conflicting values of social order and authority that the two discrete and broadly conceived systems, legal-rational governance expectations and kastom governance, create at their points of interaction. The interaction points are at the state administration levels, state development projects, and the delivery of services to rural and remote areas of Vanuatu (Vanuatu Ombudsman 1998a, 1998b, 2001). For instance, the traditional land tenure system often clashes with donor-inspired and -funded land tenure systems of leasing, when the government and individual investors want to implement development projects such as schools, dispensaries, churches, airports, and agriculture, to name a few, in Vanuatu. Where these worlds overlap we find practices that can be deemed as corrupt according to legal-rational standards of government (Cain & Jowitt 2004). There have been incidents where government and individual investors bribed the traditional landowners with cash, vehicles, schools, dispensaries, and public phones in order to facilitate hectares of land for development projects such as airports, resorts, and cattle farming. In a similar vein, a State Minister can influence the formal process to divert all the development projects to his constituency, as was the case in an ADB shipping infrastructure project in 1985, where the Minister of Finance at the time instructed the contractors to build a wharf on his constituency despite the recommendation of experts and a feasibility study (ADB 2002). This thesis is concerned with how and why such behaviours arise, and also with what can be done to address their root causes.

1.2 Corruption in Vanuatu
Corruption is a widespread phenomenon; and the reasons for this are not to be found only in the behaviours and attitudes of individuals (Buchan & Hill 2014; Felson 2011). Given the ambiguity of the term corruption, it is broadly defined into two streams: corruption as a misuse of power or public office for private gain (Walton 2015); and corruption as a decay or deterioration of government standards (Buchan & Hill 2014; United Nations 2004; World Bank 2006b). In Vanuatu, the issue of corruption is more to do with the performance of members of parliament and those who are employed in public offices (Cain & Jowitt 2004). This is because the embedding of liberal democratic institutions and the adoption of the notion of sovereign state brings to the fore the idea of “public interest”, and as a consequence the elected parliamentarians are meant to represent the interests of the people. Hence, within the sphere of government and liberal forms of governance, the operation of self-interest (family ties and friendship) is considered a corruption because it violates public interests (Kolstad 2012). Thus, in Vanuatu, the evidences collected through case studies suggested that corruption revolves around government not behaving in the way it should because of the clash of two different sets of values of social obligations, authority and expectations, which undermines the rules and the processes of government. In this thesis the definition of corruption adopted is ‘a misuse of public office or power for private gain’ (United Nations 2004, p.6), an understanding which is captured in the international legal definition of corruption employed by multilateral institutions such as the

In Vanuatu, as noted by Peter Larmour (2009), the issue of corruption was first aired in public after the establishment of the Vanuatu Ombudsman’s Office in 1994 and the enactment of the Leadership Code Act of 1998, Larmour notes:

About one-half (35) of the 75 reports produced by the Vanuatu Ombudsman Commission between 1996 and 2000 involved misbehavior by ministers, ranging from the issuance of phoney letters of credit to foreign fraudsters through to awarding themselves compensation and favoring their relatives (2009 p.145).

This quotation draws attention to the entanglement of traditional family expectations and the legal-rational process. Importantly, this raises an ethical question about good and bad and also how standards and codes of conduct are determined in the legal-rational world by the government and multilateral organisations (Kolstad 2012). As Larmour (2009) points out, most of the standard measurements used today to track down the incidents of corruption in developing countries are based on Western concepts and experiences, which have little relevance in the context of developing countries. These include Corruption Perception Index (CPI), Bribe Payers Index (BPI), and Global Corruption Barametre (GCB) (Harrison 2007). In a similar vein, Buchan and Hill (2014) note that the notion and global definition of corruption is derived mainly from Western political thought and history. Many developing countries that adopted Western political institutions have encoded in their legal frameworks norms, values, and process that are in tension with their local values of social obligation and authority. For example, when local political elites divert state resources to benefit their personal interests, they do so at the expense of poor and remote communities, in the case of Vanuatu. When they are blamed for such corrupt dealings they hide under the banner of kastom governance, claiming the obligation to provide for their people. Likewise, when they are accused of breaking kastom laws they defend themselves under the legal-rational state’s rules and governance.

The individuals who are elected as members of parliament by the people often resort to traditional practices of distributing goods and services to their electorates as a popular strategy to secure and maintain political support (Morgan 2004). This means that re-election to parliament is often determined on the basis of how much in goods and cash donations each candidate provides to individuals and communities rather than on the basis of policies that will contribute to the development and wellbeing of everyone in the community. This reciprocal relationship based on traditional values of social obligation and kastom practices is not factored into state governance institutions, and thus it is seen as corrupt behaviour from a legal-rational world view. In Vanuatu the kastom practice of distributing goods and services to close families and political supporters is in fact
considered moral, because a leader is fulfilling their social duty. However, in a legal-rational governance system, this practice is labelled as corrupt because a leader is favouring his close relatives and in-groups and therefore distorting the processes of justice, fairness, and equity. The immediate consequences of this gap in understanding between what is and what is not corruption are the development of short-term responses to short-term goals by individuals and personalized political parties and misappropriation of state resources to repay party supporters. Such behaviour is below optimum development outcomes, and to the detriment of the broader interests of society.

Corruption experts argue that corrupt practices undermine democracy and the rule of law and, as a consequence, hurt the poor and remote local communities by diverting resources that could be used to build infrastructure, health, education, and clean water (Buchan and Hill 2014; Ackerman 1999; Larmour 2009). Since 1991, Vanuatu has witnessed an increased number of independent candidates contesting elections, as well as continual competition between members of parliament fighting for ministerial positions and key state positions (Morgan 2004). The public consequently perceive political participation to mean the pursuit of private material gains, which pursuit undermines “rational” economic planning, whether defined by liberal technocratic standards or standards of social justice and public welfare. It encourages political short termism and patron-client relationship networks ahead of the public or common good (Reilly 2004). This is a scenario that is described by the World Bank as a “distant big man”, with elected politicians expected to provide material benefits to their constituencies in exchange for their votes (World Bank 2008). Van Trease (2011) describes it as the politics of the ‘black truck’, defined as horse-trading between members of parliament fighting for ministerial portfolios and key positions in the government on behalf of their constituencies. Reilly (2004) has identified similar trends in Papua New Guinea, where the popular expectation is that once a candidate is successfully elected into the parliament he/she will use his/her position to extract resources from the government and distribute them back to his/her clan. This would seem to be a common expectation in Melanesian societies, where ‘people have come to regard government as the major, or only, source of opportunity and finance’ (Reilly 2004, p. 50). It is argued in this thesis that this expectation is indeed one of the root causes of development impasses, which many outsiders have failed to understand, tending instead to use other factors such as ethnicity, linguistic diversities, and fragmented societies to explain development failures in the post-colonial Melanesian societies (Reilly 2004; Morgan 2004). Furthermore, this thesis argues that many leadership challenges in Melanesian societies, and Vanuatu in particular, are due to inherent tensions within traditional beliefs underpinning customary leadership values and practices. In the absence of structures to define and regulate competition for power, wealth, and status, compromises are struck, accommodation sought, and understandings confined, resulting in the misallocation of public money. The present research treats corruption as a consequence of a wider internal process of social conflict and change, which is either running out of control or taking Vanuatu in a dangerous direction.
The uneven distribution of state resources resulting from such corruption has caused a poor standard of delivery of services, and poverty of accessibility to almost all rural remote communities of Vanuatu. Because the political parties were developed and sustained on the basis of resource distribution to electorates, the parties that were on the government’s side have had a powerful influence and the opportunity to divert state resources and projects to their constituencies and political support groups. This happened at the broader expense of other constituencies that were on the opposition side; and thus the battle to hold a ministerial portfolio or be in the government is a continual challenge to political stability and continuity of policy in Vanuatu. The use of money as a form of bribery to solicit the loyalties of members of parliament has been a feature of Vanuatu’s politics, and this practice urges individual parties to seek funding abroad through means that are outside the rule of law. In November 2014, the government of the Prime Minister Natuman suspended the leader of the opposition, Mr Carcasses, plus fifteen other members of parliament, for alleged bribery and the use of illicit funds to destabilise his government. The suspension was challenged in the court and the court reinstated the sixteen members of parliament on the basis that their rights had been breached. The case was further challenged in court, which saw fourteen members of parliament being convicted of alleged official bribery on 9th of October 2015 and sentenced to jail on 22nd of October 2015. On the 9th of October 2015, the Supreme Court of Vanuatu found that the individual payments of one million vatu were “corruptly made” by Mr. Carcasses to the 14 other convicted members of parliament and “corruptly accepted” by them, as an inducement to secure their support in the motion of no-confidence that ousted the then Prime Minister Joe Natuman and brought the government of Sato Kilman to power with Mr. Carcasses as Deputy Prime Minister (Joshua 2015). This instance was representative of other cases of increased leadership instability and continual constitutional challenges in the court (VanTrease 2011). On the other hand, the government makes sure it satisfies members of parliament by resourcing them with government vehicles and travel incentives abroad, all at the expense of public funds and poor delivery of services to local communities.

Corruption in the public sector is corrosive of state resources (and of public trust); and, as a consequence, many rural and remote communities in Vanuatu confront poverty of accessibility to basic services such as infrastructure, health, education, clean water, and market accessibility. In July 2014, Prime Minister, Joe Natuman, in his official address to the people of Vanuatu at the independence celebration, acknowledged that the greatest enemy to Vanuatu is corruption and poverty:
The common enemy, which was colonialism, has gone. We as the people and leaders of today, in the government, civil society, church, chiefs, women and youth, must know what our common enemy is today. It’s not about who our common enemy is but rather what is our common enemy today? Once we have identified this, we must work hard to eliminate it from our society. Unlike colonialism, which was then the only common enemy, today we have many common enemies. The major common enemy is poverty and corruption. Poverty breeds corruption and corruption breeds poverty (Natuman, 30 July 2014).

At the global level, corruption is recognised by the President of the World Bank Group, Jim Yong Kim, as the “public enemy number one” in developing countries (World Bank 2013). However, it is suggested here that the global recipe and approach to addressing corruption in Vanuatu and elsewhere has little relevance in contributing to good governance and therefore, as it is argued in this thesis, there is a need to recognise and give greater relevance to the local context. The universal Worldwide Governance Indicators and Principles assume that corruption is a global challenge that can be treated similarly throughout the world regardless of contextual differences. This thesis argues that this could be a fundamental error, given the immense differences in socio-economic and political characteristics around the globe.

1.3 Good governance
Governance is an idea that has been popularised by international institutions, such as the World Bank and the United Nations, especially to guide development and eliminate malfeasance. The first discussions of “governance and corruption” were promulgated by the modernization school, which tried to justify the lack of democracy and the presence of corruption in many of the developing countries that were colonised by Europeans or ruled by undemocratic and corrupt regimes (Huntington 1968; Khan 2004). In the South Pacific region, it was between the 1960s and the 1980s that many countries made the transition from colonisation to independent statehood by adopting new institutional values premised on the principles of liberal economics and liberal democracy (Larmour 2002). However, in many instances, particularly in the South Pacific region, new states began to experience serious budget crises and political instability after the first and second decades of working with newly established democratic and market institutions (Fraenkel 2013; Knapman & Saldanha 1999). Rent-seeking behaviours (where individuals or groups of people seek to obtain financial advantage in the form of monopolies), compounded by issues of political instability, budget crises, and macro-economic instability, have impacted detrimentally on the economies of most developing countries (Khan 2006).

As will be discussed, those challenges triggered a change in policy direction, at the behest of the World Bank and the International Monetary Fund (IMF), which led to the adoption of structural adjustment programs in the 1980s. These programs were intended to head-off future budget crises in
developing countries thought to weighed down by unsustainable indebtedness (Khan 2004). The debt problems that rocked Latin America in the 1980s brought about the so-called “Washington Consensus”, built largely on the liberal economic principle of reducing the size of the state’s function and empowering market institutions to promote economic development, based upon Williamson’s analysis of the Latin American crises (2004).

As Khan (2004, p.109) points out, liberalisation policies carry the expectation that they will prevent such crisis by removing the incentive of rent-seeking. However, frequently, the adoption of liberal model of governance can have the reverse effect. Indeed, the results of the structural adjustment reform policies in developing countries were more disappointing than anticipated; and there is evidence from the experiences of Sub-Saharan Africa and elsewhere that the reduction of the state’s role did more harm than good (Khan 2004; Ogbaharya 2008).

During the decolonisation phase, developing countries were forced to adopt political institutions imposed by their departing colonial authorities, and later through policies and programs of the international aid institutions. Once institutions are established, pressure is then applied from aid donors for governance practices to be reformed to correspond with international expectations; however, no sustained thought is given to the “governance capabilities” required to effectively implement desired reforms and manage the complexities of “transition” in respective countries (Khan 2004).

The World Bank’s governance agenda places emphasis on capabilities and on the roles of the state in creating a policy environment that would allow the market to drive growth and development. Integral to this new discipline, the Worldwide Governance Indicators (WGI) have now become universalised as measure of governance effectiveness and also of compliance with international governance norms. While this framework was based on the experiences solicited from industrialised societies and advanced economies, it nevertheless provided a starting point to understand how the imposed development policies, priorities, and institutions in developing countries come into tension with existing local governance practices.

Characteristic of this new governance agenda is the expanded definition of governance, beyond the mere exercise of power in the public domain (World Bank 1992) to a broader view that encompasses state legislated authorities and informal authorities in the society. In this understanding, governance is defined as the ‘traditions and institutions by which authority in a country is exercised for the common good’ (Kaufmann 2005, p. 82). This definition forms the foundation of the WGI, and it encompasses three key areas of governance and six indicators, as depicted in Figure 1.2. However, while acknowledging the place of tradition and authority, these indicators still describe “good governance” in terms that accord with Western political and economic liberal “scripts”.

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This is a standard liberal model of democratic politics, made into a universal measure of good governance that is disseminated by state and international aid development agencies. Firstly, the essence of good governance, as per this framework, is described as a participatory process where citizens have equal rights and opportunities to choose and elect their representatives to government and, most importantly, participate in public decision-making that impacts on their livelihoods. Inherent in this participatory process is the element of voice and accountability mechanisms, which in most cases implies a single generic approach, neglecting the fact that the democratic government can also invent policies that are repugnant to international law. As Reilly (2004) points out, the accountability processes are more difficult in South Pacific countries, especially archipelagic states, where islands are dispersed and people are divided on the basis of languages, religions, and traditions. Nevertheless, this does not mean that there is no opportunity to develop a common coherent accountability mechanism among different polities and institutions; however, as is argued in this thesis, the changes cannot be imposed in a locality without negotiating the meanings for local peoples of such changes and establishing a common understanding of what it means to be “well governed”.

Secondly, according to Khan (2004), good governance reform aims to promote government capabilities to design policies that are market enhancing. Hence, the term “effectiveness” is a borrowed economic term from the private sector, which has been transferred into the public sector to measure “government effectiveness”. In the public sector, the term “effectiveness” refers to policies that make markets more efficient by reducing the transaction costs (Khan 2004). In addition, there is the notion of pro-poor service delivery, as a means to measure state effectiveness in addressing
poverty, enabling the majority to benefit from state’s basic services such as schools, clean water, and health services, as well as creating expectations that would drive a popular demand for greater accountability. However, this approach does not take into account structural problems in most developing countries that pose greater hindrances to the implementation of market-enhancing strategies. For instance, inherent in the market reform policies is the notion of property rights, which tend to collide with the collective rights of traditional societies and other local resource management practices in most developing countries (World Bank 2006a, 2010). Indeed, the regulations governing the leasing system and property rights in most developing countries contain many provisions that are in conflict with socially embedded local practices, thus inviting corrupt practices (Cain & Jowitt 2004), as this thesis will argue is the case in Vanuatu. Thus, using effectiveness measures as an indicator to test government performance in promoting policies that are market friendly is inadequate, in the sense that many developing countries experience various binding constraints that limit their growth and the size and capacity of the private sector to boost their economies (Bazeley & Mullen 2006).

Thirdly, the state requires effective law enforcement agencies and accountable institutions (for example, police, an ombudsman, an auditor general and judiciary), to enforce rules and regulations as well as monitor compliance. In most developing countries, weak capacity in law enforcement is compounded by the absence of public demands for accountability. The rules and laws are not widely known or understood by the general population, and often the state does not have sufficient resources to educate its citizens about new laws and regulations. This has weakened accountability and creates an opportunity for local elites to manipulate the regulations for their own benefit (Cain & Jowitt 2004; Vanuatu Ombudsman 1998b). In other words, the limited knowledge by the public of laws and regulations has weakened capacity to hold the perpetrators accountable for their actions. However, as Khan (2007) argues, governance capabilities are critical to effecting change in the structure of the economy in developing countries, and often aid donors do not appear to take into account the critical need for improved governance capabilities, in their lending policies.

These phases of governance reform pressure from international institutions have not resolved the challenge presented by multiple sources of legitimate authority in Vanuatu. The present thesis argues that, in the context of Vanuatu, the gap between state-led governance and kastom governance ensures that institutions work in conflict with each other. This conflict can translate into various sources of corruption, which pose greater challenges to governance reform and political stability. As such, understanding the sources of corruption as a consequence of various social relations in localised contexts, and of the conflict between the two sets of values, solicits a greater appreciation of the relevance for the Malvatumauri National Council of Chiefs (MNCC) to act deliberatively, utilising collaborative strategies to mediate between different multiple authorities and expectations. Indeed, the
Kastom jifs have demonstrated their capabilities to adapt to the changing development context in Vanuatu and effectively address social, economic and political conflicts at various levels of society in which the state cannot operate. Thus, it is argued in this thesis that the perennial struggle for equal development power and authority between the two institutions may be managed by upgrading the role of the kastom authority from a mere consultative and advisory body to a meaningful, deliberative and collaborative institution. It would then have the capacity to negotiate between different political authorities and institutions in Vanuatu, with the intention of promoting relevant and effective development objectives at the national and local levels.

To address contested political institutions and the issues surrounding the top down process of approaching development in Vanuatu, a collaborative governance model is developed taking into account the challenge of increasing active participation of mass population in far remote and rural areas of Vanuatu. This collaborative governance model is covered in Chapter Eight of this thesis and it builds on a sound literature review of the work done by John Dryzek and Ansell and Gash (Ansell & Gash 2007; Dryzek 2009). According to Dryzek (2009) collaborative governance will help reduce confrontational nature of policy debates and will create an avenue for a greater dialogue and consensual decision making.

1.4 Research aims and objectives
The aims of this research project are to:

- **EXPLAIN** how the “collision”, between traditional values of social order and authority, and modern imported models of rational-legal government, creates opportunities and incentives for practices deemed “corrupt”
- **UNDERSTAND** corruption as a consequence of social and political tensions traceable to the colonial era in Vanuatu
- **EXAMINE** the potential for traditional institutions, especially the jifly councils which enjoy broad legitimacy and credibility, to play a pivotal role in building a resilient governance system in Vanuatu and to contribute to bridging modern and traditional concepts and practices of governance

1.5 Research question
The overarching research question is:

What are the sources of corruption within Vanuatu government and society?
This is followed with four sub-research questions to help address the overarching research question. The purpose of these sub-research questions is to guide the data generation:

a) In functional terms, in Vanuatu, what is corruption?

b) What are the dimensions of corrupt behaviour within Vanuatu society?

c) How do we explain the phenomenon of corruption in Vanuatu?

d) What strategies are available using local cultural means and traditions to build resilient governance institutions in Vanuatu?

1.6 Rationale and the significance of the study

This thesis will add a new perspective to understandings of good governance in Vanuatu by providing new ways of identifying major sources of corruption within government and society. It adds a new dimension in that it views sources of corruption as consequences of the collision between two value systems in a local context. Therefore, understanding the sources of corruption as a consequence of a collision between two broadly conceived sets of cultural values helps us to understand why the MNCC can be seen as an important mediator between different multiple authorities that operate in that created empty space for socio-economic and political development. It is anticipated that other neighbouring Pacific countries which share similar challenges with Vanuatu will benefit from this research, through identified practical approaches of how kastom governance and state governance institutions can work collaboratively to promote sustainable, resilient and inclusive development, as well as promoting effective delivery of services to the people of Vanuatu.

1.7 Structure and outline of thesis

Chapter One provides an introduction to the problem investigated in this thesis, followed by the research aims, research questions, and the research significance, as well as the contribution it will make to the knowledge of good governance in Vanuatu. Chapter Two reviews literature underpinning the World Bank’s ‘good governance’ strategy, and its philosophical foundations based on theories of economic and political modernization, democratization and development, as these relate to Vanuatu. It examines how the concept of governance has been universalised and imposed on developing countries in a manner that gives scant consideration to local contextual factors. It is evident that liberal governance prescriptions fail to “compute” traditional values of social order and authority. Chapter Three provides the theoretical underpinnings of the research methodology and methods used in this thesis. To understand the nature of corruption in Vanuatu, this thesis employs a patron-client network relationship as a framework of analysis to unpack the contestability of power between kastom authority and legislative authority, and how the collision between the two values creates a space and opportunity for significant corruption within Vanuatu government and society. This is followed by a
discussion of the research framework, case study methodology and the methods utilised. The chapter ends with a discussion of the ethical framework and limitations of this framework and methodology. Chapter Four sets out the divisions and fractures within Vanuatu society, which are clear fault lines of conflict that stem from religious beliefs, *kastom* practices and traditional rivalries overlain with imposed ideologies from outside. In other words, the ideologies of Christianity, *kastom* practices or socially embedded local practices, and ideologies of the nation state brought in from outside have contributed to multiple fault lines that can develop into serious fractures.

Chapters Five and Six contain two selected case studies that have been used to exemplify and interrogate the issues and challenges to governance in Vanuatu that are investigated in this thesis. The first case study is of the MNCC, and the focus is on the formation of the *jifly* council as an exemplar of the kinds of mistakes that the colonial authorities and, more recently, international institutions such as the World Bank and the United Nations have made in transforming or reforming power and authority in the developing world.
**Figure 1.3 Structure of the thesis**

### Phase 1. Philosophical Foundation

- **Chapter 1: Introduction**
  Research problems & contribution, Research aims, questions, and thesis structure

- **Chapter 2: Literature Review**
  Conceptual framework and gap

- **Chapter 3: Research Designs**
  Research theoretical and analytical framework

- **Chapter 4: Cultural Landscape**
  Divisions and fractures within Vanuatu society

Interpretive approach using case study, documentary analysis, interview, and participation observation

### Phase 2. Research Evidence

- **Chapter 5: Malvatumauri National Council of Chiefs**
  Imposed Governance & Complexities

- **Chapter 6: Development Bank of Vanuatu**
  Conflicting values & personalisation of power

### Phase 3. Synthesising the findings

Narrative of documentary and empirical analysis

- **Chapter 7: Interpretation & Discussions**
  Sources of corruption

  Visualising the way forward - using Democracy's New Discipline: Public Deliberation as Organizational Strategy

- **Chapter 8: Policy Implication**
  *Nakamal* as a collaborative strategy to reduce conflict and tension within Vanuatu government and society

- **Chapter 9: Conclusion**
The second case study is of the Development Bank of Vanuatu (DBV), and the focus is on how legal-rational institutions fail to accommodate socially embedded local practices and, as consequence, on the flaws that emerge in institutions, which provides significant opportunities for corrupt practices and conflict within government and society.

Chapter Seven focuses on the sources of corruption as consequence of various social relations in localised contexts, and the working out of contradictions and conflicts between socially embedded local practices and beliefs and the expectations of rational legal state governance. Chapter Eight suggests a way forward to reduce conflict between the different powers and authorities, in order to establish amicable relations in the best interests of promoting equity, equality and sound development practices. Acknowledging that the conflicting values between the two worlds can translate into various sources of corruption in a localised context encourages a greater appreciation and understanding as to why the jifly institution is an important institution for mediating between the two worlds. Chapter Nine provides a conclusion and highlights the contributions and limitations of this study as well as pointing out future research areas that are not covered in this thesis.

1.8 Conclusion

Vanuatu, as a new nation, confronts a particular set of development challenges, including the challenge to reconcile diverse social customs (kastom) with state governance expectations and a democratically elected parliament. Secondly, there is a tension between state governance and kastom governance, which creates legitimacy and governance gaps within which the opportunities for corruption are significant. This compromises institutional performance and hinders the equitable and efficient delivery of services to the citizens. Thirdly, notions of state leadership and authority in Vanuatu are infused with customary ideals and values, which creates conflict between practices based on customary (kastom) values with that of state governance expectations. This is reflected in the way in which members of parliament are compelled to compete with each other to gain access to state resources in order to distribute them to their electorate as a means to validate their political authority. This practice has led to political volatility, with frequent changes of government since 1991 as well as the proliferation of political parties, causing further polarization (White 2007; Morgan 2004). It has also led to maladministration of a number of government enterprises, including the National Provident Fund (VNPF) and the winding down of the Vanuatu Maritime Authority (VMA), and the Development Bank of Vanuatu, to name a few. Most of the key development problems as experienced in Vanuatu stem from these three key issues: the conflict between kastom governance and imposed legal-rational state expectations; the legitimacy crisis confronting the state; and rivalry between those claiming kastom authority and those claiming legislative authority.
Chapter 2: Literature Review

2.0 Introduction

The course of political development in Vanuatu reflects the influence of global ideologies and the forces of globalization, ranged against, it would seem, local traditions. The prevailing “ideal model” of political, social and economic development in Vanuatu is largely one imported from abroad through the experiences of colonization and more recently in the form of development priorities imposed by external agencies such as the World Bank, the United Nations, and aid agencies. This development approach is often carried out in a manner that exhibits little consideration for existing traditional institutions and how they can be blended with international expectations and norms to address local and specific development challenges in developing countries. As argued in the previous chapter, the collision between widely contrasting value systems translates into potential and actual sources of corruption within the Vanuatu government and society, where multiple institutions operate and compete in a common political space. This chapter reviews the literature on the World Bank’s “good governance” strategy to address corruption related problems in developing countries. It explores the philosophical foundations of this World Bank construct through theories of economic and political modernization, governance, democratization, corruption and development, as these relate to Vanuatu. Indeed, there is a wide and varied literature on culture and modernization in the Pacific, much of which draws upon the work of anthropologists, and all of which in some way informs this analysis of governance and corruption in Vanuatu.

2.1 Governance as a global discourse

“It was only in the 1990s that a confluence of factors emerged that vaulted governance onto the main stage of international development” (Carothers & Gramont 2011, p. 3). The accumulated frustrations of donors over development failures in many developing countries led international institutions such as the World Bank and the United Nations to push for global attention to governance (Carothers & Gramont 2011). This frustration was evidenced in the 1989 World Bank report on the shortcomings of governance in Sub-Saharan Africa. This report became a landmark publication sparking discourse around global governance. The 1992 World Bank report aligned governance to development and stated that without improved governance, sustainable development, both economic and social, is impossible (World Bank 1992). This was followed by the 1997 World Development Report, which recognised that without an effective state it would be impossible to achieve sustainable development (World Bank 1997). From that time, the World Bank and the United Nations have become influential in shaping global governance discourse as an integral strategy for sustainable development and growth, to the point where there are now Worldwide Governance Indicators (WGIs) as universal benchmarks for good governance reform.
Furthermore, the World Bank, in its 2007 Governance and Anti-corruption Strategy, spelled out the need for coordination at the global level to improve governance, including support for transparency measures, efforts to combat money laundering and tax havens, and international anti-bribery regulations (World Bank 2007). Around the same period, the United Nations Convention Against Corruption (UNCAC) was signed by UN member countries, recognising, among other things, the need to repatriate looted assets stashed abroad by corrupt leaders (United Nations 2004). Furthermore, in 2007 AusAID launched its policy on tackling corruption for growth and development in Asia and Pacific region (AusAID 2007). As Buchan and Hill (2014) observe, over the last three decades, the increased discussion of corruption-related problems and of the ‘good governance’ agenda as the strategy to address them has led to the development of a plethora of national and international policy proposals, international agreements and anti-corruption program initiatives. Many of these development initiatives are driven by multilateral institutions such as the World Bank, the United Nations, and other aid development agencies in which anti-corruption and good governance strategies have been integrated as pre-conditions of their financial lending and technical support to developing countries.

Pacific Island states have been forced to adapt to fiscal austerity measures imposed by donors and by changing international economic conditions. For instance, Saldanha points out that it was around the period beginning in the 1990s that many developing countries, and more specifically the South Pacific region, experienced a ‘fiscal crunch’ (2004, p. 30). This was a situation where state governments faced fiscal crisis and political instability, and this triggered governance reform and, as a consequence, has brought a number of Pacific countries to the negotiating table with donors (Saldanha 2004). Saldanha (2004, p. 30) further argues that, in some countries, wide ranging reform measures were designed and implemented in the context of a “no choice situation”, given the graveness of their public finances.

The 1997 Comprehensive Reform Program (CRP) in Vanuatu was triggered by increased political instabilities, a budget crisis, macro-economic instabilities, and weak governance accountabilities (Gay 2004). The accusation of the misuse of public resources led to external intervention by development financial institutions such as the Asian Development Bank (ADB) and other aid agencies. In 1997, Vanuatu borrowed US$20 million from the ADB to restructure and reform the whole public sector (ADB 2002; Gay 2004). The loan was provided in two tranches, and the reform was staged in two phases, phase one being a pre-requisite for phase two. The conditions for the release of the funds are shown in Table 1. The five main objectives of the CRP were: renewing the institution of governance; redefining the role of the public sector; improving public sector efficiency; encouraging private sector led growth; and improving social equity.
Table 2.1 Loan conditions

<table>
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<tr>
<th>First tranche loan disbursement conditions</th>
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<tr>
<td>1. Pass new government act to define boundaries between political leadership and public service.</td>
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<tr>
<td>2. Enact leadership code for politicians, senior civil servants and other leaders.</td>
</tr>
<tr>
<td>4. Pass expenditure review and audit act.</td>
</tr>
<tr>
<td>5. Pass public service act.</td>
</tr>
<tr>
<td>6. Establish department of strategic management to coordinate the CRP.</td>
</tr>
</tbody>
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**Conditions for second release under first tranche**

| 1. Introduce value-added tax. |
| 2. Cut public sector employment by 10–15 per cent. |
| 3. Establish Development Committee of Officials. |
| 4. Establish Asset Management Unit. |
| 5. Externally recruit new executive staff. |

**Conditions for release of second tranche**

| 1. Establish expenditure review committee. |
| 2. Implementation of management improvement plan to improve key management systems. |
| 3. Establish government remuneration tribunal. |
| 4. Establish master plan for national infrastructure development. |
| 5. Transfer good loans from former Development Bank of Vanuatu to the National Bank. |

Source: (UNESCAP 2002, p. 4)

The ADB applied the same neo-liberal principles as the IMF and World Bank, thus ADB loans to Vanuatu were conditional on meeting specific “structural adjustment” targets. As Gay (2004) argues, to remedy the capacity constraint of the existing institutions, the ADB deployed forty-two international consultants on the ground to carry out the first phase of the reform programs. However, this kind of approach has often led to the imposition of institutional models that are out of touch with the social and economic realities of recipient countries, and at the expense of tapping the potential of...
political institutions already on the ground in these countries’ (2011, p. 12). An example can be solicited from the CRP in Vanuatu, of which Gay makes the following observations (2004, p. 24):

- Governance reform left a lot to be desired, the political system was unstable and corruption was growing.
- It was a mistake to enact a governance-heavy package of reforms rather than attack macroeconomic problems.
- The lack of tailoring of the reform to local circumstances further emphasises the apparent lack of consultation with national policymakers, despite attempts to portray the program as home grown.
- The worst failing of the CRP is perhaps not that it worsened economic performance, rather it was the missed opportunities. Vanuatu has taken on the garb of economic restructuring but little of the substance.

On a broader scale, there have been increased criticisms of international development approaches to governance reform in developing countries (Carothers & Gramont 2011). These criticisms, as argued by Carothers and Gramont (2011, p. 4), are levelled at international development aid agencies for ‘exporting precooked and inappropriate institutional blueprints as well as failing to take into account local political realities and resistance to reform within many host governments’. In a similar vein, Hydén makes the following observation:

The principles of ‘good’ governance have been based on a single formal model built around the twin concepts of participation and freedom of choice that, when applied, has all the features of the liberal (Western) version of democracy. Good governance in the international development discourse has been so closely tied to forms of liberal democracy that a belief in good governance as a cause of economic development has emerged (2011, p. 8).

This carries the assumption that the best practices come from Western democratic institutions, and thus that the ultimate purpose of international development aid agencies is to institute these best practices and values in developing countries that by implication lack them (White 2007). Carothers and Gramont challenge this assumption and argue that to advance development status of developing countries it is critical that donor communities strive for ‘best fit’ rather than ‘best practices’ (2011). They observe that:
Governance aid initially focused on building best practice institutions, that is, pushing and helping developing countries to conform to a set of recommended practices for such institutions drawn from the experience of developed countries. This approach has proved problematic. To start with, of course, are problems with the concept itself - whether coherent sets of best practices in fact exist across the varied domains of each institutional category in developed countries (Carothers & Gramont 2011, p. 10).

This quote demonstrates that it is important for aid development agencies to recognise local context. For instance, Court (2006, p. 1) argues that ‘governance is contextual and while it is possible to identify concepts and principles of governance that are universal, they make no sense without adequate contextual references’. Furthermore, in commenting on the interaction of governance and growth, North and his colleagues argue that there is no general recipe for improving institutions and therefore ‘exporting good economic institutions is as hopeless as exporting democracy’ (North et al. 2008, p. 3).

According to Ogbaharya (2008), Sub-Saharan African experiences of the implementation of the Washington Consensus policies provide a vivid example of imposing reform that disintegrated the established forms of collaboration that states, non-state entities, and informal institutions used to cultivate institutional reconciliation, interpretation, and integration between macro-level government structures and sub-national social institutions. Similarly, Abrahamsen (2000, p. 2) argues that ‘good governance discourse serves to legitimise a minimal form of liberal democracy based on civil and political rights, while delegitimizing and marginalising alternative conceptualization based on popular participation and the promotion of the social and economic rights of the poor’. The World Bank model is inherently suspicious of any relationships between governance actors that imply principles deemed incongruent with policy and market efficiency.

In the Pacific region, as Ray (1998) observes, many policy reform initiatives focusing on good governance have failed to achieve the desired objectives of lifting economic performance or improving government functioning, because essential features of these societies were not factored into new policies and programs. Similarly, Duncan (2011, p. 20) argues that ‘aid agencies should therefore attempt to develop institutions in the Pacific that are a better match with Pacific values’. This point is supported by Gay (2004), when he makes reference to reform in Vanuatu as an exemplar of the kind of mistake where donors mismatch the realities on the ground with an overambitious reform package. Furthermore, in considering a modern governance approach in the Solomon Islands, Morgan Wairau argues that:
the ordinary people in Solomon Islands are marginalized by the modern governance system of government, and [he] calls on his compatriots to seize the opportunity offered by the Regional Assistance Mission to Solomon Islands [RAMSI] to construct governance that is more inclusive and that underpins people’s livelihoods (2006, p. 409).

In a similar context, Scales (2005, p. 146) suggests that informal systems of governance that are already home grown in the Solomon Islands villages can better deliver the notion of liberal democracy through greater participation. It is therefore important to incorporate this notion within the Solomon Islands way of getting things done through multiple network partnerships. He further argues that this will help provide answers to the continued challenge of how to connect dynamic, ‘traditional’ local level governance with legal-rational systems of government in the Pacific and, more broadly, in other developing countries.

Clearly, the absence of uniformity across different countries and regions is evidence enough that there is no single universal governance prescription. For instance, in commenting on South Asian governance and economic growth, Jamil and Dhakal made the following observation:

The recipe preferred by international development agencies such as the WB, UNDP, and the IMF has coined bad governance as the major obstacle to economic development. The South Asian case, however, depicts a different scenario. Despite poor political governance, the economic governance has been effective and successful which may suggest that governance is not a pre-condition for economic development, rather, it may be the other way round as we observed in the case of the East Asian nations (2013, p. 2).

This quotation challenges the universal governance approach, and demonstrates the ambiguity of the words “governance” and “corruption”, which can mean different things in different local contexts. There is now, as Kelsall (2011) argues, a need for a “grounded approach” to understanding the interaction of traditional culture and local practices, which exert greater influence in social and political systems at the local level, with that of legal-rational governance and global ideologies at the national and sub-national level. This is echoed by Carothers and Gramont (2011, p. 4), when they suggest that good governance is all about ensuring political feasibility, local ownership, and greater understanding of the local practices and rules of informal institutions, rather than technical elegance. In a similar vein, Booth observes that governance reform is more effective when donors and other international agencies ‘work with the grain’ of the society that hosts them (2011, p. 1).

In the grounded approach, Pritchette and Woolcock (2004) argue that governance is no longer about resources and what the international institutions deem to be the right approach, but more about how
context matters for development. Carothers and Gramont refer to the grounded approach as the ‘theory of the second best’ or ‘second generation of governance’, which:

seeks to be more politically attuned in conception and implementation, to address demand for governance alongside supply, to reach the local level as much as or more than the national level, to push for institutional change that best fits local circumstances, to take into account informal institutions, to integrate a governance focus into traditional aid sectors, to address international causes of poor governance alongside domestic ones, and to modify internal donor governance to allow for the positive adaptation to these new principles (2011, p. 17).

From the literature on the second governance generation, to find the best fit requires a greater understanding of existing informal institutions and local politics on the ground that can become solutions to governance problems (Carothers & Gramont 2011; Hydén 2011; IDS 2010). This includes civil society, informal traditional institutions such as family and kinship, and chiefly organizations that are key players in ensuring sustainable governance and development (Tuimaleali’ifano 2006). As is argued by the Institute of Development Studies (IDS), ‘[i]nformal institutions and personalized relationships are usually seen as governance problems, but the research suggests that they could also be part of the solution’ (IDS 2010, p. 2). It further argues that to view informal institutions as part of the solution, development practitioners need to change their mental models and to stop viewing the world through Western lens. Without this they will not make the necessary investment in understanding the dynamics of local politics, or make fundamental changes in their own organization, values, attitudes and behaviour (IDS 2010). Hence, this is where understanding of the traditional local practices or kastom governance is critical to the improvement of governance problems in Vanuatu, and broadly in the South Pacific region.

2.2 Traditions as the opposite of modernity

Traditions and modernity are frequently portrayed in literature in opposition to each other. Beginning with definitions, tradition in its Latin meaning denotes a process of passing knowledge and doctrine from one generation to the next (Gross 1992; Lawson 1996). This definition, as argued by Gross (1992, p. 8), implies a ‘set of practices, a group of beliefs, or a mode of thinking that exists in the present, but was inherited from the past’. On the other hand, modernity, according to Gillespie (2008) and Gross (1992), is defined as a change from a primitive state of being to an “innovative” and “rational” state of being. According to Lawson (1993), this view invites criticism of the notion that whatever is traditional in social and political life is, in some normative sense, opposed antithetically to something we call modern. She further argues that this ‘antithetical treatment of the concepts has given rise, inter alia, to the entirely mistaken idea that as everything that comes under the rubric of
“modern” is, practically by definition, “rational,” so everything that can be categorized as “traditional” is “irrational” or at best non-rational (1993, p. 4). Indeed, as she further points out, developing societies are now living in two worlds - one standing for the rational, innovative West, and the other for the primitive, traditional third world. This implies that the concepts of “innovative and rational” can be interpreted differently in the two worlds, and that what make sense in many social systems may not accord with the Western notion of rationality and innovation. For instance, according to Gillespie (2008), in a rational world people define themselves in terms of time, while in a traditional society people define themselves in terms of place or land, their race or ethnic group, their tradition or their gods, but not explicitly in terms of time.

Traditional society in the Pacific region has been built on certain traditional values of social order and authority that are quite distinct from that of the legal-rational state values and institutions, as discussed in Chapters One and Four of this thesis (Lawson 1996, 2012; Ratuva 2008). These traditional values of social order are embedded in the minds of people, and they have cherished and valued them as an integral part of their lives. These values, among others, include reciprocal relationships, strong family support and respect, traditional politics, restorative justice, and respect for leaders. A survey of the current literature in the region demonstrates that there is a knowledge gap between the two societies (legal-rational and traditional), and that therefore the design of rational socio-economic and political institutions is often ill-conceived and misguided to the extent that it creates conflicts of values of social obligation and authority in society (Dinnen 2008; Kabutaulaka 2008; Rio 2010). For instance, taking a classical example of the land tenure systems, in the Pacific region land ownership is embedded in collective rights, versus the legal-rational land tenure system of land leasing and individual rights (VanTrease 1983, 1987). The 1998 Ombudsman’s report on corrupt land dealing in Vanuatu is a case in point, where a State Minister abused his ministerial position and power to sell state land to his close relatives (Vanuatu Ombudsman 1998b). The conflict between these two systems of land tenure, arguably, can translate into various sources of corruption in the legal-rational sphere.

Tradition is central to human life (Inglehart & Welzel 2005). In medieval societies and most importantly in many developing countries tradition remained a crucial source of social order and political authority. In traditional societies, as Lawson (1993) observes, social order is conceived as hierarchical, organic and unchanging; and therefore there is a view that it is imbued with a strong emphasis on personal and particularistic relations, which could undermine any sort of independent political aspirations. Paradoxically, this view of feudal custom is at odds with the depiction of traditional social systems by Adam Smith, one of the intellectual leading lights of what we know today as modernization theory (Smith 1977). It would appear that even economic rationalisers can, or at least once did see the value of social institutions that bind people together in communities. In Adam Smith’s view, the fabric of social order in traditional societies is an important complementary tool to
support a market system and individualism in order to bring wealth to nations. This is a critical point that has been misconstrued by the modernization school of thought and the good governance discussions, in which the values, norms, and process of traditional society are perceived as inferior and impediments to rationalist political institutions and market-enhancement strategies. In Adam Smith’s thesis on the moral sentiment, he argues that moral values of benevolence are a binding basis for social fabric, harmony, and unity in traditional society, which are necessary pre-conditions to boosting development and markets (Smith 1759). In other words, as Coker puts it, the theory of the wealth of nations is not meant to reject the social system of the theory of moral sentiments, but rather it is intentionally constructed in a manner that it will emerge from the foundation of social order in local communities, which is critical for self-regulating markets and institutional stability in societies (1990).

The seminal contribution of Adam Smith, of the concept of ‘individualism’, which he argues should be developed within a context of social system, as stipulated in his theory of moral sentiments, demonstrates that social institutions are malleable and can work in a complementary manner to support development objectives (Smith 1759; Coker 1990). To Smith, there are two potential sources of social order: order derived from the practices of moral virtues of love, respect, sympathy and social collectiveness; and order that is derived through the market system and Durkheim’s later concept of contract (Cotterell 1999; Giddens 1972). In this understanding, there is a possibility that informal and formal institutions can work in tandem to spur development growth in developing countries.

There are thus strong theoretical and empirical grounds for challenging the supposed dichotomy of tradition and modernity, and for the argument that this “opposition” no longer has relevance to the challenges facing developing countries, excepting where this dichotomy remains embedded in Western discourses of governance and development. Debate in the literature has reflected this shift, from the dichotomy of the two institutions to the acknowledgement of the informal institution as a solution to governance challenges in developing countries (Booth 2011; Carothers & Gramont 2011; Goran Hyden, Court & Mease 2004). As Lindstrom (1982) and Lawson (1993) observe in the South Pacific, the view of tradition as being in opposition to modernity challenges the traditional power and political institutions, because traditions form the basis of their political identity. The present thesis argues for a need to shift the focus, from viewing informal institutions as a major part of the governance problem to the analysis of tradition as a source of resilience and a vehicle through which to initiate social and political change in Vanuatu (IDS 2010).

Furthermore, as Durkheim argued, social order is achieved through inherited values of kinship hierarchies, and family institutions in which order is fixed as a natural condition (Giddens 1972). To Smith and Durkheim, traditional institutions provide a foundation for a moral character that gives rise to natural order, as reflected in kinship systems where families support one another in all aspects of
socio-economic and political development (Coker 1990; Giddens 1972; Smith 1759). However, Adam Smith, in *The Wealth of Nations* (1777), argues that traditional authority can also block the emergence of an individualistic mercantile class; which illustrates the need for a more nuanced analysis of how the two systems can be integrated to support economic growth. Smith’s writings have been enormously influential in shaping liberal ideas of economic progress. What we have witnessed in contemporary debates on tradition and modernization is that classical economists rely solely on the economic arguments of Smith, and in particular the self-regulating market system, and ignore Smith’s broader view of the social system as expounded in his theory of moral sentiments (Cotterell 1999; Smith 1759).

On the other hand, modernization is based on the notion of human progress predestined by technological innovation, rationalisation, and systematic research (Gillespie 2008). Inglehart and Welzel provide a succinct summary of how modernization through socio-economic development brings radical transformation in society:

Socio-economic development starts from technological innovation that increases labour productivity; it then brings occupational specialisation, rising educational levels, and rising income levels; it diversifies human interaction, shifting the emphasis from authority relations towards bargaining relations; in the long run this brings cultural changes, such as changing gender roles, changing attitudes toward authority, changing sexual norms, declining fertility rates, broader political participation, and a more critical and less easily led public (2005, p. 19).

Inglehart and Welzel (2005) argue that this theory assumes that economic advancement will make people more secular, tolerant, and trusting, and will lead them to place more emphasis on self-expression, participation, and quality of life. Sahlins (2013) makes the point that in a legal-rational society the economist sees organisation of material life as an expression of social order in society. This is based on the notion that in the economic world a self-regulating market system is a perfect institution for regulating order, through its own mechanisms of setting prices and wages as well as allocating resources in society (Khan 2004; Willis 2011). In this frame of thinking, development process entails structural changes in the national economy, including a shift from the traditional agricultural sector to manufacturing-based industries and a service economy (Willis 2011). To make this transition, neoliberal theory argues for the redefinition of the state’s role, from being a main driver of the economy to being a facilitator and a regulator, in order to enhance and promote the effectiveness of the market. This redefinition is done according to orthodox liberal governance theory, which emphasises the provision of basic public and private goods, such as secure property rights, development of infrastructure (roads, wharves, jetties, airports, and telecommunications), law and order, and security (World Economic Forum 2014).
As is argued by Gross (1992), modernization theory assumes political rationalisation and capitalism as important vehicles to bring about fundamental change in the economy and political development in society. In other words, the best-governed states are those built on market principles and supported by legal-rational authority. One of the chief proponents of political modernization, Huntington, claims that:

> [p]olitical democracy is rational and legal on a basis that its most powerful collective decision makers are selected through open, fair, honest, and periodical elections in which candidates freely compete for votes and in which virtually all the adult population is eligible to vote (1996, p. 6).

The essence of his argument is that in a democratic state there is a strong element of political participation, competition, openness, and freedom of expression, which enable economic development. This has been an influential view, and thus the legal-rational liberal governance model of institutional development is subscribed to by international aid agencies as the “best” way to improve the socio-economic and political status of developing countries (Huntington 1996; Dinnen 2008; Lawson 1993).

The modernization project in its secular post-colonial guise begins immediately after the Second World War (Esteva 1992). In 1949, the United States President, Harry Truman stated:

> We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas. The old imperialism—exploitation for foreign profit—has no place in our plans. What we envisage is a program of development based on the concepts of democratic fair dealing (Truman 1967 p. 6).

This speech is widely regarded as a landmark in development history, and sets the concept of development within a liberal framework. Looking at the West as a ‘beacon on the hill’ or the ‘lighthouse’ of development, the President called every nation to follow in its footsteps (Escobar 1995). What can be easily deducted from his speech is the essence of development, which emphasizes the need to spread the benefits of economic growth, dismantle the colonization project, and foster democratic institutions as tools for development and growth in underdeveloped countries. As Esteva put it:

> Since then the relationship between North and South have been cast in this mould: ‘development’ provided the fundamental frame of reference for the mixture of generosity, bribery and oppression which has characterized the policies towards the South (1992, p. 1).
The call to development polarizes the world into two major categories, developed and underdeveloped; as well as being a call to escape from the primitive conditions called underdevelopment (Esteva 1992; Gillespie 2008). The Truman approach emphasized development as a process of technical adjustment by developing nations to comply with a normative agenda set by the developed North. In this understanding developed north is refered to Western countries that have a high standard of living measuring though their gross national product per capita and also their highest consumption and service economy. This is a development call that does not provide alternative ways for developing countries except to follow the footprints of countries such as the United States and Europe, which have become rich in technologies and are also categorized as highly industrialized and serviced economies (Escobar 1995).

Reflective of this modernization project is Rostow’s (1960) sequential model of development, in which he argues that development happens in a linear fashion - moving from traditional society to a stage of high mass consumption. This notion underpins prescriptions for economic development oriented towards export-led industrialization, foreign investment, and a self-regulating market system. Many developing countries have been forced to adopt these economic prescriptions through bilateral and multilateral agreements that they have signed with key international aid organizations. The linear stage theory carries the assumptions that many developing countries are ‘underdeveloped’ or ‘backward’ societies and that they need to move away from this stage to a developed stage defined by industrialization, a market economy, and service industry (Esteva 1992; Njoh 2006). The reasons often offered are because of their dependency on subsistence farming, and their strong persistence in traditional practices that are primitive and antithetical to development and thus hinder their development progress (Njoh 2006). As such, as Hydén argues, reform in developing countries is structured around liberal economic principles and political democracy, which will, it is assumed, promote economic development and gradually transform their development status from subsistence society to a service economy (2011).

However, as Inglehart and Welzel (2005) argue, changes in society are not actually happening in a linear fashion. This point is reinforced with consideration of the experiences of East Asian economies, which have shown a different path of development amidst increased criticisms of corruption or “cronyism”. As Jamil and Dhakal (2013, p. 2) have demonstrated, ‘East Asian economic development has soared with a steady growth over the last decades’. This has indeed challenged the neo-liberal development paradigm, which carries the expectation that good governance, market enhancement strategies and economic liberalization, and political democratization are necessary drivers for growth and development (Khan 2004). While such strategies have some benefits, there is no single path to political modernization, as Huntington has observed (1991). Political development is non-linear; and because economic modernization is disruptive it can generate conflicts as traditional elites and
traditional power relations are challenged (Huntington 1996). Huntington’s main contentions have been taken up by Inglehart and Welzel (2005) in their study of modernization, cultural change, and democracy, which demonstrates the powerful forces of modernization and traditions that shape the world in different development directions. Their seminal discussions on social order and different development paths highlight the need for international institutions such as the World Bank, the United Nations and other aid agencies to reconsider their development strategies and priorities in many developing countries (Booth 2011; IDS 2010).

One of the challenges facing developing societies today in creating a sustainable, participatory and representative system of government is that governing elites in many developing states regard liberal democracy as a “luxury” and an alien concept (Huntington 1991; Reilly 2004, 2010). In most developing countries we find that almost three quarters of their population remain in remote and rural areas where infrastructure is very limited. They live in traditional societies that are heavily embedded with traditional practices and a subsistence economy (Morgan, M 2004). In this context, it is difficult to implement participatory democracy because of the limited and poor infrastructure and, most importantly, many developing countries are classified as Least Developed Countries with low income and literacy rates (UNDESA 2012). These are binding constraints for local communities as they struggle to experience the benefits of democracy in terms of their full participation in elections and exercising their power of choices (Sen 1999). These challenges, according to Dinnen (2008), are manifested through the process of post-colonial state building, in which new institutional values of socio-economic and political organisation are institutionalized in a local context by European colonialisand then development agencies ignorant of already existing informal local institutions.

2.3 Building a post-colonial state

The structure of most post-colonial states has been inherited from European colonial powers (Dinnen, 2008; Henderson 2003; Larmour 2008). As such, it builds on the principles of liberal democracy and political modernization theory, which put greater emphasis on political participation, competition, and liberty as fundamental objectives of democratic institutions (Fry 2010; Sinclair 2008; and Lawson 2010). Larmour (1994) cites the Westminster system as an example of colonial created institutions where one of the requirements was for individual countries to develop their own constitutions. In this model the power is clearly separated between three important institutions: the state, legislature or parliament, and executive and judiciary, with the intention that each institution will provide a check and balance on each other’s performance. Their roles are independent but complementary. They facilitate the operation of the market; encourage participatory development and participatory democracy; and empower the state to generate its income to support its operation (Bevir & Rhodes 2003). Having participatory development and participatory democracy as an ultimate goal of state
building, it dictates the design of democratic institutions in developing states, and influences the
development programs of the multilateral financial institutions such as the World Bank and the United
Nations (Dinnen 2008; Henderson 2003; Kabutaulaka 2008). These experiences have become evident
in building post-colonial states in most countries in the South Pacific (Dinnen 2008).

In the South Pacific region, Saldanha (2004) points out that the structure adopted in post-colonial
constitutions has generally reflected the biases and influence of the colonial masters. In other words,
the post-colonial states have incorporated the institutional principles and structures of Western
democracies, with less consideration of existing traditional governance institutions. For instance,
Larmour (2002, p. 40) argues that ‘in British, Australian, and New Zealand colonies in the Pacific,
independence was achieved by transferring executive power from a Governor or High Commissioner
to a local executive, responsible to a local legislature’. In similar vein, Kabutaulaka (2008) notes that
in the Solomon Islands the government system was introduced by the British, beginning with a
government by committee, called a governing council, which replaced the legislature and executive
council. All this, as Dinnen (2008, p. 6) points out, shows that ‘many developing states have their
origin in the era of colonial expansion by major European powers during the eighteenth, nineteenth and
the first half of twentieth centuries’. In the case of the South Pacific region, Larmour (2008 p. 42)
notes that the era of decolonisation began in the 1960s and 1970s, calling it a ‘heyday of Westminster
constitution-making’ in which a new political values were embedded into the constitution with little
input from the local communities. This view is shared in Dinnen’s account of the post-colonial state in
the Melanesian region, where he argues that:

…[c]olonial powers created arbitrary borders and imposed external systems of governance
with little, if any, consideration as to their fit with existing polities and other forms of
indigenous social organisation. Colonial states were external creations with (initially, at any
rate) an inherently non-democratic character (2008, p. 6).

Moreover, in considering the process of the building of post-colonial states in the South Pacific
region, Larmour (2008) notes that many ingredients of the states’ system are borrowed from outside
or transplanted from external experiences elsewhere into the Pacific context. He makes reference to
the introduction of a Westminster constitution, arguing that it was predominantly influenced by the
technical experts and advisors who worked in the best interests of the European colonial powers.
Because of the limited local capacity, local input into constitution making was very minimal, and
what are perceived as local ingredients in the constitution were introduced to appease the local
political needs of the elite at that time (Dinnen 2008). In the Solomon Islands, Dinnen (2008, p. 7)
notes that at ‘the time of independence in 1978 there were only about a dozen university graduates’.
This reflection can also be made on other neighbouring states that were decolonised in the 1960s,
1970s, and 1980s (Dinnen 2008; Lawson 2010; VanTrease 1995). Initially, as is argued by Dinnen
(2008), the building of post-colonial states occurred when neither the colonial authority nor the indigenous local authority were ready to accept or take on new political challenges.

2.4 Challenges to post-colonial states

Faced with such a dilemma, the newly formed post-colonial states of the South Pacific region have exposed themselves to greater challenges in implementing and managing new political institutions (Dinnen 2008). These challenges included challenges of limited capacity, inappropriate institutions, and global pressure to “do it like everyone else does” (Dinnen 2008, Lamour 2008, Henderson 2003). The lack of local capacity and the limited understanding of what makes effective state-building and democratic institutions created a space for critical input by the external advisors and experts who came to occupy key line positions at the initial phase of state-building. This was because the post-colonial state institutions were grounded in new management models and skills (time management, reporting, and prioritisation of activities, bound by rules and process) that were limited in developing states (Larmour 2002). Indeed, at the initial setting up of the post-colonial institutions in the Melanesian region, Dinnen (2008, p. 6) notes that ‘local participation in political development was limited and any hint of emerging nationalism was viewed as a threat to the maintenance of colonial order’. This, according to Dinnen (2008), has ramifications for the legitimacy rendered to the post-colonial institutions because of the absence of local participation and ownership.

The other challenge is in a context of transplanting institutions from a different context to another context without taking into account the local existing institutional structures and authorities (Henderson 2003). Larmour (2002, p. 39) argues that ‘Westminster has been spread by replication, almost irrespective of underlying social and political conditions’. In a similar vein, Henderson (2003, p. 225) speaks about his experiences of political institutions in the South Pacific region, concluding that ‘democracy cannot be imposed, and that attempts to do so makes nonsense of the term’. What we have seen very lately in the post-colonial projects are elaborated state structures and infrastructures, including new development institutions such as leadership codes and ombudsman commissions, that are externally driven by the international development agencies and donors to address the deteriorating law and order in developing states (Saldanha 2004; Dinnen 2008; and Larmour 2008). Despite the substantial amount of finance donor communities have invested in this process, Dinnen (2008) argues that the development agencies are not happy with the results they get from their investment in strengthening weak recipient institutions and improving living standards. One of the reasons, as Henderson (2003) notes in his analysis of development agencies towards good governance reform in the Pacific region, is that donors have transferred modern principles that have not been translated into the Pacific context.
Some commentators refer to the approach of development agencies in the Pacific as a ‘hands-on approach’, where they bring foreign personnel to occupy the senior positions and run most of these institutions on behalf of the locals (Dinnen 2008; Lawson 2010). In this scenario, the sustainability of these institutions and associated reforms is questionable, when development agencies leave the recipient country, as has been demonstrated in the case of the Regional Assistance Mission to the Solomon Islands (RAMSI) (Dinnen 2008, Kabutaulaka 2008a). Similarly, the question of sustainability is also made in reference to the promotion of ‘participation’ through the mode of projects and, as McGee (2002) points out, the sustainability of participation will always be challenged once a project reaches its conclusion. Any assumption that institutional arrangements will continue as planned misses the fundamental importance of contextualisation: the need to give attention to the governance capabilities of national and local institutions (Dinnen 2008; Henderson 2003). These challenges persist, despite decades of careful research into the social and cultural bases of political authority in post-colonial states.

An additional political development challenge for new states is the creation of political space to which all sections of society can subscribe and contribute. This reflects the principle feature of political democracy: one that gives equal rights of participation in development to all citizens. Thus, democratic theory would seem rather to be an extension of modernization theory, which emphasises inclusiveness, participatory development and democracy (Kothari & Minogue 2002a). In the case of the South Pacific, Dinnen (2008) argues that, in the absence of nationhood and a strong sense of shared political community, it is challenging to implement new political institutions that will promote participatory development and democracy. The experiences of the post-colonial states in the South Pacific reflect what Dinnen (2008, p. 7) refers to as ‘a state without a nation’. He further argues that nations, like the states, have to be made, they do not emerge naturally. One of the challenges of post-colonial states’ leaders is to build a nation in a landscape of the great diversity of languages and cultures found in Melanesian societies (Dinnen 2008; Booth 2011). Indeed, as Dinnen (2008, p. 7) suggests, ‘the absence of a sense of shared identity makes it hard to fashion the cohesive national community needed for the development of effective and durable state institutions’. On a similar note, Reilly (2004) points out how ethnic diversity complicates the process of democracy in Papua New Guinea, to the extent where it impacts on decision-making, and on national goals and vision to promote participatory development and democracy. This is also a challenge for Vanuatu.

While it is widely acknowledged that the implementation of liberal democracy and participatory development is far more challenging in developing states, there is also now a wider consensus that there is more than one path to modernization and democracy (Huntington 1991; Inglehart & Welzel 2005; Kothari & Minogue 2002b). This understanding swings the pendulum back to the study of local knowledge and traditional institutions, and of how modernization and global ideologies can be blended together in a manner that enhances democratic institutions and promotes inclusive
development (Booth 2011; Scales 2005; Tuimaleali’ifano 2006). For instance, according to Scales (2005), Wairau (2006), and Henderson (2003), the informal existing governance institutions provide alternative ways of ensuring inclusive and participatory development in developing states where the degree of internal diversity is wide. This brings the discussion back to the importance of understanding the nature of traditional society and how it can provide an opportunity to enhance sustainable democracy and participatory development in developing states.

2.5 Constructing “traditional society”

Traditional society, as discussed further in Chapter Four of this thesis, revolves around subsistence agriculture and traditional practices. As in contemporary societies, traditions are often referred to in the anthropological literature of the Pacific as a way of life that is passed on from one generation to another (Keesing 1982; Jolly 1994, Bolton 1999). This way of life, according to Tonkinson (1982b p.310), refers to ‘indigenous languages, pig killing ceremonies; men’s and women’s secret societies; practices associated with marriage, including bride wealth payments; reconciliation, feasting, and funerary traditions’. Most of these lived cultural practices, it is argued by Ratuva (2008), are rooted on the long established principles of restorative justice, reciprocal support systems, collective rights, consensual politics, holistic life, kinship systems, respect, communal and family support systems, and subsistence living. These practices are an integral part of the social fabric and order of the society, in which they form a foundational basis for their being and doing.

However, culture and tradition are not static and can be changed. Gross (1992) notes that culture transforms itself either through external interferences or naturally through the manners and ways in which these traditional values are passed on, through the various forms of oral communication and practices that impact on the content of these traditions. In other words, there is a likelihood that some of the traditional values and practices will gradually vanish as time goes by due to the penetration of external influences through Western materialism and education. For example, Crowley (1995) observes that the culture of kava drinking in Vanuatu has change dramatically among the young urban in Vanuatu and also in many rural areas, where the consumption of kava have been commercialised rather than used only in special ceremonial occasions. So culture and tradition, as Newman (1995) suggests, are neither objective or static but are socially constructed and therefore malleable. However, as Lindstrom (2008) argues, this does not mean that they can be easily swept aside, because they are culture and traditions that people feel they are part of and perceive as a basis on which they define their own identity, land, and self, and which maintain the vibrancy of the social collectivity. As a consequence, if that collective sense is disrupted, then there is a likelihood that the society will react in a manner that is sometimes detrimental to the socio-economic wellbeing of the whole society.

Societal disruption was the underlying contributor to armed conflict in Bougainville in the late 1980s (Wesley-Smith 1990), ethnic tension in the Solomon Islands in 2001 (Allen, Matthew 2008; Aqora...
2008), and the three coups in Fiji, 1987, 2000, and 2006 (Lal 2009). All these conflicts have an element of disruption to traditional connections to land, resources, and identity. Vanuatu is not exempt from such challenges.

2.6 Tradition and social order: Vanuatu’s context

The study of Vanuatu’s culture and society is influenced heavily by the works of European and North American anthropologists. Their writings focus on the nature of society and how social order is established and the division of labour is organised (Codrington 1891; Layard 1942; Lindstrom 1997). For instance, Roadman (1977) notes that in the ‘graded society’ of Langana in Ambae, legitimacy and power to sanction social order in the public domain emerges from the status a leader gains in reaching the highest graded rank in the society. The ‘graded society’, according to Blackwood (1981, p. 37), ‘is founded upon an ideology of reciprocity and exchange, and that each individual rank-taking ceremony is embedded in a wide and continuing network of financial transactions in pigs’. This financial transaction in pigs is bound up with others that have gone before and others that will take place later. Almost every male member of the community is indebted or is in expectation of receiving pigs from every member (Blackwood 1981). Indeed, the traditional political leadership system of grade taking is an idiom of exchange and reciprocity. In this political system there are two types of exchange: ‘balanced or reciprocal exchange, which forms the bulk of the transactions, and the less specific generalised exchange’ (Blackwood 1981, p. 38).

Michael Allen (1972), in his study of the ranking ceremony in Ambae, in the northern part of Vanuatu, notes how competing candidates mobilise themselves with their resources to muster the support of their kinship and other external networks to sponsor them in the ranking ceremony. He further argues that on this occasion people come together to trade their valuable boars and exchange resources with those who are earmarked for the ranking ceremony. Secondly, leadership prestige and status is achieved through distribution of resources by a jif to his people rather than via the accumulation of wealth (Allen 1972; Duncan 2011). These two scenarios expose how social order in society prevails and the level of trust is gained through trading of resources within the kinship system. As Allen (1972) notes, in Ambae, people who lend their pigs during the grading ceremony are expected to have them back when they have their turn. This social value system can also be observed where leadership is practiced through matrilineal and patrilineal structures (Allen 1972, Thomas 2013). In other words, the traditional political system of Vanuatu is an idiom of reciprocity and exchange of resources, and these exchanges are instrumental in the creation of social relations between different sections of society, as portrayed in Figure 2.1 (Blackwood 1981). The resources are shared at the nasara and nakamal, and the order of distribution follows the heads of nakamal and family bloodline.
In Vanuatu, the ‘big man’ or *jifs* political culture of distribution is still in place and heavily influences contemporary governance institutions. Similarly, Duncan (2011) observes that in the South Pacific the ‘big man’ political culture of distribution has transcended the legal-rational political administration, and is currently perceived by the aid agencies as corrupt practice. However, he argues that while ‘big man’ political culture is currently the main obstacle to governance reform in the Pacific, it could also be part of the solution to the Pacific’s development problems, given properly designed institutions. Duncan’s argument draws on the three important features of traditional political culture in the Pacific: ‘the importance of distribution, the public nature of gifts and the obligations that flow from them, and the competitive nature of big men’ (Duncan 2011, p. 19). As illustrated in Figure 2.1, distribution is an integral part of the traditional political culture of big man and *jifs* in Vanuatu’s society.

2.7 Traditions and politics

Traditions and politics are intertwined in the South Pacific region. As argued by Ratuva (2008), tradition still plays an important role in the broader dynamics and configuration of politics in the Pacific. Tonkinson (1982b) argues that traditions form the basis of political identity in the South Pacific region, and therefore traditions has a strong connection to traditional forms of authority and
socially embedded local practices. Similarly, Lawson (1993) argues that the manner and ways in which people define their identity on the basis of their tradition cements a strong link with political authority and therefore legitimacy. Lindstrom (2008) notes that the utility of traditions in the political environment has profound significance in many areas of life: as an identity, a source of unification, and as criteria for demarcation of boundaries at local, national, and regional levels. He further argues that in this context tradition encompasses land and other natural resources, and therefore traditional values of social order cannot be completely reinvented (Trevor-Roper 1988), because in doing so it would change the rules of land ownership and cause greater conflict in local communities (Lindstrom 2008). Thus, traditional values of social order and authority or socially embedded local practices cannot be easily extinguished, because traditional values of social order are deeply embedded in the lives of people who see it as integral part of their self-identity.

In traditional societies of the South Pacific, there is a broad consensus that leaders have authority not because they have powers, but because they have respect derived from their legitimacy in the eyes of people who give them respect (Allen 1981; Jolly & Thomas 1992; Jowitt 2005; Keesing 1992; Knauft 2007; Rodman 1984; Tonkinson 1982a; White 2007). Weber talks about charismatic authority, and how authority is often legitimate because the person who is in a position of authority acts as a representative who embodies the values of the society that he is leading (Weber 1948). However, Lawson (1993) argues that the manner in which Weber contrasted traditional authority with authority derived from the legal-rational places traditional forms of leadership in direct opposition to ideas of modernization. She further argues that traditional and charismatic forms of authority differ from the Weberian notion of legal-rational authority in which authority is derived from broad acceptance and being representative of values that are held in common and become valued (Lawson 1993). In other words, as Marcus Felson puts it, the ‘legal-rational system of authority is closely related to Weber’s textbook concept of formal organisation and bureaucracy’ in which there is a clear distinction between personal and public life (2011, p. 13).

The literature on traditions and politics in the South Pacific region and specifically in the Melanesian context is about charismatic and traditional forms of authority, not legal-rational forms (Allen 1972, 1981; Jolly & Thomas 1992; Jowitt 2005; Keesing 1992; Knauft 2007; Rodman 1984; Tonkinson 1982a; White 2007). There is a problem in moving from charismatic and traditional authority to legal-rational authority, using Weber’s notion of authority; accepting that although Weber’s ideas are not necessarily accurate they are useful to make a distinction between three different types of authority (traditional, charismatic, legal-rational). In the literature on political authority, starting with Weber, there seems to be general acceptance that legal-rational authority is not the only form of authority (Fraenkel 2010; Lawson 1993, 1996; Lindstrom 1982; Ratuva 2008). Critically, from the survey of the literature, it would appear that there are many informal sources of power and of authority, and if a person holds no office whatsoever but nonetheless is seen by some people as embodying values that
they believe are important, that person will enjoy greater authority, even the same as the officials themselves; and this is the challenge of modernization. As will be discussed in Chapter Five, this is a basis for a mistake made by those attempting political change since the time of the colonial era right through to the post-colonial state period when the new political elites came into power: their attempts to change the society threw the existing political relationships out of balance, thus sparking social tension and conflict in traditional societies. For instance, the colonial failure to transform *kastom* authority in Vanuatu and integrate this with state institutions created imbalances in the power relationships with state legislative authority, at all levels of society.

A comparative example can be drawn from neighbouring Melanesian countries such as Fiji, where the colonial authorities had manipulated *jifty* institutions to suit their political motives of developing a legal-rational institution based on democratic values of election, participation, and fair dealing. As Lawson (1997) argues, the British conservative approach to constructing a homogeneous *jifty* institution in Fiji, based largely on the tradition and cultures of the eastern part of the country, was a major fuel for perennial conflict within the indigenous Fijian population from the west, south and north parts of Fiji (Lawson 1997). She further argues that:

> [t]here is no point in denying, for example, that the sudden and forcible welding of heterogeneous communities, such as those which existed in Fiji in the late nineteenth century, into national political entities under the control of the European colonial government was anything other than a severe rapture (Lawson 1997, p. 113).

This quote highlights the fact that British colonialism virtually created and nurtured in Fiji a national *jifty* elite that was to become the very embodiment of a conceptually unified Fijian tradition, antipathetic to democratic principles of political participation and inclusion, and arguably the most powerful force in post-independence Fijians politics (Lawson 1997). Indeed, as Lawson further argues, the political-legal apparatus of the modern nation-state of Fiji now operates to protect the status of chiefs, and as a consequence, when they felt that their positions were threatened they reacted in a manner that challenged democratic values (Lawson 1997). The 1987 and other subsequent coups in 2000 and 2006 emerged from the default *jifty* political structure, which was established during the colonial years in a manner that it was against non-indigenous Fijians and other races that resided in Fiji. This was indeed a fuel for disunity within indigenous Fiji, and broadly with other cultural groupings that formed part of the larger Fijian community (Lawson 1997).

The *jifty* institution in Vanuatu has remained more or less in its rudimentary stage, and despite the fact that it was embedded into the national constitution little effort was made to formally construct it into a homogeneous system. Chapter Five of Vanuatu’s constitution is devoted to the establishment of the Malvatumauri National Council of Chiefs (MNCC), which has a similar status to parliament and the executive arm of government (Jowitt 2005, 2007; VanTrease 1995). Similar cases can also be found
in Papua New Guinea, the Solomon Islands, and Fiji, where the traditional institution of jifs has been recognized in their constitutions as part of the states’ framework of operation (Tarakabutala 2008; Larmour 1998). This would seem to be the only traditional authority that is featured strongly in the constitution as a custodian of traditional values of social order and practices in contemporary society. The reason for this is that the traditional political structure of jif and ‘big man’ is the only appropriate institutional system that connects the state with its dispersed population (Howell & Hall 2010; Maltali, Sandy & Tamashiro 2009). Commentators on the roles of jifs in Vanuatu have recognized that the jif has the potential capacity to proactively participate in contemporary development to muster the necessary public support for policy implementation and also mitigate social and development conflict (Kernot & Sakita 2008; Linstrom 1997; White 2007; Bolton 1999a). However, Vanuatu, the Solomon Islands and Papua New Guinea should learn from the Fijian jifly council, and where necessary avoid similar traps that Fiji has experienced. Because there is division between indigenous Fijians over the way the jifly council was established based on eastern traditions, this ruins the social foundation of unity at all levels and has created the space for military coups (Lawson 1997, p. 113). Vanuatu has cherished its diverse socio-political system and traditions, and all have been united under the general rubric of the kastom and jifly system, which has gained broad legitimacy from the people throughout the archipelago (White 2007).

In a comparative analysis of the jifly system in Vanuatu and Africa, Miles (1993, p. 31) identifies five modern roles of traditional rulers in development administration:

1) Linkage or "brokering" between grassroots and capital;
2) Extension of national identity through the conferral of traditional titles;
3) Low-level conflict resolution and judicial gate-keeping;
4) Ombudsmanship; and
5) Institutional safety-valve for overloaded and sub-apportioned bureaucracies.

This implies a renewed recognition of traditional modes of governance as complementary tools for effective democracy and administration. In Vanuatu, Howell and Hall (2010, p. 8) comment that the MNCC plays an informal role in bridging various aspects of customary life with non-church-based civil society, and works with government on land tenure issues. Thus, as is argued in the present thesis, the traditional institution of jif is an active organisation that is relevant to the local communities, because it creates centre-periphery linkages and holds societies together around a communal centre of recognised common practices and values.
2.8 Civil society and democracy

According to the Worldwide Governance Indicators, good governance is measured through the extent to which members of civil society at large are able to express their opinions and participate in the process of development. As Hydén (2011) argues, the reconfiguration of the state function in the development process, after the implementation of IMF structural adjustment policies, means that even more importance needs to be given to the voice of civil society, to provide necessary checks and balances on the state’s role. This points to the importance of the concept of civil society in development and political discourse, as one of the social foundations for a vibrant democracy (Carver & Bartelson 2011; Haynes 2013; Putman 1993). The model of democracy that is promoted and embedded in many developing states is what Bastian and Luckham (2003, p. 15) refer to as ‘liberal democracy’, which has the ultimate purpose of building liberal institutions that will meet the following goals:

- To enable participation of all citizens either directly or through elections;
- To avoid tyranny by autocratic rulers and (in some democratic systems) by the majority;
- To promote open and fair competition for power on the basis of the vote;
- To ensure the accountability of government;
- To provide a forum for rational discussions of political problems and settlement of conflicting social interests.

In democratic theory, civil society is seen as one of the strategic alliances in promoting democracy, by connecting the ordinary citizens to the state authorities and facilitating their participation in decisions that impact on their lives. Putman’s experiences in Italy’s democracy is a case in point, in which civil society contributes largely to increasing the participation of their citizens in the process of development and in the sharing of its benefits (Putman 1993). However, what works in one context may not necessarily be applicable to another; and as Putman points out, a vibrant civil society is contingent upon the historical socio-political context and development of each country. Like some other models, Putman’s model of making democracy work has its own criticisms.

Firstly, as O’Neill (1996) points out, Putman’s model would seem to put more emphasis on efficiency rather than democracy. There is a risk of assuming a causal link between a political culture of associations and the practices of democracy, because, as is argued by Tarrow (1996), the link is not straightforward. Having a strong civil society does not necessarily imply greater democracy. As Tarrow (1996) points out, policy performance is as likely to be positive in non-democracies, and therefore it may not be a good indicator of democratic consolidation.
Secondly, Levi (1996) notes that in earlier accounts Putman (1993) discounts how government institutions may have influenced the organisation of local society. Indeed, the state can be influential in shaping the activities of civil society, as has recently occurred in Fiji, where non-government organisations were banned from doing certain things that contradicted government positions (Lal 2009). In Vanuatu, over the last three decades, the media was controlled by the government until the recent inauguration of the freedom of media policy. Despite different political contexts, Haynes (2013) argues that there is now a wave of change towards recognition of the need for a collaborative and partnership approach with the members of civil society. This is reflected in Australian government funded programs in Pacific Islands, which stress engagement between state and civil society (Howell & Hall 2010, AusAID 2011). In other words, the role of civil society is widely recognised as an important vehicle to foster strong accountability and an environment for good governance. Furthermore, in the context of the developing world, a robust democracy depends on collaborative efforts between different agencies, government, the private sector, civic communities and international aid agencies (Haynes 2013). In other words, there is a need for a state to establish a mechanism to promote a collaborative environment where various authorities work together in the best interest of citizens at large.

The nature of civil society in the developing world is more complex than Western experiences suggest. As is argued by Haynes (2013), the analysis of civil society and democracy in developing worlds has to be viewed in their historical context and, most importantly, understood in the context of their inherent characteristics and challenges. The term civil society is new in most developing countries; however, this is not to say that there is no presence of civil society organisations in developing states. As Haynes (2013) argues, the term ‘civil society’ only emerged in developing countries after decades of post-colonial state operation, when many had experienced development issues and challenges such as poverty, marginalisation of rural farmers, environmental degradation, gender inequality, and unequal distribution of development benefits. Civil society organisation came into existence to redress what may be seen as the state’s weakness in addressing those development challenges in a way that its citizens expected. Many post-colonial states in the Pacific were established in an era when the global economic system was already well developed and its material benefits and knowledge had travelled across the globe (Haynes 2013). As such, they were dealing with an economic system that was not of their making and whose rules they could not change (Haynes 2013, p. 2). As Feeny (2010) points out, in Vanuatu and the Solomon Islands, their populations connected directly to global markets through the prices of fuel, kerosene, and other goods and services that are controlled by external market actors, which impact upon local production and consumption patterns. Thus, it would seem that civil society organisations in developing countries were putting pressure on the state to tackle some of the development challenges that are beyond the state’s capacity to deal with.
Many developing countries, according to Ron (2011), have experienced low to moderate economic performance, compounded by increased population growth rates and geographical isolation from major market centres. The absence of basic infrastructure such as roads, telecommunications, and credit facilities inhibits the participation of local communities in economic activities. Nevertheless, where the opportunity is provided, civil society organisations mobilise to address the challenge of accessing government services such as education, health, infrastructure, and telecommunication. In Asia, Africa, and the Middle East, Haynes (2013, p. 7) notes that civil society, which he calls ‘action groups’, are mobilised around three broad aims: alleviating poverty, achieving greater social justice, and preserving the environment. Therefore, civil society can mount strong pressure on the state to achieve a vibrant democracy; however, as Haynes (2013) points out, they themselves need a governance framework to regulate their activities.

The challenges to participatory development and participatory democracy in developing states, as argued by Haynes (2013), stem from increased diversity inherent in different contexts, including languages, cultures and socio-political structures. In a similar vein, when considering how civil society and aid donors work together in developing countries, Court (2006, p. 1) argues that country and local circumstances matter, in that they provide both the constraints and opportunities for improved governance. On the experience of the Pacific, Saldanha (2004, p. 35) argues that the diversities of opinions and culture inhibit the coalescing of public opinion that is required to generate the public pressure needed to force governments to be accountable to their citizens. On the same note, Haley (2008, p. 10) makes the obvious but significant point that among all civil societies ‘there is very little convergence between national interest and more parochial local ones’. One of the reasons for this, as is argued by Haley (2008, p. 11), is that ‘many of these groups are born of personal and clan aspirations rather than a desire to mobilise the wider community around issues of greater good’.

However, as Haynes (2013) argues, in order for civil society to become effective in promoting participatory democracy, there must be a recognizable governance framework that will govern broad community interactions and bring genuine participation to address development challenges. For instance, Howell and Hall (2010, p. 4) note that ‘civil society organisations, including churches and jifs play important roles in community governance and local service delivery, but have limited formal influence on government policy.’ According to Howell and Hall (2010), there is a relational gap between jifs, churches and the state, and in most cases the three institutions work independently from each other. One of the reasons for this, as noted by Maltali and Kalontano (2005), is due to the adversarial roles of civil society as ‘watch dogs’, which creates an unfriendly working environment with the state; and this prevents the state from sharing information with civil society organisations for fear that they may use it to damage the political credibility of the state. In this situation, the inaccessibility of information from the government side prevents civil society from participating fully in development, particularly in developing states where the means to disseminate information is
poorly developed or does not exist. This means that, while civil society can play an important role in participatory development and democracy, its success is contingent on the collaborative efforts of the other institutions such as government and development aid agencies.

2.9 Participatory development and democracy in developing societies

Participatory development is identified as one of the indicators of good governance. Since the Worldwide Governance Indicators were released, participatory development has been embraced by international development aid agencies as an approach to improve the development outcomes in developing countries (McGee 2002). In this approach, the focus of development has shifted from a traditional top-down approach to a bottom-up approach that puts greater emphasis on people, particularly disadvantaged groups and marginalised local communities (Syokau 2010). Underlying this shift, according to Mansuri and Rao (2012, p. 15), is ‘the belief that giving the poor a greater say in decisions that affected their lives by involving them in at least some aspect of project design and implementation would result in a closer connection between development aid and its intended beneficiaries’. Thus, the participatory development approach is supposed to create a political space for donors, civil society, policy makers and disadvantaged groups to participate in what previously would have been considered a top-down model of development (Syokau 2010).

One of the criticisms of the top-down approach is that it is a highly centralised development strategy and, hence, it is disconnected from the needs of the poor and the marginalised sections of society (Mansuri & Rao 2012). Local participation has been proposed by aid agencies as a way to improve poverty targeting, build social capital and, most importantly, increase demand for good governance. In other words, what participatory development is aiming to do is to empower the marginalised and disadvantaged groups to fully participate in development, by directly contributing their views and ideas to the process that leads to the outcomes. This notion is reflected in the definitions of the term ‘participation’, which Stan Burkey refers to as:

[a]n educational and empowering process in which people in partnership with each other and those able to assist them, identify problems and needs, mobilise resources and assume responsibility themselves to plan, manage, control and assess the individual and collective actions that they themselves decide upon (1993, p. 205).

This definition, according to Kothari and Minogue (2002a), camouflages the notion of mainstream practices of development and alternative approaches into a new concept of participation. While participatory development may sound like a paradigm shift in development approaches, Kothari and Minogue (2002b) argue that this is not the case, and the practices indicate that alternative approaches are now absorbed into mainstream development approaches. Thus, participatory development is one of the alternative approaches that aims to redefine the goals and practices of development (Kothari &
Minogue 2002b; McGee 2002). In this sphere of planning, Makuwira (2003, p. 14) argues that a participatory development approach must be ‘a culturally grounded process where outsiders (donors, researchers or technocrats) can neither formulate objectives nor define development outside their own cultural sphere’. This point is critical, because it emphasises the need for participatory democracy and partnerships in aid interventions. In this sphere of understanding, participation is now perceived a democratic right of the individual citizen (Syokau 2010).

2.10 Participation as a democratic right

The recognition of the voice of civil society as one of the indicators of good governance implies that participation in development and the decision-making process is now seen as a democratic right of individual citizens. As McGee (2002) argues, the understanding of participatory development is closely linked to the view of participation as a right. The implication of this view is that development has to be initiated and planned at the local community level where everyone is entitled to contribute their ideas in shaping the outcomes of development. Feeney also argues that:

> [p]articipation is a fundamental right. It is a means of engaging poor people in joint analysis and development of priorities. Its ultimate goals should be to foster the existing capacities of local, poor women and men to increase their self-reliance in ways that outlast specific projects. The purpose of participation is to give a permanent voice to poor or marginalised people and integrate them into the decision making structure and processes that shape their lives (1998, p. 7).

The implication of Feeney’s argument is that, in this sphere of development practice, control and power over development has shifted from the hands of central administrators and aid agencies to civil society and marginalised groups in local communities (McGee 2002). The shortfall of this argument is that it fails to acknowledge that rights always come with responsibility of citizens to contribute to harmonious and peaceful environments that will facilitate development growth. The challenge for the state is that more often responsibilities of citizens and institutions are either not clearly defined or undefined. In similar vein, the responsibilities of respective institutions and authorities are not clearly defined, thus creating insurmountable governance challenges.

This raises another important question: how to democratize development in ways that optimise empowerment and social benefits to disadvantaged groups. The answers to this question have exposed the shortfalls of participatory development and democracy in developing countries. For instance, Cornwall (2003) argues that participation is used to support elites’ interest in aid programmes without necessarily engaging with the root causes of disadvantage. In a similar vein, Cooke and Kothari (2001) argue that, despite its stated aim of promoting ownership and sustainable development, participation has, in the main, become a form of tyranny in which participatory development is
advocated, but related practices hardly lead to meaningful benefits to disadvantaged people. Further tensions are made in respect to how donors empower civil society, disadvantaged groups and government. For instance, Ife (2002) points out that aid development has disempowered disadvantaged groups and individuals rather than empowered them. A similar argument is made in relation to how international capitalism and global markets tend to disempower government and individuals, in the sense that they have limited capabilities to cope with new development innovations (Chambers 2005).

All of this implies that there is a greater need to engender a balance between local and global perspectives. The processes of development and participation involve interpersonal interactions and decision-making practices, which are not value free. In other words, the increased citizen participation and their active involvement in the development process will eventually lead to a balanced governance system between global practices and locally embedded practices. Critically, as Court (2006, p. 1) points out, any developments ‘without adequate contextual references’ do not make sense. On this basis, context refers to: historical context; socio-cultural context; the political economy of the country; ethnic, racial or religious homogeneity; technical capacity; and the international environment (Court 2006; Haley 2008). Similarly, the literature on Pacific governance and democracy highlights the importance for institutional design of recognising local existing governance practices that have the potential to promote greater participation and ensure a functioning liberal democracy (Duncan 2011; Henderson 2003; Wairiu 2006). In considering the interaction of market, state, government, and civil society, Mansuri and Rao suggest that:

> such interactions are deeply conditioned by culture, politics, and social structure, and they vary from place to place. A policy that works in one country, or even one municipality, may fail miserably in another. Moreover, effective collective action is usually conditioned by a ‘cooperative infrastructure’ that presupposes functional state institutions and is likely to be far more challenging in its absence (2012, p. 4).

This brings into the discussion the need for a grounded approach to institutional design that recognises the critical importance of cooperative infrastructure and the local context. It is recognised that when the institutions encourage a collaborative and deliberative dialogue between the government, aid donors, civil society, including the marginalised and poor, there is the likelihood that participation will transform passive residents into effective public citizens (Mansuri and Rao 2012). The effective public participation of citizens can be a means to hold the states, markets, and aid donors accountable for their decisions and actions, and to influence decisions that affect their lives (McGee 2002). However, as is argued by Mansuri and Rao (2012), participation can only be an effective means of sustainable development, inclusiveness, and effective democracy if it is supported by the appropriate institutions and infrastructures.
2.11 Institutional design and citizen participation

Institutions are a matter for growth and development, but they are not self-generating or self-sustaining (Leftwich & Sen 2010). Institutions, according to North et al. (2008), are best understood as the ‘rules of the game’. In this understanding it is assumed that they will shape human behaviour in economic, social and political life. On the contrary, Leftwich & Sen (2010) argue that institutions do not shape human behaviour, and their effectiveness depends on how individuals and organisations interact with the rules. In other words, individuals and organisations may play the game according to the rules or they may seek to evade and avoid the rules, thereby undermining them; further, they also seek to shape or influence the rules (Leftwich & Sen 2010, p. 9).

Similarly, North et al. (2008, p. 2) note that institutions may create incentives ‘for politicians to work towards creating a growth-enhancing environment or they may encourage rent-seeking activities, corruption, and the unfettered pursuance of personal gain at great cost for the rest of the society’. This simply means that development outcomes depend critically on the way in which institutions interact with organisations and individuals, and therefore it is important to understand how and why institutions work and also how the rules are negotiated (Leftwich & Sen 2010). While it is recognised that there is no single recipe for successful institutional change, North et al. (2008, p. 3) argue that our best hope for institutional improvement lies with internal dynamics, and we should strive to understand what generates positive internal dynamics rather than offering recipes for general institutional improvements. This implies that institutional design matters, but it is only effective when it recognises and uses the existing informal institutions together with formal institutions to promote inclusive and participatory development (Scales 2005). In the absence of a grounded approach there is a likelihood of promoting public institutions that have flaws in them and which are in conflict with existing traditional governance. As has been argued earlier, the conflict and fractures that occur between the two contrasting sets of values of social order and authority in a shared common political space have weakened the legal-rational governance institutions, within which situation the opportunity for corruption is significant.

2.12 Institutions and corruption

Corruption implies decay or deviation from an ideal or set of rules in pursuit of private gain (Buchan & Hill 2014). Concern for political corruption is closely associated with the notion of the ‘public interest’. The challenge for Vanuatu is that the concept of ‘public interest’ does not have a close cognate in local languages, and thus if there is no word that corresponds to this term it is difficult for local communities to understand what ‘public interest’ means in a legal-rational organisation. However, knowledge of corruption, in the post-colonial Melanesian countries, is a relatively new development phenomenon that came into existence just a few decades after the establishment of most of the state’s institutions. Larmour (2009), in his account of the incidences of corruption in the South...
Pacific, concludes that corruption came into public knowledge through the establishment of corruption commissions such as the Ombudsman’s Office in Vanuatu and Papua New Guinea, and anti-corruption commissions such as the Fiji Independent Commission Against Corruption (FICAC). This tends to suggest that the Westminster system of government institutionalizes certain allocative practices, through development projects, finance, and public enterprise formation, that have encouraged corruption.

As such, there is a growing perception in developing countries that modernization and democracy breed corruption; and therefore there is a tendency to blame the capitalist system as a tempting zone for corrupt activities (Larmour 2009). In a similar argument, traditional irrationality and influences have been blamed in development discourse as the breeding ground for corruption (Ackerman 1999; Crocombe 1994; Huntington 1968; Larmour 2008). This is a counter perception that reflects the ambiguity of the concept of corruption and misunderstanding of the term in the landscape of Melanesian’s cultural and linguistic diversity. Indeed, Lamour (2009) has acknowledged the complexities of the uses of the term in different cultural contexts and the difficulty to define it, as well as the fact that it is often a new concept in developing countries.

In the realm of economics, corruption is referred to as a misappropriation of resources for private gains as opposed to intended purposes (Ackerman 1999). The economists have used economic tools such as the principal-agent model (Ackerman 1999), and rent-seeking model to identify the social cost impacts of corruption on the economy and more generally on development (Buchan & Hill 2014; Klitgaard 1988). However, as Rose-Ackerman (1999) and Huffer (2005) note, economists are not able to answer the cultural and traditional questions. In similar vein, the political definition of corruption as misuse of power for private gain confines the corruption framework of analysis within imposed public institutions, and it does not cover informal institutions of jif, churches, and non-government organizations that are not funded by the state and not under its laws (Cain & Jowitt 2004; Larmour 2008). This issue has been addressed by Kaufmann, who expands the definition to encompass both public and private sectors; and for whom corruption is ‘the privatization of public policy in which public policy is seen as including access to public services’ (2005, p. 82). This definition can be stretched to encompass informal institutions, in this case the Vanuatu jiffy institution and kastom governance. In traditional society there is no clear distinction between the concept of public goods and private goods. What the local community is upset with, is how they can draw a line between private and public at all levels in society; and this is a question for which Western society does not appear to have a straightforward answer (Ackerman 1999). This an example of a complex question related to the nature of corruption as an ambiguous term that transcends all levels of development without finding a linkage to the local context.
As mentioned previously, corruption and governance are ambiguous terms and there is still a need to reach consensus on their definition. Thus, from theoretical and empirical perspectives, corruption and governance studies have increased in diversity and complexity, particularly in terms of the approaches and analytical frameworks in which research is conducted (Buchan & Hill 2014). Corruption is most widely conceived as the misuse of public office for private gain and, in legal texts, is most commonly associated with bribery (United Nations 2004). Under the United Nations Convention Against Corruption (UNCAC) and the United Nations Transnational Convention Against Organised Crime (UNTCAOC), the concept of corruption is only limited to formal and legal-rational political institutions and organisations that are prescribed or covered under the state legal frameworks, and therefore the charges of corruption are laid against “public officials”. Under the UNCAC’s Article Two, public officials are limited to: ‘elected and appointed politicians; any individual who performs a public function, including for a public agency or public enterprise, or provide public service as defined in the domestic law; and any other person defined as a public official’ (United Nations 2004, p. 7). The nature of informal institutions, for instance the jifly institution and authorities, though they are widely acknowledged, is outside the scope of formal and legal-rational institutions and as such has not been taken into consideration in the legal and global framework of corruption (Cain & Jowitt 2004).

Other literature on tradition and corruption tends to suggest that corruption is a result of a clash between two different values or institutions (Rose-Arkerman 1999; Crocombe 1994; Larmour 2008). According to Rose-Ackerman (1999), all modern states are dominated by a formal set of rules and laws, and as such the states may incorporate values and practices that clash with a society’s traditions. This means that what is morally and conceptually acceptable in traditional societies may well be viewed by outsiders as corruption. For instance, as discussed in Chapter One and reflected in Figure 1.1, the reciprocal support system is a morally binding social system that is enacted through giving and sharing of resources within and between members of kinship and families (Knauf 2007). This practice is often highly criticised as a form of corruption in post-colonial Melanesian societies, because it is viewed by outsiders as personalised practice favouring the kinship networks (Douglas 2000; Larmour 2008). Rose-Ackerman (1999) argues this disjunction is particularly acute if a society is making a transition from personalised modes of interaction between rulers and the ruled to relationships based on ‘arm’s length’, impersonal, and professional interactions.

2.13 Patron-client relationship network.

In a context where the enduring attachment to traditional values of social order and kastom practices becomes the norm of the society, the incidences of patron-client or political clientalism become obvious and have a negative spillover effect on development (Oskar 2007). Political clientalism,
according to Oskar (2007), means rent-seeking activities that promote the collective interests of groups through regular formal administrative and political channels. In a similar vein, Scott (1972) notes that the patron-client network is highly characterized by traditional politics, which means that it is strongly rooted in local norms, social orders, and process. This, as will be discussed later in the present thesis, is very much the case in Vanuatu.

The patron-client network is found to be a relevant model to unpack challenges of power in developing countries. Scott (1972) refers to the patron-client network relationship as:

……an exchange relationship between roles - may be defined as a special case of dyadic (two person) ties involving a largely instrumental friendship in which an individual of higher socio-economic status (patron) uses his own influence and resources to provide protection or benefits, or both, for a person of lower status (client) who, for his part, reciprocates by offering general support and assistance, including personal services, to the patron (1972, p. 92)

From this definition, Scott (1972) further argues that there are three possible distinguishing features of patron-client links: i) inequality in wealth, status, and power; ii) personal quality of the relationship, which is usually achieved through face to face interaction; and iii) flexibility. There are actually two models of patron-client relationship networks, horizontal class, and primordial sentiments, both of which help to explain two different types of conflict in society (Kwong 2007; Scott 1972). While the former helps to explain conflict arising from different classes in society, the primordial model naturally helps to explain tension and conflict that increasingly occurs as these isolated, ascriptive groups come into contact and compete for power (Kaufman 1974). In this understanding, James Scott further argues that when we leave the realm of class conflict, ‘we are likely to find ourselves in the realm of informal power groups, leadership centered cliques and factions, and a whole panoply of more or less instrumental ties’ (Scott 1972, p. 89). In other words, Scott (1972) implies that the structure and dynamics of such seemingly ad-hoc groupings can be best understood from the perspective of patron-client relations. This was picked up by Bruce Kwong (2007), who analyses how the election of the Chief Executive Office in Hong Kong entails a patron-client network. In the same manner, Zhang, Ding, and Bao (2009) have used the patron-client network to understand how the patron-client concept is used to better describe the asymmetric exchange of resources and opportunities between unequal individuals or groups in the rural tourism sector in China. All these imply, according to Scott (1972), that to understand how informal power groups penetrated modern institutions such as bureaucracies and political parties in Asia and in other developing countries and undermined formal structures and authority, we should apply the patron-client network relationship model to our analysis. Depending on where one is standing, these informal structures and powers can
also become an agent of civil society working with the state to support development objectives. However, as mentioned on several occasions in this chapter, there is a need for the state to recognize local governance and authority and work with these to bring development benefits across wider sections of the population.

2.14 Civil society and development

Civil society is viewed in the eyes of aid donors as one of the strategic actors in addressing contemporary development challenges such as corruption, inclusive development, inequality, gender imbalance, poverty, and violence against women, to name a few (Haley 2008; Howell & Hall 2010; Putman 1993). Indeed, one of the global agendas that cemented the roles of civil society, government, and aid donors at a partnership level is the Millennium Development Goals (MDG). The MDGs consist of eight goals initiated and administered by the United Nations, following the agreement of world leaders in 1990, as a global effort to eradicate poverty by 2015 (Sumner & Tiwari 2009). The eight goals emphasise a need to develop a global partnership for development. According to Summer and Tiwari (2009), one of the mechanisms for that global partnership is the Paris Declaration on Aid Effectiveness, which spells out the mutual obligations of international aid agencies and recipient governments. As Riddell (2007) points out, the Paris Declaration on Aid Effectiveness is a global model of working together that obliges international aid agencies to harmonise their development assistance and align it with the national priorities of recipient governments. This framework emphasises mutual accountability and management for results, which, in a sense, pushes government, civil society, and international agencies to harness their cooperation and participation mechanisms in order to secure ownership of the project.

Over the past decade, the funding commitment of international aid agencies towards civil society has increased dramatically, and this is reflected through US$85 billion that the World Bank has allocated to participatory development (Mansuri & Rao 2012, p. 15). In the Pacific region, Davies (2014) notes that the aid Australian NGOs provided through the principal subsidy mechanism actually went up in 2012-2013 by AUS$144 million; but this figure was reduced by seven percent in 2014. Civil society, according Riddell (2007), has implemented specific projects or programs that target particular groups of poor people and poor communities, such as services delivery activities (school, health, housing, water and sanitation), and also focuses on activities that aim to raise the incomes and enhance the livelihoods of these communities. However, as discussed in this chapter, civil society does not function in a vacuum, and its success depends on the concerted efforts of the state, development agencies and informal governance institutions and authority.
2.15 Conclusion

In the process of post-colonial state building in developing countries and more specifically in the context of the Pacific, little thought seems to have been given to understanding the disconnection between legal-rational political values and traditional values of the society that is meant to adopt them. While there is the possibility of adopting traditional values, more thought is needed to be given to the negotiation of meanings and negotiation of common values that would facilitate greater interactions between different development actors in that almost empty space of socio-economic and political development. One contributing factor to these problems is the intellectual discrimination and consequent misunderstandings between tradition and legal-rational governance, which is being driven by current development policies and planning, neo-colonialism, and more recently through the global development agenda and the associated programs that penetrate developing states.

Moreover, in the Pacific region and more specifically in Melanesian society, the challenges are of interest to political elites who see an opportunity to consolidate their powers at the expense of the broader population; and they have manipulated and, too often, marginalized traditions to achieve their ends. The real danger is that the development agencies, intentionally or unintentionally, are colluding with emerging self-interested local elites in promulgating policies and programs that are contrary to the stated aims of all involved and function at the expense of those who are still located and functioning in the large traditional groupings. This encourages conflict over resources distribution and management, conflict that has the potential to escalate into serious ethnic tension and corrupt practices.

The review of the literature presented in this chapter suggests that there is a gap of empirical evidence and understanding of local context in the South Pacific. This gap can be filled through a grounded approach and nuanced analysis of the specific country context, to support a shift of focus from best practice to best fit. The present thesis takes the opportunity to push the frontier of governance further by viewing issues of governance as a failure of international institutions and legal-rational state governance approaches to accommodate existing informal governance institutions. Hence, the whole focus of this research is to find strategies to use cultures and traditions to build a more resilient system of governance within Vanuatu.
Chapter 3: Research Methodology

3.0 Introduction
This chapter sets out the theoretical framework of analysis, methodology and methods applied in the conduct of this research. The chapter is divided into three sections. The first section establishes the main theoretical underpinnings of the researcher’s approach and justifies the use of a qualitative case study methodology. The second section details the research design and field research processes including the collection of field interviews. The last section discusses the quality of the research project in terms of its ethical considerations and cross-cultural dimensions, which in turn help to foreground the major concerns addressed in this thesis pertaining to the commensurability of Western or modern and traditional modes of thought and social organization. Of central importance are the operative definitions of “corruption” and “governance”, which guide the interpretation of field interviews and published documents and which shape critiques of national political and bureaucratic structures in Vanuatu. Acknowledging that there can be no neutral definition of either term, the researcher nonetheless formulates a rough approximation of the range of accepted working definitions, detailed in Chapter Two, for each to enable their operationalization as constructs for investigation and critique. Importantly, and innovatively, these terms are defined through a set of interrelated “tensions” or “polarities”, between the ideals of good governance and the tangible realities of society and politics in Vanuatu, as interpreted through the eyes of the researcher.

3.1 Theoretical framework
At the theoretical level, this thesis uses a patron-client relationship model as a framework of analysis to understand sources of corruption and how these can be explained within Vanuatu government and society, and more importantly in the governance of Vanuatu society. Governance is commonly conceived in liberal terms as the ‘many ways in which people manage their common affairs’ (Commission on Global Governance 1995, p. 2). Received definitions imply majority agreement or consensus as the basis of institutional legitimacy; and hence, logically, governance relationships underpin legitimate government and are essential to the act of governing. Such conceptions tend towards the valorisation of democratic modes of political organization, but there are in practice many ways by which people’s “common affairs” are “managed” that do not approximate to any social democratic ideal. The patron-client relationship or network model of association, for example, affords opportunity for nuanced analysis of how informal authority, such as kastom authority in Vanuatu, and local values of social order complicate the exercise of state authority within externally imposed political institutions. As discussed in Chapter Two, Max Weber (1948) argues that each society has a prevalent authority system that governs its behaviour, and that there are three authority systems: (a) traditional, (b) patrimonial, (c) legal-rational. While traditional and patrimonial authority are, in the
Weberian sense, characterised by the personalisation of power, the legal-rational system of economic, social, and political organisation is underpinned by an entirely different set of expectations. Under legal-rational or state institutions, all persons follow rules and fit into formal roles that are separate from the personal, family, and friendship interests of their incumbents (Weber 1948). In this sphere of understanding, conflict occurs where there are multiple sources of authority and where traditional (kastom, in the context of this thesis) authority intersects with legal-rational authority and creates a significant opportunity for practices deemed corrupt to occur, as illustrated in Figure 3.1 below.

Economists and public policy analysts commonly use rational actor approaches to explain corruption, as a challenge for good governance in developed and in developing countries that arises out of the “selfish” behaviour of individuals who thus need to be “disciplined” by society to conform to the global anti-corruption norm (Ackerman 1999). For instance, the theory of “principal-agent model” is widely used to unpack the social costs of corruption to an economy, and to national development in general (Klitgaard 1988; Rose-Ackerman 2010). Such an analytical framework associates “corruption”, above all, with activities that impose wasteful economic costs, by distorting the operation of market (Buchan & Hill 2014, p. 2). These costs were usually identified with ‘rent-seeking behaviours’ (Buchan & Hill 2014, p. 3), “self-interested behaviours” (Ackerman 1999), and with the pursuit of advantage by “principals” through “agents” to which bribes are paid in cash or in kind (Klitgaard 1988). The challenge for the present research project is thus to both identify instances and forms of “self-interested” and “individualistic” behaviour by government officials and political power-brokers, and to then interpret these through the socio-cultural lens developed in Chapter Four.

While social scientific and legal explanations of corruption go largely unchallenged in the official literature and much of the academic literature on governance, economists struggle over questions about the socio-cultural origins of practices deemed corrupt in law or judged as corrupt (Ackerman 1999; Huffer 2005). Rational actor explanations, focusing upon individual behaviour and assuming a relatively uniform pattern of decision-making, fall short of “factoring-in” the collective nature of traditional societies, including interpersonal power relations. Most importantly, these explanations fail to accommodate the reality that informal authority often transcends, or is prior to, the legal-rational institutions of the state (Ackerman 1999; Buchan & Hill 2014; Huffer 2005). In similar vein, legal explanations of corruption fail to recognise those informal institutions and interpersonal power relations in traditional local communities, wherein decisions are made and actions taken through processes of negotiation, reciprocity and barter, and to which personal power considerations are pivotal (Cain & Jowitt 2004; Huffer 2005). From a conventional viewpoint, corruption occurs when political leaders and bureaucrats operate outside the rule of codified laws to secure power and privilege or to advance the interests of their circle of sponsors. However, in Vanuatu, the jifly institution, churches, and other community organisations that are not prescribed by state laws and funded from the public purse have been excluded from the contemporary charges of corruption (Cain
& Jowitt 2004). Kastom authority is one of the authorities that eighty percent of the population subscribes to, and it enjoys broader legitimacy from the people throughout the archipelago. The kastom jifs are the only authority that continues to promote kastom governance at all levels of society. That said, kastom cuts across legal-rational and traditional bases of political authority, and the contradictions and opportunities created by this hybridity has generated patterns of decay, both in terms of adherence to traditional norms and the imported norms of responsible government. Hence, corruption can also be argued as the decay of transitional institutions, which is a precursor to corrupt practices by those who move into the bureaucracy or into the political system and are able to use that position to undermine formal institution and authority. In other words, the decay of traditional institution can be a source of corruption, where opportunity to behave in corrupt ways are presented by the legal-rational state.

Governance in Vanuatu entails the “arrangement” of relationships and social expectations formed within a social context into which notions of legal-rational authority have been imposed. To understand the nature of these governance challenges, and appreciate the behaviour of the bureaucrats, wherein they depend more on their personal following and extra-bureaucratic connections than on their formal post, we must rely heavily on the patron-client network model of analysis (Scott 1972). Scott (1972) and Kaufman (1974) assert that political science and governance scholars should consider patron-client relations as a potential alternative research framework to penetrate behind often misleading formal arrangements in small local communities, where interpersonal power relations are salient (Kaufman 1974; Scott 1972). As discussed in Chapter Two, imposed state institutions disrupt established political, social and economic patterns, creating imbalances that give rise to the formation of patron-client relationships between two parties with inequality in status, wealth, and influence (Uslaner 2008). Scott (1972) identifies two features: where patrons and clients value the personal quality of their relationships (face to face interaction); and at the same time where their relationships are diffused and not bind by an explicit impersonal contract.

Using the patron-client relationship model as a framework for the systematic analysis of tensions between liberal governance ideals and actual local practice creates opportunities to discover the societal dynamics that generate “corrupt” behaviours. Such analysis treats corruption as a consequence of a significant societal disruption and disconnection that cannot be addressed through the application of legal-rational measures alone. Corruption in Vanuatu can be seen when the government system is not operating the way it should because of frictions between different social expectations of authority. As argued in this thesis, this opens up opportunities for individual political leaders and bureaucrats to exploit their position of authority. This builds on the following assumptions:
The existence of a traditional patron-client system of governance works well in the local context of Vanuatu. This is now being crafted into the bureaucratic state system of government and political organisations, where the patron-client tie develops between two parties of unequal status, wealth, power, and influence. This relationship is formed and maintained through the reciprocal exchange of symmetrical goods and services and face-to-face contact.

The newness of the institution in Vanuatu and the level of disconnection between rational government theory and local kastom governance practices in Vanuatu society gives rise to a patron-client network relationship as a mechanism for protection and advancement.

The absence of sufficient numbers of professionally trained administrators to actually govern the country and consequently a tendency for people to occupy mixed roles means there is considerable contradiction between expectations and actual practice attached to these roles. This can create a greater opportunity for traditional values of social order and authority to transcend the borders of legal-rational institutions and undermine formal authority.

Disconnection between the notion of customary law, and customary notion of right and wrong, with the institutional frameworks that are associated with a bureaucratic state.

There is also tension between established social kastom practices and expectations, and the principles of impartiality among the public servants.

In Vanuatu, distinctions between principal and agent are often absent because, instead of having the principal and agent institutionally separate from each other, both can exist within patron-client networks inside public organisations. This is the reason the state owned enterprise, the Development Bank of Vanuatu, was selected as a case study for the present project.

3.2 Ontological considerations
The present project is first and foremost an interpretive exercise in which the researcher is conscious of his position as an insider “looking in”, and he is seeking to establish, albeit artificially, a degree of distance between researcher and subject. In the realm of social science research, the research design is determined by the researcher’s view of the nature of the world (ontology), what is presumed we can know about it (epistemology), and how we can know it (methodology). The present researcher concurs with Barkin (2003) and Yin (2003) that social phenomenon are not representative of absolute conditions and static truth that we can observe explicitly and with certainty. Rather, the world is socially constructed in a subjective manner from context to context, from time to time, and from individual to individual. On the basis of this understanding, the ontological position of this research strongly aligns with realism and interpretivism, informed by the conceptual and empirical approaches discussed in the previous sections of this chapter. Taking a realist position, I acknowledge that the


**kastom** governance of which the patron-client relationship network becomes an integral component is real, and it is socially constructed as a basis of social bonding and forming mechanisms to support one another in local communities. In a similar vein, from this position corruption is viewed as a reality, which causes dysfunction throughout all democratic society including government institutions; and, therefore, can be and needs to be resolved, but in a way that actually enables people to understand what corruption is and how corruption could be detrimental to their wellbeing.

As Barkin (2003) points out, social constructivism has epistemological implications in terms of subjectivity and reflexive knowledge that is generated in a complex and diverse society; in this case, Vanuatu society. Accepting that institutions are socially constructed out of human knowledge, beliefs, and ideas, the present thesis concurs with Barkin (2003) and Bevir (2009) that the meanings, beliefs and practices of a society can only be unpacked through an interpretive approach that acknowledges their social origins. Constructivist epistemology reflects the way that we can know reality and the construction of knowledge along with social order and authority structures within local societies. Therefore, taking a realist/social constructivism approach, knowledge will be sought with the understanding that truth and meaning materialises in and out of our engagement or interaction with the real life practices in our world (Crotty 1998). Acknowledging that subject and object emerge as important partners in the generation and negotiation of meaning, this research takes the subject seriously as one of the means of obtaining first-hand knowledge (Crotty 1998). In understanding the social world from this perspective, knowledge can be obtained through a case study and historical approach (Bryman & Burgess 1999).

For these reasons, corruption and governance are not defined in absolute terms, but are instead conceived through a pattern of tensions, as conceptualised in Figure 3.1. The challenges of governance in Vanuatu society need to be understood in that context where the constitution recognises democratic practices and *kastom* as foundations upon which post-colonial institutions are built. The present thesis is addressing a gap between social obligations and expectations, and a legal-rational model of governance, which needs to be dealt with in Vanuatu as a critical issue. Weak political institutions and the inability of the state to meet local expectations give rise to a patron-client network relationship as a mechanism for protection and advancement, in contemporary Vanuatu. This situation also provides a greater opportunity for *kastom* governance and personalisation of power to cut across the borders of legal-rational institutions and undermine formal authority.
Figure 3.1 Governance dynamics in Vanuatu society

Source: Author’s own work

Figure 3.1 presents a governance dynamic within the existing political institutions in Vanuatu. *Kastom* is featured strongly in the Vanuatu Constitution as a second pillar upon which it becomes a foundation of the building of state institutions. It also illustrates contested social and political practices where democratic values work in conflict with *kastom* values and principles, such as in the case of elected representatives which challenges the traditional political system based upon consensus and hereditary right.

3.3 Researcher position within the research paradigm

As a social constructivist, the present researcher pursued a reflexive and interpretive approach to this research, and in doing so acknowledged that research participants are a real and accurate reflection of social reality. This approach positions the researcher as a critical observer within the research framework, and therefore requires ongoing recognition of reflexivity throughout. As someone who was born to and grew up in Vanuatu society, my interpretation is informed by my cultural inheritance and life experiences as an insider. However, I am also fully aware that this immersion might cause problems (for example, some subjectivity); but this challenge has been addressed through the methodology deployed in this research, which illustrates how distance and rigour in recording, analysis, and findings has been maintained. The methodology also clearly illustrates how my intimate knowledge and access to the resources informs this research.
This prior framework was directly and indirectly influenced by my experience as a son of a kastom jif, my previous position as Director of Strategic Policy, Planning and Aid Coordination, and my tertiary education as a scholarship undergraduate and then post-graduate in development administration. My career in the public sector began at the Ministry of Education as a Scholarship Officer in 1998, and it was from there that I first discovered how politicians, both elected and appointed, misuse their public position and authority to influence the sharing of scholarships to their immediate families and close political allies. My experiences of how the patron-client network influenced political development in Vanuatu, which is characterised by personalised power relations and strong kinship bonds, began when I saw politicians marshal their collective efforts to divert state resources to their personal interest groups, their families, and friends. In 2000 I was appointed as the Assistant Director of Reform Programs, and in 2005 I was promoted to the position of Director of Strategic Policy, Planning and Aid Coordination at the Ministry of Prime Minister. The influence of political groupings, kinship networks, and the collective nature of leadership defined by party in-groups, across Vanuatu’s islands, and provinces, were daily administrative challenges that were beyond our capacity to control as civil servants. As a civil servant I found myself in a difficult position, to stand by the rules and right processes even though there was not a security mechanism in place to protect me and the position I occupied. Hence, in Vanuatu, because of the weak enforcement of rule of law, patron-client networks have a strong influence on the ways the state conducts its domestic and external affairs. As a consequence, the state’s resources are captured by political groupings at the broader expense of development of the society as a whole.

3.4 Research design

3.4.1 Qualitative research strategy

The present research design was informed by the theoretical and practical literature reviewed in Chapter Two, and integrated with the approaches by the research philosophy discussed in this Chapter. Because governance and corruption are ambiguous concepts, the conceptual and empirical works offered a wide range of research methodology options. Economics and public policy scholars tend to vary their methodological positions between quantitative and qualitative research in their studies of governance and corruption (Ackerman 1999; Khan 2004; Klitgaard 1988). On the other hand, in the domain of political science, and generally in the social sciences, the deployment of the qualitative research method is commonly favoured as a means of exploring meaning, perspective, and understanding of people who live and work in specific social settings (Schensul 2012). It also helps to explain social power relations and how beliefs and actions shape social and political behaviours in a localised context (Bevir, Rhodes & Weller 2003). Consequently, the design of this research was informed by governance literature that advocated a qualitative approach, with a case study method that employed historical or ethnographic techniques. This approach yielded a new study of how
informal institutions and actions shape political behaviours and rational forms of authority, in Vanuatu but also with wider relevance (Bevir 2009; Bevir & Rhodes 2003; Bevir, Rhodes & Weller 2003; Lipset & Lenz 2000). This qualitative research approach enabled the present researcher to explore in depth social and contextual characteristics, and individual behaviours that influence rational imposed institutions in localised contexts, in and within Vanuatu. This aligned well with the recommendation by Bevir and Rhodes (2003) that the qualitative method and interpretive discipline were useful to highlight the voices and views of the participants, and most importantly to explain the beliefs and actions of relevant actors in a localised context. It also reaffirmed the epistemological position taken in this research that no understanding of the social world is valid without an examination of the interpretation of the world by its participants (Bryman 2001). This position, in turn, fits well with the constructionist view that social properties are the outcome of the interaction between individuals, rather than phenomena “out there” and separated from those involved in their construction (Bryman 2001, p. 264).

Several scholars suggest that it is relevant to address research questions that focus on: processes, on detailed contextual or historical descriptions, or on the meanings, interpretations, and explanations people assign to events, activities, and behaviours (Bevir, Rhodes & Weller 2003; Schensul 2012; Yin 2003). The justification for using a historical and case study approach is to foreground the challenges of governance in a localised context, and gain in-depth understanding of how the historical context contributes to individual and governmental behaviours that are deemed as corrupt in a legal-rational world. As Bevir; Rhodes and Weller (2003) suggest, a qualitative approach provides an opportunity for the researcher to deepen his/her understanding of the social context through interpretation of “lived experience” and the member voices. Given the nature of the present research, the present researcher combined an insider and outsider view of the content and meaning of governance and corruption, drawing heavily on the historical literature, government documents, academic books, journals, and the researcher’s personal reflexivity.

This was followed with selected case studies of the two key government institutions, which, according to Yin (2003), would expected to provide a broader framework to investigate the sources of corruption using multiple sources of evidence. Indeed, the present researcher concurs with Yin (2003) that a case study approach is valuable when boundaries between the phenomenon and context are complex, as reflected in the challenges of governance and conceptual understanding of corruption in the traditional context of Vanuatu. Consequently, the case study approach was relevant for this research for the following reasons:

- it provides an opportunity to develop rich contextual data from generalizations to specificity; it provides an opportunity for understanding the social process and related outcomes (Bryman & Burgess 1999);
• it provides an opportunity to analyse government policies, including past policy experiences in detail, and also it can generate information for policy purposes (Yin 2003); and
• it provides an effective approach to study complex behaviours and relationships between and among actors and agencies, and how those relationships influence change (Thomas, Allan 1998).

As a consequence, case studies of two institutions were selected to investigate the nature and sources of corruption and to explore the challenges for and of governance in Vanuatu government and society.

3.4.2 Research approaches and techniques
The research methodology combined historical and case study approaches. The case study focused on key government institutions that were representative of governance challenges and issues investigated in this thesis. These approaches provided a systematic revelation of the social context, using multiple research tools such as interviews, documentary analysis, and participation observation to generate relevant information pertaining to the nature of corruption and governance challenges within the Vanuatu government and society. The information collated through case studies was used to explain and interpret instances and forms of self-interested behaviours by government officials and political power-brokers, through a social cultural lens, in particular the patron-client network. These approaches were informed by the link between the research question, the conceptual model and research philosophy, and the research methodology, and all contributed to the formation of the research design. The design covered two phases:

• Historical approach

The historical literature on Vanuatu, which was written mostly by American and European anthropologists, was explored for this thesis. Most importantly, the historical documents studied related to the establishment of a rational political institution in Vanuatu. The historical records on Vanuatu date back to the eighteenth century, and the national archive of Vanuatu keeps all accounts of development since the increased interaction with Europeans in the mid-1820s. The national archive is located in a very limited space and crowded with cartons of books, making it often difficult to locate information. During my trip to Vanuatu as part of data collection, at the beginning of 2013, the staff of the archive were busy moving cartons of books to a new permanent building with a bigger capacity for storage and possibly an advanced modern catalogue system. As a consequence, it was very difficult to locate the books and the staff found it difficult to assist the researcher. However, some of the sources that could not be located in the archive were readily available on the web and also at universities in Melbourne such as the Melbourne University, Victoria University, La Trobe University, and the State Library of Victoria. The researcher’s first impression of the national archive was that it had become a repository for all studies done in and on Vanuatu and, as such, it contained a
wealth of information relevant to the research. It included complete files of chiefly administrations since the establishment of MNCC in 1979, and the anthropological writings on socio-political organisations, as well as documents related to the joint influence of Britain and France in Vanuatu.

- **Case study approach**

The first case study was the traditional institution of *jif*, Malvatumaeri National Council of Chiefs (MNCC). The nature of analysis focused on the processes whereby the two colonial authorities, missionaries, and the post-colonial attempts failed to rationalise *kastom* authority and traditional values of social order in Vanuatu. The second case study was of a legal-rational institution, the Development Bank of Vanuatu (DBV), which was established in September 1979 with the objective of providing loans for small but sound projects that lacked the size and security requirements of commercial lenders (DBV 1994). The investigation focused on how the social and economic system channels and controls human needs through formal institutions that are at odds with traditional values of social order and authority, as defined by social collectivism and strong family support and respect.

### 3.4.3 Research techniques and procedures

The research techniques were guided by the research methodology and approaches, which in turn directed the generation of data and analysis. To address the biases and critics, Maxwell (2005) advocates for a “triangulation approach” where multiple techniques are deployed to provide a more complete and accurate account of the social context. As such, participant observation was used in the present research to explore and explain behaviours and events; while semi-structured interviews were used to uncover meanings and perspectives of the participants (Maxwell 2005). In addition, *nakamal storian* was used (see below) to provide a validity check, by asking local experts and others who know Vanuatu whether the researcher’s model and explanation for it made sense. Hence, the data methods were semi-structured interviews, *nakamal storian*, document analysis, and participation observation.

#### 3.4.3.1 Semi structured interviews

Semi-structured and unstructured interviews were found to be useful, given the fact that the targeted audience for this research were politicians, traditional authorities, bureaucrats, non-government organisations, youths, development aid agencies, women’s group, and local elites. This method was found to be flexible and relevant in dealing with sensitive issues such as corruption within Vanuatu government and society (Mary 2002), as it provided an opportunity for the researcher to tailor interview questions to a particular circumstance or group of people without losing sight of the core questions and themes (Maxwell 2005). The questions were a mixture of semi-structured and unstructured ones, with key probing points to help the researcher focus the answers to the themes of
the research, which were: conflict, power, corruption, institutions, and governance and state governance expectations. The format and the questions used are attached as Appendix A.

The interviewees were selected using the “snowballing technique”, where the first interviewee proposed the next relevant person to be interviewed. In a small capital such as Port Vila, where people knew each other well, the snowballing technique was useful; however, one of the great challenges encountered was the availability of people. There were three senior government bureaucrats of whom the present researcher could not ask all the questions that had been planned because of their busy work schedules and travel within the provinces. One State Minister agreed to the appointment and then had to postpone because he had other urgent priorities. Prior to interviews the researcher’s position as a researcher was clarified, and it was explained clearly that the researcher was on study leave in order to undertake this research. Such an explanation was found to help to create an environment where bureaucrats and the general public were open to discuss issues and challenges of corruption and government as a whole.

The present researcher also had to be conscious of not being trapped within groups of like-minded interviewees. To avoid such circumstances, one interviewee per organisation, and people from different islands, villages, and also from different age groups and gender, were selected. The questions were translated into Bislama; and the researcher had two sets of question sheets: one in Bislama; and the other one in English. The interviews were conducted in Bislama; and only one interview was conducted in English.

A total of forty interviews were conducted; and the interviews were held in Port Vila and in local communities in Efate. The forty participants were selected randomly from different sectors and from different sections of Vanuatu’s population. This includes the representatives of the youth, women, traditional authorities, politicians, bureaucrats, private sectors, and development partners.

3.4.3.2 Nakamal storian

The nakamal storian is a traditional method of collecting data in the local communities of Vanuatu, to complement the other methods. Based on the present researcher’s past experiences, nakamal storian was found to be an effective method of conversing with the busiest technocrats and leaders who did not have time during the official hours of work. Indeed, the nakamal storian method is widely used by development aid agencies, government and non-government organisations to collate information on the past studies on Vanuatu (AusAID 2005; Maltali, Sandy & Tamashiro 2009). It is a meeting place where people come together to discuss plans or solutions to their development challenges. In the villages and communities, nakamal is an important education institution that senior elders and jifs use to communicate important ideas to younger generations, such as history, belief systems and kastom
values (Huffer & Molisa 1999b). As such, it has its own intellectual property rights that govern types of information that can be released to outsiders versus insiders.

The present researcher interviewed three jifs at nakamal, and they commented that the nakamal approach was the appropriate method of uncovering traditional knowledge, often seen as secret. The researcher knew that there was valuable traditional information that was governed by traditional intellectual property rights, and that using the nakamal storian approach provided significant opportunities to uncover missing parts of the context that were not possible to find in any available documents. As a son of one of the kastom jifs, the present researcher knew that there was certain information that could not be communicated to outsiders. The nakamal in urban centres are turning into social clubs, unlike the ones in rural areas where there is a strong adherence to kastom and traditions. The researcher would have liked to visit more nakamals in rural areas, but was limited by time and finance.

3.4.3.3 Documentary analysis
Secondary data was also used in this thesis, including histories, scholarly publications, government documents, records of state and local events, ombudsman reports, national census, church records, maps, World Bank publications on justice for the poor in Vanuatu, Transparency International publications in Vanuatu, and development aid reports and non-government organisation reports on governance in Vanuatu. In addition, two national papers were accessed, the Vanuatu Daily Post and the Vanuatu Independent Paper, for evidence of various facts presented in this thesis. Indeed, the newspaper articles were used to follow developments in politics, traditional governance and analysis of public perceptions of the performance of the state. They were also valuable in that they provided a sense of the development context in Vanuatu, and basic information helped to predict the policy direction of the government. During the researcher’s fourteen years with the government, most policy documents pertaining to the themes of this thesis were collected; and, more broadly, documents on the socio-economic and political directions of Vanuatu. All these documents were used to investigate the sources of corruption and conflicting governance values in Vanuatu government and society.

3.4.3.4 Observation
Two approaches used for observations. The first approach occurred when the participants were interviewed. Secondly, as an insider the present researcher reflected on his fourteen years of experience in government as a Director of Strategic Policy, Planning and Aid Coordination (DSPPAC), and also his life experiences as a son of a kastom jif on Malekulawa in the northern part of Vanuatu. The researcher lived with his parents on communal land and a close village settlement with relatives and extended families. The researcher was therefore well placed to observe the workings of kastom law and to assess its effectiveness as an instrument for settlement of land issues, including questions of tenure and ownership. During the research work in Vanuatu the researcher was able to
assess how the needs of the poor and people with disabilities are taken care of by family and extended members through sharing of food and other resources. In addition, he was able to observe how his observation, acknowledging his position of power and status, yielded important insights into the subject matter of the present project. All these experiences were blended together with outside views to build a foundation of this research.

### 3.5 Analysis of research findings

The analysis of findings utilised two approaches: thematic analysis approach, and category analysis. Each will be discussed in some detail.

- **Thematic Analysis Approach**

  The notes and data generated through interviews, participation observation and secondary sources were analysed using the thematic approach or “thematic analysis” (Dawson 2009). The thematic analysis approach was chosen because ‘it provided a flexible and useful research tool, and also potentially provided a rich and detailed, yet complex, account of data’ (Braun & Clarke 2006, p. 78). Indeed, it can also be applied across a range of theoretical and epistemological approaches. This process is referred to as “coding”, and involves the classification of elements in text data into themes and categories that are related to the research questions and are useful in analysis (Schensul 2012, p. 98). The tape interviews used in the present analysis were the re-production of interviewee’s words ‘verbatim’, and where modification was made for the sake of clarity this text was bracketed. Themes selected for coding were for different forms of corruption (abuse of power, conflict of interest, nepotism, bribery, and patronage), concepts related to governance (power, participation, inclusiveness, exclusiveness, expectations), and different types of authority (legal-rational authority, and kastom authority).

  The coding was informed and guided by the research questions, the conceptual model and the literature review in Chapter Two, and the philosophical foundation that was discussed in this chapter. Using a realist social constructivism approach, the data analyses were organised into two phases. In the first phase, the researcher looked for patterns of meaning and issues of potential interest across an entire data set rather than within a data item. In this process the researcher transcribed the data, generated initial codes, searched for themes, and continued reviewing the themes back and forth as the analysis moved to the second phase. The second phase involved defining and naming themes and interpreting the data, which analysis was in turn incorporated into Chapters Five, Six, Seven, and Eight. However, during this process and in particular the writing part, the researcher was constantly moving back and forward between the entire data set, the coded extracts of data that were analysed and the analysis of the data that was produced. This process provided greater flexibility to look for the
voices of participants and how their voices could be meaningfully represented and interpreted in the texts.

- **Category Analysis Approach**

The category analysis approach is used in qualitative research to categorise research objects according to salient and relevant characteristics and, most importantly, to assist in codifying interview transcripts to address the research question(s) (Yin 2003). The first category of analysis was a group of jifly elites who have been absorbed into the modern state political system and have exploited the opportunity presented by modern state bureaucracy to enlarge their power and influence within the state. This particular group of jifly elites are those who were well educated and have the greater advantage of being elected to the jifly council or of representing their local communities in government meetings. There are also some who have been employed on their merit as civil servants and occupy high-ranking positions in the public service. However, it was also acknowledged that there are those who remain faithful to traditional governance and were not discussed under the state political institutions. The kastom jifs who were not on the MNCC were not considered as leaders according to the definition of a leader that was provided in Articles 66 and 67 of the Constitution and the Vanuatu Leadership Code Act of 1998.

The second category of analysis covered political elites who are endowed with jifly titles and have been absorbed into the state political system. It is now a political norm that elected leaders to Parliament have to go through a traditional ranking ceremony to get their jifly titles, in order to command public order and also to be recognised at different levels of society as a national leader. Thus, the Vanuatu parliamentary system is composed of political elites who are recognised in both the two systems as leaders. The effect that this has on broader perceptions of power and leadership in all aspects of governance in Vanuatu is manifested when this major source of authority in Vanuatu essentially operates without checks and balances. In this context, the political elites, including elected and appointed politicians who are employed in public offices, create complicated and confusing socio-legal-rational expectations where there is no clear separation between ‘rules’ and personal ties, or agents and principals.

Analysis of the Ombudsman’s reports provided greater opportunity to explore evidence of corrupt practices and how certain powerful individuals use their positions to undermine legal-rational expectations of governance and formal authority. The findings presented in the Ombudsman’s reports were substantiated by interview transcripts, which captured the perceptions of different groupings in Vanuatu society. Thus, the interview transcripts were categorised according to sectoral groupings, which were grouped according to their positions and status in Vanuatu society, to determine the perceptions and understandings of corruption from different groups within society, such as
bureaucrats, youth, politicians, *kastom* authority, women, aid donors, and non-government organisations, at various levels of society. The tabulation and analysis of these findings clearly illustrated understandings of corruption and also what was considered corruption in traditional practices. In other words, the tabulated format, which presented findings based on detailed, first-hand research documentation, was a significant part of the present research methods, which supported and illustrated and contributed to the analysis of the range of practices that were seen as corrupt or merely expected traditional behaviour. The findings of the two case studies and the data generated through interviews and documentary analysis informed the overall argument presented in Chapter Seven of this thesis.

### 3.6 Ethics

Ethics is an integral component of research. When conducting this research the researcher kept in mind cultural differences, power relations and gender differences. These varied between each island, community, and individual; and they had the potential to become a barrier to unlocking data and presenting it objectively. The successful ethics submission to the researcher’s university Research Committee was developed around these areas. Throughout this research study the researcher was always conscious of the Australian Code of Research Conduct, and more specifically the university’s ethics policy, which outlines ethical codes of conduct for research as suggested by Heaslop and Salisbury (Heaslop & Salisbury 2007). Although the context may vary, undertaking research studies in a landscape of great cultural and linguistic diversity is quiet challenging, and as an insider the researcher was always conscious of these diversities and cultural sensitivities.

#### 3.6.1 Cultural differences

Vanuatu is a country of diverse cultures and languages that have an important influence on how information is gathered and relayed. It has about 110 languages, in addition to French, English, and Bislama, the latter which are recognised in the constitution as the official languages. Because of the wide degree of cultural difference within and between societies, it is important to have a broad knowledge of how information is communicated in various societies. Bryman and Burgess (1999) warn researchers who engage in qualitative research of the need to be aware of how cultural differences between researcher and researched may be influenced by the choice of research field.

For instance, body language and facial expressions have various explanations that vary widely from one island to the other. In the northern part of the country, eye contact during speaking is disrespectful to the person who you are speaking to. In this cultural group they usually address the authority using neutral languages without singling out his/her specific identity. The nodding of heads is another example where it is very difficult to determine whether a person agrees or not. This is because in most parts of Vanuatu society nodding a head or saying yes to a person is often a gesture of showing
respect to the person you are talking to, even if you do not agree with them. Being a ni-Vanuatu, culture was not a major challenge for the present researcher; however, it was important to recognise it as a critical factor in the process of research. The semi-structured and unstructured interviews allowed greater flexibility to handle this challenge at a professional level.

To help the interviewees understand the purpose of the research and give their consent, a letter was provided to each of them that explained the whole purpose and objectives of this research. Each interview began with a full explanation of the purpose and objectives of the research, and it was ensured that the interviewees understood these issues prior to the commencement of the interview. In addition, a consent form was provided to each interviewee to seek their consent for the interviews.

3.6.2 National authorities

Three important authorities that required respect were the traditional chiefs, religious leaders, and political leaders. The researcher interviewed ten members of parliament, ten chiefs, fifteen senior government bureaucrats, a former President of the State and staff of the Malvatumaurei National Council of Chiefs. They communicated their views freely and with great enthusiasm, believing that this research was an important study that could shape the focus of Vanuatu in dealing with the clashes and disconnection that affects the lives of people. Indeed, the researcher received many calls from other members of parliament who wanted to talk to me, but due to time constraints the researcher could not afford to talk to everyone. Those who were selected for interview were the ones who had at least ten years’ experience as a member of parliament, and also those who were part of the constitutional drafting process. The church leaders were also keen to see the relationship between the state and chiefs improve, and as such most of them were happy to share their views.

3.6.3 Gender considerations

Gender is an important factor in a research project that examines traditional authority relations in developing societies. Given the nature of this research, equal gender participation was attempted in order to make sure there was a fair representation and a balanced view in the data collection. The balance of gender in the interviews was selected randomly, but an attempt was also made to ensure that equal numbers of men and women were interviewed in each case study. It was important to be aware of how cultural differences come into play when talking to males and females in Vanuatu (Bryman & Burgess 1999). The sensitivity to gender is higher in rural areas than in urban centers, because culture and traditions are more strictly observed in rural areas of Vanuatu. In most rural areas males dominate and are the decision-makers. Because the present researcher grew up in a rural area, his in-depth understanding of the cultures in Vanuatu helped him to cope with some of the gender related challenges that were likely to emerge during the course of the research. For example, in rural areas the researcher ensured that females who participated in the interviews came with their husbands. The challenge was the unavailability of their husbands, and sometimes the male counterparts
proposed a time that was more convenient to him. The researcher followed their proposed timing, and this worked well.

3.7 Conclusion
This thesis adopts a realist/social constructivist approach to understand how newly imposed rules, norms and values are socially constructed in a manner that contributes to tensions between socially embedded kastom practices and legal-rational forms of governance. These tensions therefore weakened the emerging state governance system, creating opportunities for corruption. It was argued in this thesis that corruption emerges from the collision of the two broad value fields, broadly represented in abstract as kastom governance and legal-rational authority. By taking the realist/constructivist approach, it was acknowledged that traditions and culture are social facts that people value and cherish as fundamental to their governing and wellbeing. The state transformation policies are ingrained in the notion of neo-liberal economic and political democratisation, which tends to be at odds with socially embedded practices. This creates for most ni-Vanuatu a limited sense of ownership of governance institutions in the local context. Often state governance is treated locally as a foreign import that is alienated from their real experiences. Through the lense of realist social constructivism, there is a wider opportunity to blend different research methods to identify the sources of corruption in government and society as well as the tensions that ensue. Hence, it is believed that the present research will contribute to governance development by broadening this understanding.
Chapter 4: The Cultural Landscape

4.0 Introduction
Vanuatu is culturally diverse and is one of the more complex societies in the South Pacific region. As such, it is sensitive to interference or external pressure and, most importantly, variable in terms of its development trajectories. Its diversity is reflected through its 110 different languages, with cultures, kastoms and diverse socio-political structures that vary within and between each island (Crowley 2000). Hence, within Vanuatu there are many layers of social practices and social expectations; and a significant cultural distance between the legal-rational values of the urban elites and rural-based traditional communities. Such diversity creates an almost insurmountable challenge for Vanuatu as a nation to reconcile into a Westminster style system of government by elected parliament. Traditional society embraces certain values and practices that sit in tension with both legal-rational or state expectations, and the principles of liberal market economy. In addition to these “two worlds” (traditional society and legal-rational state), Christianity constructs another set of particular values and social institutions that also clash with traditional ideas and traditional beliefs, and thus also provokes a degree of resistance to outside influence on Vanuatu’s society.

In developed Western societies, tensions between religious thought, traditional values, and Enlightenment rationalist principles have been worked through over much longer time periods through historical processes of political and socio-economic development. As is the case in many post-colonial societies, Vanuatu does not have the luxury of history to accommodate and reconcile a much more complex set of social, political and cultural tensions. Given the cultural differences between different parts of Vanuatu, there are significant horizontal variations that increase resistance to the imposition of contemporary political values. This chapter sets out the divisions in Vanuatu society and highlights the fractures that have the potential to become deep ‘fault lines’, between social groups defined by their attachment to diverse and divergent religious beliefs, kastom, and state demands for social order. The chapter further exemplifies the nonlinearity of social, cultural and political development so as to problematize, through contextualization, legal-rational assumptions about the nature of “good governance.”

4.1 Traditional society
Eighty percent of Vanuatu’s population live in local communities on remote islands, practicing what is referred to as ‘kastom economy’ (Rousseau & Taylor 2012), traditional economy (Regenvanu 2009), and kastom system (Forsyth 2009). The present thesis uses the term “traditional economy” to describe the holistic way of life in traditional societies of Vanuatu. This socially embedded way of life is today largely observed only in the traditional local communities and remote islands of Vanuatu, and
revolves around traditional practices of subsistence farming, social reciprocity, leadership by consensus and inheritance, and communal rights.

People clear areas of forest, grow yams and taro in their gardens, raise pigs and fowls, gather nuts, collect shellfish, and are very skilful at fishing and hunting wild animals (MacClancy 2002). Reflecting back on my life experiences, I was born into a *jifly* family on the island of Malekula, north Vanuatu. I grew up in a traditional local village located in the interior of the island and we got all our food from our garden and forest. Although we were not close to the sea, our relatives who lived in the coastal areas supplied us with all the sea resources that we needed. This social reciprocity system and community support was an important network that bonded and united our family, and we cherished and valued it in our local community. At all levels of community there is a strong sense of communal and collective responsibility to support and help those who are in need. As such, the cooperation within the communities based on family and kinship, and covering all aspects of development, could possibly be construed as acting against the legal-rational state expectations of fairness, equity, and justice. Indeed, social reciprocity is seemingly one of the embedded social principles across all Vanuatu societies, and often times it transcends leadership governance at national levels (Morgan, MG 2004). This is manifest where state leadership and authority are infused with customary practices of social reciprocity between leaders and their communities. This creates a contested ground for corruption based on the social reciprocity of customary (*kastom*) practices, and the state governance expectations and principles of a rational market economy (McLeod & Morgan 2007).

In traditional communities there is a formalised and widely accepted distribution mechanism in place. One of the principal functions of the *jif* in traditional communities is to collect goods to distribute to his people. This was an important distribution system because, as was mentioned in Chapter Two, it is through distribution of wealth and resources that *kastom jifs* gain prestige in their local community (Duncan 2011). The *jif* allocates land to people in the local community who are landless so that they can cultivate a garden for food. Furthermore, the *jif* can reorganise resources to make sure that everyone in his local community benefits equally. Thus, the *jif* is not supposed to accumulate wealth but rather is expected to distribute goods to his local community. However, in this context the goods and services can be either accumulated by the community or donated by other communities and individuals. The *kastom jif* has the prime responsibility to distribute them fairly in times of need to his people, and usually this is done at the *nasara* level where everyone in the community can witness the sharing. The distribution is carried out in a manner that is transparent and follows the traditional norms and processes of the local communities.

The influx of Western materialism in villages and the dependency on what money can do for the people have actually distorted the cultural values and practices underlying the distribution role of *kastom jifs* in villages (Stefanova, Porter & Nixon 2012). The fear of scarcity accompanying Western
materialism and cash often creates an ad hoc situation where the *kastom jif* becomes more conservative in his distributional role, and in doing so he is unconsciously favouring close clans at the expense of the broader interests of his village. In the contemporary society of Vanuatu the prime function of a leader as a “distributor” transcends all levels of organisations from national, regional, sub-regional, to traditional local communities. The challenge for the state is when political leaders extract state resources and distribute them to their close political allies or family at the expense of the broader interests of society. The 1998 Ombudsman report detailed how a former Prime Minister diverted to his personal account funds donated by the British and French governments towards rehabilitation programs initiated in the wake of ‘Cyclone Betsy’ in January 1992 (Edward 2001a; Vanuatu Ombudsman 1998a). The funds were later distributed to his political supporters in the 1995 national election, in fulfilment of, arguably, the socially sanctioned expectations of his local constituents (Vanuatu Ombudsman 1998a). Importantly, at this level, “distribution” occurs in the absence of transparency and thereby represents a double distortion of traditional practice.

Ministers of state are frequently accused of extracting state resources for distribution to their political supporters and close relatives, and of appointing their friends to public posts (Cain & Jowitt 2004). On a broader scale, incidents of State Ministers getting funds externally by using their state privileges have surfaced in the local media on a regular basis. A more recent example is the public criticisms levelled at the practice of selling passports to foreign diplomats in return for political gain at the expense of the socio-economic interests of the state (Cullwick 2013b). However, it can be argued that these are examples of how *kastomary* values of “distribution” were infused with legal-rational governance, and thus created a collision of values defined as “corrupt” political dealings. Because the state resources are scarce and there is increasing demands to meet electorate expectations, members of parliament often resort to activities that contradict their institutional values, norms, and processes at the state level in order to maintain political support. As such, state leaders have been accused in the media of hijacking public resources and distributing them to their political supporters and families, and this has remained as one of the sources of corruption within the Vanuatu government.

Similar attitudes have been revealed in the manner and way State Ministers handle land registrations, leases and other natural resources (Vanuatu Ombudsman 1998b). Land in Vanuatu is regarded as the “earth mother” and as such has a close spiritual connection with people as with a child to its mother (Molisa, Vurobaravu & VanTrease 1982; VanTrease 1987). In the southern part of the country space and land are valuable because this is where tribes and clans derive their names, position or status in the village and hence their authority (Lindstrom 1982). In the northern part of Malekula, tribes and clans trace the genealogy and history of their land from living objects such as rocks, trees, birds, and animals (Deacon 1970). For example, drawing upon my own cultural inheritance, in my tribe we believe that our ancestors come from a bird called the ‘fruit-dove’, and this is to where we trace our genealogies and the history of our land. In this context, nature such as land is not a commodity but
rather a culturally valued source of self-identity, food, traditional medicine, materials for constructing houses and most fundamentally the source of spiritual and physical being (MacClancy 2002; Regenvanu 2009). Therefore, from a traditional standpoint, the selling and exploitation of land, and of resources from the sea, and water, constitutes a threat to the foundations of human life, identity, heritage, birthright and family. Development, as conceived by international policy makers and experts, is at odds with, and conflicts with, the beliefs, lore and practices of people living the traditional way of life. As discussed in Chapter Two, the rationalist orientation of contemporary development thinking disregards or misinterprets the spiritual understandings and the myths which influence the manner and ways in which life is conducted and managed at the level of local communities and the broader society. As argued in previous chapters, it is at such points of conflict that we find the sources of behaviour that might be deemed corrupt in international development policy and also under international law. We also begin to appreciate how it is possible for Vanuatu people, living according to their local lore, to view the demands of international agencies and the state as socially and spiritually disruptive or “coercive”.

As noted, land is communally owned and subject to collective rights (VanTrease 1987, 1995). People plant gardens on their communal land and have user rights such as women’s rights to gardening, access to coastal areas and so forth. Traditional land tenure systems are incongruent with market principles such as private property rights, land survey and leasing practices. Leasing is a legal-rational land tenure system imposed by the two colonial powers (France and Britain) and adopted in the building of the post-colonial state in order to maintain investor confidence and promote agricultural and other development activities throughout Vanuatu (Stefanova, Porter & Nixon 2012; VanTrease 1995). Chapter Twelve of the Constitution of Vanuatu sets out what can be interpreted as incompatible principles of private and collective land ownership:

- Article 73: “All land in the Republic of Vanuatu belongs to the indigenous kastom owners and their descendants.”
- Article 74: “The rules of custom shall form the basis of ownership and use of land in the Republic of Vanuatu.”
- Article 75: “Only indigenous citizens of the Republic of Vanuatu who have acquired their land in accordance with a recognised system of land tenure shall have perpetual ownership of their land.”

(Constitution of Vanuatu 1980, p. 26)

Land ownership under the traditional land tenure system has proven to be a major challenge for development in Vanuatu, as reflected through land management practices that have become a source
of corrupt practice - as defined by the Western political idea of corruption. Land management practices in Vanuatu, encompassing negotiations, leases, registrations, sub-divisions, and so forth, over the last three decades have received great criticism from development partners and the private sector, as well as the general public, as one of the major sources of corrupt practice (Lunnay et al. 2007). The total land area of Vanuatu is 12,236 square kilometres, of which 90.7% is under the kastomary land tenure system, and 9.3% is leased out mainly in the two urban centres, Port Vila and Lugainville (World Bank 2011). Corruption is reported to have occurred in the process of identifying kastom landowners and lease approvals, which were very often open to abuse by individuals and small groups of people who registered the land without proper consultation. There were two cases on the island of Epi in which the piece of land was secretly registered and leased without consultation with kastom landowners or approval from the island council of chiefs (Stefanova, Porter & Nixon 2010). Similarly, a large area of agricultural land in Epi was registered and leased without the consent and knowledge of the landowners. These experiences are not unique to Vanuatu, and other examples can be drawn from many other developing countries where land dealings have come to be critically viewed by international aid development agencies and non-government organisations as a source of corrupt practice and conflict in government and society (World Bank 2006a, 2010).

The 2006 National Land Summit was purposely organised to restore the best international practices of land management with the objective of eliminating increased corruption in land dealings. As will be discussed below, land conflicts arise from the ambiguity surrounding the legal powers and responsibilities of the kastom owners of land and the uncertainty over the Government’s role in relation to land dealings. In a country where, under the Constitution, the full land ownership of the kastom owners was entrenched, and dealings in land are carried out directly between kastom owners and outsiders, failure to address this ambiguity and uncertainty has made kastom owners very vulnerable to exploitation and bribery (Lunnay et al. 2007). Where the Government is given a role in land dealings (for example, the Minister’s power of approving negotiators, and the dealings which eventuate from direct negotiations), the powers have frequently been abused. The 1998 Ombudsman Report documented an example of the abuse of power by a former Minister of Land who granted a land lease to his family members and “wantok” (Cain & Jowitt 2004; Vanuatu Ombudsman 1998b). These policy weaknesses must be addressed. The challenge then is how to arrest the decay of widely held social values while at the same time acknowledging that Vanuatu society must change with the times.

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1 The term wantok is a slogan used in the Melanesian region to refer to someone who speaks the same language or comes from the same tribe or village.
4.1.1 *Kastom* governance

*Kastom* governance encompasses the manners and ways in which local communities organize themselves to deal with socio-economic and political affairs in the interests of the whole community. The former secretary of the MNCC refers to *kastom* governance as the manner and way people might apply collective wisdom or *kastom* practices to deal with contemporary challenges, and how people might envision organising their lives to live well together (AusAID 2005, p. 7). Using this understanding, *kastom* governance encompasses broadly the principles and practices of social, economic and political interaction, including specific social institutions that have traditionally maintained social order. In order to illustrate why *kastom* governance is of fundamental importance to this study, it is necessary to investigate further the nature of social interaction, including the organisational structures of the society.

In traditional Vanuatu society, people occupy specialised roles, and this includes fishermen, hunters, carpenters, warriors, traditional medicine doctor, and magicians; and everybody knew precisely what was expected of them. This creates a well-disciplined and self-reliant social order where everybody is assigned work to do and is involved in the activities of the community. The rules and norms in this traditional society are robust and anyone who transgresses them is answerable to *kastom* authority. We had, and still have a greatest respect for elders and senior leaders in the community, and this respect for leaders is one of the social norms that ensures community cohesion. Disputes and conflicts are resolved using the traditional resolution mechanisms, and people respect this because consensus is valued. This process also covers tribal conflict between and within villages, and in Malekula where women play an instrumental role as brokers in inter-tribal disputes. They communicate the words of the two *kastom* jifs concerned and establish an agreement for the two villages to come together and solve the dispute. In addition, traditional society exhibits resilience and a robust disaster management system. This is reflected through the provision of social welfare and security against natural disasters. For example, when there is a cyclone people know how to protect their thatched roof, usually by cutting coconut leaves and tying them over the thatching. They harvest their root crops (yams, taro, and cassava) and store them in a locally made cage. They also have intricate ways of preserving foods, in particular breadfruits, fish, and other flesh products, for a considerable time. *Kastom* was and remains an important source of social resilience that is not easily replaced by state-directed programs.

The challenge for modernization is not to dismiss and disparage these cultural practices, but to recognise them and the need for them to be incorporated in discussions around the nature of health and care and medical treatment, in particular. Traditional medicine, including a traditional view of health and disease and cure, is very important to local Vanuatu culture. Simeon, in his study of one community on the island of Malekula in Vanuatu, defines ethnomedicine as a set of beliefs and
practices that encompasses ‘empirical, psychosomatic, and mental disease and illness’ (Simeon 1979, p. 195). While based upon fieldwork completed more than four decades ago, this characterization of traditional Vanuatu society holds true. He writes:

The pharmacopeia of botanical cures — that is, "leaf medicine" — appears to have remained reasonably intact but the number of curers, or practitioners, is rapidly dwindling due partly to outside pressure against the maintenance of traditional medicine. However, and as with many other societies, medicine, magic, and religion provide a holistic background for the beliefs and associated practices concerned with the individual's attempt to achieve physical and mental harmony (Simeon 1979, p. 195)

‘Leaf medicine’ is still practiced today throughout the archipelago, particularly in remote islands and in rural areas (Bourdy et al. 1996; Bradacsa, Heilmann & Weckerle 2011). My parents and I grew up using a traditional medication system and we depended on traditional medication during the birth process, circumcisions and, even today, we still value traditional knowledge regarding the use of natural plants and fruits as medicine. Given the diversities of culture, the practices of using natural leaves as a medicine differ widely from one part of the country to another. Research on traditional medicine conducted in 2011 found that:

The bio cultural diversity of Vanuatu is reflected in the variability of medicinal plant knowledge and differences in the traditional medicinal system between the three islands investigated. Traditional medicine is more vital on remote islands. The better connected the islands are to the main city, the more dominant Western medicine becomes and traditional medicine mainly remains to treat illnesses with a magical origin (Bradacsa, Heilmann & Weckerle 2011, p. 434)

Traditional medicine reflects a particular view of the world that is at odds with Western notions of medicine and health. This gulf is difficult to bridge, and past experiences suggest that development agencies and state agencies have failed to bridge this gap because traditional culture has been seen as backward, and something to be eliminated - that is, as an obstacle to be overcome. As has been argued in this thesis on numerous occasions, cultural traditions cannot be shaded overnight, and cultural traditions have meaning within contemporary Vanuatu society, even around the areas where Western medicine or science claims privileged knowledge over the non-Western traditional medical system. Traditional medicine is part of the traditional socialisation that is perpetuated through traditional education systems, in which specialised local practices and knowledge are still valued and transmitted from one generation to another.
The traditional education system is based on learning by doing, and the children are segregated by gender. The boys would live with their grandfathers until they reached maturity, and while with their grandfathers they learned their traditional lore, techniques of planting, harvesting, fishing, hunting, and their ancestral history. Similarly, the girls were taught by their grandmothers on the duties and responsibilities pertaining to females, as well as history, planting techniques, harvesting, and child rearing. In this learning system, traditional norms, values, and way of life are passed on from one generation to another through oral communication and practices. The introduction of formal Western learning methods has distanced the younger generation from this important source of education, where traditional knowledge and history of the land are communicated orally from older generations to the youngsters. The children are now trained in a formal education system that is predominantly oriented to European values, culture and the secular world, resulting in the great loss of traditional knowledge. As a consequence, the gap between traditional knowledge and the state-run education system is growing faster, at the expense of the younger generation losing the knowledge of their true cultural identity. There are two foreseeable implications of this. The first is the loss of histories that are attached to land ownership, and therefore this has increased cases of land disputes. The second implication is that it is a challenge to reintegrate the younger generation into village life, particularly those who are not able to make it to the senior cycle of education and university and are jobless in urban areas. In 2008, a major research study was undertaken on youths in Port Vila, and a total of 1572 youths aged thirteen to twenty-five were interviewed. The report suggested that twenty percent of the youths dropped out of grade six and had no opportunity to continue their education further (Mitchelle 2008, p. 3). Similarly, the report showed that about fifty-five percent were unemployed and thirty-six percent who were employed received a monthly salary of $AU100, which was too low to meet all their basic needs living in the capital. It can be argued that this is but one more unplanned consequence of the social disruptions caused by the imposition of external values and systems as opposed to careful integration.

The increased number of youths in the two urban centres has raised concerns for the Urban Council of Chiefs, because the failure of the state to provide employment opportunities in these centres can lead to lawlessness (Daily Post 2013a). The President of the Efate Council of Chiefs, Kalkot Murmur, suggested that urban migration and the increased number of youths in Port Vila had given birth to issues such as unemployment and increased crime. The unemployed young people would go into the shops and steal. Rape had become a serious issue (Daily Post 2013b). However, over the last two decades, Vanuatu has witnessed jifs from various islands taking up prominent roles in addressing the social problems of their people now residing in Port Vila and Lugaimville. The jifs play an informal role in mediating between kastom and the state on education, law and order, land tenure issues and other pressing social matters arising from increased urban migration (Howell & Hall 2010; Kernot & Sakita 2008; Mitchelle 2008).
4.1.2  Jifly system

As argued above, Vanuatu had a range of complex social systems that existed prior to the European encounters and, in local communities, these systems remain extant. In the central part of Vanuatu, leadership title was based on a hierarchical hereditary system (Bolton 1999a; Lindstrom 1997). In the southern region, on the island of Aneityum, leadership was also hereditary, while on Tanna, leadership was ‘situational and contextual, diffused and dependent on acknowledged access to and control of ritual knowledge’ (Bronwen 1998, p. 228; Lindstrom 1997). In the northern part of the country the political system is a mixture of heredity and status alteration, as is the case in Malekula and Ambrym (Blackwood 1981; Deacon 1934; Guiart 1993; Layard 1942). In this system, the leadership position is either inherited through the bloodline or participated in via the grade-taking ceremonies where the individuals have an opportunity to alter their status.

The European encounter in Vanuatu began with the Spanish in the early seventeenth century; however, it was only in the late eighteenth and early nineteenth centuries that France and Great Britain established their presence in various parts of the archipelago. When the early explorers, traders, and missionaries arrived in the New Hebrides (Vanuatu) they found indigenous traditional leaders in all villages that they had contact with, and began to label them as ‘kings’ or ‘chiefs’ (MacClancy 2002). For example, writing in 1891, Robert Codrington observed that:

[...]chiefs exist and still have in most islands important place and power, though never perhaps so much importance in the native view as they have in the eyes of European visitors, who carry with them the persuasion that savage people are always ruled by a chief. A trader or other visitor looks for a chief and finds such a one as he expects; a very insignificant person in this way comes to be called and to call himself, the king of his island and his consideration among his people is of course enormously enhanced by what white people make of him. The practices moreover of the commanders of ships of war by which local chiefs are held responsible for the conduct of their people and are treated as if they had considerable power, undoubtedly increases their importance, nor can that result be regretted (Codrington 1891, p. 46).

Thus, the terms ‘chief’ (or ‘jif’ in Bislama), ‘custom’ (kastom), and ‘big man’ were the products of the European encounters, which consisted of colonial administrators, traders, missionaries, and labour recruiters (Deacon 1970; Lindstrom 2008; Lindstrom & White 1997; MacClancy 2002; Rousseau 2004). Seventy-five percent of the participants interviewed for this research felt that it was disrespectful to use the term ‘chief’ in local communities, because this was used during the colonial period and was a title given by the Europeans to local traditional leaders. At the local level the people referred to their local leader in their indigenous languages, and the term ‘chief’ was only mentioned when people communicated in Bislama or English to refer to a traditional leader. However, the
indigenized terms ‘jif’ and ‘kastom’ are nowadays incorporated into the local context and in the Constitution of Vanuatu, and when people speak about chiefs they speak of them as *kastom jif*. With 110 languages in Vanuatu, there is a possibility of finding 110 different names and meanings of a traditional leader or ‘chief’. In the northern part of Malekula, a ‘chief’ is referred to as a ‘mlin’ (chief), and ‘rabath’ (sacred), which means a sacred jif. A *rabath* in north Malekula is someone who is traditionally consecrated as a sacred leader, and the term *rabath* endows a leader with credibility and integrity. A traditional leader is more than a leader because he is not only regarded by his local community as a ‘mlin’ (leader) but also as a *rabath* (sacred) (Deacon 1970; Layard 1942).

In Tanna, a traditional leader is called ‘ierumanu’ (sacred leader), which means someone who has traditional knowledge of the place and is endowed with ancestors’ spirit (Lindstrom 1997). In Pentecost, Ambae and Lepers Islands, a designated chief is called ‘ratahigi’, and a similar trend can be observed in the northern, southern, and central parts of Vanuatu, where a leader’s title has the indigenous term meaning ‘sacred’ at the beginning of their title (Blackwood 1981; Rodman, W 1977). All these terms imply that the meaning and understanding of the term ‘chief’, as equated to a leader in traditional society, is blurred and debatable; and thus it is still an issue that needs to be resolved at the various levels in local communities and more broadly across the country. In this chapter and throughout this thesis, the terms *kastom jif* or *jif* are used to refer to traditional leaders in traditional society and local communities, and *jifly* to refer to the institution. This is done purely to differentiate *kastom jif* from the missionaries’ ‘chiefs’ and the assessors who were appointed later by the missionaries and the two colonial powers, Britain and France.

The *jifly* institution is an important *kastom* governance system in the villages. The role of the *jif* in *kastom* governance at the village level is to sustain social order and ensure that people have freedom to move and experience a meaningful life. The details of what a *jif* does and the relevance of his work in contemporary society, including how they can be more effective to assist the state, is fully covered in Chapter Five of this thesis. However, in terms of *kastom* governance it is worthwhile to mention briefly the role that *jifs* play in keeping the whole framework of *kastom* governance consistent and useful to the lives of people at the village and community levels. The *jif* and his council are central players in village organisation, with the council comprised of heads of clans or heads of small *nakamals*, as has been shown in Figure 2.1 in Chapter Two. The organisational function of *jif* is democratically shared within the members of the council in two main areas, namely development and justice, at the village level. In the development area, the *jif* and his council are responsible for water, health, education, and law and order in the village. On the other hand, the heads of clans who make up the *jif’s* council play an important role in looking after the socio-economic needs of their members within their own specific jurisdiction, divided or based along bloodlines.
Importantly, political authority in communities still living close to a traditional way of life rests upon local indigenous beliefs about the nature of the world. As the previous discussion of ethnomedicine illustrates, belief in magic and in natural spiritual forces remain potent and integral sources of power in local communities living according to traditional principles and practices (Bonnemaison 1991; Deacon 1970). Therefore, within the traditional political system, magic, sorcery, and supernatural forces are integral parts of the power structure at the leadership level. They become useful during a tribal war between and within villages, because the traditional warriors used magic to project the outcome of war. The villages that have greater varieties of magic have the potential to conquer, and are well equipped to fight, their enemies. As such, magic and sorcery are performed by the warriors in the local communities, who work closely with their jif and his council (MacClancy 2002). The kastom jifs are protected by the spiritual forces, and hence people who criticise them risk their life to illness or death. While the parliamentarians are not immune to public criticisms, in Vanuatu, the fear of sorcery and magic puts people in an uneasy position, so they tend to avoid criticising their jifs or questioning them in the public domain. On the other hand, the traditional manners and ways of honouring and respecting the leaders and elders in local communities can contradict the legal-rational state expectation of accountability and transparency in state’s affairs, where a leader is subjected to public criticisms and questions. Magicians and sorcerers have a strong power relation with authority, and this undermines the principles of representative and accountable government.

The power of sorcery can be abused and manipulated to suit the needs of an individual or group of people (Rio 2010). For example, as further discussed in Chapter Five, in 2007 three men were killed during conflict between the community of Ambrym and Tanna in Port Vila over an alleged use of sorcery by these men, which, it was believed by the Tanna community, led to the death of a woman from Malekula married to a man from Tanna (Kernot & Sakita 2008). Another case occurred in 2009 in Ambae, when the jif instructed his people to kill three men who were accused of killing several people in the village using sorcery or nakaimas in Bislama (Rio 2010). I had the opportunity to attend a nakamal meeting on another sorcery case in 2011, where three men from different islands of Vanuatu used nakaimas to kill a man from Anneityum over an alleged dispute about a plot of land in east Efate. This is one of many examples of cases that were highlighted by Rio (2010), where the state is still struggling to reconcile evidence based upon traditional mythologies and beliefs with the legal-rational standards of law set by modern system of criminal justice.

With regard to the nature of sorcery power, there is an interpretation “gap” between traditional society and the state, manifest in the treatment of “sorcery crimes” (Rio 2010). The state, through the work of state police and the courts, has intervened in all cases of nakaimas that, it is believed, take the lives of many people in rural and urban areas (Rio 2010). The question that remains unexplored is how the state reconciles traditional evidence of sorcery or nakaimas with the court’s rules, and on what basis
of evidence the court pronounces the verdicts on the plaintiff. The judiciary is facing two major challenges. The first challenge is that the state has used its own forms of inquiry and punishment in dealing with the popular belief that evil powers affect the lives of ordinary people, but without reconciling traditional understanding, myths, and practices of naikamas with legal-rational knowledge of crime and criminality. Secondly, the kastom court is operating on different principles, as reflected in the case involving the Ambrym and Tanna conflict which, resolved at the nakamal level, demonstrated the effectiveness of using the traditional dispute mechanism of ‘restorative justice’ at the national level. Despite the benefits of acknowledging traditional beliefs in judicial practice, at this conjuncture, the judicial system can be manipulated and abused in a manner where murder cases can have different punishments depending on whether they have been dealt with through kastom courts or the judicial system. In other words, a gap between the judicial system of retributive justice, and that of kastomary dispute resolution based on restorative justice, provides room for corruption through manipulation of the court process and infringement on the imposed penalties. In addition, the ambiguities surrounding the state judiciary and the kastom court at nakamal are a contagious source of corruption in the newly established state of Vanuatu. Again there are many conjunctions between traditional and state practices that create spaces for the extension of personalized power and hence the abuse of power by state officials.

4.1.3 Nakamal and Nasara systems

At the organisational level, nakamal and nasara are traditional structures in a village that symbolise the functional system of that village. In a village, each head of clan has his own nakamal, where members meet and discuss certain issues affecting their welfare and also discuss ceremonial activities such as marriages, circumcisions, funerary services, and birth celebrations (Huffer & Molisa 1999a). Members of nakamal are grouped following their ancestral line or bloodline, and the nakamal remains an important symbol of identity and also provides an indication of an organised group in the villages. As such, the nakamal cements unity in villages because it provides an opportunity for members of a family or whole villages to come together to discuss and contribute knowledge about the way of life in villages (Huffer & Molisa 1999b). The whole purpose of the nakamal is to bring people together, and therefore it serves as an avenue where people from different backgrounds and levels can share information in a common space where all can participate. Conflict in the local communities is therefore addressed most effectively at nakamal, using traditional dispute resolution approaches. In this system, the ultimate purpose and goal is to restore justice in a village and bring back unity between the disputed parties rather than penalise the offenders. The parties in dispute admit their wrong doings, apologise to each other, and pledge not to repeat similar mistakes in the future. In many instances dispute resolution involves the exchange of traditional mats, kava, pigs, food crops, and roosters as a way of forgiving each other (Forsyth 2007).
The *nasara* is a ceremonial ground where the *jif* and his council meet together to discuss the affairs of the villages. In a village there is only one *nasara* and several *nakamals*, which together make up the governing structure of a village. A *nasara* is a consecrated area and a house where a *jif* conducts the pig killing ceremony, and also it is a place where the heads of clans perform the leadership ranking ceremony. A major dispute involving more than one clan is considered at the *nasara* level, as well as cases of killing, stealing, adultery, and land dispute. At this level the *jif* and his council preside over dispute resolutions. Hence, *nakamal* and *nasara* are important components of *kastom* governance, and they are a symbols of an organised community and represent the structural functioning of a village (Huffer & Molisa 1999b). *Nakamal* and *nasara* are the two most important sources of promoting and encouraging dialogue and dispute resolution at the local community level.

Furthermore, the *jif* presides over the allocation of resources at the *nasara* level, and the resources are given out to the heads of the family or *nakamal*. It is the duty of the heads of the *nakamal* to distribute the goods or resources to the members of his family. The circulation of resources through the family circle is an important network system in all local communities. The social, political and economic organisations are constructed and organised on the basis of a family, and this is the very foundational basis of local communities; which would seem to work in contradiction to legal-rational values. The *nasara* and *nakamal*, as discussed in this thesis, are the two most important institutions in villages or local communities, which manifest the functional structure and governance of each village. This general principle can be observed across the whole archipelago; however, there are inherent differences in the values, process and norms within and between each island. The pig killing ceremony and ranking ceremony take place at the *nasara* level, and it is at that level that individual heads of families can muster support from the family to compete at the *nasara* level. There may be slight differences in some parts of the country where leadership is achieved through a bloodline, as Layard (1942) notes in the small islands of Malekula in which there is no competition for leadership titles. However, he makes the point that, irrespective of *jifly* title, there is internal trading competition among the general supporters during the grading ceremony called *nimangi*, where an individual strives to bring their best products to the ceremonial ground. As in a graded society, the *jif’s* prestige and status depends more on his distributional role in the society rather than the accumulation of wealth.

All these are some of the aspects of the local culture that state-centred governance has paid little attention to, particularly when the state introduces institutions that are designed to eradicate corruption and promote good governance practices in the society. These are the *kastom* governance practices that people are familiar with and used to in their daily lives, and the state-centred governance approaches thus should consider how best they can be incorporated with international best practices. Morgan Wairiu (2006) made a similar remark about the challenges of state governance in
the Solomon Islands, and pointed out that the eighty percent of the population who live in rural communities are more familiar and acquainted with traditional governance and local practices. As such, the legal-rational governance approach that pervades the state and Christianity are to them foreign institutions. As argued in Chapter Two, the increase in corruption-related problems in developing countries has led to international pressures from the World Bank and other aid development agencies for the newly developing states to adopt good governance strategies. This is arguably but one more manifestation of the external imposition of radically new political and cultural values that are not assimilated to existing traditional governance systems in Vanuatu.

4.2 Christianity

Christianity constructs a particular view of the world that also tends to work against traditional values, traditional beliefs and traditional practices in Vanuatu’s society. The first religious denominations to establish their presence in Vanuatu in the late 1800s were the Presbyterians, the Anglicans, and the Catholics, followed by the Church of Christ and the Seventh Day Adventists (VanTrease 1995). These churches might be seen as an extension of colonial endeavours to spread the benefits of modernization and transform the lives of pagan societies into a higher standard of living (AusAID 2008). In describing the involvement of the Presbyterian Church in Vanuatu, Jeremy MacClancy notes that ‘they are a curious mixture of the sanctimonious Scotch Presbyterian with an admixture of colonial cunning and cuteness’ (2002, p. 80). The early religious denominations had dual visions to Christianise the local community and to change their way of life through the introduction of Western education and health services. As one commentator observed in one of the islands in the northern part of Vanuatu:

The people of west Ambae experienced one of the most significant transitions of any rural community in Vanuatu from subsistence to a cash economy. The Church of Christ had encouraged local people to plant coconuts for the production of copra to give them access to the range of trade goods available from local trade stores, which had the effect of undermining the traditional political system (na hungwe) whereby graded titles were acquired through the exchange and sacrifice of pigs - copra production replaced the rearing of pigs as the most important economic activity (VanTrease 1995, p. 5).

The churches endeavoured to transform Vanuatu, and hence church tradition came into conflict with traditional authority and socially embedded practice. In the southern part of Vanuatu, the Presbyterian Church initiated a ‘Tanna Law’ as part of its mission to stamp out the pagan practices and replace them with religious values (Miles 1998). The Tanna Law was a new code of conduct developed intentionally by the Presbyterian missionaries to suppress socially embedded practices and, as such, it
was in a direct conflict with traditional authorities (Miles 1998; MacClancy 2002; Woodward 2002). The intention of the Presbyterian Church was explicitly expressed in the writing of William Miles. He noted that:

[t]o this end Presbyterian missionaries in the New Hebrides [Vanuatu] felt compelled to Christianise by stamping out those indigenous customs, practices, and rituals deemed incompatible with a chaste and holy life. Dancing, singing, drumming, divination, exorcism, immodest dress, and elaborate hairdos were outlawed, in addition to warfare, polygamy, widow strangulation, and ritual sex initiation (1998, p. 88).

Indeed, this was the very essence of the Tanna Law, which focused on establishing the new religious values and forcing the local community to adopt them. To effect the changes, the Presbyterian Church established police forces and courts composed of the converted local Christians, who were given the rights to ‘sanction fines, imprisonment, forced-labour punishment, public whippings and, it was alleged, garrotting to coerce abandonment of traditional customs, enforce participation at prayer services, and isolate prospective volunteers from French labour recruiters’ (Miles 1998, p. 89). Thus, Tanna Law was an exemplar of a Euro-centric notion of ensuring law and order in a society, through a new formal administrative council and code of conduct that was virtually set up against the existing traditional governance system in Vanuatu. This aggressive approach to law and order divided the whole society into two groups, which eventually contributed to the setting up of the John Frum movement, one of the cargo cults that emerged in reaction to an imposed alien and forceful code of conduct by the Presbyterian Church (Growley & Growley 1996). On the island of Nguna, local communities were banned from playing on Sundays, and a strict rule was enforced to make sure men and women were dressed in white clothes to attend Sunday worship. Tension between traditional authorities and churches is still a feature in the present environment, despite the enormous development contributions that the churches have made in the areas of health, education, and social welfare.

During the colonial era, churches had almost sole responsibility for education and health care services. Since independence, in addition to supporting government schools and health services, Churches have continued to provide education services, including rural training centres, early childhood, primary and secondary schools. Approximately one third of all education institutions are operated by the main churches, using the national curriculum, and with some teachers provided by the Government (AusAID 2006). Other social services provided by churches include health clinics or dispensaries and basic welfare services for women, youth, the disabled and other disadvantaged groups. The perseverance of the churches to transform the lives of local people and improve their living standards by converting to Christianity has indeed had great impacts in different parts of the archipelago. For instance, by the time of the 1999 Census, well over eighty percent of the population
identified as Christian, and more than one hundred mission schools had been built throughout the archipelago (VNSO, 1999). At present, there are over thirty Christian denominations in Vanuatu, the majority being Presbyterian, with twenty-eight percent of the total population, the most dominant church in Vanuatu. The Anglican is the second largest, with fifteen percent, followed by the Seventh Day Adventists (SDA) and the Roman Catholic Church, each representing twelve percent of the Vanuatu population (VNSO 2009, p. 1). Christian churches remain potent agents of social change, but also sources of social tension and conflict in Vanuatu society.

Church rivalries began during the colonial era when religious denominations fought for jurisdiction over local communities. For instance, the inherent denominational differences between the Anglican and Presbyterian traditions have led to a great division among the local communities in Tanna and created anethnocentric view of the Anglican community versus the Presbyterian community (Miles 1998). In a similar vein, the Protestant missionaries viewed Catholicism as a real threat to their own soul-saving endeavours, and this religious politic eventuated in temporary ‘theogeographical’ boundaries in Vanuatu (Miles 1998, p 89). Although these temporary boundaries were not formally validated by the two colonial masters, Britain and France, the local communities were divided along religious lines and people tended to categorise themselves and their community as man presbyterian or komuniti blong Anglican (Presbyterian man or member of the Anglican community). This temporary boundary saw the Presbyterian Churches take the southern part of Vanuatu, covering the islands of Anneytum, Tanna, Erromango, Efate, and the Shepherds. The Anglicans dominated the northern part of Vanuatu, particularly the islands of Banks and Torres, Maevo, Ambae, and Pentecost. The Catholics claimed the middle part and built their permanent presence in Santo, Malekula, and Ambrym. During the colonial period, churches had a strict boundary of operation, as was reflected by the church of Melanesia, which restricted its endeavours to Banks and Torres Island, Maevo, and Pentecost (Woodward 2002).

On a more intense level, there was a wider conflict between those who worshipped on Sunday and Saturday worshipers, and this conflict often led to damage to property or fighting within local communities. The SDA community was not allowed to access the Catholic dispensary and school, and vice versa. In our village the Catholic Church was the first church to establish its presence, and started to provide basic services such as a school, dispensary, and water supply. In 1988, the SDA came in and began to use biblical scriptures to reveal why they worshipped differently from the Catholic Church. The Catholic members reacted to what they said and banned them from using their water supply services. Hence, for a period of a year the SDA community had to use the main river and could not access the water supply services that were funded by the Catholic Church. In retaliation, one member of the SDA community destroyed the main source of the water supply, and the whole village remained without a water supply until the Japanese Government installed a new water supply service in 2000. Vanuatu has seen the influx of large number of religious denominations in the villages, and
this has caused disruptions in family relationships and become detrimental to village unity, which in turn affects the implementation of development projects. Kalontano; Vatu and whyte (2003) noted that, in small villages, competition and church rivalry can fragment resources and relationships, suggesting:

… it may result in an exclusive attitude among congregation members that causes them to withdraw themselves from community projects initiated by other church groups. This disunity not only contributes to poor cooperation within a community but often time causes tensions, confusion and religious competitions and duplication (Kalontano;Vatu and whyte 2003, p. 67).

The Vanuatu Christian Council of Churches (VCCC) was established to coordinate the efforts of the churches in contributing to the national development goals of the nation; however, each religious denomination has been limited by their doctrines and fundamental beliefs. The Seventh Day Adventist church has been an observer since the establishment of the VCCC, and it has reservations about cooperating fully with the initiatives of the VCCC. While the churches play an important development role in social sectors, their rivalries can contribute to the fragmentation of communities and encourage resistance to outside influence, including state interventions in development projects.

On a broader scale, the dual objectives of the churches, to Christianise, and to transform rural subsistence societies into “rational” surplus producers, were part and parcel of the colonial project to expand its socio-economic and political development in its colonies. Vanuatu, through the experiences of churches, European planters and traders, went through a very stressful period of socio-economic development during the colonial era defined by violence, killings, kidnapping, and conspicuous land dealings (MacClancy 2002). Such grossly insensitive attitudes to development have had a lasting impact on traditional communities in Vanuatu, encouraging traditional communities to fight against the state over development projects in rural and local communities. To appreciate how those socio-economic stresses are affecting Vanuatu society, the following sections map out the contours of economic change wrought more directly by colonial economic expansion.

4.3 Traders and planters, 1820-1906
The traders and planters reinforced the deep-seated tribal conflicts in local communities through the introduction of kidnapping and killing using guns and knives. Subsequently, their trading attitudes were based on unscrupulous dealings with local communities and the exploitation of resources without consent and compensation to landowners. The sandalwood trade began in the mid-1820s and in the early 20th century on the islands of Tanna, Erromango and Aneityum (Bedford 2006; Valjavec 1986; Woodward 2002). This followed a high demand for sandalwood among Chinese Buddhists, who used it to burn in their religious ceremonies for the sake of its sweet smell (MacClancy 2002).
Australian traders had searched for forests in the Pacific to export wood to China to offset the enormous amount of Chinese tea that flooded the Australian market at that time. They came across sandalwood on the southern islands of Vanuatu, and began to extract it in large quantities, often at the expense of many islanders who lost their lives (MacClancy 2002). Commentators in Vanuatu described the early activities of the sandalwood trade as a “bloody business”, run by ruthless men who treated islanders badly, committed atrocities and pursued the prospect of large profit at the expense of human ideals (MacClancy 2002: 40; Woodward 2002). Large quantities of sandalwood were obtained through predatory behaviour, with the only benefits to local communities being in the form of iron tools that Europeans used to lure the hearts of local communities in order to allow them to cut their forests. These experiences created an impression in the minds of the local communities that development was all about exploitation, stealing, humiliation and killing for the sake of profit and wealth.

The struggle to control resources is still a cause of tension between Vanuatu local communities and the state. The sandalwood trade and labour trade brought home a new concept of development through fighting, injustice, and exploitation of resources for the sake of making profit. In a society that has been immersed in tribal wars, the fighting over resources between the Europeans and local communities exacerbated the conflicts that existed within and between villages and islands. The fear of losing lands and resources is one of the reasons for conflict over development between the state and traditional land owners. The perception that local communities have of the state as an alien institution, representative of foreign investors that have as their ultimate purpose the exploitation of their resources, with little benefit to them, does not put the state on good terms with the local communities.

Opposition to development on traditional or cultural grounds was evident in the interruption of a multi-million dollar hydropower project, funded by the Chinese government in 1996, by one local community in the northern part of Vanuatu called Unmet. This occurred when the community learned that the project would have a destabilising impact on the level of the Brenwei River that had provided water to them for many decades. Similarly, the Tautu community burned down the air terminal at Norsup airport in 2000, the key airstrip servicing the island of Malekula. Accusations were aired over inappropriate state compensation and the sharing of the benefits that the land owners would get from the state.

The European planters expropriated land by stealth, that is by taking advantage of traditional land sharing systems to gain an economic foothold and take permanent hold of land given temporarily and in trust. The records show that by the early 1970s over half of the country was owned by foreigners (VanTrease 1987). The residents of the two colonial powers (France and Britain) have taken large areas of land from local communities to plant large plantations of coconut, cotton, coffee and cocoa
VanTrease 1987). The first to develop coconut, cocoa and coffee plantations were British subjects, mainly from Australia, who moved to the southern part of the island of Efate around Havannah harbour and later to Port Vila (VanTrease 1995). The commercial plantation activities were carried out in an illegal fashion, as lands were stolen and were not registered properly under formal legal arrangements. While the local communities gave the right to Europeans to use their lands following the traditional land tenure system, European planters took it seriously that the locals had granted them ownership of the lands. This misunderstanding of the two systems of land tenure led to an increase in disputes and conflicts between the European planters and local communities. By the second half of the 19th century, most of the European land speculators and developers had moved into various parts of the archipelago, mainly in Efate, Epi, Santo, and Malekual (VanTrease 1995). The Europeans claimed large areas of land and transformed them into commercial coconut, cocoa, and coffee plantations and, later on, into cattle farms.

The forcible acquisition of lands by the Europeans and the imposed system of land registration gave birth to perennial conflict over land management that is still very much a feature of Vanuatu society. The attempts by the Europeans to legally register the parcel of land that was given to them by the traditional authorities generated greater tensions and disputes between local communities and the planters. What Europeans have imposed is a new model of development that calls for individual property rights and an economic system that requires people to exchange their labour for wages and, as a consequence, become part of the cash economy. Local people were often forcibly recruited by the plantation owners to work on their plantations in return for cash wages, which drew people away from their villages to live on or near to their place of employment. Furthermore, this was also a model of development that came with many atrocities, such as killings, stealing, kidnapping, exploitation, and humiliation, for the sake of profit maximisation of the richer companies and individuals (Woodward 2002, MacClancy 2002, VanTrease 1995). The increased killings and land disputes compelled the two colonial masters to forego their political differences and work together on a convention that would address the deteriorating law and order in Vanuatu and, most importantly, protect their commercial interests. Ironically, their Euro-centric notion of law and order led them to impose Western prescriptions of institutions, and to introduce new legal-rational values. They did this rather than seeking to build institutions based on local or traditional foundations or to implant ideas in such a way that they could take root in the specific socio-cultural landscape of Vanuatu.

4.4 Joint colonial agreement 1906-1980
The Joint Colonial Agreement of 1906 instituted a Euro-centric notion of the state in Vanuatu, and therefore created an “empty political space” in the local socio-political landscape. This joint agreement came about as a result of the frequent violent incidents and increased land disputes
between Europeans and local communities, and also the unscrupulous practices of labour recruiters in the islands (Bonnemaison 1975; MacClancy 2002; VanTrease 1995). As a way of tackling land grievances and deteriorating law and order, France and Britain finally agreed for a convention that promulgated the foundation principles of what was known as the ‘condominium’ (Miles 1998). The concept of condominium was not unique to Vanuatu, and reference could be made to Cameroun where France and Britain had joint power. In Vanuatu, as noted by Miles (1998), the contents of the ‘condominium’ government were dictated by the divided colonial philosophies and political interests of the two countries in Vanuatu, and hence it was oriented towards the protection of the European residents rather than the people of Vanuatu (Miles 1998; MacClancy 2002). While Britain saw their presence in Vanuatu as that of a temporary sojourner, France took a hard line to extend their territory and build a permanent presence in Vanuatu (VanTrease 1987; Woodward 2002). Their divided political ambitions and aspirations were reflected in the establishment of the three separate administrative organisations, British administration, French administration, and the Condominium; which had great ramifications in the manners and ways in which they dealt with land disputes, local interests, and internal conflicts between local communities and their residents. The French applied French Laws and regulations in addressing internal conflicts and land disputes between its residents; and likewise the British used its own laws to deal with the affairs of its residents (Miles 1998; Woodward 2002). In this context, the indigenous population of Vanuatu remained stateless and were not clearly subject to either one of the colonial masters.

As part of the 1906 Joint Colonial Agreement, the whole archipelago was divided into four administrative districts: northern district, southern district, division one and division two. In each district there were two separate resident commissioners, British and French, and dual political administrations. The French operated a separate administration and services, including schools, hospitals, police, telecommunication, and postal services. They worked closely with the French speaking churches such as the Catholics to promote the French language in their schools throughout the whole archipelago. As a result, French influences spread fast in major areas where Catholic churches were established, such as in Malekula, Santo, Ambrym, and later to other parts of Vanuatu (Miles 1998; MacClancy 2002). Similarly, the British had their own schools, postal services, police, hospitals, and telecommunication. They worked closely with the Presbyterian and Anglican churches, and the Church of Christ to run education and health services throughout the whole of Vanuatu. Thus, the dual nature of the political influences of the two countries divided the whole community of Vanuatu into two major language groups, Anglophone and Francophone. In a similar vein, the religious denominations divided the local communities into two groups so that people who became members of Catholic churches identified themselves as Francophone and tended to be on the French side. Likewise the Anglophones were those who belonged to Presbyterian, Anglican, Church of Christ or the Seventh Day Adventist churches. Thus, the whole society categorised themselves along
religious lines and, most importantly, on the basis of languages, Anglophone versus Francophone, and the school they had attended (Miles 1998).

In 1914 there was a slight change to the 1906 convention, which gave birth to a condominium administration, mainly in the areas of courts and dispute resolution (Miles 1998). One of the integral features of the protocol of 1914 was the establishment of a Joint Court system to deal with land matters, consisting of three Judges, British, French, and a third judge appointed by the King of Spain, who acted as President (VanTrease 1995, p. 10). The other aspect of this protocol was the Joint Naval Commission, which consisted of officials from France, Britain and local ni-Vanuatu, who patrolled the islands of Vanuatu together to ensure law and order. It was through this joint condominium administration that local positions were created in each administration, and they were called British District Officers and French District Officers (Miles 1998; MacClancy 2002). People who were recruited to one of these offices had to either train in French schools or British schools, and the French employed only its citizens and locals who spoke French. The impact of this joint administration was that very little was achieved in terms of facilitating peaceful resolutions in villages, because of the divided opinion between the two colonial masters over land management and the clashes over traditional roles of chief and appointed colonial ‘assessors’. The assessors were the middlemen between traditional authorities and the condominium government (Miles 1998).

The establishment of the Joint Court was based on the Torrens system of land registration, which worked to the advantage of the European claimants and limited the ability of ni-Vanuatu to defend their rights (VanTrease 1995). In addition, local communities had limited knowledge about how the Joint Court system worked and, as a consequence the colonial system of Joint Courts, among other things, did not work well. The implication was that issues relating to land disputes, registration, and development were dealt with using foreign laws that were outside the local context and therefore worked at the expense of local communities. Straight after Vanuatu gained independence in 1980, island courts were established in four districts, and were part of the hybrid policy in which two different principles (kastom and legal-rational) were blended together to address land disputes in local communities. The concept of the island courts failed because of the complex and diverse kastoms that Vanuatu already had, which made it impossible to develop a unified traditional court system that could be applied consistently throughout the archipelago. In most cases the traditional land tenure system of collective ownership was a major challenge for the state when it clashed with individual property rights or the lease system. Kastom law stipulated the collective ownership of land, which worked in the opposite direction to individual property rights and ownership. In 2008 the government responded to unresolved land disputes over ownership by setting up a Land Tribunal Court to deal with all land disputes, and re-emphasised kastom as the determining criteria for ownership. The land tribunal court was composed of more than one jif and one or two officers from the tribunal office.
However, the inherent challenge of bridging the gap with the legal-rational court system is yet to be resolved, which implies that in the appeal court the legal-rational court always takes precedence and quashes the decisions of the Land Tribunal Court. Recent experience has showed that the decisions of the appeal court to quash the decisions of the Land Tribunal Court has often aggravated the intensity of the conflict rather than providing a peaceful settlement.

The issues surrounding land ownership and development during the colonial era were the instigators of emerging local political organisations. The first political groupings were influenced by Anglophone and Francophone political ideologies, and therefore the two colonial powers had a bearing upon the political development of the Vanuatu state. This has worked to exacerbate the divisions within Vanuatu society. The first two major political groupings were the nagrimiel movement, and the New Hebridean Cultural Association, which is now called the Vanuaku Party (VanTrease 1995). Both movements claim to represent the interests of the local population by intending to reclaim all the alienated lands that were taken by the Europeans and, most importantly, promoting kastom as the true identity of local communities. Thus, land and kastom were the two denominators that were used by the local elites to rally support of the local communities towards decolonisation. Initially, they started with a common vision to drive out the two colonial masters and restore the self-identity of the ni-Vanuatu and, most importantly, regain all the alienated land that Europeans had obtained by force. However, along the way this concerted vision got diluted into Anglophone versus Francophone politics, which reflected the deep-seated divisional political structures of the two colonial masters (Miles 1998). Indeed, when Vanuatu gained independence in 1980, it inherited deep-seated divisional socio-economic structures and political structures that the two colonial masters, in collaboration with the established churches, had institutionalised during the colonial era. These divisions have presented almost insurmountable challenges for Vanuatu as an independent state, in two ways. Firstly, nationalism has had to be created out of the complex and diverse socio-political and cultural differences that are inherent in Vanuatu’s society. Secondly, the state has had to be built from the greater socio-cultural diversities and out of the divided political structures inherited from the two colonial powers.

4.5 Post-colonial Vanuatu
A nation has to be created, and this does not happen automatically (Dinnen 2008). Vanuatu is an archipelago of 83 islands, and in the pre-European contact period and during the colonial era, there was limited contact between islands. Most of the islands were renowned for their cannibalism and tribal warfare, which negated peaceful contact and limited the opportunity for regional interactions and integration at that time. These national challenges were exacerbated by the geographical dispersion, colonial and post-colonial rivalries, parochial identities, religious rivalries, and the diverse
traditions and languages (Crowley 2000). As a result, the emerging national leaders had to overcome these challenges in order to create a national identity that everyone would feel that they were part of. Two decades after independence, a former British resident of Vanuatu, Keith Woodward, made the following observation:

Vanuatu inherited from the condominium perhaps the most difficult legacy to fall to any British colonial territory - enduring division in politics and in education, dual services, no proper national civil services, a crippling lack of educated men and women (because there had been no secondary school in the country before the late 1960s), and an economic and fiscal base so inadequate and underdeveloped that the country could not survive, let alone develop, without continuing major injections of international aid (2002, p. 7).

As noted, the state-centred governance system in Vanuatu was borrowed largely from the European political ideologies (Miles 1998). As such, the implanting of these new political ideals to the less acculturated masses presented a major challenge for the newly independent state of Vanuatu. In commenting on the nationalist struggle for Vanuatu, William Miles notes that ‘nationalism in Vanuatu still entails overcoming those divisions which brewed during the condominium era and boiled over in the pre-independence period’ (1998, p. 45). From the ni-Vanuatu perspective, nationalism can be viewed as a dual process, the first step of which was to mount an anti-colonial movement to remove the two colonial masters. The second step was the more difficult one for Vanuatu, as it involved the need to form an inclusive identity by conferring a sense of national unity on all citizens (Miles 1998).

In the lead up to independence, kastom and Bislama (a linga-franca creole that developed out of the plantations) were selected as means to achieve unity. The concept of kastom as a way of life (Bolton 1999b) is discrete in the sense that it has an opposite relationship with most religious denominations and, most importantly, contradicts the economic liberal notion of self-market regulation, individualism, property rights and political democratic institutions. The traditional collective ownership of land and the practices of kastom, such as kinship inheritances, and patriotic leadership, are contradictory to legal-rational expectations of the state. These are based on economic liberal values of individualism, self–market regulation, property rights, and political order through participatory democracy. On this basis, having kastom as a means of unity and political identity further aggravates the gap between the legal-rational expectations of the state and socially embedded practices that are ingrained in the Constitution of Vanuatu. However, as is suggested in this thesis, it is time to shift the focus from kastom as weakness to the analysis of kastom as a source of resilience and growth-enhancing governance in the development context of Vanuatu. Chapters Five and Nine of this thesis examine ways in which, in Vanuatu, customary governance, values and norms can be
adapted to serve the needs of a modernizing society and improve the governance performance of state institutions.

During post-colonial state building, Vanuatu took a unified approach to combine the three competing and overlapping institutions, traditional values, Christianity, and the legal-rational state notion, into its newly formulated state institutional framework. The Constitution of Vanuatu recognises the three development institutions as founding principles and values on which the state is to be built. As discussed in Chapter One, the Constitution recognises in its preamble the three governance systems, state, kastom, and Christianity. Kastom covers everything in traditional Vanuatu society, ranging from the way of living to natural surroundings, and hence indigenous communities feel that it is the right terminology to describe their way of life (Tonkinson 1982b). Kastom and land are featured in all major sections and chapters of the Constitution. Kastom is mentioned twenty-five times in the Constitution, but with little clarification of what it means and how it will work as a vehicle for development. Chapter Five of the Constitution is devoted to the establishment of a National Council of Chiefs, and makes special reference to kastom as a determining basis for election. The members are ‘kastom Jifs’, who are elected by their peers sitting in district councils of chiefs. The traditional land tenure system is fully covered in Chapter Twelve, and it begins with the profound provision that ‘all land in the Republic of Vanuatu belongs to the indigenous kastom owners and their descendants and kastom shall form a basis of ownership and use’ (Constitution of Vanuatu 1980. p. 26). On the other hand, Vanuatu is the only country in the world that recognizes three foreign languages, French, English and Bislama, as its official national languages for communication (Crowley 2000). The principal languages of education are English and French.

The state model is based on the Westminster system. It has an Executive, Judiciary, and a Legislature. The legislature consists of the fifty-two elected members of parliament, each with a four year term in Parliament. The Prime Minister is elected through an Electoral College of the parliament on the first sitting after a general election. The executive is made up of Ministers who serve in the government as the heads of the thirteen ministerial portfolios. The head of state is nominated by both sides of the house and elected through the Electoral College, which comprises all members of Parliament, the President of the six Provinces, and the President of the Malvatumauri National Council of Chiefs. The thirteen chapters of the Constitution provide for decentralization; however, a recent study on the drivers of change in Vanuatu observes that:
The most obvious unfinished element of the state building project in Vanuatu is the limited reach of the state outside the capital. Apart from the primary schools and first aid posts, most ni-Vanuatu has little contact with the state. The six provincial governments are under-resourced and largely unable to deliver services outside the provincial headquarters (Cox et al 2007, p. iii).

While it is recognized that state-building is an ongoing process, the challenges of implementing new political values and meeting the legal-rational governance expectations of the state, and at the same time promoting development, are intensified in developing countries, and Vanuatu is a case in point. Vanuatu, although it is not alone in this experience, faces multiple challenges, and these include a challenge to transform the colonial-era administration into a ni-Vanuatu managed structure, along with the development of the functions of a legal-rational state. For the past three decades, new institutions have been established to accommodate newly emerging development challenges such as climate change, the increased number of youths, rural-urban migration, corruption, gender imbalance, and poor rural financial services, and all have taken place against the backdrop of very limited human resources (Cox et al. 2007).

The emerging issues of corruption, and of developing and supporting a good governance agenda as the principal means to tackle challenges, have led to the development of national and international policy proposals, international agreements and anti-corruption programmes and initiatives. The anti-corruption development initiative and the Millennium Development Goals (MDGs) are examples of regional and international development initiatives that filter in all the bilateral partnership agreements that nation states have signed with developed countries and international aid agencies. Vanuatu, as a nation, has obligations to meet certain international standards of practice and has to carry out a range of regional and international development initiatives that it is party to. In 2001, Vanuatu was a party to ADB/OECD anti-corruption initiatives, followed by the ratification of the United Nations Convention Against Corruption (UNCAC) in July 2011. Other UN ratified conventions weigh the government with additional responsibilities, such as in the case of the Committee on the Elimination of Discrimination Against Women (CEDAW). The implication of these development initiatives for Vanuatu is that they stretch the limited human capacity even more thinly and put additional pressure on government for institutional reform. Thus, in a context where the state is limited by capacity and experiences national budget constraints, leaders and officials become easy prey for international business firms and individual investors, and they may well accept bribes in the name of development in Vanuatu.
4.6 Conclusion
The inherent components of Vanuatu society underscore the multiple fault lines derived from religious beliefs and traditional practices overlain with imposed state ideologies imposed or borrowed from outside. All these elements can potentially develop into serious conflicts and engender fractures within Vanuatu society. The pressure comes from the legal-rational state through its transformation policies that have as their ultimate purpose the stamping out of socially embedded practices of customary reciprocity, the parochial jifly leadership system, and traditional land tenure. As such, over a period of time all these fractures can eventually burst into civil-ethnic tensions, which can have profound ramifications for the socio-economic structures of the state. The ethnic tensions in the Solomon Islands in 2000 and three successive coups (1987, 2000, 2006) in Fiji were classic examples of clashes of two sets of values (Kabutaulaka 2008b; Lal 2009; Lawson 2012). Corruption can be interpreted as a consequence of the collision between value systems; which is here, in Vanuatu, simplified into a collision between value systems along the vast frontier of tradition and modernity. The collision of different values in a shared common political space is, as this thesis argues, a trigger for different sources of corruption in Vanuatu government and society. Understanding corruption as a consequence of various social relations and pressures in a localised context, and the working out of contradictions between traditional kastom practices and beliefs and the requirements of a nation state, is critical to understanding why the Malvatumauri National Council of Chiefs is an important institution to mediate between the two sets of world views.
Chapter 5: Case Study One: Jifly Institution and Governance

5.0 Introduction

There is an enduring dialectical tension between aspirations for a more locally embedded system of governance in Vanuatu and the legal-rational model of sovereignty and power de jure, imported by colonial powers and colonisers, to which most modern power elites are wedded. In the post-colonial Vanuatu state, kastom authority structures are forced to coexist with a still relatively new, and arguably “alien”, set of political institutions. Modern state institutions are based on the liberal political principles of majority rule and free and fair elections, while the traditional jifly leadership system is based on decision-making through consensus and on the hereditary right to rule. Social friction is the consequence of the aggressive imposition of rival colonial systems. In colonial Vanuatu, the discontentment of the local communities over the fraudulent possession of large hectares of land by the Europeans was a cause of increased violence and violent death. One result was a new authority structure imposed by Europeans to establish law and order in the archipelago, on European terms. The organisation of chiefs, institutionalised into an administrative council, came partly to regulate law and order in the local community, but most importantly to fulfil the objectives of the religious denominations and the colonial authority to modernise and rationalise what they viewed as irrational and parochial leadership and political systems that existed in local communities. As such, the appointment of the ‘missionary chiefs’ and the ‘assessors’ by the Europeans as new additional political leaders in the local communities insulted kastom authorities and created leadership fractures that still continue today. Governance in Vanuatu should therefore be interpreted in a context of multiple and overlapping authorities, each with distinct and frequently conflicting priorities and value orientations.

This case study illustrates how these complexities shape governance dynamics within a specific institutional context. Hence, this chapter is divided into four sections. The first section provides an overview of the colonial attempt to transform kastom authority and traditional values of social obligation in Vanuatu. The second section deals with the problems and weaknesses in the way the Constitution was drafted to reform kastom authority and shape a new social order in Vanuatu. The third section demonstrates the resilience of kastom authority and its effectiveness and relevance in Vanuatu today, followed with an analysis of the legitimacy of the MNCC. The final section illustrates that kastom authority and traditional values of social obligation are resilient and are now being crafted into the bureaucratic system. As such, this creates a critical need to improve the roles and functions of kastom authority and kastom governance at the national, regional, sub-regional, and local levels, in order to work collaboratively with the state.
5.1 Overview

The jifly administrative council is an example of a mistake that has been made in reforming or transforming power and authority within Vanuatu. As was alluded to in Chapter One and Chapter Four of this thesis, the jifly administrative council was conceived and designed by European colonial authorities as an administrative agent to mediate between locals and the colonial state. As such, it elevated a structure out of local context and created a hybrid system in which legal-rational and democratic values were intended to mix with local social order and authority, as reflected in the election of kastom jifs. As discussed in Chapter Four, the colonial authorities bypassed the kastom authorities and created two new leadership positions, that of missionary chief and assessor, to serve as members of the jifly administrative council in local communities (Allen 1984). In addition, a new code of conduct was enacted by the Europeans and enforced by the administrative council, which went against the kastom authorities and social orders in the local communities (Bonnemaison 1975; Guiart 1954). In this context it can be argued that the colonial approach to law and order in the pre-independent era was as indifferent to local context as is the current World Bank model of good governance.

One could wonder why the missionaries needed to create a new leadership position similar to a kastom jif in a local community, when this position already existed. The answer could be partly because the traditional authority structures and the values that underpin them were regarded as an impediment to the long-term vision to christianise the whole archipelago and create a new foundation for the colonial state. In this way, the jifly administrative council was initially established in such a way that it would gradually be fashioned into a full democratic institution that they could control or over which they could exert more influence. The following is an excerpt from a recent interview with a kastom jif who expressed his views on the leadership battle they had at the village level:

"We already had the kastom jifs in our villages prior to the arrival of the Europeans and they were still here. When the Europeans came they appointed their own missionary chiefs and established an administrative council that followed their own ways and against our kastom principles, values, and processes. They appointed their own missionary chief to replace our kastom jifs and represented our people in the councils. This was a mockery to our kastom authorities and now MNCC wanted to establish another village council in our village. I told them that we already had our jifly Council at the Village that followed our kastom ways and culture and if they wanted to bring another Western council they would need to go and established it in the middle of the ocean. The problem with the missionary chiefs at the council was that they were not able to command the leadership authority in the villages and they were like ‘flowers’. In our society today people fought for the leadership title because the missionary and the two colonial governments came and introduced their own chiefs, (missionary and assessor) that confused people in local communities. Now everyone wanted..."
to become chiefs because the missionary and the two colonial governments created an opportunity for anyone to become chief (Tape interview 6 May 2013).

This quote illustrates the degree of the struggle for power between the European-centred notion of authority with kastom authority and the leadership perceptions and challenges in the local communities. It also echoes frustration with the external and “top down” approach to institutional design and reform evident in many developing countries, where little consideration is given to existing authority structures and social order or customary practices. The colonial design of the jifly administrative council in the South Pacific region reflected the experiences that they had in other parts of the world. The jifly administrative council in Vanuatu reflected largely the colonial patterns previously established by the European powers in West Africa and elsewhere (Lawson 1997; Miles 1993). The Hausa province in West Africa was a case in point, and although the province was divided into two parts between the French and the British, it had many similarities with Vanuatu in terms of the jifly administrative structure that was established and how chieftaincy was incorporated into the state (Miles 1993). William Miles (1993) drew a comparative analysis of the design of the jifly administrative council in Vanuatu and chieftaincy of Niger and Nigeria in Africa, all of which were colonies of the British and French at one point in time. Three observations can be made from that comparative analysis:

- The chiefly institution was designed by the European colonial authority as an administrative agent for socio-economic and political development at local and national levels;
- The traditional authorities were omitted in the design of the chiefly administrative council and the Europeans bypassed them to appoint the missionary chief in Vanuatu and the “warrant chiefs” in Nigeria to replace them at the council (Miles 1993);
- The role of chief on the council in both countries was diminished to that of an advisory and consultation role, meaning that they did not have the power to make decisions at the national level or influence the decision of the state.

The formation of Vanuatu’s jifly administrative council during the colonial era can be read as an aggressive move to undermine local values of social order, norms, processes, and kastom authorities. Jifs were placed in an awkward if not untenable position, as icons both of tradition and kastom within an antagonistic state apparatus. This was one of the major challenges that the local political leaders dealt with during the constitutional drafting in the pre-independence period, to ensure that the institutional design of the jifly councils was grounded on traditional values of social order, norms, and processes. The emergent power struggle between Euro-centred notions of state authority and that of kastom authority was clearly displayed in the discussions of the constitutional drafting committee.
The following section analyses the minutes of the constitutional drafting committee, within the themes of power struggles and the designs of the post-colonial institutions.

5.2 Institutional design

In the preparation for independence, a constitutional drafting committee was established by the Representative Assembly in April 1979, and was given a six months timeframe to design a whole political and institutional framework for the newly independent state of Vanuatu. This committee was composed of four major groups, as depicted in Table 5.1: kastom jif representatives; Conseil des Ministres (Council of Ministers); Assemblée Representatives (Representative Assembly); and members of Vanuaaku Party (Minutes of the Constitution 1979). At the drafting of the Constitution the debates were not so much on how to transpose the legitimacy of individual kastom jifs, and of kastom authority in its multifarious forms, onto a jifly institution where jifs were agents of the state at the local and national levels, but rather the discussions and negotiations of the constitutional committee were on the need to find a space for jifly institutions within the state apparatus. In other words, the minutes of the Constitution suggest that the state approach to building post-colonial institutions was more assimilationist than transformative, and as such there endured two forms of authority that operated on different principles and embraced two different values of social orders and leadership expectations.

Table 5.1 Members of the Constitution of Vanuatu Committee

<table>
<thead>
<tr>
<th>Names</th>
<th>Position</th>
<th>Affiliation</th>
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<tbody>
<tr>
<td>1. W. Lini</td>
<td>VP President</td>
<td>Conseil des Ministres (Council of Ministers)</td>
</tr>
<tr>
<td>2. D. Kalpokas</td>
<td>Member</td>
<td>Conseil des Ministres</td>
</tr>
<tr>
<td>3. G. Prevot</td>
<td>Member</td>
<td>Conseil des Ministres</td>
</tr>
<tr>
<td>4. L. Dini</td>
<td>Member</td>
<td>Conseil des Ministres</td>
</tr>
<tr>
<td>5. A. Malere</td>
<td>Member</td>
<td>Conseil des Ministres</td>
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<tr>
<td>6. G. Kalkoa</td>
<td>Member</td>
<td>Conseil des Ministres</td>
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<tr>
<td>7. T. Reuben</td>
<td>Member</td>
<td>Conseil des Ministres</td>
</tr>
<tr>
<td>8. J. Naupa</td>
<td>Member</td>
<td>Conseil des Ministres</td>
</tr>
<tr>
<td>9. G. Laymang</td>
<td>Member</td>
<td>Conseil des Ministres</td>
</tr>
<tr>
<td>10. M. Carlot</td>
<td>UMP President</td>
<td>Conseil des Ministres</td>
</tr>
<tr>
<td>11. W. Bangmatur</td>
<td>Interim President</td>
<td>Malvatumauri National Council of Chiefs</td>
</tr>
<tr>
<td>12. F. Timakata</td>
<td>Member</td>
<td>Malvatumauri National Council of Chiefs</td>
</tr>
<tr>
<td>13. M. Tacemata</td>
<td>Member</td>
<td>Malvatumauri National Council of Chiefs</td>
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<tr>
<td>14. J. Tambe</td>
<td>Member</td>
<td>Malvatumauri National Council of Chiefs</td>
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<tr>
<td>15. J. Nerua</td>
<td>Member</td>
<td>Malvatumauri National Council of Chiefs</td>
</tr>
<tr>
<td>16. G. Cronstead</td>
<td>President</td>
<td>Assemblée Representatives (Commission Ad Hoc)</td>
</tr>
<tr>
<td>17. T. Tungu</td>
<td>Member</td>
<td>Assemblée Representatives</td>
</tr>
<tr>
<td>18. J. Quarani</td>
<td>Member</td>
<td>Assemblée Representatives</td>
</tr>
<tr>
<td>19. J.M. Leye</td>
<td>Member</td>
<td>Assemblée Representatives</td>
</tr>
<tr>
<td>20. V. Boulekone</td>
<td>Member</td>
<td>Assemblée Representatives</td>
</tr>
<tr>
<td>21. G. Pakoa</td>
<td>Member</td>
<td>Vanuaku Party (VP)</td>
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<tr>
<td>22. G. Molisa</td>
<td>Member</td>
<td>Vanuaku Party</td>
</tr>
<tr>
<td>23. K. Matas</td>
<td>Member</td>
<td>Vanuaku Party</td>
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The inclusion of the *kastom jifs* in the constitutional committee was important because they remained an important political force at the local level and people still relied on them to address their daily needs. Their presence and influence in the local communities in Vanuatu is real, and therefore the success or failure of the Vanuatu democratic experiment in some ways depends on how this traditional political institution is incorporated into the new political order. However, *kastom* authority was from the outset construed as a “threat” to the state, which had to be neutralised rather than accommodated, and the “balance of power” reoriented away from the local community level institutions towards the centre. Colonialist perceptions and priorities had a defining impact on the design of the *jifly* administration and, as such, the institutional responsibilities of the *jifs* were restricted to advice and consultation.

The constitutional committee was an opportunity to redress this power “imbalance”, but the opportunity was not taken. At the beginning of the discussions, the Chairman of the constitutional committee, Gerald Laymang, requested Professor Yash Ghai to prepare a submission paper on the role of chiefs and experiences in different countries (Minutes of the Constitution 1979, p. 19). This submission paper indeed gave an opportunity for the constitutional committee to explore different models and practices around the globe in order to have a better knowledge of different ways to incorporate the *jifly* institution into state structures.

The discussions centred on how Western Africa (particularly in the Hausa province) had integrated the traditional institutions of chiefs within the state apparatus (Miles 1993). In Niger, the French incorporated pliable chiefs into their own bureaucracy, strictly as executors of French administrative policy. The British, on the other hand, conferred great autonomy to the chiefs within their own colonies (Miles 1993). As William Miles points out, chiefs under British colonial rule emerged at independence with greater power and authority *vis-a-vis* the national government than did their counterparts in former French territory (1993; p. 33). In Nigeria, chieftaincy retained control of local government as head of the Native Administration, previously known as the Native Authority (NA). However, the joint influences of the two European countries (France and Britain) in Vanuatu resulted in a different institutional outcome in which *kastom* authority remained independent, albeit with an unclear framework, as to their interaction with the state. Their power, roles and boundaries at the

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<tr>
<td>24. B. Sope</td>
<td>Member</td>
<td>Vanuaku Party</td>
</tr>
<tr>
<td>25. J. Natuman</td>
<td>Member</td>
<td>Vanuaku Party</td>
</tr>
<tr>
<td>26. L. Vatu</td>
<td>Leader</td>
<td>Tabwemassana</td>
</tr>
<tr>
<td>27. G. Kalsakau</td>
<td>Leader</td>
<td>Natatok Efate</td>
</tr>
<tr>
<td>28. S. Regenvanu</td>
<td>Secretary General</td>
<td>New Hebrides Christian Council</td>
</tr>
<tr>
<td>29. J. Stepen</td>
<td>Leader</td>
<td>Nagriamel</td>
</tr>
<tr>
<td>30. Prof. Yash Ghai</td>
<td>Technical Advisor</td>
<td>British Government Representatives</td>
</tr>
<tr>
<td>31. Prof. Zorgbibe</td>
<td>Technical Advisor</td>
<td>French Government Representatives</td>
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Source: Minutes of the Constitution 1979
national, regional and sub-regional levels were not defined clearly and, as such, this became an emerging challenge for formal authority and institutions.

The following are excerpts from the summary of deliberation of the committee on the power challenge between *kastom* authority and a legislative state authority. In discussing how to incorporate *kastom* authority of *jifs* into the state system, the committee agreed that, while a position needed to be found for the *jifs*, their role in the conduct of national affairs should be limited. The discussions were intense, as members expressed their views on how best the *kastom* authority could be incorporated with the state, and what sorts of power and role the *jifly* institution would have at the national level (Minutes of the Constitution 1979, p. 19):

**Walter Lini**  
Pointed out that chiefs in the New Hebrides [Vanuatu] were more political than in other countries, and that the chiefs were national rather than local figures.

**Maxime Carlot**  
Tried to find a way to incorporate the chiefs into a government structure, proposing two possibilities: (1) an upper house of chiefs; (2) a chief’s college within the Assembly.

**Professor Yash Ghai**  
Discussed the role of chiefs in a number of countries and summarised the previous discussion on chiefs, and felt that the role of chiefs in the New Hebrides was somewhat different from that of chiefs in other countries. He felt it would perhaps be wise not to take any firm decision for the time being.

**W. Bangmatur**  
Spoke on the need to ensure that, whatever structure was adopted, provision be made for the chiefs to play a role. He expressed his opposition to the council and said the Constitution should provide for the chiefs to act in times of crisis.

These positions illustrate the tensions between conceptions of the legitimacy of legislative and *kastom* authority, and the place of each within a single national sovereignty. The proposals to have the *jifly* institution as an upper house or to establish reserved seats for *jifs* in the National Assembly generated divided opinions on the powers and roles of the *jifly* institution. Some committee members felt that it was significant to give equal consideration to the powers and authority of *jifs* with that of the legislative authority in the development of Vanuatu. The following is an extract from the minutes of
the discussions on the power of *kastom* authority at the national level (Minutes of the Constitution 1979, p. 29):

**W. Bongmatur**  
Spoke of the need to respect custom and chiefs - he warned that if chiefs were not given a proper role to play in the life of the country there would be a complete deadlock.

**A. Malere**  
Said that the power and the functions of the chiefs should be defined first of all.

**G. Kalsakau**  
Believed that the changing situation should be faced. The chiefs should be treated on the same level as everyone else and progress made to help the people of the New Hebrides.

**Prof. Zorgbibe**  
Said he examined the possibility of having a second house for chiefs in the legislature and explained the nature of the House of Lords in England and the Senate in France. He said there appeared to be at least two possibilities in the New Hebrides: an upper house for the chiefs; or a reserved number of seats for chiefs in a single-chamber Assembly. In the second alternative, he said, thought would have to be given to the powers granted to the chiefs - to give them the same powers as the democratically elected people’s representatives could create problems and conflicts.

**J. Quarani**  
Said it would be extremely difficult for the government to function effectively while excluding the chiefs.

These extracts indicate the determination of local political elites to maintain *kastom* authority on an equal footing with legislative authority. There was a clear demonstration that *kastom* authority should be granted equal status and power with legislative authority; however, their views clashed with European notions of state-centred authority, as clearly expressed by Professor Zorgbibe. In other words, to give *kastom* authority the same powers as the democratically elected people’s representatives could create problems and conflicts. This demonstrated that the two systems of authority rested on two distinct sets of expectations of leadership and social order. It simply meant that an integrated system would fuel greater tensions and conflict at the expense of development objectives, because none of the authorities would want to be subordinate to each other.

Because there was little room to reach a consensus on having equal powers and authority between *kastom* authority and legislative authority, the Chairman of the committee and member of the *Conseil des Ministres*, Father Gerald Laymang, sought the consensus of the committee to quarantine the
discussions on the traditional institution of *jifs* until there was a clear concept of the state political structure (Minutes of the Constitution 1979). The implication of this decision would be that the incorporation of *kastom* authority within the state would be determined by the type of political model that the committee agreed upon. Indeed, at the end of the discussions the committee agreed for one assembly, as was reflected in the summary of the committee discussions, which showed:

[a] consensus existed within the constitutional committee in favour of one assembly, one government, one state, one Constitution and decentralisation. This was because the committee did not think that the model of a federal state would be possible to unite all the people of the New Hebrides [Vanuatu] (Minutes of the Constitution 1979).

This decision did not put at rest the fight for equal recognition of powers at all levels of society. The *kastom* authority pressed strongly for their powers to be recognised at the national level and, as such, they opted for the position of the Head of State. This was a proposal that put the committee into a challenging if not awkward position, and as such it generated deeply frustrated discussions, as reflected in the minutes of the committee discussions (Minutes of the Constitution 1979, p. 55):

W. Lini  Spoke in favour of preparing something New Hebridean, not excessively based on European concepts. He proposed that a solution could be for the Head of State to be the chairman of the assembly, who could also be a [*kastom*] chief.

Professor Yash Ghai  Felt that such a compromise might be possible, though he wondered whether it would work in practice on account of its lack of internal coherence.

V. Boulekone  Felt a single chief could not hold this position; in order for all the islands to be satisfied, it would be necessary for a group of chiefs to hold this position.

F. Timakata  Felt that as New Hebridean traditions and Western political concepts were so different, it would be better not to try to mix the two.

W. Bongmatur  It was important, before the elections, to ensure that chiefs were given a proper role to play in the life of the country.

S. Regenvanu  Chiefs could elect a chief to be the Head of State.

Professor Yash Ghai  Said that conflict could arise between the national assembly and the council of chiefs; said this was possible; however, the assembly would constitutionally be supreme.

These quotations demonstrate that the chances of the local political elites pushing for equal recognition of the two authorities in the newly established political institution of Vanuatu were slim,
as the European representatives on the committee argued strongly that this would create conflict between the legislative and kastom authority. The flow of the discussions were more towards the European model of liberal political democracy, and the kastom authority was perceived by the colonial representatives on the committee as a threat to a newly democratic institution. This view and position influenced the design of the Constitution and the political institutions that emerged in Vanuatu, and this resulted in kastom authority being simply located in the Constitution as a separate and independent institution.

In the final stage of the constitutional drafting in September 1979, jif Bongmatur, interim president of MNCC at the time, made the following comments:

> I appreciated that the committee had decided not to go back to any of the agreements already reached; however, that it should be aware of the possible consequences of the decision made concerning the role of chiefs. The right of chiefs had not been clearly stated in the draft chapter on the national Council of Chiefs: the chiefs had, rather, been reduced to an advisory body and would find it difficult, as a consequence, to continue to play a leading role in the villages. (Minutes of the Constitution 1979; p. 124)

This quotation illustrates that the kastom jifs were not satisfied with the way the Constitution dealt with their power and roles. It also demonstrated that kastom jifs felt that their rights to govern their lands and people were infringed by imposed political institutions. This foreign interference in the rights and roles of the kastom authority was a perennial political issue; local communities felt that foreigners were taking away their rights over land and resources through imposed institutions. As was stated by jif Bongmatur, the kastom authority would continue to fight for their rights and roles to be recognized at all levels of state administration in Vanuatu. It would be viewed as a mistake for the Constitution to suppress the power and role of the kastom jifs to one of consultation and advice. Consultative status meant the kastom authority would have no law-making powers; it would be kept outside parliament, and thus have only a status independent of the three arms of state, executive, legislative, and judiciary. It left in place, however, the political bases of traditional power exercised through kastom authority, derived though indirect elections of members by the district/village and island councils of jifs. Restricting the role of kastom jifs at the village, island and regional levels would not therefore restrict their de facto power (Minutes of the Constitution 1979).

The quote by jif Bongmatur illustrates the dominance of the colonial authority, to override the local demands to be a distinct and influential part of the newly created state. It also illustrates a total failure of the Constitution to integrate successfully the power and authority of the kastom jifs with the state political structures. For instance, Walter Lini, the leader of the pro-independence movement and the
first Prime Minister of Vanuatu, expressed the fact that the Constitution was prepared in the best interests of colonial authority rather than of the people of Vanuatu:

He felt that a Constitution was being prepared simply to satisfy France and Britain. The danger of preparing a Constitution to satisfy France and Britain was that, once the New Hebrides [Vanuatu] tried to alter it after their independence to suit their needs and culture, they would find themselves already trapped in international, rather than New Hebridean practices. He concluded by feeling that the committee was confused by the need on the one hand, to satisfy international requirements and, on the other hand, New Hebridean values and culture (Minutes of the Constitution 1979; p. 30).

Lini believed that Vanuatu was to be saddled with the legacy of an institution that did not “fit” into its socio-cultural landscape and yet within which jifly members were able to exercise considerable informal power. What was not realised at the time was that this tension created the potential for abuse and the furtherance of individual political interests. At the national level as well as the institutional level, the ambiguities surrounding the power of the legislative authority with the kastom authority are an ongoing challenge that Vanuatu will need to make serious decisions about it in order to advance its governance reform and development objectives. As part of this research, the present researcher had the opportunity to interview the current President of the MNCC, and he echoed similar sentiments that were made by the first President of the MNCC, jif Bongmatur, in 1979:

The Constitution did not tell us how the MNCC will operate. It did not say anything about how the MNCC will work with the state, what power and relationship it has with the state and so on. This was because they did it in a rush and the leaders at the time agreed that the detail of the council of chiefs will be developed after the signing of the Constitution. In the past three decades our leaders concentrated more on building the state centred governance and rational political institutions and there was not any attempt to pick up the unfinished business of the Constitution to revisit the concept of the jifly institution within the state structure. The reason why we have power imbalances, a governance deficit, and increased political instabilities today is because our leaders have neglected our traditional institution of kastom jifs (MNCC President - Tape interview 6 May 2013).

Although this may well express some frustration and self-interest, this quotation illustrates the views of a number of participants, namely that the jifly institution was dropped into the Constitution for the sake of satisfying local political interests but with no real intention of allocating any powers to it. The quote demonstrated that there were three issues that were side-tracked by the constitutional committee, either deliberately or out of ignorance, and those issues are major challenges to the whole governance framework within Vanuatu. Firstly, the need for equal power sharing in the development
of Vanuatu between *kastom* authority and the legislative authority was not factored in the design of the Constitution, and as such the power struggle between the two institutions is an on-going challenge that Vanuatu will need to find ways to manage. Secondly, the shifting function of *jifs* as an individual authority to the function of *jifs* as institution lacks clarity regarding their working relationship and powers at different levels of the council. Thirdly, the Western political model employed in the *jiffy* council did not work well given the contradictory practices and opposed values of the two systems. These are the fundamental issues that the Constitution failed to deal with, and as a consequence there exists a governance shortfall and power imbalance in Vanuatu.

5.2.1 Implementation and challenges

The MNCC council was formally established in 1980 as per the Constitution, and after three years of its operation a number of changes had been made in its policy guidelines. Firstly, in 1983 the Council had changed its name to Malvatumauri National Council of Chiefs (MNCC). The term Malvatumauri was made up of three words: *mal* (chief), *vatu* (stones or islands), and *mauri* (living thing or something that grows and expands in the light); and these words were a mixture of dialects from the six Provinces of Vanuatu (Bolton 1999a; Lindstrom 1997, p. 217). This was very significant because it gives a sense of local ownership and has a name in local languages that people feel they are a part of. Indeed, it illustrates the continuous battle to distinguish *kastom* authority and its institution from the state legislative authority and rational political institutions. The Constitution restricted the members of the council to *kastom jifs* only, and this was intentional to avoid confusion between missionary chiefs and assessors. However, this provision did not establish any basis for electoral legitimacy. The 1983 MNCC policy guidelines defined the criteria for a *kastom jifs* as follows (Lindstrom 1997, p. 219):

- The position of *jif* must be inherited through a bloodline.
- A true *kastom jif* is someone who follows the proper *kastom* fashion and has a *nasara*, *nakamal*, land and people.
- A true *kastom jif* is someone who is known by the whole village and has killed the pigs at the *nasara*, and people from his village have followed him and participated in his pig killing ceremony.
- His title name and meaning must be in his original language.

The change of name and the new policy direction were the two substantial changes that added new values and meaning to the council as a traditional institution representing the *kastom* authority at all levels of society. Those changes can be interpreted as an attempt by the local political elites to return to the original intention to keep *kastom* authority in its authentic form and grant them equal power in
the development of Vanuatu. However, as was pointed out by Father Walter Lini, once the local political elites realised the need to amend the Constitution after independence in favour of their traditional and cultural needs, they would find themselves already trapped in an international dilemma rather than Vanuatu practices. This is a present dilemma, in which Vanuatu as a state is juggling between the notions of either putting tradition within modernity or modernity within tradition. While the process of finding alternative pathways is taking place at a slow pace, kastom authority figures continue to pressure the state to grant them formal power in the development of Vanuatu.

5.2.2 Status, power and authority of the council
The MNCC has an independent status, which implies that it will work independently from the three major state institutions: Executive, Judiciary, and Legislature. On April 1982, the council held its annual meeting and invited the Attorney General to provide a full explanation of the status and the work of the council of chiefs. At the end of the meeting the council requested the Attorney General to send the explanation to council. In June 1982 the Attorney General wrote a four-page letter outlining the status, functions and powers of the council and its relationship with the state. The letter of the Attorney General, dated 9th June 1982, to the President of the MNCC confirmed the following:

The MNCC is an independent body and it does not come strictly into any of the usual constitutionally recognised arms of the state [the Legislature, the Executive, or the Judiciary]. At the same time, however the Constitution does contain many references, express and implied, as to how and when the council may function in relation to other state institutions. The question then: is the national council of chiefs a state institution or not? The answer to this question is important because it determines whether or not the council is entitled to amongst other things, state financial assistance. As mentioned, the council is an independent body therefore it cannot be part of the government of the day. It therefore certainly cannot be part of the Ministry of Home Affairs (Department of Attorney General 1982).

This legal view clearly underlines the constitutional ambiguities surrounding the role of kastom authority. It demonstrated that the intention of the constitutional committee and the effort of the local political elites to find a space of the jifly institution within the state political system of Vanuatu had been derailed by the strong pressure from the two colonial masters. The Attorney General’s views were based on the present status of the Constitution, which remained the same from the time of its inauguration on the 30th of July 1980. This expressed legal view also demonstrated how powerful and influential the Europeans had been in establishing a different political context and their alien institutions. It is evident from the aforementioned quote that the Constitution did not achieve its objectives to integrate the kastom authority with the state; the legal opinion illustrated that the jifly institution is not part of the state.
The Constitution accorded a special status to *kastom* authority, as is clearly suggested, not only by the fact that the body is established by the Constitution, but by the fact that the chapter on the MNCC is placed second in the way the Constitution introduces the major state institutions, namely: (1) Parliament - Chapter Four; (2) National Council of Chiefs - Chapter Five; (3) Head of State - Chapter Six; (4) Executive - Chapter Seven; and so on. In addition, an important consideration regarding the MNCC is that it reflects the fact that Vanuatu *kastom* and traditions, the national heritage, is specifically referred to as forming one of the bases upon which the Constitution is established. Indeed, the Constitution goes on further to explicitly connect the MNCC with the task of preserving and promoting this heritage. Still, its position within the structures of the Vanuatu state is ambiguous.

A major shift occurred in 1982 when the state, through the Parliament, committed for the first time state finances to support the operation of the MNCC and accepted it as one of the state’s institutions. While the Constitution enshrines an independent status to the council of chiefs, since 1982 the MNCC has begun to operate as a state bureaucracy. In each financial year the council submits to the Minister of Finance its expenditure estimates relating to its functions. Under this working relationship, the Parliament and the Executive have a powerful influence on the operation of the council in that the Council of Ministers has the power and the final say in the drawing up of the national budget before the Parliament considers it. This means that although the MNCC has a constitutional and legal right to be funded by the state, how much money the council actually receives in the annual budget allocations depends on what the Executive and the Parliament deem are relevant and viable activities to be undertaken by the council. The change of MNCC status to that of a functional bureaucracy has altered the power dynamics between the MNCC and Executive, in that the MNCC is now assigned its administrative roles by the state. As such, it is accountable to the state and not to *kastom jifs* and the people. This is critical because the MNCC as an institution is now being absorbed into the government machinery as one of the state’s administrative agents, and as such it has a popular mandate. While, in democratic theory, the state is the embodiment of the people’s sovereignty, and in being accountable to the state the MNCC is being accountable to the people, this link is not obvious in the eyes of the majority of *kastom jifs* at the local level.

The *kastom jifs* are not happy with the integration of the MNCC as an administrative agent of the government. They wanted the MNCC institution to be separated, as was implied in the Constitution, and to have equal authority and power to actively participate in the development of Vanuatu rather than become a follower of the government. This frustration was echoed by the current President of the MNCC:
The MNCC does not have power to influence government decisions because in the Constitution it says government ‘may consult’ the MNCC. We wanted the Parliament to remove the word ‘may’ and substitute it with ‘shall’ to make it obligatory for the government and the Parliament to consult the National Council of Chiefs on any laws to do with land and customary matters. I tell you today I have not seen my space within the government. It is true that the Constitution provides for the establishment of the MNCC and recognises the kastom jifs but the Constitution and the MNCC Act does not tell us how to carry out our work. I am confused and many kastom jifs do not know how to work with the current institution that the Constitution gives us (MNCC President - Tape interview 18 May 2013)

This powerfully illustrates the frustration among the kastom authorities to find their rightful space within the current state political institution. This is an on-going issue and a factor in current Vanuatu politics. It also demonstrates that the merging of the jifly institution with state administration organs has further exacerbated the complexities surrounding the perennial conflict of powers between kastom authority and state legislative authority. The frustrations of the kastom authority with the ways in which the Constitution diminished their independent authority and reduced their role to that of an advisory panel and consulting group cannot be ignored; it will surely have regrettable impacts in the future. At present kastom authority is pressuring the state to amend the Constitution in order to spell out clearly the power relationship between state legislative authorities and the jifly institution. Indeed, the jifs want to have dominion over the manners and ways Vanuatu is planning and managing its development programs. One of the kastom jifs from East Pentecost, jif Viraleo Boborenvanua, argues that:

[c]hiefs [jifs] in Vanuatu must be given the necessary power to safeguard Vanuatu’s resources. This means giving power to the chiefs and making sure they are responsible for our lands, our customs and our country. He questioned government: Why is it that the picture of the coat of arms printed on the front of the Vatu [Vanuatu’s local currency] symbolises the chief, who is paramount, but the chiefs do not hold the power of this country? He said the picture on the Vatu is clear and explained that the government is an institution under the chiefs, and Members of Parliament should take their rightful place as workers, working for chiefs in Vanuatu (Lini 2005, p. 3).

This illustrates a view shared by the majority of the research participants, who felt that the state is actually taking away their rights and power to govern Vanuatu, and make important decisions that will impact on the local communities. This debate is serious because it illustrates the magnitude of frustration that the kastom authority has with the state legislative authority and, most importantly, it is similar to the argument made three decades ago when the constitutional committee deliberated on the power and authority of the two institutions (Minutes of the Constitutions 1979). Critically, the kastom
authority has a view that the jifly council is a supreme institution that the parliament and other state institutions should be subordinate to. The President of the MNCC shared similar frustrations and argued for the kastom authority and institution to take a leading role in the development of Vanuatu:

I told the government that I am not one of their children. They come out from the nasara and as such I am their father. I told them that they need to listen to the advice of the father and not for the father to follow the advice of his son. In our kastom children listen to the advice and get wisdom from their parents. The reason why we have much political instability is because the government does not want to involve us in the sharing of the ministerial portfolios and also in the major decision making that affects the lives of our people (Tape interview 18 May 2013).

This illustrates the deeply held view that the jifs do not view the government as the sovereign authority, and this is critical because it impacts on the legitimacy of the state. As far as political democracy and the sovereign state model are concerned, the central government is the supreme authority exercising legislative and executive power. The present battle of power between the kastom authority and the legislative authority illustrates that the jifs are in actual fact claiming significant executive authority for themselves. This is a perennial power struggle between both institutions that the drafting Constitution committee failed to address satisfactorily in the design of the Constitution. In the Constitution, the role of jifs is diminished to a ‘consultative’ role with no decision-making power.

In an endeavour to increase their participation in development, the MNCC has a hierarchical structure and a bureaucratic system to maximise administrative efficiency. This has exposed them to many challenges, and one of those challenges is to do with the infrastructure and financial support to deal with a bureaucratic system of administration and also to serve the needs of the local community. Once the organisation became formalised and oriented towards globalised approaches to contemporary organisational management, the jifs realised that most of their time was spent in dealing with administrative matters rather than working with people at different levels.

5.2.3 Bureaucratisation

The MNCC is now organised into an administrative agent that reflects global management practices and approaches. The secretariat office is headed by a Chief Executive Officer, with five staff; and all are employed by the Public Service Commission. The staffs are civil servants who are recruited on merit, and their role is to provide secretariat support to the Council of Chiefs. The chairman of the council is referred to as President, and he is elected on the first sitting of the council after the general election is completed. He is a full time employee for a period of five years and receives the same benefits as the Head of State. Beside the Constitution, the MNCC has its own legislation dealing with all administration matters and the terms and condition of the members of the council.
The members of the MNCC receive sitting allowances of $AUD50 and a subsistence allowance of another $AUD50. In addition to that they get a monthly allowance of $AUD300 and a gratuity payment of $AUD250, paid at the end of their term in the council. It was clear at the discussions of the constitutional committee that the jifs would not be paid for their work and the members of the council would only receive sitting allowances rather than wages and salaries (Minutes of the Constitution 1979). The committee felt that the practice of paying jifs for their work would set an unprecedented scenario where all the kastom jifs would depend on the government to pay them to do their traditional jobs. In terms of allowances, this rate is applied across the various government committees, boards, and councils. However, it would seems that the jifs got lower benefits than the minimum standard wage of Vt30,000 per month, which is equivalent to AUD$300 (Cullwick 2012). Their annual allowances are much lower than what the political officials are getting annually as per the Official Salary Act of 2008. In Vanuatu, a political advisor gets AUD$20,000 per annum. Comparatively, the members of the jifly councils are paid much lower than the other political appointees and the civil servants in government. Indeed, the kastom jifs are working voluntarily to promote peace and social harmony in all levels of society, regardless of whether they are motivated by money or someone instructs them to do their traditional functions. The members of the MNCC are elected at the island councils by kastom jifs only, and as such they are not working on a full time basis, which means their role is to simply attend the council meetings annually and disseminate the information to their respective constituents.

5.2.4 Election of kastom jifs

The members of the MNCC council are elected representatives from a narrow franchising restricted to kastom jifs only. In other words, their election to the MNCC is a restricted franchise, which is kastom jifs only; and as a consequence this minimises the legitimacy of the MNCC. Furthermore, because MNCC does not go through a popular election and does not have a popular mandate from the people, this creates tensions in power perception with legislative authority. As is argued in this Chapter, if MNCC were to be allowed to be elected through popular mandate and not through a restricted franchise of kastom jifs, it might be able to connect directly with the local people in rural Vanuatu. This also implies that it might have a greater legitimacy than what it is currently does; but that opportunity was not taken by the constitutional drafting committee, because they were concerned about MNCC becoming a source of political opposition to the state. They did not want to give MNCC a popular mandate to criticise the state. The aim of the constitutional drafting committee was to build a coherent state system within Vanuatu, and just to accommodate kastom and kastom jifs in the state structure by bringing them into the state and making them, largely, paid as government officials, whose office is gained through a limited election of kastom jifs only. This was to diminish the power of kastom jifs and strengthen the position of the state with regard to kaston authority.
Hence, MNCC and Island Council of Chiefs are composed of the elected kastom jifs, and this is a strict criterion. The representatives of the Urban Council of Chiefs are not elected, but the law makes provision for the Island Council of Chiefs to appoint them to become members of the MNCC.

Chapter Five of the Constitution stipulates the following provision in relation to the election of the council of chiefs:

The National Council of Chiefs shall be composed of custom chiefs [kastom jif] elected by their peers sitting in District Councils of Chiefs. (2) The Council shall make its own rules of procedure. (3) The Council shall hold at least one meeting a year. Further meetings may be held at the request of the Council, Parliament, or the Government. (4) During the first sitting following its election the Council shall elect its Chairman (Constitution of Vanuatu, 1980).

This clearly suggests a hybrid system of government that is not commensurate with the Vanuatu context. While the value of elections was acknowledged, voting rights for the election of MNCC representatives is limited to the kastom jifs, which denies popular mandate for decision-making. In Vanuatu, kastom jifs either inherited their position or gained it through the ranking system, as explained in Chapter Four. As discussed in this chapter, the codification of the inheritance principle arguably also contradicts useful flexibility inherent in jifly rule, and again represents the adoption of western European notions of aristocracy and royalty into Vanuatu’s independence Constitution. This is indeed a political model that does not work well in practice and arguably works against the grain of the traditional political value, leadership through community consensus, because the decision to appoint MNCC members excludes the communities that kastom jifs are supposed to serve. An important element of community oversight or accountability is lost in the process.

There are twenty members of the MNCC, who are elected by the twenty Island Council of Chiefs. The state, through the Ministry of Internal Affairs, can by order provide for the regulation and conduct of elections of members of the council, at national and island levels. This provision provides room for the state to control and influence the election and the number of the members of the councils. The first election was held in 1979, and the process of election and the total members of the council were prescribed through the order made by the Minister of Internal Affairs, in which it was agreed that five kastom jifs would come from each district. There was no record of the kastom jifs throughout the archipelago, and the election had many irregularities in voter registration and the number of voters. It is often the case that, prior to an election, the Island Council of Chiefs have already decided on their candidate through ‘consensus’, and the selections are done on a term basis, which gives the opportunity for all area councils to become members or the President of the MNCC.

When asked how many registered number of kastom jifs are in Vanuatu today, the Chief Executive Officer of the MNCC responded that it was difficult to figure out because the term ‘chief’ is
ambiguious and anyone could claim this title. Thus, the challenge for the council is to register the
kastom jifs and their boundaries or individual nasara:

During independence the Constitution talks about the notion of bringing the role of kastom jifs to the national level or bigger scale. The organisation of MNCC and the representation in the National Council follow the principle of democracy (election). Our challenges now is to clarify the following, which are critical to functioning of MNCC on a democratic basis and these challenges include: (1) identify customary boundaries (nasara); (2) identify who is the kastom jifs; (3) organise the area and village council of chiefs. Based on these works we can elect representative of kastom jifs who come from nasara to become members of the Island Council of Chiefs and MNCC (MNCC Secretary General - Tape interview 6 March 2014)

It is apparent that kastom authority and its institutions have been left behind and are neglected by the state. In other words, the jifly institution has not modernised, and remains purely in its traditional nature and form. The current election practice is that the village jifs within each island area would send representatives to an island wide meeting, which would select representatives to a district-wide meeting of jifs, which in turn would vote for a single regional jifly representative to become a member of MNCC. Throughout this process, the exact character of this ‘Electoral College of chiefs’ and the specific qualifications of village, island, and district jifs remain blurred and undefined; nor could they be easily codified from the above, given Vanuatu’s flexibility and variation in local leadership practices (MacClancy 2002). The codification of jifly inherited status undermines the future legitimacy of the jifs by accepting MNCC institutions as an administrative agent of the state. In other words, MNCC has been absorbed into the state and exists as a bureaucratic entity accountable to government and executive. These changes restrict the capacity for kastom authority to contribute to the development of Vanuatu, and disconnect MNCC from its sources of traditional legitimacy.

The ordinary citizens are excluded from voting and participating in this election process, and therefore they have no voice or ability to decide who should be the members of the Island Council and MNCC. Indeed, the limited financial resources and the capacity of the kastom jifs prevent them from competing in the election, which means that the election is done by consensus rather than competition. Thus, the limited participation of kastom jifs and the exclusion of the population in the election of the jifly councils was a deliberate intention to protect traditional political values of hereditary rule; but in actual fact it contradicts the principal values of democracy. In other words, the inherited status of the kastom jifs cuts against democratic principles, and therefore there is a need for Vanuatu to rethink MNCC election processes. Thus, an opportunity to use kastom authority to build the foundation of a democratic society has paradoxically been sacrificed in the interests of administrative convenience and state building, as opposed to nation state-building. The other feature that was incongruous in the context of Vanuatu was the decentralisation function of jifs, which was demarcated by the two
colonial powers based on the principle of administrative efficiency. This has not been working because of different traditions and cultures mixing together within one vaguely defined boundary, and there is no clear understanding of specific rules as to which culture and traditions took precedence in local political affairs. The ambiguities and tensions this created has merely increased opportunities for the abuse of power.

### 5.2.5 Decentralisation

Despite the above concern and ambiguities, the *jifly* councils have a fully-fledged organisational structure, which begins at the national level and flows through to the village level, as depicted in Figure 5.1. It has four administrative councils: MNCC, Island Council of Chiefs (ICC), Urban Council of Chiefs (UCC), and Area Council of Chiefs (ACC). At the time of writing this case study, there were only three councils that were fully operational: MNCC, Island Council of Chiefs, and the Urban Council of Chiefs. There are twenty Island Councils of Chiefs, two Urban Councils of Chiefs, and seventy-five Area Councils of Chiefs.

**Figure 5.1**  *Jifly* organisation structure

![Diagram of Jifly organisation structure](source: Author’s own work)
The decentralisation of *jifly* institutions parallels the national government organisational structure down to provincial government and the Area Council. The *jifly* councils are divided into four organisational levels: national, regional, sub-regional, and village. At the national level, the MNCC is intended to bridge the gap between the state and the rest of the *jifly* councils; however, the majority of the participants in the present study felt that this intention has not been translated into a practical working relationship between the two institutions. The Island Council of Chiefs works closely with the MNCC and the Area Council of Chiefs, and similarly the Village Council of Chiefs. Their primary role is confined to information dissemination and awareness, because the upper councils have no authority to direct and influence the *kastom jifs* at the village level. At the village levels, individual *kastom jifs* have their own *jifly* councils that are based on the traditional clan structure and follow their respective traditional norms, rules, and processes. Unlike the Area Council, Island Councils and MNCC, where there is opportunity to weave a thread of commonality on general principles of consensus, the Village Council is challenging because at this level traditional leadership structures and customary practices and values are highly diverse from one village to another.
The organisation of the councils was based on the colonial boundaries, as depicted in Figure 5.2, which divided the whole archipelago into four districts: Northern District, Central District number one, Central District number two, and Southern District. However, the challenge that remained with these colonial boundaries was that it intertwined multiple diverse kastoms and cultures in a quagmire of administration, which impeded the organisations and the function of the councils at different levels.

In 1994, the government reviewed the boundaries and divided the archipelago into six provinces, as shown in Figure 5.3. Although it was not perfect, it nevertheless advanced the ongoing efforts to improve the administrative effectiveness of the councils at all levels. For instance, the MNCC has currently organising area councils that have similar cultures and traditions, as is in the case of Emae/Mataso/Makira and Tongoa/Tongoariki/Buniga. This has demonstrated that there is the opportunity to weave a common thread of values at the level of the area councils in each island; and if this can be achieved at the area councils it will bring impetus to whole notion of jifly council as an agent of development and administration at local and national levels. Thus, in the presence of unresolved challenges regarding the power and roles of the two institutions, the jifs have demonstrated the capacity and capability to perform effectively at all levels of society; and indeed, it is the only authority that people at the local community level are getting used to and familiar with.
5.2.6 Functions

The Constitution spelled out two primary functions of the jifly councils:

- A competence to discuss all matters relating to custom and tradition and may make recommendations for the preservation and promotion of ni-Vanuatu culture and languages;
- Provide inputs and answers on any question relating to traditional land and custom, in connection with any bill before parliament.

These two principal functions have been further elaborated in the MNCC Act of 2006, and the functions now include: ‘resolve disputes according to local kastom; prescribe the value of exchange of gifts for a kastom marriage; promote and encourage the use of kastom and culture; promote peace, stability and harmony; and promote and encourage sustainable social and economic development’ (National Council of Chiefs Act 2006). The rest of the sections in the Act confine the functions of the council to the registration of kastom jifs and advice on matters relating to custom, as well as overseeing the operation of the Island Council of Chiefs and the Urban Council of Chiefs. There was no mention of the working relationship of the MNCC with the state, except the provision that the Constitution provided for an opportunity for ‘consultation’ between the two institutions, Parliament and MNCC. In this framework, the working relationship of the jifly council with the state is pitched at the advisory and consultative level.

The potential for kastom jifs to play an active role in the development of Vanuatu received insufficient attention during the constitutional design. Father Walter Lini said that if the jif wanted a leadership role in the development of the state they had the choice of becoming the political leaders and contesting the national parliamentary seats (Minutes of the Constitution 1979). To date, the kastom jif has proven beyond doubt that they can make a meaningful contribution to the development of Vanuatu without contesting elections for national parliamentary seats. As already discussed in Chapter Four, at the local and national levels the jifs play an important role in taking care of the socio-economic needs of their community, and people rely on them to address their needs. In the everyday lives of rural people, the prime institution of authority remains the kastom jifs, and to a limited extent the state (Howell & Hall 2010). Several studies on the role of jifs at the rural area suggest that jifs play an important role in realising customary law, addressing disputes about land ownership, and maintaining peace and social order within and among tribes (Howell & Hall 2010; Maltali, Sandy & Tamashiro 2009). In a similar vein, a decade ago, William Miles observed that the chiefs were more
effective in tackling social problems such as ‘land disputes, property rights, marital problems, and child illegitimacy’ (Miles 1998, p. 16).

In 2009, the Foundation of the People of the South Pacific (FSP) conducted a comprehensive study on the roles of the kastom jifs at local levels. They explored how the jifs have played their role in addressing new development challenges that their local communities have experienced, such as unemployed youth in villages, development projects, and new forms of crime (Maltali, Sandy & Tamashiro 2009). The study focused on the whole Province of Penama, which covers three main islands in the north, Ambae, Pentecost, and Maevo. The study highlighted examples of what the jif’s do in their communities throughout the archipelago. In Ankoro, north of Pentecost, the jif mustered the support of the whole village to put their hands and efforts together to build a big nakamal, in 2009, which is commonly used for public gatherings, meetings, and social functions such as marriages (Maltali, Sandy & Tamashiro 2009). Similarly, in Sara village the community came together to build a Pastor’s house on land that their jif allocated to the Anglican Church. In Bulebale community the jif led his people in erecting a stone wall at the entrance of Bwatnapi Junior Secondary School (Maltali, Sandy & Tamashiro 2009). In the north of Tanna, Jif Harry Maimai led his whole community to build five kilometres of road named “Harry Maimai Highway”, using local tools such as axes, wheelbarrows, spades, and knives. All these are examples of how the kastom jifs at the local community level can take initiatives to address the development challenges that their communities face little support for from the state. It also illustrates the capability and the effectiveness of what jifs can do in addressing development and justice both at local community and national levels.

5.3 Effectiveness and relevance of jif’s role at national level

At the national level, the jifs have demonstrated their capacity to adapt to a changing development context and to still be effective in addressing social problems as well as new development challenges. The following examples demonstrate that over the last three decades the kastom authority has had the capacity and the capability to deal with contemporary development conflicts and, most importantly, they can become an equal partner with the state in addressing the development challenges that Vanuatu is confronting (AusAID 2010; Kernot & Sakita 2008). This has been reflected in the roles the councils have played in major conflicts in the capital that the state would not have been able to deal with without the assistance of the kastom jifs. These include:

a) The abduction of the Head of State by Police in 1996

This was an incident that involved a conflict between the state institutions and the legislative authorities, and yet it would seem that the state through its institutional mechanisms was not able to resolve it. On August 1996, members of the Vanuatu Mobile Force (VMF) expressed in writing to the government their grievances over their outstanding allowances and demanded the government pay
them without further delay. The timing of their demand was critical because it was a period in which Vanuatu was going through political turmoil with a change of leadership and major key government institutions such as the public service, judiciary, and parliament all at various times under attack and in peril (Ambross 1997). Amidst the law and order challenges that the country was confronting, the police and VMF took advantage of the situation to push their grievances onto the government agenda ahead of the national security.

The Prime Minister, Serge Vohor, rejected their demands on the grounds that the state faced budget constraints and the VMF’s claims could not be accommodated within a severely constrained national budget. In an act of rebellion on 12 October 1996, an armed detachment of the Vanuatu Mobile Force abducted the President of the state, Jean Marie Leye, from his bed, and dragooned a VanAir pilot from his sleep, commanding him to fly the President to Malekula to meet the acting Prime Minister, Barack Sope (Ambross 1997, p. 505). While on Malekula, it was discovered that their intention was not to seize the state but rather to push their claims for ‘$US980,000’ in outstanding allowances (Morgan 1998, p. 289). At the meeting the acting Prime Minister Sope was forced to agree to the VMF’s demands, and at the same time promised an amnesty for the leaders of the “industrial coup” (Morgan 1998).

In the capital, the VMF confiscated the patrol boat RVS Tukoro, and occupied the Police Headquarters, Bauerfield International Airport, Telecom and Radio Vanuatu, sending shock waves throughout the regions (Morgan 1998). The acting Prime Minister flew back to the capital and met with the kastom Jifs and the MNCC, and requested them to negotiate a peaceful solution with members of the VMF. On 19 October, the Jifs managed to conclude the reconciliation with all the political party leaders and the members of the VMF with a kava ceremony at the chief’s nakamal (Morgan 1998). This incident demonstrated the robustness of the jifly system and their traditional dispute resolution mechanisms at national levels, using new forms of conflict resolution involving the legal-rational state authorities and institutions. Undoubtedly, the jifs had proven to have the capability to adapt to new challenges and their readiness to tackle new conflicts at the national level.

b) The 1998 Vanuatu National Provident Fund (VNPF) riots

In this particular riot, the state had to call upon kastom authority to diffuse serious tensions and restore law and order using traditional mechanisms. On 12 January 1998, five hundred men and women gathered in front of the Vanuatu National Provident Fund’s (VNPF) office building, in central Port Vila, expressing their dissatisfaction over the misuse of their retirement funds (Amnesty International 1998). This followed the state Ombudsman’s report, which accused the senior politicians and individual business enterprises of allegedly borrowing funds from the VNPF that they had not repaid for various reasons (Kernot & Sakita 2008). The protesters clashed with police, and some of them
threw stones at the VNPF building, smashing windows. With the assistance of the police, the staff of the VNPF managed to safely vacate the building. The violence was intense and saw the protesters overturn police cars and other cars that were reported to belong to VNPF’s staff (Amnesty International 1998). About twenty police officers in riot gear were forced to withdraw after being attacked with stones, sticks and metal rods. At least five police were injured and treated in hospital; two officers were admitted to hospital for observation, one with a fractured arm, one with a broken leg (Amnesty International 1998, p. 2).

The businesses that were implicated in the Ombudsman’s report were destroyed and many shops were looted. With hundreds of people joining the protesters, the violence soon spread to other offices and private homes of people who were believed to have borrowed the funds from the VNPF. The increased violence compelled the government to request the assistance of the kastom jifs to quell the violence and restore law and order. The jifs in the capital responded immediately and managed to restore law and order. Kernot and Sakita provided a full analysis of the incident, and made the following observation:

Many of the rioters were from the Tanna community, and so it was the [jifs] from Tanna who addressed the crowd. Eyewitnesses suggest that on their (jifs) arrival, the jifs were able to quieten the crowd, asking people from Tanna to sit and listen. The jifs spoke politely to the people, asking them to return to their homes and to stop the violence. In response to this request, most of the rioters did move away from the VNPF building (1998, p. 6).

The jifs once again emerged as peace-makers, and their politeness, gentleness and compassion to help people were additional elements that gained the respect of the people. People gave more legitimacy to kastom authority than to state officials, and in this particular example the state police could not restore law and order regardless of the fact that they had used the latest crowd control equipment to diffuse the riot. This can be interpreted to suggest that there still exists an informal popular mandate for the exercise of kastom authority, which is still recognised as one of the important pillars of peace, unity, and harmony in Vanuatu’s society. Critically, the effective interventions of kastom jifs in many social problems at the national level demonstrates that the state cannot function effectively without them.

c) Tanna and Ambrym community conflict in 2007

This was another level of conflict that involved two ethnic communities in an urban centre, and the successful involvement of the jifs’ representatives from the two communities demonstrated that despite diverse traditions there is a possibility for two ethnic communities or islands to work together in addressing social problems. The Tanna and Ambrym conflict happened in Port Vila on March 2007, over an alleged used of sorcery that took the life of a woman from Malekula who was married
to a man from Tanna (Independent 2007). This prompted the Tanna community to accuse the Ambrym community of misusing sorcery, or naikamas as it is known in Bislama. The quarrelling between the two communities finally turned into fierce violence between both communities, and saw three man killed, homes burnt and about two hundred and sixty people temporarily misplaced (Garae 2007; Willie 2007). The three men who were killed included a man from Tanna and the other two were from Ambrym. It was also reported that over one hundred and forty people from Tanna and around one hundred and twenty people from Ambrym were forced to seek refuge in emergency housing because their houses were damaged during the violence (Willie 2007).

The Prime Minister pleaded for peace by performing a kastom ceremony with a pig and traditional mats to Tanna jifs (Kernot and Sakita 2008). The jifs from Tanna responded immediately and managed to restore law and order. As a way of preventing further violence and restoring peace, the Jifs from Tanna liaised with the Jifs from Ambrym and decided on the path for peaceful restoration within the two communities. The process of the reconciliation took two steps: the first step was reconciliation within the Tanna Community, and the second step was reconciliation between the Tanna community and Ambrym community (DailyPost 2007). During the interviews for the present research a member from the Ambrym community alluded to the fact that the state was not able to solve the dispute between the two communities in Port Vila:

In our society jifs are an important political force because when there is a problem in the community they can resolve it without any wages or someone forcing them to do it. With the Ambrym and Tanna conflict in 2007, we were happy that our jifs were able to resolve it using our traditional culture and although many lost their properties and life everyone was satisfied with the outcomes of reconciliation that we had at jif’s nakamal in Port Vila. The government promised us to do a commission of enquiry and until now we have not heard anything from the report. In all the conflicts that happened in Port Vila, government want a commission of enquiry before they responded to the victims and until now government had not implemented the recommendations of those reports. This tells us that government is not able to resolve ethnic tensions and conflict in Port Vila and in the various islands of Vanuatu (Tape Interviews 9 May 2013)

Perception of the kastom authority as a peace-maker challenges the legitimacy of the state in many ways and begs for a closer cooperation between the state and jifly institutions. The ethnic tension between Tanna and Ambrym communities involved loss of lives and properties; however, the jifs of the two communities managed to reconnect the families using traditional powers and culture for restoring peace. This is one of the strengths of the traditional dispute resolution system, which once again is proving to be effective and relevant in a contemporary society.
**d) Port Vila prison escape in 2006**

Critically, the nature of the social problems that *jifs* have successfully addressed using their traditional dispute resolution mechanisms varies across the spectrum. This particular case demonstrates that the *jifs* can handle serious cases such as prison escapees. This is indeed something that it is outside the jurisdiction of the *kastom* authorities, and again it demonstrates that, where the state has its limitations, *kastom* governance can complement it through the enormous work that the *jifly* councils and individual *jifs* are doing within their respective jurisdictions.

In 2006, due to poor conditions in the prison house in Port Vila, twenty prisoners escaped into the jungle, causing fear amongst the whole population of Efate and Port Vila (Independent 2006). Despite several attempts by the Police in conjunction with the Vanuatu Mobile Force to catch them, there was little success. On the first night of their escape, a European was murdered in his house at Devil’s Point, about thirty kilometres from the capital, and the incident was believed to be linked with the activities of the escaped prisoners (Independent 2006). In various parts of Port Vila, there were incidents of looting, stealing, and raping, which were also believed to be linked to the escaped prisoners. The government, through the joint efforts of the Police and the Vanuatu Mobile Force, could not capture all the escapees even though they used guns and other weapons.

The *jifs* were requested by the government to go on radio to make a public appeal for all the prisoners to surrender to them, and then they would deliver them safely back to the government. Within two days, all the prisoners surrendered to a *kastom jif* from Tanna who lived in the Black Sands community, and upon receiving them the *kastom jif* from Tanna contacted all the other *jifs* residing in Port Vila to arrange for the communities to feed them (Independent 2006). The *jifs* kept them one night at *nakamal* and the following day they organised a reconciliation ceremony at the MNCC *nakamal*, where they handed over all the prisoners to the government. The prisoners tended to listen when their *jif* representatives called for them to surrender to *kastom* authority in order for them to be delivered peacefully to the state police. One *jif* commented that:

> The government used the guns to search for the prisoners when they ran away from the prison cells. We [*jifs*] had used our *kastom* fashions to capture them. When we made a call they heard our voice because they knew that *jifs* were here to make peace and reconciliation in an amicable way that reflected love for everyone. There were several occasions that we asked the government to come to *jif*’s *nakamal* here and took the prisoners back to prison cells and we asked the state police not to hit them (Tape interviews 19 May 2013).

This again demonstrates that local communities give more legitimacy to *kastom* authority and institutions. It also demonstrates the strength of the traditional mechanisms, where a murderer and
criminal can respect the calling of kastom authority at the nakamal. In this case the jifs showed that prisoners will listen to them even if the state does not provide them with any safety guarantee to address serious cases like that of the prison escapees. Those escapees were delivered peacefully by jifs to police who charged them with crimes they had committed. This is a classic example of a collaborative effort between the state and kastom authority to address contemporary development challenges in Vanuatu society.

**e) Millennium Challenge Account ring road in Efate and Santo**

While the jifs have demonstrated their capabilities to mitigate different forms of development conflict at the national levels, their role has not been limited to dispute resolutions. Over the last three decades there is concrete evidence of development projects that jifs were instrumental in bringing to success. This covers a wide range of projects of different scales and size. Because of limited space, the present case study selected one particular project worth $US65 million for which jifs have clearly demonstrated their effectiveness in mustering the support of their local communities in managing such an immense-scale project without disruption.

In 2004 the US Government, through the Millennium Challenge Corporation (MCC), selected Vanuatu as eligible for MCC assistance, after having met its pre-condition eligibility criteria for a funding compact. In March 2006, the Vanuatu government concluded all the formalities for the funding, followed with the signing of the compact worth $US65.69 million, earmarked for two major infrastructure projects in Efate and Santo (MCA 2008). The project implementation began in April 2006 and was completed in April 2011. This was the largest infrastructure project that Vanuatu had embarked on since independence. However, the interesting key player in this project was the role of jifly councils in the two islands, and these were highlighted as the major drivers of the success of this project. The 97 kilometre ring road had the support of Efate Vaturisu Council of Chiefs and the local communities living adjacent to the road. The President of the Efate Vaturisu Council of Chiefs, jif Kalkot Murmur, mustered the support of individual kastom jifs and their people along the ring road to support the project by giving their quarries and allowing the road to be built on their land. Integral to this community support was the concept of the “Good Will Entitlement” (GWE), which is another term for compensation. Jif Murmur had spearheaded the Resettlement Action Plan (RAP), which focused on landowners and leaseholders affected by the temporary or permanent relocation of structures, crops, fences or loss of income, in a way that is appropriate and consistent (MCA 2008). The RAP was an important plan that the department of agriculture used to replace the crops, fences, and trees that were damaged during the road construction. The following quotation reflects upon the shared experiences of the Project Director about the importance for government to have regular dialogues with jifly councils, and recognises the important contribution that they can play at their level to manage development projects:
We met with the jifs at the local communities to explain the concept and the benefit of the projects and through our several education awareness programs that we had with them the jifs began to understand clearly the outcome of the projects. Once we created ownership of the project with the jifs at different levels of councils (island, area, and village council of chiefs), we reached an understanding that the communications and the work plans of the project will be communicated through Island Council of Chiefs to area council and the village council. All our communication related to the project were channelled through the Island Council of Chiefs and they liaised on our behalf with individual kastom jifs, and through this means the project went successfully without any disruptions from the landowners and the local communities (MCA Project Director - Tape interviews 9 May 2013).

In summary, this project was an eye opener for the government and development aid agencies such as the MCC, on how effective jifs were in managing the implementation of a sixty million dollar infrastructure project. One of the important lessons learnt from this project was the role of Vatirusu Council of Chiefs in negotiating the quarries, on behalf of the government, with individual kastom jifs and land owners:

The council of jifs played an important role to negotiate the quarries with the landowners and because of their involvement it reduced the risk of the disputes among the landowners about the quarry. When we went to the villages we used the kastom jifs to communicate to their people, and most importantly we used the jifs to solve any disputes associated with the project. The jifs and people were happy when the government respected their channel of communication and used their traditional process to work with them. This model of engaging local communities through their jifs created the ownership of the project and the communities and traditional authorities were keen to participate and support the project until the end (MCA Project Director - Tape interviews 9 May 2013).

This project demonstrates the possibility for the kastom authorities to work with the state in addressing development challenges at local levels. When the government respects traditional institutions, values, processes, and engages the local communities as equal partners in any development project at community levels, there is a greater sense of the ownership of the project by the local community. This is one of the few cases that occurred on an ad hoc basis; and it is something that government needs to recognise and formalise it in its national development frameworks, so that roles and powers of kastom authority are clearly identified with clear boundaries.
The work of most *kastom jifs* is relevant and effective in the local communities; and therefore their presence at the councils in village, island and national levels gives greater relevance to *jifly* institutions. However, the extent to which one can tell whether their work is effective is assessed by looking specifically within their customary boundaries, because their performance varies from one village to another. The current relevance and effectiveness of the MNCC is measured through the normal state performance assessment criteria using budget expenditure against their activity plans. These narrow evaluations do not capture the subtle dynamics of *kastom* governance; nor the contribution of *kastom* to social order.

### 5.4 Relevancy

The position and the work of the *kastom jifs* from village to national levels are deemed relevant and important to the people of Vanuatu (Howell & Hall 2010; Maltali, Sandy & Tamashiro 2009; Mitchelle 2008). As such, their presence at the MNCC gives greater relevance and credibility to the MNCC organisation. However, the general population is caught in the middle, between the role of the *kastom jifs* as individual leaders and the role of chiefs as an institution that is represented by the MNCC and its organisational structure. Many speak of the relevancy of the role of *kastom jifs* as an individual authority and, because of the absence of the impact of MNCC at village level and island levels, the relevancy of the MNCC is limited to Port Vila only. The *kastom jifs* unite a society together in ways and manners that the central government cannot, and this is reflected largely through their traditional roles in establishing peace through traditional conflict resolution mechanisms:

> In Vanuatu there will be no peace without the *kastom jifs*. *Kastom jifs* were here before the colonialisation and when we talk about the governance system of Vanuatu, one fundamental pillar is our *jifly* system. Without peace you cannot build a nation and Vanuatu was fortunate to have *jifs* who played an important role to maintain peace, which is a critical part of life. The *jifs* work every day in their villages or local communities without salary or someone motivating them to do their job. Yesterday, a *kastom jif* from my village approached me to be part of a reconciliation ceremony involving a wife and husband relationship. I did not know who the couple was but the *jif* told me that they were my relatives and I needed to find out. The *jifs* volunteer to do their job but they got no recognition from the state (Political Advisor - Tape interview 17 May 2013)

It is increasingly apparent that the *jifly* institution is one fundamental pillar of peace and governance in Vanuatu. This quotation also demonstrates that the works of the *kastom jifs* in peace and development is not motivated by money and materialism. The *jifs* carry out their duties willingly and lovingly because they love the people and they are born to serve and make other people happy. It was on that basis that the Constitution recognised *kastom* governance and authorities as crucial
institutional values that the state should be built upon. As demonstrated in this case study, the roles of *jifs* in peace building at all levels of Vanuatu society are critical for development:

If there is an infraction on custom or a dispute between two communities the *kastom jifs* can resolve them, but the state cannot fix the ethnic conflict crisis. For example, the *kastom jifs* stopped the ethnic conflict between Ambrym and Tanna community in 2007 and the government promised them to compensate the victims, but until today there was not anything done despite the report of the commission of enquiry. This is one of examples of the inability of government to resolve ethnic conflict or customary dispute (Political Advisor - Tape interview 17 May 2013)

This quote demonstrates that the state’s institutions have their own limitations and cannot do everything. It also demonstrates that the failure of the state to accommodate *jifly* institutions and recognise their roles in state development will create a governance shortfall that will impede development objectives. Recognising the limits of state institutions at all levels of society highlights the need for state institutions to work collaboratively with *jifly* institutions in all areas of development at all levels of community. The work the *kastom jifs* do in respective communities, both at the regional and at the national levels, shows how relevant they are. The presence of *kastom* authority in all local communities gives more legitimacy to their institutions than the legislative authority and state institutions.

### 5.5 Institutional legitimacy

In discussing the legitimacy of the MNCC it is important to differentiate the MNCC as an institution from the roles of the *kastom jifs* as individuals. The legitimacy of the *kastom jifs* at the village level can be classified into two main streams: moral legitimacy, and performance legitimacy. The *kastom jifs* ought to carry out their leadership duties within the norms, values, and processes of the village. This is what is referred to here as a ‘moral legitimacy’, in which people hold high expectations of their *jifs* to perform morally in accordance with the rules, values, and norms of their society.

In addition, there is also a performance legitimacy, and this is quite distinct from one village to another depending on their political leadership system. For instance, in hereditary villages the *jifs* do not perform other duties beside their ceremonial duties and judgmental role to ensure justice, peace, and unity in their villages. In this context the *jif’s* legitimacy is based on his moral standard rather than performance. In the villages where the leadership title is through ranking and wealth accumulation and distribution, the legitimacy of the *jif* is based both on his moral and performance standard in his village. However, when the role of *jifs* is transferred to the MNCC institution there is a disconnection in the line of accountability between *kastom jifs* and their people at the village level.
Unlike Village councils, the Area and Island councils and the MNCC are both representative and administrative entities. Village councils exercise greater local authority but are highly diverse. However, the external influence in the management of MNCC from the government and development aid agencies has had great impact on the status of MNCC administration at the national level. In speaking at the 2006 Land Summit in Port Vila, the Pango Naar Maal Council of Chiefs rejected all the recommendations in relation to land leases, arguing that the MNCC did not have the power to approve these. Their rejection was based on the view that MNCC is not a legitimate *kastom* landowner. In a similar vein, the ‘natatok’ of Efate *kastom* landowners argues that:

[t]hey do not recognise the MNCC as customary and traditional representative of land in Vanuatu. The concept of MNCC is foreign and would seem to have the intention of taking over land matters in Vanuatu (DailyPost 2005).

This quote demonstrates that the existing design of the MNCC has a flaw in it, and many participants acknowledge that there is a great need to refine it to reflect the common understanding of the people of Vanuatu. The *kastom jifs* in the islands share the view that because the MNCC is controlled by the government it puts their roles as representatives of *kastom* authority into question. One of the *kastom jifs* in Erromango raised his concern that the MNCC has been influenced by the government and outsiders, and he fears that the risk of giving the MNCC powers over development could operate at the expense of the *kastom jifs* and their people in local communities. One of the *kastom jifs* pointed out during an interview for the present research that the MNCC is not representing the interests of the *kastom jifs*:

MNCC is a political institution and therefore we do not want to be politicised. Government and donors are now controlling the MNCC and it is no longer an independent institution as it implies in the Constitution. They tricked us and wanted the *kastom jifs* to follow them and must not go against them. I told them [MNCC] the work they are doing now is not reflecting the needs of our traditional society. Today government treat MNCC as a ‘rubber stamp’ institution and they run to them only when they have problems. The *kastom jifs* are the decision makers in their own customary boundaries and when they come to MNCC they become followers of government. The *kastom jifs* who are members of the MNCC are powerless because they cannot make any decision that is against the government and as such they are like the puppet of the government (Tape interviews 18 May 2013)

This illustrated an on-going leadership frustration among the *kastom* authorities with colonial and state authorities and their failures to negotiate and consult with *kastom jifs* at the initial phase. It also demonstrates that the *kastom* authorities do not appreciate being seen as subordinate to the state, and the majority of participants believe that the state should be under the *kastom* authority. Because of the conflicting power struggle over which authority should be supreme, the MNCC as an institution has a
legitimacy crisis without the presence of the *kastom jifs* who are members of the Council. This reflects the ambiguities of the roles between individual *kastom jifs* and the council as an institution. The traditional authorities want to be fully independent from the state and have the power to decide on the development directions of Vanuatu.

The Constitution granted an independent status to the council of jifs and Article Thirty one defined plainly the scope of the work of the council. The Constitution said that the role of jifs will be at the village, island and regional levels. I did not know why the government has to establish another administration structure separated from the *jifly* structure. This is a waste of resources because we have two parallel structures that cost a lot of taxpayers’ money but it does not work effectively. It is better to get rid of the provincial government structure and let the council of *jifs* manage the development at the village, island and provincial levels (*kastom jif* - Tape Interview 9 May 2013).

This clearly illustrates the frustration being felt at the community level in relation to the *kastom* authority becoming an equal partner. The *kastom jifs* are aware that the state is not fulfilling the requirements of the Constitution to grant the rights to them to administer development at the provincial, sub-regional, and local levels. The bottom line is that the state is trying to use *kastom* authority without realising that it is a living institution that cannot be tamed with imposed governance models and foreign forces. Therefore, to make a change there is a need for development institutions and policy makers to change their focus and mindset, from the analysis of the traditional institutions as a threat to the analysis of traditional institutions as critical components of development architecture in developing countries. The implication of this approach is that it will certainly pave the way forward to integrating local practices with the international best practices.

### 5.6 Organisational change for participatory development and transformation

The MNCC, as an institution, is one of the unfinished tasks of the building of state in Vanuatu. The participants in this research recognised the weaknesses of the Constitution and the failure of the state to expand on the work of the constitutional Drafting Committee and enhance the *kastom* governance system. As one of the participants alluded, the governance deficit in state administration is due to the fact that *kastom* governance has been acknowledged by the state but is not fully developed to support the legal-rational state governance system at the various levels of administration:

> Because it was a difficult time, at the last minute, the leaders agreed to mention the kastom authority in the Constitution and left the details for the state to develop them after the independence. This was one of the weaknesses of the state because when we got our independence the leaders forgot the *kastom* governance system and how to develop the institution of chiefs into a full-fledged organisation that would support the development at the
regional, sub-regional, and local levels. The focus of the state was more oriented to the international best practices and legal-rational governance institutions but little had been done to promote and enhance our traditional governance system of chiefs. We must remind ourselves that in Vanuatu we had two governance institutions that were critical for promoting peace and harmonious environment for the development to flourish and these include formal and informal governance institutions. So the state will need to seriously make it one of its development priorities to enhance the informal governance system in order to bring a balance in the overall governance of the state (Government Bureaucrat - Tape Interviews 18 May 2013).

This illustrates the long-term governance challenge in Vanuatu where there is an imbalance or shortfall between government and governance. The majority of the participants in this research argued for the need to address this shortfall, and this need has been a major agenda item of the subsequent MNCC summit - to find better ways to address this gap. At the 2011 national summit on the MNCC there were nineteen resolutions put forward by the stakeholders, composed of the government, jifs, non-government organisation, donors, and the business enterprises. These resolutions focused on the roles of the kastom jifs and the capacity of the MNCC as an administrative institution that was intended to link the national state administration with the works of kastom jifs at the village level. These resolutions were summarised in four areas:

- **Customary boundaries and authorities** - The recommendations 1, 2, 3, 6, 9, 10 and 12 of the summit dealt with the identification and registration of kastom jifs and their customary boundaries. This includes: the registration of the kastom jifs; documenting custom governance of each tribes and clans; securing and protecting each customary landmark and historical site; and writing customary rules, norms and laws of each tribe and island.

- **Management of land and resources** - The recommendations 4, 7, 8, 11, 18 and 19 covered the need to empower kastom jifs and authorities to control and manage their customary lands and customary ways of managing resources. The summit recommended that the kastom authorities in each village, area and island should approve the land leases, and it requested the state to remove the power of the State Minister to approve and sign land leases on customary lands. This includes the power of the kastom jifs to settle customary land disputes and identify the true customary owners. Recommendation 18 singled out the need to use the customary system of recording customary land boundaries and land transactions.

- **Institutional capacity of MNCC** - The recommendations 15, 16 and 17 focused on the capacity and the role of the MNCC. This includes the following: strengthen the structure of the MNCC to link the state administration at the national level with kastom authorities;
strengthen the consultation process from national to village level; and organise a national conference of the kastom jifs biannually to monitor the progress of their works.

- **Implementation mechanism** - In recommendations 5, 13 and 14, the summit tasked the MNCC and the State through the Ministry of Lands and Justice to raise awareness, consultation and training throughout the archipelago on these proposed changes. Recommendation 14 called for the review of the Constitution and relevant legislation pertaining to lands, the MNCC and the work of the kastom jifs.

In August 2013 the thirty members of chiefs, representing the Vaturisu Council of Chiefs of Efate and offshore islands, requested the government to amend the Constitution and the MNCC Acts to give chiefs greater recognition and roles in the development of Vanuatu:

The act needs to be changed to ensure the important role of chiefs in the everyday life of the communities of the country is better valued. Over the last 33 years of independence, the government has needed the jifs’ cultural, traditional and peacekeeping roles on countless occasions, but this service has never been credited with the value it deserved. Many feel that the important role of the chiefs is recognised in the Constitution, when it features in the supreme national code, before other important institutions such as the parliament and government. However, this recognition in the Constitution has never translated into a reality within the formal governance structure of the country, seen through the legislative, executive and judiciary bodies (Cullwick 2013a, p. 1).

**Kastom** authorities are continuing to fight for the state to recognise their roles and, most importantly, grant them equal power sharing in the development of Vanuatu. In December 2013, the government, through the parliament, passed two major amendments: the Customary Land Management Act, and the Land Reform Act. This followed a change to Articles 30 and 78 of the Constitution, which makes it compulsory for the parliament to consult with the kastom jifs through the MNCC about any changes to land law in Vanuatu, and gives power to kastom jifs to determine the customary owner groups for an area of land. The Minister of Lands commented that:

> [t]he new laws bring determination of [kastom] owners back to customary institutions, it removes the power from courts and the government to determine who the [kastom] owners are and puts it back under rules of custom (McDonnell 2014, p. 1).

The changes to the Constitution and land laws do not alter the fact that the Constitution has recognised legal-rational and traditional land tenure system as foundations for dealing with lands in Vanuatu. However, in practice these two systems of land tenure work in contradiction to each other, and this becomes a major source of land conflict and increased disputes in rural and urban
communities. Indeed these changes would seem to further reinforce the degree of conflict between state governance systems and *kastom* governance. The new Customary Land Management Act provides for all determinations of land ownership to be made in accordance with the rules of customary law, and, most importantly, it enables the customary institution of *nakamal* to make determinations about custom owners of an area of land. These new amendments were passed by Parliament in 2013 and gazetted and made law in February 2014. Given the fact that about ninety-seven percent of land areas in Vanuatu are under the traditional land tenure system (World Bank 2011), the *kastom* authority has more power to influence development and, most importantly, they can abuse their power in the absence of the established institutional mechanisms to govern them. The MNCC as an institution, according to the amendment of Article 30 of the Constitution, will now become a strong partner of the state in the areas of land management. This is critical because it illustrates a change of approach that is taking place gradually to recognise the significant role that the *kastom jifs* can play in the development of Vanuatu. While the state is venturing in that direction, it perhaps unconsciously increases the power and authority of the *kastom jifs* and its institution at all levels of society.

5.7 Conclusion

The efforts to transform and fully integrate *jifly* institutions into a legal-rational state architecture failed, and as a consequence Vanuatu continues to embrace two distinct forms of authority that are based on two different set of social orders and expectations. Design for the MNCC as an institution was based on the concepts of modern administrators and the needs of a modern administration, and it was intended to bridge a gap between *kastom* authority and state authority. However, the shift in the functions of the *kastom jifs* as individual authorities within their respective jurisdictions to the functions of *jifs* as an institution created a wider gap of understanding between the functional relationship of the individual *kastom jifs* with councils and the state. In other words, the boundary between *kastom jifs* at the village levels with councils and the state is blurred, because the democratic values of the state and the pre-existing values of the traditional political authority of *jifs* overlap and blend together, and come into conflict in ways that are contradictory and mutually transforming. In Vanuatu the *jifs* have advocated for equal powers and authority with the state, and have wanted to become an equal partner with the state in all development implementation. This is a plea the Constitution failed to accommodate, and as such it remains a recurrent governance challenge for Vanuatu.

*Kastom* authority and governance are lively and resilient institutions that serve well the socio-economic and political needs of eighty percent of the population who live in rural and remote islands of Vanuatu. They also contribute to effective government and the well-being of communities under social and economic stress across the nation. The *jifs* continue to promote a governance model based
on traditional values of social orders and authority that fail to work consistently in parallel with rational legal state governance expectations. The conflict between these two sets of values and expectations at the state administration level too often creates an empty space into which there is a significant opportunity for corrupt practices to emerge within Vanuatu government institutions. An understanding of the governance challenge, in terms of conflicting social relations and orders in a localised political context, engenders greater appreciation of the jiffy institution as a better collaborative organisation to mediate the conflicting relationship between different political authorities in Vanuatu.
Chapter 6: Case Study Two: Tension Between Kastom Practices and Formal Rule of Law

6.0 Introduction

This chapter makes the case that failure to fully acknowledge the significance of traditional authority relationships and local values of social obligation in the formation of government institutions creates spaces in which kastom authority and practices undermine legal-rational forms of authority. The case of the Vanuatu Development Bank (DBV) exemplifies the practical consequences of the gap between a system of government based upon one set of practices, and traditional society based upon another set of practices. This is compounded by the fact that the Vanuatu Constitution recognised and embedded the jifly institution and kastom governance as additional pillars to the building of the post-colonial state. Hence, as argued throughout this thesis, Vanuatu has competing authority systems that complicate government and governance, in a context where there is no prior concept of public interest and private good. The ambiguity of the term corruption has implications in the manner and way it is categorised for analytical purposes. Hence, although it is understood that there is some overlapping of the categorisation of corrupt practices in this chapter, it should be noted that the headings utilised are for the purposes of illustrations, discussion, and analysis.

This chapter analyses the tensions between kastom practice and formal rules using the DBV as a representative case of contemporary governance challenges in Vanuatu. The DBV was established in 1979, and closed down in 1997 following alleged corrupt practices by bank officials and politicians. The chapter is divided into three sections. The first section provides an overview of the institutional design in order to show that policy measures that work in the West may fail when cultures clash over corruption in another cultural context. The second section analyses the dimensions of corruption in the process of lending and management of the DBV funds. Finally, the third section assesses what works with regard to the system of credit in Vanuatu, especially for people in rural areas.


The Vanuatu Development Bank was established by an Act of Parliament in September 1979 to provide loans for small but ‘sound’ projects that could not meet the scale and security requirements to satisfy commercial lenders. Its primary purpose, as per its amended Act of 1983, is to facilitate and promote the economic development of the national resources of Vanuatu, with special attention to agriculture, forestry, fisheries, manufacturing, sea transport, tourism, retail shops and cooperatives. Traditionally, the demand for agricultural credit by small farmers has been limited, with the major inputs being family labour and land, and the relatively small amount of cash required has been supplied through the sale of copra (Weightman 1989). The Agriculture and Industrial Loans Advisory Committee (AILAC) provided credit to farmers during the colonial era, to support ni-Vanuatu who
wanted to participate in the growing field of business opportunities but lacked the initial start-up capital. It helped the farmers in the cattle industry by providing funds for the purchase of fencing materials and foundation herds. According to Weightman (1989), AILAC’s annual report for 1973 shows that of the total 497 loans advanced from 1965, 306 were for cattle farming, all of which were in the smallholder sector. Widespread defaulting on repayments and disagreement over effecting their recovery contributed to the transfer of AILAC loan facilities to the DBV in 1979 (Weightman 1989).

The DBV gave particular attention to rural development. It encouraged the training of ni-Vanuatu and their effective participation in national development, with the goal of creating processing and other industries that were intended to reinforce the country’s economic independence. To achieve this, the Bank was empowered to grant loans, purchase shares, give security for loans originating from other sources of finance and provide its technical assistance to the projects it financed, be they public, semi-public or cooperative organisations. When the DBV was designed in 1979 it did not take into consideration the nature of the traditional society at the time, which revolved around subsistence living and collective rights to natural resources. It also failed to take into account other infrastructure constraints to economic activities such as roads and telecommunications.

The concept of the Development Bank of Vanuatu was framed towards the development of productive rural sectors and modernization of the lives of people throughout the archipelago. As such, it came with a set of economic expectations different to those of traditional society and, most importantly, was thereby disconnected from the lived economies of the very people it was meant to serve. Other activities that contribute to the overall wellbeing of people in traditional communities were not part of this new economic system, which measured economic performance through Gross Domestic Product (GDP) (Regenvanu 2009). GDP is an economic measurement system that measures total output production of a country in a given year, and is limited to activities that can be quantified in monetary terms and, most importantly, valued in the market (Esteva 1992; Khan 2007; Regenvanu 2009). As one commentator notes:

> Obviously, GDP as a measure of well-being does not reflect the many tangible social and economic benefits delivered by the traditional economy, but which do not have a cash value. The lack of recognition of the traditional economy in most policy is directly related to the lack of any measures we have for valuing it – it is indeed a truism that what we cannot measure, we cannot value (Regenvanu 2009, p. 32).

In addition, the trading of traditional mediums of exchange or currencies such as pig, shell money, and hand woven mats are regarded as inferior to money as the medium of exchange in a market economy. Therefore, some traditional currencies cannot be utilised as collateral for local borrowings at the Bank because their values cannot be reconciled with standard commercial banking principles.
Indeed, the DBV was a typical example of an agent of transformation or transition of social life from one standard to a presumed higher level of organisation with largely foreign operating principles, values, norms, and processes. The DBV, along with similar development banks in the Pacific region, was in this regard different to commercial banks because it enjoyed very broad mandates and its lending operations were guaranteed by the state (Siwatibau 1997). To fulfil this broad mandate and make sure that the ni-Vanuatu in remote villages and areas had access to the credit facilities, the Bank introduced another scheme in July 1981 called ‘Micro-Credit Loans’, targeted at rural areas only. The ni-Vanuatu in rural areas were allowed to borrow up to VT50,000 (AUD$500) at a six percent rate of interest for a maximum of two years, to buy materials for constructing copra driers, fences, and buildings. Other equipment such as outboard motors, fishing nets and lines, agricultural tools and spare parts were also considered under this scheme.

While there had been considerable changes in the early 1990s to bank policies and management practices, including lending procedures, the composition of the Board of Directors remained largely in the realm of politics. DBV was an independent statutory body operating under the direction of its own Board of Directors with responsibility to the Minister of Finance. The Minister of Finance was the principal director of the Bank and was responsible for appointments. From its establishment up to its closure in 1997, the DBV Board comprised politicians drawn from whichever party was in power, many of whom were appointed irrespective of their qualification (Vanuatu Ombudsman 1999). This exposed the Bank’s operation and management to direct political interference, which in turn created significant opportunities for the development of direct lending practices outside the Bank’s processes and policies. This would seems to be one of the loopholes in the legislative framework governing State Owned Enterprises (SOEs) and other institutions that are meant to work as independent statutory organisations (Cain & Jowitt 2004). As part of the ongoing reform commitment of the Vanuatu government, the ADB was tasked to undertake a review of all SOEs with the intention to close the loopholes and improve their performance. The review was concluded in July 2014 with a two day presentation of findings (Simon 2014). At the opening, the State Minister responsible for SOEs, Mr Simelum, made the following statements:

Apart from poor management, the practice of political appointments in the boards does little to help the situation. Some of our State-Owned Enterprises continue to be poorly managed year after year and I have noticed that for the last five years these state entities have not been filling annual returns to the government as per the Customs Act. The issue of direct political appointments to SOE boards is a concern which I believe can only be addressed through appropriate legislation which stipulates who gets appointed to which board. It is hoped that through such a review undertaken by the ADB that we will be able to rectify the weaknesses
and to solicit necessary assistance to enable the government and management of SOEs to implement the necessary reforms to put the SOEs back on the right track (Simon 2014, p. 1).

This quote illustrates that Vanuatu SOEs are struggling because the existing laws that governed SOEs in Vanuatu and more broadly in the South Pacific region gave greater powers to State Ministers to control management and policy directions. This would seem to be an issue in the cultural context of the newly democratic state of Vanuatu, where leadership of elected political leaders has become entangled with local norms, expectations, and *kastom* practices. In the case of the DBV, there were two provisions in the Act that gave leverage to the Minister to influence the operation of the Bank. Firstly, the Act mandated the Minister to give the Bank policy directions that were consistent with the Act on the exercise of the functions and policies of the Bank. Secondly, the Minister was given the discretion to appoint the Board of Directors based on given criteria, which included: the appointees represented the different geographical divisions of Vanuatu; and had more than ten years’ experience in finance, commerce, industry or agriculture. In addition, the Act also defined the criteria of persons that should not be appointed as members of the Board of Directors, and these included: Members of Parliament or the Ministers of State; not over seventy years of age; not be judged bankrupt; and not in contempt of court. The Act further provided for the Minister to appoint the chairman of the Board and also make a temporary appointment to the position of Managing Director in lieu of illness or incapacity. Critically, this exemplifies how, in the building of the post-colonial state, certain institutions were created in a manner that granted substantial power to political leaders without there being any consideration as to how such powers might be abused. As this case illustrates, there is increased entanglement between two different sets of social obligations and expectations in the way bureaucrats and politicians run the formal socio-economic and political institutions. For instance, this case study also demonstrates that, despite the set rules and policies, the Minister appointed his political allies to the Board of Directors, and that none of those appointments followed the criteria laid down in the DBV Act (Cain & Jowitt 2004; Jowitt 2014; Vanuatu Ombudsman 1999).

However, the partnership that the DBV had with the Asian Development Bank (ADB) and the European Investment Bank (EIB) strengthened the Bank’s operation, by establishing new international banking practices of fair competition, prudent risk management policies, and new policy guidelines and processes. These new policy directions and reforms, premised on the concept of a liberal economic system, have led to an increased gap in understanding between eighty percent of the population in local communities and a handful of local elites in urban centres. This is compounded by poor infrastructure, dispersal of population across the archipelago, and low financial literacy in local communities. This low level of financial literacy in rural and remote communities meant that local educated elites who were in public positions gained an advantage. This inequality in turn created an incentive for those disadvantaged by the formal power structure to seek alternative means of credit. It
also tended to legitimise the inappropriate appointment of Board of Directors irrespective of the established criteria and merit principles, partly because there was no public accountability in a social context where the public did not fully comprehend the formal legal and economic principles upon which this new institution was to be built. Consequently, rural and local communities extended their family networks into state institutions in order for them to benefit from state resources and services by working outside established rules, policies, and procedures (Adam & Tim 2013).

The loan cycle gives an insight into how this strategy was implemented. Figure 6.1 depicts the loan cycle the DBV built on international bank lending management principles. People who wanted to borrow from the Bank had to lodge formal loan applications. The Bank used the agriculture extension officers to assist local farmers and communities to prepare their loan application and to provide awareness of the Bank’s services in local communities. The agriculture extension officers were not trained as bankers and therefore they had limited knowledge of the banking system. This reflected the lack of consideration given to the capacity on the ground to manage the new economic institution and to transition successfully. The DBV records showed that about seventy to eighty percent of the loans at DBV did not strictly adhere to the processes of the loan cycle and Bank policies, and were thus irregular (DBV 1994; Vanuatu Ombudsman 1999).

**Figure 6.1 Loan cycle**

![Loan cycle diagram](image)

Source: Development Bank of Vanuatu Annual Report 1994

It was a common tradition for a bank to require borrowers to deposit a percentage of the total value of the asset to be purchased. Table 6.1 illustrates respective contributions expected from borrowers on certain categories of loans. Given that ninety-five percent of the population at the time was in the
subsistence sector and not earning a cash income, the required deposits were quite substantial. Lands and other natural resources are communally owned in Vanuatu, which means that individuals cannot use them as collateral. This is another classic example of how traditional values of communal rights clash with financial and market mechanisms and principles. To address this challenge, the state, through the government of the day, became the guarantor of the loans to local communities. This provided a significant opportunity for elected and appointed politicians to manipulate the Bank’s distribution process and policies to their personal interest. As will be explored further in this Chapter, this policy guideline was susceptible to capture by vested interests. In almost all cases, the Ministers and political officers wrote letters of support for individual party supporters to borrow from the Bank, and as a consequence loans were granted in circumstances that, while not technically illegal, nonetheless subverted the core aims set for the DBV in legislation.

Table 6.1 Borrower contribution

<table>
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<tr>
<th>Borrower Contribution</th>
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<tbody>
<tr>
<td>All Project Minimum</td>
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<tr>
<td>Purchase of New Vehicles</td>
</tr>
<tr>
<td>Purchase of re-conditioned Vehicles</td>
</tr>
<tr>
<td>Purchase of new or used marine vessels or boats for use in transport projects</td>
</tr>
<tr>
<td>Repairs to vehicles or marine vessels or boats</td>
</tr>
<tr>
<td>Purchase of Industrial equipment</td>
</tr>
<tr>
<td>Transfer of ownership of assets, shares, etc</td>
</tr>
<tr>
<td>Construction of buildings and related works</td>
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<tr>
<td>Working Capital including stock</td>
</tr>
</tbody>
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Source: Development Bank Annual Reports 1994

The Bank set four basic standards by which loan applications were to be assessed: economically justified; technically viable; financially viable; and credit-worthy. Rules specified that loans would not be approved where applicants held criminal records or had a poor record of repayments. There was also a view that loans should not be given to people approaching retirement age, which is 55 years in Vanuatu (Vanuatu Ombudsman 1999, p. 6).

The DBV was created according to a rational economic logic with the aim being to control and channel what Marcus Felson called ‘primary human imperatives’ through formal rules, policies and processes (Felson 2011, p. 12). According to Felson (2011), ‘primary human imperatives’ include both looking after one’s personal interests and meeting social commitments to friends and relatives. In other words, it is natural for each person to take care of themselves and their family and friends, even in violation of general rules and roles (Felson 2011). While self-interest would seem to be acceptable
in a traditional and patrimonial society, in a legal-rational system the attempt to seek self-interest often involves breaking rule of law, and this behaviour is deemed corrupt (Rose-Ackerman 2010). As this case study illustrates, a strong tension is inherent between these personal interests and the legal-rational policy, which implies that this rational economic and social system has a different set of expectations that work in contradiction to the lives of the eighty percent of the population who live in the rural and remote islands of Vanuatu. As one commentator on the traditional subsistence economy in Vanuatu notes:

All too often in our national development plans and charters, and in our regional and international prescriptions for development in Melanesia, there is little or no mention of the traditional economy and the predominant role it plays in providing sustainable livelihoods and many of the sustainable development outcomes we say we wish to achieve. More regrettably, many policies and activities that are implemented in the name of development directly displace and erode this traditional economy (Regenvanu 2009, p. 32)

This illustrates clearly that the DBV worked within and contributed to an economic system that created what Eric Uslaner refers to as an ‘inequality trap’ in local communities (Uslaner 2008). This economic system creates disparities in wealth, income, status, and power between and within local communities, including individual members of a family. He further argues that in such a circumstance there is significant opportunity for economic inequality to create political leaders who will ‘take care’ of their constituents and families at the broad expense of public interest or society at large (Uslaner 2008, p. 24). It also necessitates the establishment of a patron-client network relationship as a mechanism to address disparities in wealth, status, and power in local communities, as well as a system to connect the state to marginalised sections of society.

This case study demonstrates that a patron-client network based on customary practices and traditional values of social obligation is broadly accepted and practiced throughout the archipelago. In the traditional communities of Vanuatu, the patron-client network is a recognised and acceptable system of social and political advancement that is based on different forms of reward and reciprocal exchanges. On the other hand, in a legal-rational world these practices are deemed corrupt because they contradict formal rules, policies, and procedures. The following section explores the relationship between this cultural dynamic and corruption, using data from the 1999 Ombudsman’s Report on DBV and the data generated through semi-structured interviews with former staff of the DBV, government officials, youth, and non-government organisations.
6.2 The nature of corruption in the Development Bank of Vanuatu

This thesis argues that corruption in Vanuatu is a product of the interplay of values between *kastom* authority and the social obligations within a legal-rational authority. Under *kastom* authority the recruitment of family members to a public position or manipulating bureaucratic processes and rules in favour of family requests are not necessarily seen as morally wrong acts that should attract punishment. In a legal-rational state there is a separation of formal roles and duties from the personal, family, and political groupings along family lines. A strong tension emerges when an individual or group uses traditional values of social obligation, such as respect for family and *kastom* authority, in such a way as to exploit public office for personal gain, thus undermining public interests. The following section explores the dynamic of the interplay between (a) local values of social obligations and authority, and (b) social, economic and political systems trying to control and constrain *kastom* practices to achieve fairness, justice and inclusiveness through separation of personal allegiance from formal roles and duties. The emerging governance issues identified and analysed in this case study exemplify broader and continuing challenges for formal authority and state administration in Vanuatu. Hence, to unravel these challenges a patron-client relations model makes sense when one weighs structural disadvantages, power imbalances, and social expectations in a traditional social context.

6.2.1 Nepotism

One of the cultures featured strongly in the administration of DBV loans was a strong family network and favouritism known as “nepotism” in legal-rational perspectives. A strong family connection is a foundation of unity and social order in local communities, and the ways and manners this connection is maintained and developed can undermine formal rules. Examples 1 and 2 illustrate how family networks at the political and bureaucratic levels enable formal government processes to be overridden and how elected political leaders and senior bureaucrats can manipulate processes to favour their immediate families.
This example illustrates the challenges of governance in Vanuatu stemming from ‘patron-client network relationships’ in which family members holding public office can act as a patron to facilitate favours for clients such as close relatives or political cronies. Within the sphere of a patron-client network, personal ties are an important characteristic, in which a patron maintains their clients by rewarding them for their faithful service and, similarly, if the clients want to continuously receive rewards from the patron they have to give him/her loyal services (Ackerman 1999; Sharon 2002). Thus, this obligatory reciprocity of the patron-client relationship is the defining characteristic of traditional politics in Vanuatu, which can be traced back to nimangi and grade-taking ceremonies in which leaders acquired their political status and power in local communities (Allen 1981). In the traditional political leadership system the family unit remains the core foundation and primary source of support for their leader, and as such there is a heavy transaction and exchange of resources between the family members and their leader (Allen 1972). People often organise themselves along their family lines to celebrate marriages and births, participate at funerals, support one another in hard labour, and help each other with school fees for their children. This personal and social tendency is a deep-rooted feature of traditional communities in Vanuatu. From a legal-rational perspective, when people are favoured because they are related to a person in power, the demonstration of partiality and preferential treatment is judged corrupt. The natural tendency to help each other and take care of each

**Example 1**

**Strong family connection**

Mr X1 was a strong supporter of the Union of Moderate Party (UMP) and he got his loan during the time UMP was in Government. His brother, who was the Minister of Finance responsible for the affairs of the Development Bank of Vanuatu and the shareholders’ representative, offered his land to Mr X1 as security for the Loan. The loan was made to finance an intended garage operation. This loan was requested and approved during his brother’s term as Finance Minister.

Mr X1 made no cash or in kind contribution as per the bank’s policies and procedures. This appeared to contravene the bank’s policy requiring borrowers to contribute some 30% equity to the project financed by the loan. The cash flow projection estimated by the credit officer in his appraisal report was hypothetical and did not reflect a true picture of the client’s actual revenue and expenditure operations. A business operating profit of VT22, 448 is inadequate to service an expected repayment level of VT185, 338. Mr X1’s capacity to repay the loan was not considered by the Bank. If it had been considered, the loan would not have been granted initially. As a consequence of non-regular repayment, the balance as of 11 November 1998 stood at VT14, 520.121, with VT4, 166, 949 in arrears.

The loan was disbursed before securities could be put in order. As they stand, the securities would be difficult to enforce. The Minister of Finance and Mr X1 consistently declined to sign security documentation to secure the loan they borrowed. A few attempts by the bank to have the borrowers sign collateral documentation before the Commissioners of Oaths failed. Furthermore, the intended collateral documents were not appraised by reputable appraisers and are likely to be worth far less than the amount outstanding. The lending officer who appraised Mr X1 loan was a relative of Mr X1’s and the Minister of Finance.

Source: Vanuatu Ombudsman 1999
other’s wellbeing is, however, embedded into the traditional political system; and Example 1 illustrates how this cultural norm was practiced in a formal system of economic organisation. In this example, there is a strong element of family connection reflected in the close relationship between a State Minister and his brother, and a lending officer (Vanuatu Ombudsman 1999). While traditional politics is sustained through a strong family connection and reciprocal exchanges of resources, its extension into a formal rational system of economic and social organisation can be detrimental to their development objectives. One of the kastom jifs who participated in the present research interviews believed that family connection is an important cultural value that has deeper roots in land and resources in local communities:

A strong family connection is a foundation of everything in our society. Family unite together during the time of birth celebration, marriages, nimangi, grade taking ceremony, and most importantly help each other in school fees and in hard labour. In Vanuatu people who do not have a sense of helping family and who do not participate in family activities, they are strangers. Family connection is important because through family members people have the right to land, resources, and get support from each other in time of need. In Vanuatu, if you have no family it means you have no land and you are not from Vanuatu (Tape interview with a kastom jif May 2013).

This quote illustrates how and why the wider advantages of family connection remain integral to social identity. Local communities organise themselves along the family lines, to look after their own socio-economic and political interests as well as meeting social commitments to friends and relatives. The challenge for family connection networks is that family lines are continuously expanding through marriages and birth, which means a leader can have a wider support from his/her extended family lines. This practice can be sustained in local communities following a traditional way of life using abundant natural products from gardens or resources from forest and sea. In other words, there is a level playing field in which everyone can participate with unlimited resources. However, the encroachment of limited resources, in the form of money and material goods, distorts community economic relations through the substitution of cash and commodities for traditional resources, a process that is most advanced in the two urban areas - Port Vila and Lugainville. Because of the increased scarcity of money and material goods in individual’s hands, this necessitates a need for stronger family networks at the places where resources are available. In other words, the new economic system of organising the needs of society through formal rules and processes is actually creating an inequality of resources at the various levels of society. In order to address this inequality people have opted to use family networks as a means to access resources and services from the state. Thus, a strong family network can become a strong political interest group that can be influential in distorting the process of justice and fairness in resource distribution. For instance, with regard to the
Vanuatu Development Bank, helping family by circumventing formal processes and requirements cuts against the legal-rational principles upon which the DBV depends for its financial viability.

Thus the behaviour of the leaders to work outside formal rules, policies and procedures to meet the needs of families are acceptable moral standards in local communities, and as such this has not impacted on their social legitimacy and political status. The re-election of political leaders to parliament who were implicated in various Ombudsman reports because of alleged corrupt practices signifies a fundamental flaw in the design of socio-economic and political institutions. The State Minister implicated in Example 1 is a member of parliament at the time of writing. When this research was conducted the lending officer was working as the Managing Director of a major financial institution in Vanuatu. The present author had the opportunity to interview him, and he ventured the following observations:

Our political leaders believed that when we achieved our political independence it will provide greater opportunity for us to achieve our economic independence. My personal view is that economic independence should be an individual goal and not the national goal, which means that it must happen at personal and individual levels. Government supported this view by acting as guarantor, which enables DBV to give loans to everyone who came to the Bank irrespective of their financial capacity. During the time of DBV, the ninety five percent of our population were in rural areas with low financial and banking literacy. Our job at DBV was to help them to make sure that everyone has equal opportunity to improve their social and economic status (Tape Interview 13 May 2013).

This quotation illustrates the rationale behind the action of the lending officer in facilitating Mr X1’s request by developing a hypothetical profile in order for him to access the loan from the Bank. It also implies that the DBV, as a new form of economic organisation, emerged with standard expectations and processes that disadvantaged group of customers that were in a similar situation to Mr X1. This new system of economic and political organisation has become a barrier to eighty percent of the population of Vanuatu who are practicing subsistence living. While the act of fabricating a false profile was accompanied with good intentions to assist a marginalised customer, this act is condemned by national and international law as a crime. According to the Vanuatu Penal Code Act of 1981, Section 6, false information and reporting are classified as criminal because it is an act of robbing the Bank by granting a loan based on inaccurate facts. Hence, a strong family connection can undermine public interest and development objectives of the state or an organisation such as the DBV.

Example 1 also demonstrates the weak institutional capacity to enforce compliance and uphold standards of the Bank. The Bank as an independent institution failed to redress many loans that were in arrears, and this weak enforcement from the Bank provided an incentive and opportunity for customers to flout the law. Most importantly, weak public accountability provides greater opportunity
for patron-client networks to develop. While the DBV was sufficiently concerned to act to reclaim a bad loan, debt recovery can be compromised by family or personal connections. Cain and Jowitt note that for all the alleged corrupt activities against elected politicians in Vanuatu, many were not prosecuted by the Court (Cain & Jowitt 2004). This creates an incentive for individuals and local communities to affiliate to political parties or have a strong attachment to elected politicians as a mean to subvert rules and also, most importantly, escape punitive action. It also provides the opportunity for senior bureaucrats to work outside established rules and formal procedures. Indeed, this example is representative of other cases where there is strong evidence of abuse of power, conflict of interest, and lack of respect for the rule of law, as reflected by the Minister and Mr X1’s wilful refusal to be bound by the rules or legal instruction of the Bank (Vanuatu Ombudsman 1999). The Minister, Mr X1, and the lending officer were identified in the Ombudsman’s report as closely related to each other and all were employed by the state (Vanuatu Ombudsman 1999).

Example 2 demonstrates how the Managing Director of the DBV undermined his position of trust to manipulate the Bank’s processes in favour of his niece.

**Example 2**

**Abuse of power and conflict of interest**

Ms X2 was the niece of the then Managing Director of the DBV. Eight employed guarantors supported Ms X2’s loan. The Managing Director processed the loan application personally. However, in a letter to the Ombudsman, he stated that her loan was approved on merit.

This loan was for the purpose of acquiring vehicle that the bank had seized from a Mr M, who had defaulted on his loan. The vehicle was transferred to Ms X2, who took over Mr M’s outstanding debt and VT192,700 in repair costs. Ms X2 made no contribution. The bank obtained no information regarding her assets and liabilities, income and expenditures. The bank did not conduct a credit check.

The vehicle was shipped to Longana area as a taxi. The vehicle could not generate sufficient revenue to meet the required VT105,500 monthly payments. The repayment was irregular and an arrearage began to accumulate by 5/2/97, only five months into the collection period. When the bank attempted to execute its assignment of salary deduction, two guarantors requested that their guarantees be cancelled. The bank declined both requests.

The bank, the client and Mr B., a guarantor, met regularly and, on 17 November 1997, the bank restructured the loan and offered new conditions favourable to Ms X2. Up to the time of the Ombudsman’s investigation, a total of VT662,900 was paid. The bank decided to write VT662,900 off the debt, reducing the balance to VT3,514,743. Other terms and conditions remained unchanged. Even with this new arrangement, Ms X2 could not meet her obligation, and the account continued to deteriorate.

Source: Vanuatu Ombudsman 1999
Example 2 demonstrates how a family can cooperate to subvert formal legal-rational processes independent of politics and political influence. Indeed, Examples 1 and 2 further illustrate that neither the State Minister nor the Managing Director cared about their formal roles to protect the public interest and promote the development objectives of the DBV. In both cases the need of family took precedence over the rule of law and both the Minister and the Managing Director abused their position of trust to process loans outside legal rules. They could have avoided abusing their powers by directing their close relatives to responsible Bank’s officials who could have dealt with their request without their interference. This case reflects vividly that the line between personal relationships and formal roles is difficult to draw in an environment where eighty percent of population uphold kastom practices and give high legitimacy to kastom authority. In a democratic society a leader is expected to deliver public services in an impartial manner and there is a clear separation of private from public interests. Articles 66 and 67 of the Constitution and Leadership Code Act of 1998, Section 13 to 14, criminalises the direct distribution of public goods and services between leaders and their families or close political allies. In the traditional political system, goods and services have to be distributed directly by leaders to family members because this is how a leader gains his/her prestige. The local communities value a face-to-face distribution of resources, and most importantly a leader has to make sure that his/her contribution to family and community is feasible and outstanding enough to get praise from them.

Examples 1 and 2 help illustrate how the separation of personal interest from public interest challenges family bonding and disadvantages members of families who do not have connections to public officers. They become disadvantaged because of their low financial literacy rates, and because of their lack of connection to people in power, and poor infrastructure support in terms of roads, wharves, and airstrips, which prevent their full participation in a market economy. In such a difficult environment, public officials are valuable to family members and close relatives because they can assist them to access state services and opportunities. This means that families who do not connect to either elected politicians or bureaucrats can be further marginalised and secluded from public resources and services. As such, Vanuatu politics is strongly shaped by influences of family and support from the larger population in rural and remote islands.

6.2.2 Patronage
Patronage is commonly referred to in literature (Adam & Tim 2013) as the glue that holds many traditional communities together; and in Chapter Four of this thesis presented an explanation in detail of some of the significant structures and relationships in Vanuatu. The DBV Case Study illustrates that the exchange of gifts and favours were predominant in the administration of loans, and customers perceived loans as gifts rather than something that you have to repay with interest. It also demonstrates that formal economic organisations provide an opportunity for political leaders to exchange favours informally or irregularly with their personal entourage. For instance, whenever a
new government was formed, the Minister in charge of the DBV terminated the existing Board of Directors and made new appointments favouring his/her political supporters (Vanuatu Ombudsman 1999). As is further illustrated in the DBV Case Study, in Vanuatu politically elected leaders are given licence to appoint their followers or clients to positions of authority irrespective of their merit. This was intentionally put in place by the constitutional framers to facilitate the decision-making of the party in government and, most importantly, enable them to implement their policies. People who were appointed as members of the Board of Directors for the DBV were political supporters of the party in government, and as such they were obligated to the Minister (patron) who, in turn, could and did seek influence, wealth, status or power. Patronage, as argued by Kettering Sharon, is a ‘system of personal ties and networks in which a person or superior offered protection and support to an inferior or client, who owe him loyalty and services in return’ (2002, p. 418). Example 3 is a case in point.

Example 3

**Patronage-exchange of gifts and favours**

Mr X3 was a former Prime Minister of Vanuatu and was a Minister of Economic Affairs and President of UMP when the loan was granted to him. As Minister of Economic Affairs, Mr X3 was responsible for the DBV. The Board of Directors, the majority of whom were UMP members, approved Mr X3’s loan.

His initial request was for a loan of VT2, 300,000 to purchase a truck. He agreed to contribute VT1, 226,583 and to repay the loan at VT80, 900 per month. He later declined to make the contribution and requested the Board’s approval for the bank to meet the full cost of the truck. It appeared from the documentation that the loan was disbursed before it was formally approved. Security documentation was prepared months after the release of the funds. Mr X3 requested duty exemption approval from the Minister of Finance. His request for duty exemption was approved.

The DBV did not have files containing information on Mr X3’s liabilities and assets. There was no data on his income and expenses, which is necessary to assess Mr X3’s ability to repay the loan. The loan account was classified as a political loan and was only accessible by the Managing Director. Due to Mr X3’s failure to honour the agreement, the Vehicle was seized and sold for VT850, 000, which helped reduce the loan amount. Mr X3 was expected to repay the outstanding balance, but he had not made any arrangement to have the loan repaid.

Source: Vanuatu Ombudsman 1999

This case illustrates that patronage can be an effective means for the personal advancement of elected political leaders. The culture of political parties in government having their political supporters in key senior positions in the state is apparently observed in all democratic countries (Buchan & Hill 2014). However, the risk is higher in developing countries where there is often poor transition from a traditional and patrimonial system of authority to legal-rational authority (Felson 2011; Rose-Ackerman 2010). This practice has an underlying assumption that established rule of law and accountable institutions are powerful enough to constrain personalisation of power and odd practices
that can undermine the public interest and derail the whole objective of state organisations. However, in a country where eighty percent of the population have a strong adherence to traditional values of social obligation and leadership, the transition between personal into impersonal roles is difficult to make in the public arena. The above example illustrates that where there is overlapping of values, roles, and norms, people in positions of authority take advantage by abusing one system and getting cover-up from another system.

Example 3 also illustrates how a Minister sought favour from the Board of Directors, in that he made a special request for the Bank to cover the full cost of his loan. Thus, a strong political connection is a well-established medium for mobilising patronage, which in turn generates strong bonds of obligation. This bond of obligation depends on loyalty, obedience and trust from both parties. The failure to remain loyal to the Minister could lead to job dismissal for Board members, and therefore the Minister was in a comfortable position to influence the Bank in whatever direction he wanted. Example 3 also illustrates that the Minister can choose to be above the rule of law, which demonstrates clearly how a strong patronage system can undermine formal legal-rational institutions. Indeed, Example 3 is representative of other cases that illustrate that a strong political connection can defy the rule of law (Cain & Jowitt 2004).

Example 3 further illustrates that a strong political connection and allies within public organisations can have a wider influence on state resources vertically and also horizontally. A Minister can influence the organisations of which he/she has a direct mandate to manage, and also work through other State Ministers to seek favours from his/her portfolios. For instance in Example 3, Mr X3 used his power to borrow funds from the Bank outside processes and rules, and at the same time requested a duty exemption from the Ministry of Finance. The loan and duty exemption were granted to him outside formal government processes and policy guidelines of the Bank.

6.2.3 Lack of record keeping and assessment

Example 4 illustrates that for all illicit loan dealings with the DBV there were no records in files, and most importantly there was no Bank assessment and appraisal of the loans.
Example 4
Lack of record keeping and assessment

Mr X4 was a strong UMP supporter who was employed by the UMP Government as the Public Works Department’s foreman on Tanna. Mr X4 did not submit a loan application form. The bank processed the loan based on a letter of request. The Bank’s Board of Directors approved Mr X4’s loan and, on 30 April 1998, he received VT800,000 to purchase a second-hand mini bus for tour operations. The loan agreement required the repayment in three years, but the term had been extended to more than ten years, exceeding the authorised period.

The security was never evaluated and its value was not known. The Trader’s Bill of Sale documentation was defective and cannot be enforced. As of 11 November 1998, the loan balance stood at VT1,577,423, with its interest set at zero to stop its further growth. Following Mr X4’s failure to make regular repayments, DBV seized the vehicle. There was no evidence as to whether the vehicle was sold by the bank or returned to Mr X4 following an alternative arrangement.

Source: Vanuatu Ombudsman 1999

This example again demonstrates the tensions between Bank officials seeking to enforce terms and political interference that can circumvent such enforcement. This loan was processed on the basis of the Minister’s letter to the Bank. There was no formal application process and Mr X4 was granted favourable terms of more than ten years instead of three years as per the policies of the Bank. Standards of documentation were weak, making it difficult for auditors to follow the trail of favouritism, through the DBV. The Ombudsman investigation revealed that there were thirty three cases of loan disbursements at the DBV that have either partial or no records in the file (Vanuatu Ombudsman 1999). The absence of such records reflects that most of the loans were disbursed by oral communication between the Minister to the Board of Directors, or Board of Directors to the Managing Director of the Bank. In a tightly rule-governed organisation, record keeping and reporting are critical features, because they assist decision-makers to trace the performance of the organisation and also ensure transparency and accountability. The culture of keeping records and communicating instructions in writing is a new norm that challenges the local norms and culture of giving verbal instructions and recording and retaining past experience in oral traditions only.

A quick survey of the Ombudsman’s reports from 1996 to 2000 illustrates corruption cuts across a number of issues, meaning that in any particular case it is likely that more than one action will be found to be corrupt. Table 6.2 presents a brief breakdown of corruption cases to demonstrate how complex corruption is in an entangling environment, where principles of Christianity, kastom, and legal-rational state functions are adopted as pillars of state governance. The element of conflict of interest would seems to be present in all incidences of corrupt behaviours found in DBV Case Study and also reflected in Table 6.2.
In a similar vein, Figure 6.2 shows a more recent analysis of the cases investigated by the Ombudsman Office. These are the cases that the Ombudsman’s Office has officially received from complainers and registered for investigation; there may be more cases unreported. The corrupt activities were broadly categorised into three main areas: maladministration, leadership code, and language rights. The maladministration refers to activities of public officials outside rules, processes, and misuse of government agencies. The incidents of maladministration are increasing, which gives a sense of how difficult it is to draw a line between private and public interests by those in public office. Leadership code violations involve elected political leaders who are suspected of breaking the law and of ministerial misconduct. This involves allegations of granting licences to family and friends, illegal recruitment to public positions, using government vehicles outside official hours, and unlawful dismissal. The reason for the decreases in number of complaints against leaders in 2012 reflects general public perception that they have wasted their efforts in complaining because to date there is no prosecution of leaders who have been implicated in corrupt practices (Vanuatu Ombudsman 2012).

**Figure 6.2** Types of complaints investigated by Ombudsman
6.2.4 Bribery and reciprocity

Examples 5 and 6 below involved the two most important authorities in the Bank, Chairman of the Board of Directors and Managing Director of the Bank, who both were involved in the process of loan outside the Bank’s policy. Mr X5 was the chairman of the Board of Directors of the Bank, and DBV Case Study strongly illustrated that he and the Managing Director had been involved in bribery known in Vanuatu as “rubbing each other’s back”. In other words, if you are kind to me I will be kind to you in the same manner. The value of reciprocity facilitates corruption internally within public institutions because social understandings do not require written agreements, meaning that corrupt actions can be obscured and difficult to trace. This was evidenced in Examples 4 and 5, where records were not retained, implying that there was intent to disguise, which in turn implies illegality.

Example 5

Bribery 1

The loan was approved during the period Mr X5 sat on the DBV Board of Directors as a chairman. The original amount disbursed was VTV 3,000,000, with small additional disbursements thereafter despite poor repayment history. The loan was to cover Mr X5’s personal expenses and not for developmental purposes. This loan violates the bank’s mandate. Mr X5’s failure to make regular payments resulted in a current balance of VTV5, 291,218 with VTV5, 761,965 in arrears.

Mr X5 made no contribution and offered no security apart from the personal guarantees of his brother and sister. There was no evidence that Mr X5 submitted a written application. The Managing Director handled Mr X5’s loan personally and as such the loan was granted outside the bank’s process and violated bank’s policy. This account was restructured several times with instalment levels reduced in favour of the client. The bank did not attempt to enforce the personal guarantees.

Source: Vanuatu Ombudsman 1999

Again, Example 5 illustrates that there was strong family support, as Mr X5 was supported by his brother and sister, and this was indeed a clear example of a strong family network supporting each other. This particular case re-enforces the argument, made on several occasions in this thesis, that in a traditional society the process of how the resources have been extracted from the state is frequently of little or no concern to family connections and local communities who benefit; which in turn demonstrates a significant gap in understanding about how the legal-rational world operates. In other words, the focus of community is on the relationship between people and leaders rather than on the leaders and the rule of law. Because the knowledge and understanding of laws are limited within the eighty percent of population in rural areas, the performance of a leader with the rule of law gets little attention and would seem to be of no concern to them.
Example 6 illustrates that in the same manner, the Managing Director had borrowed from the Bank to fund his personal expenses. Again, as was demonstrated in example 5, these two cases were representative of other cases where politicians and bureaucrats bribe each other to subvert formal rules and process for their self-interested deals in public institutions. The example 6 involved the Managing Director of the Bank.

Example 6
Bribery 2

Mr X6 was the Managing Director of the DBV. He applied for this loan to re-finance outstanding debts valued at VT1, 759, 347 and to reimburse the bank for VT520, 000 that he spent on personal items while on a tour in the USA. The Board of Directors instructed the Bank management to give an additional VT106, 890 to be released to cover Mr X6’s personal telephone expenses. As per the bank’s policies, the use of bank’s money by staff should be subject to disciplinary action and should not be covered by a loan from the bank.

The unsecured loan was granted for a very generous nine-year term and required monthly payment of VT36, 100. Mr X6 drew it as a personal loan in breach of DBV policies and rules, which set VT200, 000 as the maximum amount for personal loans to staff. Mr X6 was terminated from the bank and he made a new arrangement with the bank and the records show that he made only one monthly payment and went into default.

Source: Vanuatu Ombudsman 1999

Examples 5 and 6 illustrate bribery between the Chairman of the Board and Managing Director of the DBV. These examples further illustrate a broad challenge of the DBV, where Senior Managers of the Bank were involved in corrupt dealings, whether in coalition with elected politicians or independent from political support. While there may be some incidents of money-laundering, a review on the implementation of United Nations Convention Against Corruption (UNCAC) by the United Nations reveals that to date there has been no prosecution of cases related to money-laundering in Vanuatu (United Nations 2013). Furthermore, Example 6 illustrates the entanglement of traditional rights versus formal responsibilities in relation to taking care of an institution on behalf of the people. Within the traditional political sphere, a leader has a traditional right to divert resources to where it is needed most, and also to make sure that his/her people have a fair share. This traditional right is informal and it is not in black and white, making it complicated to distinguish it from formal rights and the right to look after resources in the interests of the public or state. In an interview with a former regional manager of the DBV for the present study, he made the following observations:

The law of DBV was not strong enough compared to laws of most existing banks today. Many people who were employed at DBV were not appointed on merit. The Bank was full of people who have a strong political connection and as a consequence they followed not the
process of the Bank to give out loans. Some of the senior officers of the Bank made friends with politicians and thus most loans were politically motivated and outside Bank’s policies. Those practices put the Bank in a very difficult position (Tape Interview 13 May 2013)

This quotation shows that a political connection with bureaucrats can have a powerful influence on formal economic, social and political organisations. In a legal-rational system there is a clear separation of sovereign authority (heads) with subjects (civil servants) and they are meant to work separately but complementarily. This line of separation is difficult to make where both sides have similar vested interests to enrich themselves at the expense of the population at large.

Furthermore, Example 5 and 6 illustrate an inherent gap in understanding between public officials and elected politicians who are meant to be custodians of state resources for the people and manage them in the best interests of the public. It could also imply a lack of educational awareness of the rights of a custodian compared with a traditional right where whatever is at your disposal can be used or given to your family. Similarly, State Ministers have this sense of ownership, which means they feel at liberty to divert public resources at their disposal to activities that may undermine public interests. For instance, a State Minister might ask the head of a department to use public funds to pay his airfare to attend his party congress. If the head of department refuses the request, he/she may impair their close relationship with the minister. This is now a norm in the public sector where Directors, Chief Executive Officers (CEOs) and heads of public institutions make friends with State Ministers and politicians, and as such it complicates their line of impartiality and the borders between politicians and bureaucrats.

Example 6 also illustrates that the DBV failed to take appropriate security to cover the loan, although Mr X6 owned two houses with discharged mortgages. The Board of Directors allowed the Bank to make a termination payment directly to him, rather than compelling him to make full repayment of his own debt. This violated the policy set out in the Staff Manual, which states that all staff loans were payable upon termination or resignation. In addition, the Bank took no effort to pursue the default in court in order to obtain a judgement to access Mr X6’s salary. Thus, Examples 5 and 6 are also representative of other incidents of conflict of interest where those who occupied top positions in the government made decisions that benefited them privately.

**6.2.5 Conflict of interest**

In all examples of corrupt practices at the state level there is an element of conflict of interest. The following cases exemplify broad challenges to the state where public officials and elected politicians are involved in self-dealing for personal gain. Example 7 illustrates conflict of interest involving members of the Board of Directors and senior staff of the DBV.
This example clearly illustrates evidence of a conflict of interest, in which Mr X7 as a member of the Board of Directors influenced the Bank to grant him several loans outside the Bank’s processes and policies. As a member of the Board he had a duty to safeguard the interests of the Bank and act independently and objectively to promote the Bank’s development objectives. Furthermore, it illustrates the weaknesses of the Bank to enforce rules and recover the outstanding loans to the Bank. In a similar vein, the elected politicians found it difficult to draw a line between the general interests of their electorate and the communities they represented, and the interests to promote the development objectives of the DBV. Example 7 is a case in point, where a State Minister had a conflict of interest as a member of the UMP party and the Minister responsible for the operation of the DBV.

Ministerial instruction is a typical example of the current features of Vanuatu’s state administration, where state resources are committed on the written commands of the minister; but, it is reasonable to presume, sometimes these commands follow unwritten and self-serving political instructions. As the above cases demonstrate, there were no government records and it was very difficult to construct an
audit trail. This practice challenges the function of law enforcement agencies and other accountability institutions in that they are not able to challenge it in the court because of the lack of evidence.

As stated previously, getting direction from *kastom* authority and implementing these accordingly demonstrates respect for leaders and authority in the local community, and this social norm has great influence on the operation of legal-rational institutions. The strong respect for leaders in the local community is one of the local values of social obligation that is embedded within the legal-rational system of state and economic administration. This is reflected in the identified cases in this Chapter, where elected and appointed politicians wrote a “Ministerial letter of instruction” to the Managing Director of the Bank on behalf of their party members allowing them to borrow from the Bank without formal application. We have seen local political elites use traditional values of social obligations and authority to undermine formal institutions, and as a consequence they derailed the whole objective of the organisation. Example 7 was representative of other cases where elected politicians gave instruction to distribute state resources to certain individuals outside formal processes. It also illustrates how strong family connection and political groupings can undermine bureaucratic rules and government processes to extract state resources, simply through a one-sentence letter of instruction to the Bank.

6.2.6 Extortion
The use of force or coercion was one of the identified characteristics of the way DBV loans were administered. The staff of the Bank were pressurised by both appointed and elected politicians to grant loans to their political cronies and close relatives in contradiction to formal processes, policies, and rules (Vanuatu Ombudsman 1999, p.8).
Example 8

Mr X8 was a member of the UMP party and held the position of the third secretary and later second secretary to the Minister of Finance. He was a former Chairman of the Board of the Development Bank of Vanuatu and the National Bank of Vanuatu. The DBV granted Mr X8 three separate loans during the period the UMP was in Government.

The first loan was for the purchase of a bus to operate in the city of Port Vila. The Loan Committee initially refused the loan application. The Managing Director of the bank communicated the decision to Mr X8 in a letter dated 13 June 1995, advising that the request was not within the requirement of the bank’s normal lending policy. Upon receipt of the bank’s letter, Mr X8 solicited support from political leaders in the government. Two days after the date of the bank’s letter, the First Political Advisor of the Ministry of Finance wrote to the bank requesting the Loan Committee reconsider the loan for approval.

In a letter dated 12 September 1995, the Minister of Finance expressed his support for the loan application and asked the Loan Committee that it be treated as an unsecured loan. The Minister further requested that the DBV waive its requirement of a cash contribution of VT500,000 but increase the interest rate to 17%. The request of the Minister was not disputed by the bank and the Managing Director approved the loan on the terms suggested in the Minister’s letter. Mr X8 failed to honor the loan agreement, which resulted in substantial repayment arrears. Despite the bad performance, the bank granted him another two additional loans. Details of the loans were not available in bank files.

Source: Vanuatu Ombudsman 1999

Example 8 is representative of cases where elected politicians gave direct instructions to the management of the Bank to grant loans to their political supporters. Those instructions were either verbal or in the form of a letter, as is reflected in Example 8b.
This letter can be referred to as a ‘letter of credit’ because many political supporters were able to borrow from the Bank using Ministerial instruction. On the other hand it can be interpreted as a form of coercion in which the staff of the Bank were exhorted to grant loans in contradiction to the Bank’s guidelines, policies, and rules. When the transaction involves the use of force of threat or intimidation, those who are employed to stand by legal-rational principles become easy prey to political superiors. The evidence presented in Example 9, when interpreted in context, is evidence of extortion, misappropriation, self-dealing, conflict of interest, abuse of discretion, nepotism and, most importantly, patronage. Example 9 is a Ministerial instruction to the Managing Director of the Bank seeking special favour and treatment for his political supporter. He even cautions the Bank to limit this special treatment of zero deposit to only political supporters.
Example 9

16th September 1992

XXXX
Development Bank of Vanuatu
P.O. BOX 241
Port Vila

Dear XXXX

RE: Mr XX Loan Application

I am aware that his loan has already been supported by the Chairman and the Vice Chairman of the DBV Board of Directors.
And in compliance with the agreement reached between you and my first secretary on September 11th 1992, I hereby, authorise you to disburse the loan under the special condition (zero deposit)
However, note that any of your customers cannot benefit that special condition without prior approval, pending the new lending policies guide line which will be approved soon by the Board.

Yours sincerely

Minister of Finance

Source: Vanuatu Ombudsman 1999

Example 9 also illustrates the wider practice of appointed politicians writing on behalf of their State Minister instructing the Board of Directors and the Managing Director of the Bank to release funds to their political supporters. These official instructions from higher political authorities can be in two forms, written instruction and verbal communication. Examples 8b and 9 are one form of Ministerial instruction to bureaucrats, directing them to act in conflicting ways because if he/she rejects the Minister’s instruction it will reflect badly on his/her reputation in their local community. In addition, the failure to process a Ministerial instruction could mean that officers in charge could lose their job as a consequence. The second form of instruction is a culture of Minista i talem se (Minister said), and this culture is open to abuse by appointed politicians who use the names of State Ministers to intimidate civil servants to facilitate their demands.

Like in other cases, the senior bureaucrats who worked for the top ranking politicians were under pressure to act against their better judgement. In a letter to the Ombudsman’s Office dated 13 August 1999, the Managing Director of the Bank made the following comments:

True you could refer to these loans as “political loans”. The Bank’s Management could not do much about stopping them from being approved. There was direct intervention from high government authorities as well as the Board to have the loans concerned approved. It was an extremely difficult time for the Bank’s Management to do anything. We are under pressure
continuously from the high authorities to approve the loans. But we did our best despite the difficulty (Vanuatu Ombudsman 1999, p. 44)

This quote epitomises the experiences of bureaucrats who have seen and participated in facilitating corrupt dealings involving elected and appointed politicians, which in turn gives them incentive to become implicated in similar practices. The Vanuatu state became engulfed in an environment of corrupt dealings as a means for enrichment, social and political advancement, and improving the economic status of a few individuals within the system. There are two implications. Firstly, the trust and confidence that citizens put in elected leaders to represent their public interest and manage the state’s resource in a sustainable manner have deteriorated, to the extent where mistrust of leaders creates significant opportunity for corruption. Secondly, the low trust environment creates political leaders who work for their personal interests and selfishly favour their political allies and relatives. The further consequence of these two implications is that it hurts people who live in remote and rural communities, including marginalised sections of the population. The above quotation further illustrates that political connection and influence are powerful enough to derail public programs and distort the distribution of government resources. Indeed, the DBV Act was designed in a way that permitted State Ministers and the Boards of Directors, who were political appointees, to extract more of the DBV resources for themselves (Vanuatu Ombudsman 1999, 2001)

6.3 Public perception and understanding
A series of forty semi-structured interviews were also conducted, as part of the present research, to test the understanding and perceptions of the general populace about corruption, distinguished by occupation, age and gender. The responses show that, in general, there is a wide consensus that corruption is bad and that there is need for a concerted effort to fight it. The respondents were divided on their views about the definition of corruption, and some confined their answers to parameters of the laws as well as making inferences to international understandings of the term. Table 6.3 illustrates that, in general, different sections of Vanuatu’s population condemned certain corrupt practices such as nepotism, bribery, and patronage. There is some reservation when it comes to ‘gift giving’, and as is shown in Table 6.3, there were three groups who believed that gift giving can be both positive and negative depending on the size of the gift and the motivation of the presenter. There were another three groups who strongly opposed gift giving, and these were the people who are business and development oriented. Their responses reflect largely their past experiences in Vanuatu about how gift giving was abused by certain groups of people to distort the process of justice, fairness and equity in the business and development environment. The kastom authority believes that gift giving is appropriate because it shows how people appreciate services rendered to them by friends and leaders. It also shows a level of respect when one visits a leader or enters a different nasara and nakamal.
### Table 6.3  Number of respondents by category who condemned corrupt practices

<table>
<thead>
<tr>
<th>No of respondents</th>
<th>Category</th>
<th>Nepotism</th>
<th>Bribery</th>
<th>Gift giving</th>
<th>Patronage</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Bureaucrats</td>
<td>✓</td>
<td>✓</td>
<td>+ve and -ve</td>
<td>✓</td>
</tr>
<tr>
<td>4</td>
<td>Private Sector</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>7</td>
<td>Non-government Organisation</td>
<td>✓</td>
<td>✓</td>
<td>+ve and -ve</td>
<td>✓</td>
</tr>
<tr>
<td>8</td>
<td><em>Kastom</em> authority</td>
<td>✓</td>
<td>✓</td>
<td>accept</td>
<td>✓</td>
</tr>
<tr>
<td>4</td>
<td>Youth</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>5</td>
<td>Women(^2)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>5</td>
<td>Members of Parliament</td>
<td>✓</td>
<td>✓</td>
<td>+ve and -ve</td>
<td>✓</td>
</tr>
<tr>
<td>1</td>
<td>Aid Donors</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Total 40</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s own work

On the other hand, Table 6.4 is a flipside of Table 6.3, which illustrates largely that out of the forty participants, the majority had a strong view that helping family, respect for family and authority, and strong family connection are important community values. There is broad consensus that these practices are not corrupt and reflect community values and personal values. The private sector and aid donors shared a divided opinion, and felt strongly that there is need for government to legislate these values and draw clear boundaries in order to avoid misuse and misinterpretation. With regards to reciprocity, women and non-government organisations shared the same view as the private sector, that there is need to legislate this in order to avoid abuses.

\(^2\)Women were separated for analytical purposes. Three of them are working as government officials. The other two represent churches and farmers.
Table 6.4  Number of respondent by category who believe that this is an acceptable value

<table>
<thead>
<tr>
<th>No of respondents</th>
<th>Category</th>
<th>Helping family</th>
<th>Reciprocity</th>
<th>Strong respect for family</th>
<th>Strong family connection</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Bureaucrats</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>4</td>
<td>Private Sector</td>
<td>+ve and -ve</td>
<td>+ve and -ve</td>
<td>+ve and -ve</td>
<td>+ve and -ve</td>
</tr>
<tr>
<td>7</td>
<td>Non-government Organisation</td>
<td>✓</td>
<td>+ve and -ve</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>8</td>
<td>Kastom authority</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>4</td>
<td>Youth</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>5</td>
<td>Women³</td>
<td>✓</td>
<td>+ve and -ve</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>5</td>
<td>Members of Parliament</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>Aid Donors</td>
<td>+ve and -ve</td>
<td>+ve and -ve</td>
<td>+ve and -ve</td>
<td>+ve and -ve</td>
</tr>
<tr>
<td>Total 40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s own work

Table 6.3 and 6.4 illustrate tensions between those who adhere broadly to kastom values and principles and those adhering to a legal-rational system. This thesis identifies a possible way to manage values of social obligation and maintain community values in a manner that does not undermine formal legal authority.

During the interviews, the DBV participants acknowledged that the DBV assisted ni-Vanuatu to participate in development. A former manager of the lending portfolio commented:

Yes, political interference was one of the major contributing factors to poor management of the bank. In my view the government should not closed the bank because the bank made a great contribution to develop the basis of our economy. You go around the islands of Vanuatu today and you see plantations of coconut, cocoa, cattle farms, and coffee and these were the plantations that the DBV financed. In financial terms we can say the DBV failed but in terms of development I think the DBV made huge contributions to our development (Tape Interview 1 May 2013).

³ Same as in footnote 1
This quote broadly illustrates that, out of the forty participants interviewed, many refuse to describe the political influences on the Bank as corrupt if they are based on family ties, or they claim that, even if formally illegal, the practices are socially acceptable and economically beneficial. In their view they believed the DBV was successful because it established a basis for the Vanuatu economy by assisting farmers and local communities to develop their own plantations. It empowered ni-Vanuatu by giving them the means to invest in their farms and households, and to improve their social status in that more parents were able to send their children to schools. However, DBV cases demonstrate that there is a need to formally manage family networks to ensure that economic benefits are distributed according to principles of fairness. It is becoming a challenge where the state resource is scarce and only those who are in public positions benefit at the expense of the rest of the local communities. The following section demonstrates the attitudes of political leaders and individuals who come from other sectors and borrow funds from outside the formal processes.

When asked if the identified cases of corrupt practices were a reason that led to the closing of the DBV, one respondent made the following comments:

The government should not listen to ADB advisors to close DBV. This was a great mistake and I do not think that there was corruption at DBV. Our political leaders made sure that everyone in Vanuatu accessed the loans so that they can develop themselves and be able to send their children to schools. We are fortunate to have our political leaders who work with us and it is not like in colonial days where only Europeans were allowed to borrow from the bank and operated business. DBV was meant to help ni-Vanuatu to develop and outsiders made the bank’s rules and policies very difficult for the rural population to access it. This is the reason why I think our political leaders at the time did a right thing and we cannot say they are corrupted because they help people of Vanuatu to participate in economic activities (Tape Interview 31 May 2013).

This quotation highlights a gap between public expectations of government and the legal-rational standard espoused by international institutions. The majority of those interviewed about the DBV thought politicians were not corrupt because they helped ni-Vanuatu access loans at the Bank. If the minister abuses his/her power to facilitate family requests to borrow from the Bank outside the Bank’s formal processes, it is believed they are doing it for a good cause. As such, within the traditional context it is morally sound, because the Minister helps a poor farmer who cannot afford to follow sophisticated Bank procedures and requirements so that they can have equal participation. There may also be a mismatch between traditional values of social obligation and practices, on one hand, and efforts to develop impartial bureaucratic processes and democratic systems, on the other hand.
The heavy political involvement in the operation of public institutions has impacted on the legitimacy of those institutions so that the public has lost confidence and trust in them. In a country where eighty percent of its population have a strong adherence to *kastom* governance and give more legitimacy to *kastom* authority, the transfer of excessive powers to political leaders in public institutions is a major governance challenge because most of those leaders have a strong *kastom* influence on them. Generally, all government institutions are subjected to political directions, and to some extent the State Ministers have a direct functional relation with those institutions. The DBV Case Study reveals that people who participated in what were classified in this chapter as incidents of corruption were political leaders and officials who benefitted from it at the broader expense of the eighty percent of the population in rural areas.

### 6.4 Institutional legitimacy

In Vanuatu state institutions suffered a legitimacy crisis because institutional design did not acknowledge and compensate for local contextual considerations. As argued in previous chapters, many new socio-economic and political institutions are grounded on new principles and power structures that are alienated from traditional social bases of order and power. Then spaces emerge in which it becomes possible and relatively easy for interested parties to subvert rules and procedures. In almost all public institutions legislative authority took control of the management and policy directions, but in a context where accountable mechanisms are weak and law could not restrain inappropriate behaviours, there is significant opportunity for corruption. The land leasing system, and management of this, is another government institution that became a hotspot of public criticism concerning the practices and ways Ministers exercised their legislative powers to grant leases favourable to their political supporters or close relatives (Vanuatu Ombudsman 1998b). In a similar vein, the Ministry of Finance, despite the intensive reform, is continually facing allegations over the way the central tender boards perform. Contracts and tenders were awarded to individuals, family and friends without following legal standards and procedures. However, despite efforts by external agencies such as the Australian Agency for International Development (AusAID) and the Asian Development Bank (ADB), to support the implementation of program budgeting across ministries and departments, to strengthen the revenue and tax collection system, and to improve tender and contract processes and budget reporting across all ministries, there are continuous challenges over the practices and ways government tenders and contracts are handled (ADB 2002; Bazeley & Mullen 2006).

All these practices demonstrate how legitimacy of public institutions can be challenged; and therefore the need for a grounded approach is critical to balance how power and social order in those institutions are geared towards promoting development objectives. When the Government initiated the Agriculture Development Bank in 2006, the local elites were against the initiative, based on the past
experiences of the DBV, the Vanuatu Maritime Authority (VMA), and the Vanuatu Copra Marketing Board (VCMB), to name just a few. Although these institutions were established for a good reason, the maladministration and mismanagement of resources by these bodies painted a negative picture in the minds of the local elites. This, indeed, had ruined the legitimacy of those public institutions and most importantly created distrust of the political leaders and public officers.

In recent years, however, there have been positive steps taken to address the expectation gap and to create a bridge between traditional and legal-rational state practices, which will, it is hoped, facilitate a transition in attitudes and practices. The micro-credit component of the DBV was transferred to the National Bank of Vanuatu (NBV), which reoriented the whole management structure in line with existing governance institutions and the local socio-economic and political context. This organisational change reaffirms the argument that is developed in this thesis: to ground new institutions in the real socio-political context, where negotiation must take place between the state and society to accommodate different values and approaches.

6.5 Organisational change for participatory development and transformations

The National Bank of Vanuatu (NBV) took over the micro-credit component of the DBV and incorporated it within its portfolio, but retained its objectives to help ni-Vanuatu participation into economic activities. The rest of the performing loans that were received from the DBV were restructured in accordance with the policies of commercial banks, which means that former DBV customers who had their loans transferred to the NBV will now be treated equally with everyone else. What is more interesting is the performance of the micro-credit loans and how they have become successful compared to their poor performance at the DBV. Indeed, the success of the micro-credit facilities at the NBV provided a new organisational perspective in Vanuatu on how international best practices can be best incorporated into existing institutions at the local level to deliver development objectives. What do they do differently? The NBV incorporated the traditional economic system into its financial literacy, particularly the traditional currencies such as *Pig, Shell, Mats, Yams, and Taro bisinis*, and how each local community put value on these materials and objects. *Pig, Shell, Mats, Yams, and Taro* are traditional currencies that are seemingly used in almost all the islands of Vanuatu, and they operate in a similar way to a rational banking system. Traditionally, local communities were used to the traditional concepts of borrowing and interest rates, saving, and investment. As depicted in Figure 6.3, the local communities of Vanuatu had a vibrant economic trading system, which had all the features of a rational economic banking system. The NBV has used the traditional economic concepts of *Pig, Shell, Mats, Yams, and Taro* to construct an alternative understanding of rational micro-credit loans. In other words, the concepts of loans, credit, saving, interest and investment do exist in traditional society. Across the whole archipelago local communities were familiar with the
Pig, Shell, Mats, Yams, and Taro bisinis and although there were slight differences in how each society values those items, the principles have been and are observed throughout Vanuatu societies since the pre-colonial era until today (Huffman 2005). This alternative understanding, which draws heavily from traditional knowledge and understanding of Pig, Shell, Mats, Yams, and Taro bisinis, has then been incorporated into financial literacy programs that the NBV has used to raise awareness and educate local communities about how to use micro-credit loans to their benefit.

One of the reasons why the NBV micro-credit loan schemes grew faster and successfully in rural areas is the integration of the Pig, Shell, Mats, Yams, and Taro bisinis concept into the bank’s financial literacy training, which focuses on three broad questions: How to start a business? How to grow a business? How to save and to invest? These questions were answered using the Pig, Shell, Mats, Yams, and Taro bisinis concept, which traditionally has all the key elements of a banking system: saving, borrowing, interest, repayment and investment. Figure 6.3 demonstrates how Pigs, Mats, Yams, Shell, and Taro have been traded with each island and people were consciously aware of how they save, invest, and borrow at certain interest rates using traditional wealth of pigs, mats, shell, yams, and taro. The Managing Director of the Micro-credit loan schemes made the following observations:

We were able to connect nine thousand farmers in 2012 and people can do far better than expected and it is a matter of helping them understand how they can utilise the new economic system. People were easier to make transition when we connected them with the existing practices and concepts of Pig, Shell, Mats, Yams, and Taro bisinis that they were familiar with. We use the concept of traditional currencies that people are familiar with to teach rational banking principles and they resonate well with their traditional knowledge and practices. They understand how to divide their Pig, Shell, Mats, Yams, and Taro to meet certain plans and objectives, such as marriage ceremony, trading, saving, and investment. The bank builds on those concepts and integrates them into our financial literacy programs. Our financial literacy programs focuses on sources of income, needs of their family, and how to start a new business. We start with the training on saving and help them to develop the attitude to make a saving of VT100 each week and this has great impact on ways people use and manage their incomes (Tape Interview 13 May 2013).

This illustrates that the efforts of the NBV, to build bridges between the traditional economy and the rational economic system in order to help people transform their traditional mindsets to new values of doing business, have had remarkable success. People who borrow from the micro-credit scheme are able to pay their loans and use their money wisely in meeting their family needs and social obligations. There is also a trusting relationship between the bank and people who borrow, which is
due largely to the commitment of the bank to work at their customers’ levels and help them participate in business activities. In addition, the NBV has branches in the whole archipelago and this provides accessibility to people in rural and remote islands of Vanuatu. Indeed, the level of corrupt practices, defined by working outside the bank’s processes and political interference, has stopped, and people are beginning to see the NBV as a legitimate institution that addresses their needs through the micro-credit loan schemes. The NBV experiences with micro-credit loans demonstrates that once people clearly understood the expectations of new institutions and were able to link them to existing concepts of Pig, Shell, Mats, Yams, and Taro bisinis, they could easily make the connection and use these systems very well.

Figure 6.3 illustrates that the traditional economic system has been practiced for over a century prior to establishment of the rational economic system in Vanuatu (Regenvanu 2009). The map shows the routes of trading exchange by ni-Vanuatu between and within islands throughout the archipelago. It also illustrates that foreign imported conceptual governance practices can be easily integrated with local understanding, provided the opportunity is given to understanding existing systems of governance and socio-economic systems. Figure 6.3 furthermore illustrates that the concepts of borrowing with interest, saving, and investment have been traditionally practiced over ages, and that local communities are well versed with these concepts rather than with the rational banking system. The need to find how to bridge this range of understanding is central to the present research, and is critical to the development of a resilient governance system.
Figure 6.3 The northern and central part of Vanuatu showing traditional patterns and relationships of exchange as reconstructed from ethnohistory.

As such, the micro-credit scheme provides an opportunity to bridge the two sets of conceptual understanding, of a rational economic system with that of a traditional economic or subsistence living system, by using existing institutions. For instance, another contributing factor to the growth of micro-
credit loans in rural and remote areas of Vanuatu is the trusting relationship that the NBV has with *kastom jifs*, who establish development profiles of their people in villages and assist them to engage in business, which gives them greater comparative advantages. One of the roles of the *kastom jifs* in villages is to help individuals who face challenges to repay their loans, and this is achieved through collective efforts of the whole village. For example, according to the Managing Director of Credit:

> We had two containers of yams and taro sitting at the wharf ready to sell in Port Vila market to assist some of our customers in South West Bay and Pentecost who face difficulties with their loan repayments. The *kastom jifs* mustered the collective support of their villages to plan taro, yams, or *kava* that the bank can sell to recover the arrears and assist the members who have difficulty to repay their loans. Our working cooperation with *kastom jifs* and their people is valuable and without them we would face great challenges in our works in rural areas and local communities (Tape Interview 13 May 2013).

This quotation illustrates the relevance and effectiveness of *kastom* authority in dealing with contemporary development challenges using the social capital system of traditional communities. Collective support in local communities is one of the traditional values that is critical to wellbeing of the people in these communities. Families lend each other a hand in various activities that require more than one person, and this culture is now valuable in the management of credit in villages, particularly those who are unable to repay their loans. The NBV model, of working with existing traditional values of social order and authority to develop an alternative understanding of the rational banking system, demonstrates that there is the possibility that the two value systems can work together to promote the development objectives of Vanuatu.

Finally, the Board of Directors of the NBV are individuals with renowned expertise, skills, and experience in the industry, agriculture, rural development, and financial sectors. In addition, the NBV has partnered with the ADB and the International Finance Corporation (IFC), which strengthens its financial and technical capacity to discharge its operations in accordance to prudent global management practices, decreasing opportunity for political interference and corrupt practices. The experiences of the NBV demonstrate that corruption can be managed and reduced in Vanuatu by negotiating and providing opportunity for local communities to redefine their values in accordance with international best practice.
6.6 Conclusion

The nature of corruption in Vanuatu is quite complex, because it would seem to be rooted in traditional values of social obligation and authority. For instance, abuse of power to help someone is not seen as corruption but is part of the social norms and interaction. There seems to be a wider understanding gap, between what in the local context is deemed as moral and sensible and that of the legal-rational governance expectations. In the DBV Case Study, there is strong evidence of nepotism, bribery, patronage, abuse of power and position, extortion, conflict of interest in granting loans, working outside Bank policies, rules and formal procedures, and lack of respect for the rule of law or wilful refusal to be bound by the rules. However, the DBV respondents refused to label the operational challenges of the DBV as corruption, and they believed that granting loans to close ties and families is morally sound and the rightful duty of a leader. It is behaviour arising out of the social norms and interactions between leaders and their people that outsiders see as corrupt; but local participants in the present study’s interviews viewed it as acceptable and moral.

In other words, nepotism that helps one’s friends or families can look like moral behaviour in a Vanuatu context. Political leaders have an obligation to help those who elected them to Parliament; and similarly, public officials have to help their families and relatives who at one point in time might have contributed to their school fees. When elected Members of Parliament gain a ministerial portfolio and have the opportunity to enrich themselves, they have an obligation to share generously with those who helped them to advance. We see this social practice at the DBV, which has led Ministers, political advisors, senior managers and lending officers to act contrary to bank policies, procedures, and laws in order to facilitate a loan to a member of a political party and/or family. Thus, corruption is a systemic issue that emanates from the collision of traditional values of social orders and leadership expectations with that of the state value of legal-rational governance. As depicted in the NBV example, finding the right kind of language and understanding to discuss governance and corruption in Vanuatu, rather than just importing language and discourse from World Bank and AusAID, would help reduce conflict and the opportunity for corrupt practices.
Chapter 7: Understanding Corruption in Vanuatu

7.1 Introduction
The aim of this chapter is to interpret the research findings obtained through document analysis, the literature review, the two sets of case studies, and previous chapters. In Chapter Four an exploration was presented from a historical perspective of how the intersection of traditional values of social order and authority and the legal-rational authority of state governance in Vanuatu has created a space or “gap” in which there is an opportunity for corruption. This understanding was grounded in the literature review in Chapter Two, which counter-poses international aid and the legal-rational values and assumptions underlying aid, against socially embedded local practices and local expectations. Development aid programs are couched in terms of global “good” governance, with its philosophical foundation in liberal theories of economic modernization, democratisation and the rule of statutory law. Chapters Five and Six describe the research evidence that was generated in the Vanuatu context, and both inform this research. Chapter Five presented a case study of the Vanuatu jifly institution (MNCC), which reveals that the two colonial powers failed to transform kastom authority and social obligation in Vanuatu into a legal-rational system that mirrors the liberal “good governance” ideal. Chapter Six presented a case study of the DBV, which reveals that Vanuatu was working with a foreign and global definition of corruption as the misuse of power for personal gains. However, local communities have a different understanding about this. The research findings highlight persistent and critical divides within Vanuatu society; broadly, but not purely, between rural and remote communities on the one hand, and local elites and urbanised populations on the other.

This chapter is divided into three parts. The first provides a discussion framework by restating the research aims and research questions. The second part explores the understanding of the concept of corruption in the Vanuatu context based on the documentary analysis, literature reviews, case studies and, most importantly, the perception and understanding of the ni-Vanuatu about the term. Finally, the third part focuses on the whole framework for explaining corruption in the Vanuatu context. The argument here, as throughout the thesis, is not that traditions must be abandoned or expunged, but rather that those rules and structures that underpin formal institutions of legal-rational governance need to be rethought in the Vanuatu context.

7.2 Research aims and research question revisited
The overarching aim of this research is to understand sources of corruption within Vanuatu Government and society, and how corruption can be addressed in the context of Vanuatu. The main research question based on the core aim of this research is:

*What are the sources of corruption within Vanuatu government and society?*
This is followed with research sub-questions that are formulated to guide the design of the data collection:

a) What is corruption in Vanuatu?

b) What are the dimensions of corrupt behaviour within the Vanuatu society?

c) How do we explain the phenomenon of corruption in Vanuatu?

d) What strategies are available using indigenous cultural means and cultural traditions to actually build a more resilient system of governance within Vanuatu?

The final question is addressed in Chapter Eight, which focuses on how traditions and culture can be used to build a more resilient system of governance in Vanuatu. The next section reviews the key concepts covered in this thesis and how they relate to the overall discussion framework presented in this chapter and how they inform the findings of this thesis.

7.3 Revisiting key concepts and their applicability to the Vanuatu context

Corruption is a term that gains currency and, perhaps, some confusion largely as a consequence of democratic systems of government. In the Western world, the removal of the system of absolute monarchy was seen as necessary because under this system the monarchy could do whatever they wanted without being seen as corrupt (Buchan & Hill 2014). However, in Vanuatu it seems impossible to remove kastom authority and its governance system for the sake of eliminating corruption. Hence, as mentioned on several occasions throughout this thesis, the major focus of this research is to examine a way to negotiate between different systems of thinking and powers contained therein, rather than to claim that one system is better than the other.

Within a democratic society and its notions of sovereignty, the power is removed from the hands of people and put it in the hands of elected politicians and of special interest groups. Thus, the government is expected to represent the interests of all its citizens and, as a consequence, the public interest makes corruption a crime. It is a crime because corruption undermines the rule of law and works in contradiction to the public interest. Hence, within liberal forms of government and governance, corruption is seen as an abuse of power and the violation of bureaucratic processes of government. In developing countries, international development institutions and other aid agencies have promulgated the notion of corruption as the misuse of public office and abuse of power for personal gain, to design policies that target the elimination of corrupt practices. The two sets of case studies above, however, demonstrate that those governance initiatives have addressed the symptoms rather than the sources and root causes of the corruption. This is often reflected through the framework of good governance reform, which has similar conceptual ambiguities to corruption. While corruption is broadly referred to as a abuse of power in public office for personal gain, governance, on the other hand, focuses on the process by which power is exercised in the management of a country’s
economic and social resources for development (World Bank 1992). Again, the questions of what is corruption and what is good governance have raised possible answers that can only be sourced with reference to a country’s socio-economic and political context. The diverse and complex socio-political nature of each country renders the universal definitions of corruption and good governance, and their principle features of little relevance in developing countries. Because of the conceptual ambiguities of corruption and governance, what is understood as corruption and good governance in one particular cultural context, or sub-culture, might not have a similar understanding in another cultural setting (Larmour 2008). Hence, this thesis advocates for ways in which local communities in Vanuatu can appropriate alien ideas and address those practices that have allowed corruption to emerge. Part of that unlearning involves re-engagement and a reconnection with traditional arts of decision-making (Tiostanova & Mignolo 2012).

Cultural differences challenge universalist approaches to corruption, because culture impacts on the design of institutions in developing countries, leading to many localised variations in practice that open opportunities for the misuse of public office. These dissonances are defined by a mismatch or disconnection between local values of social obligation and authority and those of a parliamentary system and legal-rational authority. This creates a space within which there is significant opportunity for practices to be interpreted differently, either as official corruption or, as highlighted in this thesis, as socially acceptable methods by which resources are provided by patrons, or “big men”, to their followers, including allies and extended kinship communities.

Daniel Kaufmann’s definition of good governance as ‘traditions and institutions by which authority in a country is exercised for the common good’ reflects a conventional understanding of the democratic process in liberal states (Kaufmann 2005, p. 82). This definition is broad enough to cover kastom authority and local social norms that are integral to local governance, or any ‘formation and stewardship of the formal and informal rules that regulate the public realm, the arena in which state as well as economic and social actors interact to make decisions’ (Goran Hyden, Court & Mease 2004, p. 26). Again, as mentioned on several occasions in this thesis, governance is ‘the multiple ways by which people manage their common affairs’ (Commission on Global Governance, 1996, p. 2) in their localised context, and as such it does not need an external order to dictate how they manage this relationship. The transplanting of liberal forms of democratic government and governance in the Pacific region was done so abruptly that local communities saw it as an intrusion into their social and political rights and way of life. As is argued throughout this thesis, each society is different in the way its members view what is moral and logical, and as a consequence the imposed liberal democratic system creates a significant opportunity for social and political tensions rather than the solution to their development challenges. However, democratization is only partial in Vanuatu, because in the democratic ideal, people are able to participate fully in the life of a democratic society. In Vanuatu, many people, indeed the majority, are either excluded or included according to education, gender,
kinship associations, social status and political connections. For a democratic society to evolve according to the ideal, the idea of public interest and public consultation needs to be embedded in the practices of state-building. Indeed, according to Felson (2011), corruption has greater potential in a legal-rational system as a consequence of clashes between existing expectations and authority, and new political, economic and social systems of organisation.

7.4 What is corruption in Vanuatu?
Corruption is an ambiguous term and does not have a cognate in the local languages of Vanuatu. Even in Bislama, a proper synonym for the term corruption cannot be found. However, the English word “corruption” is now used in Bislama in normal conversation. When I asked, “What is the Bislama term for corruption?” one respondent referred me to the concept of kruket fasin, which in itself does not get closer to the understanding of corruption as misuse of power. The term kruket is a term used to refer to someone who is not following the straight path, which could imply activities that are outside the rule of law in a local community or in a state. Thus, within the 110 languages of Vanuatu, there is a real challenge to find a local term that matches the English meaning of the word “corruption”. The findings of this thesis reveal that there is a need to move away from foreign ideas, terms and practices that have been imposed upon Vanuatu by colonialism and international development agencies. Thus, as part of decolonisation process, stakeholders in Vanuatu need to consider the methods of governing that are most appropriate to Vanuatu’s circumstances (Mignolo 2009). This entails finding local cultural roots for political ideas upon which modern states are built.

As discussed, corruption is a concept historically specific to Western liberal democracy and the liberal democratic state. As has been mentioned in Chapters Two and Four, government in post-colonial Melanesian societies is largely built on a transplanted Western model of political democracy, which means that local institutions and legal frameworks were either ignored or artificially encoded with Western socio-political and economic norms. As a result, the state incorporated a formal set of rules and laws that clashed with traditional values of social obligation, kastom authority, and leadership expectations. The findings generated for this research reveal that Vanuatu has applied an international legal definition of corruption and, as such, its rules and laws were encoded based on Western understandings of corruption in public office. In the last three decades, beginning with the Constitution, Vanuatu enacted certain key legislations earmarked to protect values of liberal democracy such as fairness, equity, transparency, accountability, justice (Rhodes 2007), and most importantly, to stop personal self-interest from undermining state authority and functions. Among a range of legislation the following key pieces demonstrate how Vanuatu should be accountable to liberal practices and governance values such as transparency, efficiency, accountability, equity, fairness and justice (Bevir 2009; Chris, Helen & Stephen 2003). Indeed, ninety-five per cent of Vanuatu’s laws dealing with corruption criminalise traditional practices and challenge traditional
values of social obligation and authority, without any consideration being given by government, international agencies, or indeed international governance experts, as to how these liberal norms translate into local governance practices.

7.4.1 Constitution

- Article 25(4) provides for the establishment of the Auditor General’s Office, with a mandate to audit government expenditure and report to parliament on an annual basis. For the last three decades, government expenditures have never been debated and discussed in the parliament.

- Article 59 provides for the establishment of an independent Public Service Commission, free from political interference and external influence. The practicality of this provision has proven to be difficult when it comes to implementing a public service without political interference. The members of the Public Service Commission are political cronies, and every time the government changes, the party in power makes sure that the Chairman of the Commission is a strong devoted member of the party.

- Article 61(1) establishes an Independent Office of the Ombudsman with specific duties to enquire into the conduct of any public officials (bureaucrats and elected and appointed politicians). However, the Ombudsman Reports cannot be used by the judiciary as evidence against any perpetrators, and if there is a need to use it in the court the police have to carry out a separate investigation. This is another expensive process that costs the state double the expense, and many times the Court’s request for a second investigation may be seen as a delaying tactic by the judiciary. For all the reports released by the Ombudsman, no prosecutions have been made to date (Cain & Jowitt 2004; Jowitt 2014; United Nations 2013).

- Article 66 made provision for a Leadership Code. Article 67 defines the term “leader”. A leader is limited to the President of the Republic, the Prime Minister and other Ministers, members of Parliament, and such public servants, officers of government agencies and other officers as may be prescribed by law.

Source: Constitution of the Republic of Vanuatu 1980

7.4.2 Leadership Code Act No.2 of 1998

This whole Act is directed towards minimising the opportunity for corruption by requiring standards of behaviour from leaders in their personal lives and professional careers, and by outlining principles of disclosure and openness. Furthermore, it states that a leader must behave fairly and honestly in all
his or her official dealings with colleagues and other people, avoid personal gain, and avoid behaviour that is likely to bring his or her office into disrepute. A leader must ensure that he or she is familiar with and understands the laws that affect the area or role of his or her leadership.

Section 13(1) (a-d) outlines general duties of a leader that he/she is expected to comply with, such as the rule of law, the principles of leadership contained in Article 66 of the Constitution, and duties, obligations and responsibilities established by this Act, including other enactments that affect the leader. Subsection (1d) makes it plain that a leader must not influence or attempt to influence or exert pressure on or threaten or abuse persons carrying out their lawful duty.

Section 14(a-c) deals with the appointment of people on merit. This section lays out how a leader should go about making appointments to public positions. A leader is expected to act fairly in appointing people to offices and positions for which he/she has responsibility, and to make sure that people are appointed impartially and on merit. This section includes the provision of ensuring equal participation of males and females according to their abilities. Finally, a leader must not interfere or make any attempt to interfere in the functions of the Public Service Commission. Section 15(1) provides for a leader to give priority to his/her official duties at all times over his/her private business interests.

Sections 16 to 17 deal with disclosure of personal interest. Section 16(1)(2) suggests that for a leader who has a business interest in a matter that he/she has to deal with in his or her official capacity as a leader, they should disclose in writing that interest. If he/she has a conflict of interest, he/she has to declare in writing this concern to the parliament, council, commission or any other body concerned with the matter. Sections 17 and 18 deal with a State Minister who is a member of the Council of Ministers; he/she has to make sure that he/she declares his/her interest before the Council.

Sections 19 to 31 of Part 3 deal with breaches of the Leadership Code. Section 21 provides specific clauses on activities that contravene the terms of the Leadership Code. This includes misuse of public money and acceptance of loans. Section 22(1) (a-g) covers undue influence over a person who is another leader or any other person holding public offices. In other words, a leader must not influence or attempt to influence or exert pressure or interfere with persons carrying out statutory functions.

Sections 23 and 24 deal with bribery and conflict of interest. Bribery, as per section 23(a-e), refers to a leader who corruptly asks for, receives, agrees to ask for, obtain, or offer any money, property, or other benefit of any kind in exchange for his/her acts or omissions as a leader or being influenced in any way, either directly or indirectly. Section 24 expands on the definition of conflict of interest in sections 7(1) and (2) and suggests that a leader must not act in relation to the matter in which he/she has a conflict of interest, or arrange for someone else to act in relation to the matter, in such a way that the leader or a member of his/her close family benefit from the action. Section 30 provides for
penalties for a leader who is found guilty under any of the provisions of this Act. These include a fine of AUD$50,000 or imprisonment for a period not exceeding ten years.

This Act is an important yardstick for determining corrupt practices in that it criminalises passive and active actions of public officials who contravene the rule of law. Most importantly, it contains over-ambitious provisions against corruption, the majority of the terminologies used coming from international laws and conventions against corrupt practices. Sections 15, 16, 18, and 21 deal with bribery and trading influence. Section 73(3) defines bribe and public officer. Bribe means any money, valuable consideration, office, or employment or any benefits, whether direct or indirect. Public officer means any person in the official service of the Republic (whether that service is honorary or not, and whether it is within or outside the Republic), and any member or employee of any local authority or public body, including police and judicial officers. Any member of a public body would be widely interpreted to include Members of Parliament. It was confirmed that judges could also fall under the definition, but no such case examples exist.

This piece of legislation is quite comprehensive and provides for the state to make offenders forfeit any properties used in connection with or for facilitating the commissions of serious offences. Section 23 and 24 criminalises money-laundering, whereby if a person knows or ought reasonably to know that given property is the proceeds of crime; acquires, possesses or uses, or engages, directly or indirectly, in an arrangement that involves such property; converts or transfers such property; or conceals or disguises the true nature, source location, disposition, movement, ownership of or rights with respect to such property. Sections 17, 19, 20 and 22 address embezzlement, abuse of functions and illicit enrichment. In a similar vein, Section 123 of the Penal Code provides that a person commits misappropriation of property if he destroys, wastes, or converts any property capable of being taken that has been entrusted to him for custody, return, accounting or any particular manner of dealing (not being a loan of money or of monies for consumption). The causing of loss to another through misappropriation is criminalized under section 125(b) of the Penal Code.

However, the 2004 and 214 National Integrity Report notes that there is no single legal definition of corruption in Vanuatu (Cain & Jowitt 2004). When the present researcher asked about corruption in Vanuatu, the legal investigator of the Ombudsman’s Office made the following response:

Unfortunately there is no official definition of the corruption in Vanuatu. The Ombudsman’s Office uses the legal definition defined in the Leadership Code Act of 1998 and article sixty-six and sixty-seven of the Constitution, which simply refer to corruption as when a leader misuses his or her position for personal gain. I came back from a workshop on the UNCAC
Consequently, Vanuatu has, for the last three decades, used an imposed concept of corruption and governance model that has not connected to existing knowledge and understanding in local communities. There is a wide gap of intellectual understanding of these two concepts, between the twenty percent of the population in urban areas and the eighty percent of the population in rural and remote communities of Vanuatu. Thus, in Vanuatu the term corruption is closely connected to imposed political institutions, and as such the term does not apply to other authorities such as kastom authority, church leaders and other civil society organisations that are not recognised and prescribed by the state laws and rules (Cain & Jowitt 2004). As a consequence, most ni-Vanuatu see corruption as limited only to public institutions and officials. This perception has been reinforced through most of the state institutions that set parameters and legal codes of how public officials should behave.

Hence, the formal global definition of corruption that is currently used in Vanuatu as misuse of public office for private gain has major flaws in its application. One of these flaws is related to the perceived definition of corruption, which excludes other institutions and authorities that are not public institutions and, most importantly, not defined by the laws of the state. Although kastom authority and its institution were embedded into the Constitution, individual kastom jifs are not defined as leaders as far as Articles Sixty-six and Sixty-seven of the Constitution are concerned. The implication is that the corrupt behaviour of the kastom jifs, church leaders, and other ordinary citizens do not get public attention compared with corrupt practices of public officials (Cain & Jowitt 2004). According to the Vanuatu National Integrity Systems Report (NIS) of 2004, ‘actions of members of parliament and civil servants are more likely to attract charges of corruption than actions of the [kastom jifs] or community leaders, including church leaders. Actions of individuals who benefit from or encourage corrupt behaviours tend not to be seen as corrupt’ (Cain & Jowitt 2004, p. 10). This is a major gap or flaw that will be further discussed in the remainder of this chapter.

In addition, this definition of corruption assumes that public interests, and public and private roles, are clearly established and distinguishable (Huffer 2005). In Vanuatu it is not easy to determine where private and public roles begin and end. The state is still finding it difficult to make that distinction at all levels of administration in Vanuatu and more broadly in the Pacific region (Huffer 2005). In Vanuatu society there is no concept of private and public good, and therefore it is difficult for the people to grasp and work with such a concept in their daily construction of life. The only goods that may be considered as public goods in local communities are roads, land, beaches, seas, and rivers, and all members of the community have the right to use them. These goods are under kastom laws and the kastom jifs can put restrictions on some of them for certain periods of time for the purpose of sustainability and security reasons. For instance, the kastom jifs have the right to ban fishing for a
certain number of years in order to allow the fish to replenish and multiply. In a similar vein, the jifs
put certain rules on how people use rivers so that the rivers are not polluted and put at risk human
health. When people transgress these rules they are subjected to punishment under the kastom law.

While in a sense a kastom jif acts in the interest of his/her local community, it is very difficult to make
a distinction between his private and public roles. In local communities rulers treat resources and
decisions as their personal responsibility. When someone is without a piece of land for gardening, a
kastom jif can reallocate land immediately to him without consultation because that is his/her
mandatory role and this practice is accepted as the local norm for the society. Because of the
increased diversity of traditions and cultures across Vanuatu, each society displays a strong mixture of
traditional and patrimonial features of authority. This ambiguity between private and public interest
was apparent in the ways political leaders managed the affairs of the DBV. In other words, the DBV
Case study demonstrated that the notion of private versus public roles and interests was not embedded
in the minds of public officers and leaders.

This thesis has presented further evidence to the effect that the introduced notion of corruption and its
legal definitions are alien to the people of Vanuatu. The proposed governance arrangement described
in Chapter Nine provides an avenue to unlearn colonial structures and decolonise alien ideas that bear
little relevance to Vanuatu’s context (Mignolo 2009; Tiostanova & Mignolo 2012). In other words,
this thesis recognises that a lot of problems of governance in Vanuatu are because the country is not
able to find the ways to connect the external imposed political structures with indigenous organic
structures within Vanuatu society.

Many practices that are condemned by the laws of the Republic of Vanuatu and to a larger extent by
international laws are understood differently in the Vanuatu context. For instance, reciprocity is
understood in Vanuatu as showing strong family support to solicit social legitimacy and, most
importantly, giving back to family and political supporters a share of their contribution towards a
person’s success. A leader’s interest is entwined with family social welfare, and as such it is very
difficult to draw a line between family and leader. In the traditional political system, leadership has its
foundation in the family unit and extended families, and as such there is no separation between a
leader and family. In legal-rational based societies, elected leaders are expected to perform their
public duties impartially, and separate these from their personal interest or the interests of their
family. The DBV Case Study illustrates that the opportunity for corruption emerges at the interface
where indigenous understandings of social obligations and leadership expectations meet with state
governance expectations. It is at this intersection that we find certain behaviours that are arguably
labelled as corruption through legal-rational lens, but nevertheless might be interpreted as acceptable
norms in the local context.
The DBV Case Study exemplifies this paradox between what is deemed as morally sound and acceptable in one society and interpreted as corrupt practice in another society. The implication is that to address corruption in Vanuatu there is a need to address the fundamentals that are buried below the surface. These traditional values of social obligation are called fundamentals because they are the underpinnings that people feel they share and own, which define their own identities, and which maintain the vibrancy of social collectivity. Indeed, they are the basis upon which political leaders derive their legitimacy and, most importantly, a source of political identity in the south Pacific region (Lawson 1997). Local communities react when this collective sense is disrupted, and can choose not to follow the codified rules if they see it as a threat to their communal life. Thus, as argued throughout this thesis, the nature of corruption in Vanuatu is complex, and cannot be addressed through imposed foreign institutions and practices. However, this is not to say that corruption is static and it cannot be reduced. It is acknowledged in this thesis that, because corruption emerges as a consequence of imposed political institutions and authority in a localised context, it can only be changed through a collaborative means of negotiation and consultation with local communities about different values of social obligation and leadership expectations.

**Figure 7.1** Traditional values of social order and authority

![Diagram of traditional values and corruption](image)

Source: Author’s own work

Figure 7.1 illustrates that, very often, state policies and donor’s programs have tackled corruption at the surface level, and as a consequence corruption is re-occurring. Because corruption is hinged on the values of social obligations, authority and, most importantly, resource distribution in a localised context, a concerted effort needs to be made below the “green grass” level in order to change
languages and effect meaningful changes internally. This means that changes have to be driven internally by the local communities at large, and the roles of the state and development agencies should be to provide educational awareness to support them to recognise a need for change and help them to make that change. This process involves consultation and negotiation at the nakamal level rather than in five star hotels in external countries, where the people of Vanuatu see little relevance in bringing about appropriate changes in local communities. The international policies and programs that have been targeted to eliminate corruption have had little impact in improving the status quo, because in Vanuatu corruption has profound roots at the local community level. As Chapter Eight below suggests, the challenges of governance in Vanuatu are complex and can only be addressed effectively if there is greater consideration to existing informal local governance systems, and to how informal institutions can be integrated with best international practices to promote development objectives. To have a deeper appreciation of these contradictory understandings, between a legal-rational system and traditional society in Vanuatu, the following section explores in detail how corruption can be better understood in the Vanuatu cultural context.

7.5 Understanding corruption within the Vanuatu cultural context

In Vanuatu, corruption stems from government systems and powerful individuals not operating the way they should. One of the reasons is the on-going conflict between traditional values of social obligation and authority, and that of legal-rational authority. The legal-rational system emerges with new expectations and norms that create a fundamental tension in society (Felson 2011; Huffer 2005; Rose-Ackerman 2010). As has been discussed in Chapter Four, Vanuatu is predominantly a subsistence society, and this subsistence economy is heavily influenced by kastom governance that facilitates human basic needs and productivity in local communities (VNSO 2009). The jobs and employment at the local community level are assigned based on family. As such family remains an important political unit in local communities.

The legal-rational system of economic, social and political organisation is dominated by formal practice and bureaucracy that draws a clear separation between personal interests (family, friendships, and political allies) and larger interests (Felson 2011; Rose-Ackerman 2010). The expectation is that people who are employed in this system have to follow rules and fit into formal roles that keep them separate from their personal interests. Thus, there is a clear distinction between operation of self-interest and position. Furthermore, under this system formal organisations are goal-oriented, which implies that people who are employed in this system have to pursue organisational goals rather than their individual goals. Hence, the legal-rational system of economic and social organisation incorporates certain rules, norms, and processes in order to facilitate the high attainment of organisational goals.
These new formal rules work in contradiction to the traditional system of socio-economic and political organisation and, most importantly, many of these rules are in opposition to traditional values of social obligation. For instance, the law governing property rights and contractual obligation is in direct contradiction to the traditional values of collective rights and family benevolence as the social binding factor in local communities. These contradictions, as argued in this thesis, can be better managed by negotiating between different systems of thought rather than imposing international practices that works in another context but may not be working in the Vanuatu context.

As is argued in this research, corruption can be better understood through a nuanced analysis of the traditional basis of social obligation and authority, and how people in traditional positions of power have in some cases been able to use that to corruptly gain access to state resources. This line of argument implies that corruption needs to be understood not as a failing within Vanuatu society as such, but looked at as a systemic problem that arises from not being able to find a way of making a connection between contemporary society and traditional values of social obligation and leadership expectations. The two sets of case studies reveal that this tension has a significant potential to increase in the current legal-rational system of economic and political organisation, as is exemplified by the DBV Case Study.

7.5.1 Strong family connection and impartiality

The present research reveals that family is the foundational basis of community, society, and the nation of Vanuatu. The notion of a family is understood in the local context as an important socio-economic and political unit upon which individuals get support and also from which they derive their social esteem and political identity. It is even deeper than that, in the sense that it is rooted in the notion of a place, boundary, and most importantly resources. Hence, individual members are identified through a kastom name, which links to a particular place, island and province. All these considerations imply that choices not to respect family and be part of a family connection can have great repercussions on individual’s socio-political identity and status in local communities. The Vanuatu politic is largely composed of family units as a foundational basis that each elected leader gets strong support from. Hence, governance challenges in Vanuatu need to be understood in that context, and how the family dynamic can influence government processes to facilitate specific favours.

As the DBV Case Study illustrates, the appointment of unqualified personnel and family members to public positions clashes with the principle of recruitment on merit. As already seen, Part Two and Section 14(a) to (c) of the Leadership Code Act of 1998 set a code of conduct for a leader in the appointment to public office. A leader must act fairly inappointing people to offices and positions for which he/she has responsibility, and this is to make sure that people are appointed impartially and on merit. The Act calls for equal gender participation according to their abilities, and most importantly, states that a leader must not interfere in the Public Service Commission. The Public Service Act (cap
246) outlines in detail a structural and procedural mechanism that a leader can work through in order to avoid breaches of the Leadership Code and Public Service Act in relation to recruitment and appointment to public office positions. Within these parameters, the recruitment of families and political cronies to public posts are seen as corrupt, because it is contradictory to established national laws. As the DBV Case Study illustrates, helping families to access loans from the Bank and appointing members of political allies to the Board of Directors did not contradict kastom practices and local norms. However, in accordance with the rule of law it is an offence because such appointments are not following bureaucratic process. Hence, family nepotism can complicate the function of legal-rational institutions such as the Public Service Commission and, most importantly, undermine their performance. As a further consequence, it weakens public sector capacity to uphold standard performance and deliver effective and efficient services to the population at large. An unhealthy public service has impacts in poor implementation of government policies, poor management of state resources, and increased maladministration at both the political and bureaucratic levels, which reduces people’s trust in government (Cain & Jowitt 2004; Edward 2001b). The DBV Case Study demonstrates that most of the political recruitment and recruitment in the public service was strongly influenced by personal affections irrespective of merits and established processes.

It was a normal practice that, whenever a new government came into power, the new Minister terminated old Board members and appointed members of the political parties in Government. Likewise, other key public positions and commissions, such as the Public Service Commission, Teaching Service Commission, Police Service Commission, and Judicial Service Commission, that are under Ministers’ discretion to recruit and fire, have also experienced similar trauma when there is a change in government leadership. The resulting increased political instability that Vanuatu has experienced in the last two decades has caused increased upheaval in major state institutions and undermined their performance to deliver public expectations (Morgan 1998; VanTrease 2011). This culture was prevalent in the DBV until it was closed in 1997. The members of the Board of Directors were either political supporters of the government or close relatives of State Ministers in government. The laws of the Bank granted to the State Minister the power to appoint the Board of Directors and oversee the policy directions of the Bank. Hence, again, this is an example of where local political elites can design institutions that will facilitate the operation of their self-interest at the broad expense of society.

The practice of appointing close political allies and relatives to public positions occurs at all levels of state institutions, and the earlier Ombudsman reports illustrate that this was one of the most common challenges facing the Vanuatu public service. Besides the DBV Case Study, there were a number of Ombudsman reports that indicated attitudes of political leaders who have abused their powers in this way. These include:
• Public report on the improper appointments and promotions of health workers in November 1995 – April 17, 1998

• Public report on the improper appointment of Mr. Luc Siba as the Commissioner of Police and his misconduct in office – August 13, 1998

• Public Report on the Improper hiring of Leonard Kalo and Mr. Louis Urleles as Dental Officers - August 18, 1998

The political appointment of unqualified personnel to public positions demonstrates strong traditional values of respect for family versus merit principles and, most importantly, the nature of the distributional function of kastom jifs or leaders, as discussed in Chapters Two and Four. While it is acknowledged that traditions and cultures may sometimes be used as an excuse for corruption (Larmour 2006; Rose-Ackerman 2010), there is inherent evidence that traditions and cultures cannot be easily dismissed in understanding the nature of corruption in many developing countries. The findings generated from the two case studies above show that local social obligation and kastom practices of the societies have had powerful influences on the ways and manners in which the state runs its public affairs. The elected politicians and civil servants that manned the DBV operation were not kastom jifs by kastom definition; however, the DBV experiences demonstrate that, because their social legitimacy depended on conforming to local norms and practices, their impartiality clashed with feelings of duty and loyalty to family and political supporters.

It has now become an accepted norm that individuals who are elected to parliament as national leaders, but who are not from jifly lineage, are required to go back and go through a customary leadership process in order to gain social legitimacy from the people and thus to be able to command respect in the public domain. This includes elected leaders, starting from the Head of State to Prime Minister and members of parliament; and they are required to perform a kastom ranking ceremony to get a new kastom name or jifly title. The implication is that when there is a clash of traditional values of social obligation with that of the legal-rational state, it is more likely that elected members of parliament will conform to social norms rather than the rule of law. The two case studies demonstrate that some political leaders and senior government officers who occupy top positions in the public sector are finding difficulty in making the transition from traditional values (such as loyalty to family and respect for family and leaders) to state governance expectations of impartiality and respect for the rule of law.

At all levels of state administration there are political leaders and civil servants who claim jifly status, either via heredity, appointment, or ranking ceremony. As a result, there is a significant opportunity for members of parliament, civil servants and those in public offices to act according to kastom, either from good intent to strengthen unity in local communities, or for personal gain. Thus, the conflict of
impartiality with kinship and family loyalty is a current feature of the leadership challenge in most public sector institutions in Vanuatu, as has been shown in the findings of the two case studies. A former Prime Minister was allegedly accused of appointing his sister to a public service position; and there are many more other cases that have become major subjects of Ombudsman reports over the last three decades. These include the following:

- Public Report on the former Prime Minster, Mr. Korman’s use of his influence in the exercise of his official duties in favour of his sister, Mrs. Antoinette Coulon – February 19, 1999.

These two incidents present strong evidence of how the collision between traditional values of social obligation and authority and imported political institutions creates opportunities and incentives for practices deemed corrupt. They also demonstrate that there is an understanding gap between what is seen as moral and sensible in local communities and that of legal-rational order and leadership expectations. These challenges have deep historical roots, and understanding this gap will take time to bridge. Therefore, what has become manifested in daily government administration as corrupt practices have their sources deep within the culture of Vanuatu, as depicted in Figure 7.1. A recent study, conducted collaboratively by the MNCC and the Vanuatu National Statistic Office on traditional wellbeing indicators in the Melanesian region, indicated that reciprocity, respect for culture, helping others, strong family, respect for *kastom* authority, respect for family, and going to church, are strong personal values in both rural and urban communities. These indicators, as shown in Figure 7.2, are instrumental in the creation of strong social relations between each family unit.

**Figure 7.2 Importance of Melanesian values, by percentage**

![Importance of Melanesian values, by percentage](image)

Source: (MNCC & VNSO 2012, p. 73)
Strong support for political groupings and family has had a powerful influence on public administration; and the DBV Case Study demonstrates that it is one of the major causes of diversion of resources outside the rules, laws, and formal procedures. Political and family influence in the operation of the DBV came out strongly; and these two factors have had a strong influence in the operation of all the government organisations where State Ministers have their powers extended to oversee their policy and operation directions. Inadequate political structures and organisations provide opportunity for members of political parties and relatives of State Ministers to have direct access to those in power and influence Ministers to make decisions in their favour. This was clearly reflected in Example One, where the Minister pressurised the management of the Bank to disburse the loan, even if it was outside the Bank’s policies and procedures.

7.5.2 Traditional or local politics and the public interest
As discussed in Chapter Two, graded society is highly valued as a forum of reciprocal exchange; and so, similarly, is the nimangi system. Thus, graded society and other forms of the traditional political leadership system, such as ‘toka dance’ in Tanna and nimangi in Malekula, are categorised as an idiom of reciprocal exchange (Allen 1981). In other words, reciprocity is a kastom practice that is observed throughout the archipelago, and it becomes a foundation for the traditional political leadership system in local communities. The kastom jifs maintain their leadership prestige through the distribution of resources to their people, with an expectation that during their pig killing ceremony people will voluntarily supply them with all the required number of boars. The DBV Case Study reveals that one of the reasons why corruption has been able to arise in Vanuatu in its present form is because people have used various means to acquire sources of power. As a consequence, the obstacles to achieving good governance reform in Vanuatu is the fact that corrupt practices that are identified in this thesis are actually a significant source of power.

Each family is organised into small units, and they play important roles in the traditional political system in local communities. During the grade-taking ceremony and nimangi, each family contributes by offering their best boars and required resources to grade-taking candidates. These exchanges create a strong bonding relationship between leaders and their people, which can be displayed by their active participation in caring for each other’s wellbeing. In the two sets of case studies there is a strong indication that power is dependent on the adherence to cultural values and social norms. As such, power, in the traditional social context, cannot be disassociated from social obligations and connection to family. This interplay between power and social obligation bore substantially on the management and operation of the DBV. It is anticipated that a cynic could argue that corruption occurs because people want to monopolise power, and is not really about culture and traditional practices. However, this thesis reveals that in Vanuatu people do draw on culture and traditional practices to seek, monopolise, and compete for power. There are some power structures that need to be tackled and challenged in a manner that allows greater reflection and understanding among
different authorities, in order for decolonisation to actually occur. In other words, there are powerful interests that control the allocation of state resources, whose interests need to be considered and challenged in a manner that promotes stability and development objectives of Vanuatu.

The two case studies used in this thesis illustrate how traditional local values of distribution collide with codified rule of law governing public resources. The distribution of resources to close political allies and family relatives is one that features highly in Chapter Six, and is also classified in various Ombudsman reports as outside formal processes, rules and law (Edward 2001a; Vanuatu Ombudsman 1999). The *kastom jifs* are leaders in their respective jurisdictions because they care about the wellbeing of their people and, as such, their role to distribute resources and goods fairly to everyone in local communities is recognised as moral *kastom* practice. Figure 7.2 demonstrates that in all local communities there is a high respect for leaders and family, and therefore there is a strong bonding relationship between leaders and their people.

This notion of resource distribution as a way of gaining and building *jifly* prestige is at odds with international legal practices and domestic laws that define how a transaction should occur between distributor and receiver. In a traditional society, public/private distinction is absent and, most importantly, carries little weight; a fact that can be observed in many different post-colonial contexts (Punyaratabandhu 2008). We see this interplay between private and public interest in the DBV Case Study, which illustrates clearly that the distinction is missing. While this separation is plainly made in various state laws, the implementation is another challenge for Vanuatu. This is because of the small size of the public service, where everyone is familiar and to some degree are related to each other as friends, family, schoolmates, and workmates. This web of friendships and close relationships provides potential opportunity for corruption at the public service level and, most importantly, puts public officials in difficult position in keeping their official boundaries.

In local communities, people pass positive judgements on the gesture of giving, assuming that a leader who distributes goods to them is doing so with good intentions. Hence, how a resource is distributed and where it comes from often does not gain the attention of people. This is because in traditional communities goods are distributed following customary norms, values, and processes, and this is done at *nakamal* or *nasara* levels where it is transparent to everyone. Thus, giving out goods to family and others demonstrates strong personal and community values of respect for culture, helping others, respect for family, and most importantly, care for each other’s wellbeing. This circulation loop might be seen as corrupt because of direct distribution to close families and relatives.

The other area of tension is the concept of collective rights to resources, which transcends the borders of the public realm. In this understanding, state resources belong to everyone and no one has a right to stop people from accessing them. The DBV Case Study demonstrates that the Bank’s policies and formal procedures were perceived as unfriendly to the local population, and many were finding it very
difficult to understand the terms and conditions of their loans. Because everyone throughout the archipelago has a right to access loans at the DBV and use them, foreign laws cannot keep that right from people. In traditional society, land and other resources such as rivers, sea, and forests are collectively owned, and everyone has a right of accessibility to use them for their own benefit. This right can be accessed by obtaining consent from the kastom jif, who has the role to distribute them to people. This practice is rampant in state institutions, where individuals go directly to State Ministers and those in power to obtain their consent to use public resources without adhering to established rules and procedures. As was evidenced in most of the DBV loans, political supporters obtained loans through a letter of support from the Minister or those employed as political secretary for the Minister. Indeed, in their view this is morally acceptable, because they are going through the right approach to obtain permission from their leader; a notion that clashes with legal procedures, rules and policies of the state institutions. This is because, in a legal-rational world, the rule of law governs the processes of how public resources are to be distributed, and this includes formal written applications in accordance with established criteria. However, the findings of this research suggest that when it comes to respect for rule of law, family respect and support take precedence and, as such, might be seen to justify the actions of members of parliament and senior government officials who work outside legal processes, rules, and laws.

The public organisations and agents that distribute state resources and services to people are major sources of where we find clashes of different expectations and alleged incidents of corrupt practices. These include, as has already been discussed, land dealings, giving of licences and contracts, scholarship awards, recruitment to public service positions, and judicial services, to name a few. However, these alleged corrupt practices have profound roots in traditional values of social obligations and political leadership expectations, as demonstrated in Figure 7.1. Using this understanding, we find that behaviours labelled as corrupt have strong links with social norms, traditional values of obligation, leadership expectations and, most importantly, with resource distribution (Uslaner 2008). As has been highlighted in Chapter Two, social obligations and distribution of resources are two fundamental pillars of the traditional political system, which simply means they work complementarily to create a strong basis for kastom authority. As it has been observed on several occasions in this thesis, the nature of corruption in Vanuatu is quite complex and sensitive, because in addressing it we are indirectly intruding into the heart of the traditional political system in local communities. This has multiple repercussions, because the traditional political system is embedded strongly in lands and other natural resources, which local communities feel they are part of.

7.5.3 Reciprocity and bribery
A reciprocal relationship between leaders and people, and individuals with close family, is often acted out in distributing wealth. The benefits can be in tangible form, such as borrowing money from the
Bank and also material distribution to kinship ties or political support, or intangible form such as appointments to public positions. Members of Parliament get elected because families, relatives, and political supporters have in one way or another sacrificed their time and resources to help them get elected to parliament. As such, they have an obligation to share part of their wealth generously to those who helped them to be elected to parliament. In a similar vein, the professional legitimacy of civil servants that prosper from their training as public administrators, based on the Western model, clashes with their social legitimacy, which depends on conforming to local norms and practices. Individuals who made it to senior positions in the public sector are seen as great achievers by their families, and thus their families expect them to become windows of opportunity for them to access state benefits and services, either in material resources, scholarships, or employment, to name a few.

The norms of traditional society support social interactions that by law and international standards are condemned as corrupt, but that the local participants view as acceptable and even moral. Vanuatu’s legislation criminalises reciprocal exchanges based on kastom practices such as a direct distribution of public resources to family or close political supporters. In a legal-rational world, personal interest and self-interested dealings are constrained by rule of law; the state enacts certain laws governing the process of public resource distribution in order to make sure that resources are distributed in a transparent and impartial manner. Section 73(1) and (2) of the Penal Code of 1988 criminalises active and passive bribery. Furthermore, the Leadership Code of 1998 Section 23 covers bribery in detail; but as the DBV case exemplified, no prosecutions have been made under this code to date (United Nations 2013). The Leadership Code criminalises corrupt intent of a leader who asks, receives, obtains, or offers any money, property, or other benefits or advantage of any kind for himself/herself or another person, in exchange for his/her acts or omissions as a leader being influenced in any way, either directly or indirectly. Bribery in relation to votes falls under the Representation of the People’s Act of 1998. Indeed, this is one of the more contentious pieces of legislation, in which gift giving or donation during an election is treated as bribery.

7.5.4 Work outside government process and rule of law
In the case of the DBV, ninety-five percent of the loans were disbursed outside the Bank’s formal processes and policies (Vanuatu Ombudsman 1999). However, the enactment of these practices is undertaken by many officers of the Bank and the politicians, either elected or appointed. The findings suggested that diversion of resources outside formal rules and laws by politicians and civil servants were done for two reasons. The first reason is the self-interest of individuals who work in the organisation and use their public position to extract state resources for their personal gain. For example, Case Three involved a State Minister who borrowed from the Bank through a verbal communication directly to the Managing Director, without any formal application and loan appraisal. The second reason occurs when those in positions of power use their privileges to facilitate a request from their immediate family or group to have access to state resources. For instance, Examples One
and Two demonstrate that the State Minister and Managing Director responsible for the Bank used their power and authority to instruct the Bank through a letter to disburse loans to individual political supporters. Example Two implicated the Managing Director, who facilitated a loan to his niece without adhering to Bank due diligence processes. In a similar vein, Example One demonstrates that the borrower was a close relative of the Minister responsible for the DBV, and that the Minister used his authority to instruct Bank officials to process their loan without conducting the Bank’s due diligence process.

This practice has now become an embedded practice in the public sector, where most civil servants and politicians use state resources outside formal rules and laws to further their own personal interests. For instance, according to Royson Willie (2014), senior officers of the Department of Lands manipulated the land laws in order to allocate thirty pieces of land to each of themselves outside legal procedures and rules. He further argues that:

[i]t was found that some officers used Minister’s instruction to by-pass the established processes of obtaining a lease and this includes; registration of title without any administrative and premium fee paid; registration of title with 10% premium payment; registration of title with administrative fees paid and no premium; and registration of title with premium and some administrative fees paid. Some officers also abused the system and ignored Minister’s instruction to change the terms of their lease from 50 to 75 years. (Willie 2014, p. 1).

This quotation supports the findings of the DBV Case Study, in which borrowers used the Minister’s letter to borrow outside Bank processes and policies. Respect for leaders and the practice of getting orders from the kastom jif are highly regarded in local communities, and there is an inherent local norm that once a leader gives his/her consent or instruction, everyone in the local community ought to respect it and carry out the instruction without question. The failure to abide by the instructions of leaders is regarded as immoral and outside social norms, and therefore there are social implications or sanctions against persons who refuse a leader’s instruction. The parliamentary administration system is built on legal-rational principles and democratic values that tend to have limited relevance to countries where the deeply embedded traditional values of social obligation and authority are buried beneath externally imposed bureaucratic institutions.

This practice of working outside formal rules and laws is also influenced by a number of international business enterprises and companies. Over the last three decades Vanuatu has witnessed a number of cases where State Ministers were implicated in corrupt dealings with foreign individual business men and women, companies, and enterprises, in the name of the people of Vanuatu (Edward 2001a). These
included the selling of passports to individual foreigners, and engaging in business dealings that were politically motivated at the broad expense of the state (Cullwick 2013b). In the last three decades, there were many cases of a similar nature, where outsiders worked with local political organisations to procure a business deal outside laws and formal procedures. For instance, the Ombudsman’s Office published a number of reports on corrupt dealings of leaders with foreign companies and individuals. These included:

- Public report on the improper concessions given by the former Minister of Public Works, Mr. Amos Andeng to Mr. Li Zhong Heng – February 25, 2000
- Public report on the conduct of Hon Barak Sope and the VNPF Board in a proposed investment in the internet bank “Cybank” venture - October 16, 1996
- Vanuatu Commodities Marketing Board utilisation of the 1.3 billion vatu STABEX Funds Subsidy - August 6, 1996
- Public Report on Resort Las Vegas and granting of illegal Passports - December 3, 1997
- Public Report on the illegal issue of ordinary and diplomatic passports to Jian Peng Chen and family and misconduct of Prime Minister Serge Vohor, Former Minister Willie Jimmy and others – February 6, 1998

These reports demonstrate that where the deals were politically motivated or influenced by strong family ties with strong political support, there was a high chance of those in power abusing their public position and diverting a portion of the resources to their family and political groupings outside the laws and formal procedures. From a liberal perspective, these activities can be classified as “grand corruption”, which involves political leaders at the top of the state hierarchy and their close associates (Rose-Ackerman 2010). This type of corruption concerns the awarding of major contracts and concessions, and the privatization of state enterprises. Vanuatu remains notorious for such practices, as reflected in the following recent cases, which raised eyebrows in the media, the community, and to some extent in international communities and development partners. These cases included a fifty year concession agreement that the Government of Moana Carcasses signed with a company called Vanuatu Trade Development Pty Ltd (VTDPL), incorporated in Singapore, to build, own and operate an international airport for Vanuatu (Makin 2014). This concessional agreement, worth US$350 million, and which was signed by the then Prime Minister and his Deputy Prime Minister and the Minister responsible for Foreign Affairs, was challenged in the Court. The Court found that the VTDPL was not registered with the Vanuatu Promotion Authority (VIPA) and the concession contract was signed prior to the tender process and due diligence (Joshua 2014). The airport conspiracy and
corrupt dealings led to the formation of a new Government in May 2014, which went into Parliament to withdraw Government support for the new international airport (Cullwick 2014). The leaders who transgressed the laws of the state and worked outside the rule of law are currently in Opposition, and there seems to be no punitive measures taken against them. As reflected in the two Case Studies, leaders and individuals can choose not to respect the rule of law and, most importantly, refuse to be bound by the law. This illustrates one of the arguments made in this thesis, that the reason for differing perceptions as to what is corrupt is complex in the Vanuatu cultural context. What is deemed in local communities as moral and sensible may not carry a similar understanding and perception in the legal-rational world.

7.5.5 Oral communication and record-keeping

The cultural preference for communicating orally about important transactions runs counter to the record-keeping requirements of major international anti-corruption laws that have some bearing upon Vanuatu. For example, the Foreign Corrupt Practices Act (FCPA) requires all communication transaction to be formally documented. Given that the US definition of corruption is asserted globally through the World Bank’s anti-corruption drive, it is easy to see how such a legal-rational principle can create value conflict in countries such as Vanuatu. The FCPA has two major provisions, and these include anti-bribery provisions that cover corrupt payments to foreign officials, and the accounting provisions requiring issuers to make and keep accurate books and records and to devise and maintain an adequate system of internal accounting controls. Furthermore, the accounting provisions also prohibit individuals and businesses from knowingly falsifying books and records or knowingly circumventing or failing to implement a system of internal controls (United States Department of Justice 1977). All these suggest that record-keeping and reports are critical for disclosing information on corrupt payments to foreign officials, and also facilitate greater transparency regarding the work of the law enforcement agencies. The DBV cases reveal that the absence of record-keeping is a crime and jeopardises the function of law enforcement agencies.

Given that Vanuatu is one of the Tax-haven countries, massive efforts have been put into creating key institutions involved in the criminalization of corruption and law enforcement, and these include, among others, the Vanuatu Financial Intelligence Unit (VFIU) and the Transnational Crime Unit (TCU), both of which generally prohibit the bribing of foreign officials. This indeed urges Vanuatu to align its rule of law to international laws dealing with money-laundering and bribery. The Penal Code Act of 1998, section 73(1) and (2), criminalises active and passive bribery. Furthermore, Section 11 of the Proceeds of Crime Act of 2012 (POCA) criminalises money-laundering, and this is not to mention other related laws that cover extensively different forms of bribery, such as the Leadership Code of 1998 and the Representation of the People’s Act of 1998.
In traditional culture, record keeping is a new development. People are more familiar with traditional norms of communicating instructions, history and important messages, through word of mouth. Even at present oral communication remains a valuable and legitimate form or means of transferring information and communicating messages at all levels in local communities throughout the archipelago. The records of what is happening in local communities and their histories are stored in individuals’ brains, and it benefits society when everyone can remember and is able to provide checks and balances on each other’s information. However, the application of this cultural practice in a rational economic organisation works against the rule of law and the established system that encourages greater transparency and accountability. The DBV Case Study illustrates that most of the loan transactions have no file records, such as loan applications, legal documents relating to mortgages and other security arrangements, and records of repayments. It also illustrates that some of the loans were released through either verbal communication or letters of instruction from a higher authority. However, this traditional norm of verbal communication can undermine the legal-rational system of administration, where record keeping is critical to auditing organisational performance.

The DBV case illustrates how verbal governance practice, when absorbed into public governance practice, weakens the principle of public accountability and undermines the formal efficiency of government budgetary policy. This is exacerbated by weak state accountable institutions (such as Police, Public Prosecutor, Auditor General, and Judiciary), unable to enforce compliance to rules and adherence to good governance measures at all levels of government administration. The investigated cases in Examples One to Nine illustrate that there were incomplete records on file and in most cases detailed information was missing, for unknown reasons. This weakened the function of the DBV and the Public Prosecutor because there was insufficient evidence to justify each allegation at Court. The findings of the DBV also illustrate that the Bank took no legal actions to prosecute those who committed crimes and, most importantly, recover the outstanding debts. One of the reasons that came out strongly from the DBV Case Study was that most senior managers and Board of Directors of the Bank were all implicated in the illicit dealings of loan disbursement from the DBV. As such, they were reluctant and did not feel obliged to pursue legal actions against the customers who owed the Bank. There were a few cases, in particular Cases Two, Six, and Nine, where the customer did not take seriously the legal instructions from the Bank and confidently ignored these.

Chapter Six revealed that many loans that were granted outside formal policies and rules were written off for unknown reasons. We have seen in Cases One to Nine where, despite legal attempts by the DBV to prosecute those who failed to honour their contracts, most of the cases were dropped for unknown reasons. This is a governance challenge in Vanuatu, where many political leaders and civil servants who were implicated by the law remain unprosecuted. In most cases, political parties use
The thesis argues that major state institutions, especially the Judiciary, the Auditor General, and the Police, are not functioning according to models established by the international communities with regard to the perception of corruption. The following reports from the Ombudsman’s Office accuse many political leaders of allegedly corrupt practices; however, many of them are currently members of parliament and holding ministerial positions in the government.

- The Provision of Bank Guarantees given in the Sum of US$100,000,000, in breach of the Leadership Code and Section 14(f) of the Ombudsman Act and related matters thereto - July 3, 1996.
- Public report on the improper conduct by Mr. Hilton Tarileo, Deputy Director of Cooperatives Department, and lack of disciplinary action against Mr. Tarileo – May 7, 1998.
- Failure of Some Leaders to file annual returns to the Clerk of Parliament - February 29, 2000.

These reports have raised greater awareness through the media; however, media coverage is limited in Vanuatu to people who can afford to buy a newspaper, watch TV, and who reside in areas where radio transmission is clear. As a result, alleged corrupt practices within public institutions receive little weight in most local communities. Many of the political leaders who were alleged to be corrupt in the
Ombudsman reports continued to be re-elected as members of the parliament. As Cain and Jowitt (2004) argue:

The strongest illustration of this is the re-election of Barak Sope, following his conviction for fraud. Sope, who was Prime Minister from December 1999 to April 2001, forged two government guarantees near the end of his period in office. In July of 2002 Sope was sentenced to imprisonment for 3 years. In November 2002 Sope was pardoned by the President on the grounds of ill health. In 2003 he contested the by-election for his seat, and was re-elected to Parliament (p. 10).

This illustrates that there is a mismatch between the introduced notion of corruption and local cultures in the Vanuatu context. As Cain and Jowitt (2004) observe, the general population see corruption as largely irrelevant and another term that is imported, rather than home grown. As such, the acts of corruption tend not to attract general public moral outrage, as they may do elsewhere (Jowitt 2014). If there were public outrage it would be limited to local elites and urban populations, as it was in the VNPF riot of 1998. The VNPF riot illustrates that the Vanuatu population are consciously aware of what are immoral and moral acts in local communities, even if they do not connect this to the idea of corruption in international law. It also illustrates that people felt more responsible when they had ownership of institutions, as was in the case of the VNPF riot over allegations of corrupt dealings and management. Again, as mentioned on several occasions in this thesis, lack of local ownership of the new imposed political institutions, and more broadly of many development projects in Vanuatu, is due to negligence about effective consultation and negotiation with local communities on the part of the state, and those state builders who established the governing institution in Vanuatu.

7.5.6 Trading in influence
Trading in influence is an act of putting pressure on another officer, and it has been covered in various pieces of Vanuatu’s legal system to guide the conduct of elected leaders and bureaucrats in public offices. The Leadership Code Act of 1998, Section 22 and 23, prohibits the practices of ‘undue influence’ whereby a leader must not influence, attempt to influence, exert pressure, threaten, abuse or interfere with a person carrying out statutory functions. In a similar vein, the Penal Code Act of 1981, Section 73 and 130B, prohibits individuals from obtaining money by false or misleading statements. The use of force or coercion to extract payments or public resources was obvious in the DBV Case Study, and this included letters of instruction from the State Minister and appointed politicians to the management of the Bank. Examples One to Nine indicate that all political loans were accompanied with an implied threat of force, and many were not necessarily physical forces. The fear of being fired by political superiors saw many loans granted to individuals who had strong political connections outside the Bank’s formal process and policy guidelines. As seen in Example Eight, the borrower was
an appointed politician to whom, despite his poor performance on his previous loan, the Bank granted another loan.

The other case was seen in Example Nine, where the management of the Bank and the Board of Directors received forceful instructions from the Minister and his political staff to grant a loan to one of their supporters. The loan was outside the Bank’s requirements, and the borrower did not lodge a formal application in order for the Bank to assess his ability to repay the loan and to decide whether his request was within Bank policies and rules. Bureaucrats often find themselves compromised in order to protect their jobs and also maintain their social legitimacy by conforming to social norms. While many would want to abide by the formal rules, the institutions are framed in such a way that those who are employed as bureaucrats do not have legal protection to safeguard them to remain impartial in their duties. Even if there is legal protection in place, the weak accountable institutions and judicial services imply that public servants will in the end become victims of their impartial decisions. In addition, as was demonstrated in the DBV Case Study, the institution itself was very weak in enforcing compliance within its legal framework. This challenge is compounded by weak accountability mechanisms, and also by lack of public demands for more accountability from the elected leaders.

As the DBV Case Study demonstrates, the environment is conducive at all levels of government administration for public employees to act contrary to organisational rules and guidelines. Because there is no protection at the bureaucratic levels, senior civil servants who occupy high-ranking positions in the public sector have made friends with politicians as a way of safeguarding their employment in the public sector. This provides an opportunity for high-level bribery between politicians and high-ranking public servants in order to avoid the threat of suspension or termination. There was strong evidence in the DBV Case study that the Managing Director of the Bank handled all the political loans to senior party members and the Minister of State (Vanuatu Ombudsman 1999). Example Three is a case in point, where the Managing Director dealt directly with a request from a State Minister responsible for banking and a former Prime Minister. In this case there are mixed signals of corrupt activities, ranging from conflict of interest to extortion or fear of job loss, if the demands of political superiors were not met satisfactorily; even if this was outside the rules of the Bank.

7.6 Explaining corruption in Vanuatu.
The corruption in Vanuatu can be better explained through the lens of traditional values of social obligation and authority, which is manifested in social network practices or patron-client network relationships that undermine legal-rational organisations and formal authority. These findings suggest that using global definitions in the Vanuatu context places local social traditions and leadership
expectations on a direct collision course with state governance expectations. The literature demonstrates that corruption can be defined in various ways, and the most common definition relates to public office corruption whereby a leader misuses his/her public office for personal gain (Huffer 2005; Larmour 2006; Rose-Ackerman 2010). The literature also suggests that corruption can also be explained through more than one lens: an economic explanation, a legal explanation, a public office explanation, and a moral explanation (Huffer 2005; Larmour 2008). As depicted in Figure 7.3, the legal and economic explanations tend to get more attention in the economic and political discourse and, as a consequence, in this sphere of thinking, local values of social obligation and authority tend to be seen as criminal because they undermine government processes that are meant to promote public interest and democratic values. However, as noted by commentators on corruption in the South Pacific region, none of those explanations capture the essence of the complexities and diverse understandings of the term in traditional society (Huffer 2005). Thus, while the patron-client network explanation may not give a satisfactory explanation, it nevertheless provides greater opportunity to give a nuanced analysis of how interpersonal power relations and social interaction in local communities influence behaviour and the ways people see and understand the world around them.

**Figure 7.3 Different explanations of corruption**

Source: Author’s own work

The *economic* explanation of corruption emerged in the 1990s and became prominent among international institutions such as the World Bank, the IMF and other aid agencies, which viewed a state monopoly as an impediment to economic growth and development (Huffer 2005). This view formed the rational explanation of the liberal economic reform that put greater emphasis on free markets as drivers of economic growth and development. The state monopoly is viewed as a
contributing factor to rent-seeking, in the sense that it has excessive control over resources at the broad expense of its citizens. While the economic explanation cannot answer cultural questions, it can help one understand the implications of a society’s choices (Ackerman 1999). The economic school of thought views corruption as imposing a cost on society. This explanation underpinned the liberal economic reforms in the 1990s, where there was greater focus on free markets and the reduction of the state’s involvement in the market. Indeed, this notion of thinking promotes a new value of social orders, whereby such orders are achieved through contractual arrangements and the mechanism of the market to set prices and allocate resources. As demonstrated in the Literature Review in Chapter Two, this notion of a free market has limited relevance to developing countries and is against traditional values of social order, where resources are collectively owned.

The legal explanation defines corruption within the confines of the rule of law and, as such, the actions that occur outside the rule of law are deemed corrupt. The building of the state post-colonial institutions were built on law codes that owe their origin to Western models, and thus perpetuated classical understandings of corruption as misuse of power, bribery, gift giving, and nepotism. This formal set of laws and rules criminalises many kastom practices and traditional values of social obligation, and at the state administration level these are classified as corrupt. For instance, land legislation in Vanuatu is geared towards facilitating private sector led growth and individual property rights through a leasing system that works contradictory to the traditional land system of collective rights. As a result, land dealings and management in Vanuatu create an opportunity for corrupt dealings through stealing and bribery between traditional land owners and individual investors or government (Vanuatu Ombudsman 1998b). In this view, corruption is basically what the laws of the state say it is. In other words, laws define ethically moral standards that may not be agreed at the local level; and this is what has been witnessed in Vanuatu since the birth of the nation in 1980.

In a similar vein, the notion of public office corruption has gained prominence over the last century, and many international institutions subscribe to this notion. Though the distinction between the private and public concept is not achievable in many developing countries, it would seem that there is an inherent assumption that once the distinction is made plainly in the laws it will then gradually translate into the practicality of real life situations. The definition and explanation of public office corruption is blurred and concentrates mainly on public officials. The charges include nepotism, gift giving, and bribery, to name a few. The findings of the present research have shown that those charges have different interpretations and understanding in the local context. In Vanuatu, people esteem the spiritual values underlying the gesture of giving, and helping families to climb the ladder of opportunity in public office is an acceptable social norm. These spiritual values, shown in Figure 7.1, are hidden below the “green surface”; and the lines between the notion of private and public corruption in this context appear blurred.
The *moral* explanation is a view promulgated within the religious domains and most non-government organisations that have a direct link with established churches in Vanuatu. This view is predominantly shared among the sixty-seven percent of the total population who have become Christians and assimilated themselves into a range of religious denominations (VNSO 2009). However, this view clashes with traditional values of social obligation and the process of how corruption is dealt with in the legal-rational world. In local communities it is quite common to find most people holding traditional beliefs and engaging in traditional *kastomary* practices, while also still following a Christian religion. Indeed, they have two world-views that are in tension here, over what is deemed to be appropriate behaviour in local communities.

The church cherishes the view that what is described as corruption is actually “sin” in disguise and is a sign of moral decay in society (Buchan & Hill 2014). This view can be traced back to the medieval era, when corruption was seen as a result of moral decay or fault in a person’s character. In this view, some churches believe that only through the power of God can human beings have the ability to abstain from evil doings and follow a path of righteousness. A local church leader commented that:

Corruption is sin. Sin is the transgression of God’s law, which is a standard of righteousness. The bible refer to God’s law as the ten commandments because it contains ten principles of righteousness and people who follow God’s law are likely to establish a good relationship in the community. This is because God’s law is about sharing love to each other. When the whole community share their love to each other through sharing resources, helping those in needs, and visiting those in hospital, there is peace, joy, and happiness in communities. The presence of God in individual beings protect them from evil wrong doings and this is the reason why we have in our motto, Long God Yumi Stanap (in God we stand). If the people of Vanuatu follow God’s law there will be no corruption and evil doings against each other (Tape interview 19 May 2013).

This view is not markedly different from a medieval point of view on moral degeneration, and it would seem that the church shares a similar view, that failure to uphold God’s law creates a significant opportunity for what they understand as “sin”. In other words, sin is the transgression of God’s commandments. This view also suggests that people who commit sin should pray to God for forgiveness and, most importantly, ask God to give them the ability to forgive each other and treat each other lovingly. In this sphere of belief, problems associated with sinning can only be solved by praying to God for forgiveness and cleansing through the blood of his son. Thus, the churches acknowledge that sin-related problems cannot be measured, which means that every evil action, such as stealing, killing, swearing and so forth, are all categorised as sin. In other words, you cannot put them on a scale, and regardless of their seriousness they are sins and are subject to God’s judgement.
Human beings do not have the right to judge one another because we are all sinners and therefore only God is a righteous judge. This also suggests that all sinners who repent should be forgiven, and this forgiveness exists outside notions of law and regulation. However, what is morally sensible and acceptable within the realm of Christianity differs widely from the traditional understanding of inappropriate behaviours.

The church view on how to tackle corruption in developing countries also differs from the legal-rational approach of enforcement through the criminal justice system. The implication of their views is that what is categorised as corruption from the rationalist perspective is actually a “sin” within the domain of church beliefs. As such, there is tension over the practices and ways state laws deal with corruption. In the same manner, there is also tension between traditional dispute resolution mechanisms and the court retributive system over the ways people who are charged with corruption are treated. Given the size and the degree of influence that the church and kastom authority have in the lives of the population of Vanuatu, their views about corruption should be given considerable attention in policies and development institutions.

While the economic, legal, and moral notion of corruption remains unchallenged, little attention has been given to cultural and traditional explanations of corruption. One wonders how it could be possible to invest a million dollars in good governance reform in a local context, where the knowledge of what is corruption is limited. Traditionally, international institutions make their judgements based on “trustworthy” sources of information, usually framed around Western ideas and experiences, and this is at the expense of local knowledge and understanding.

The social or patron-client network model would seem to be an appropriate and relevant model to explain issues of corruption in Vanuatu. There are, however, divergent arguments among scholars on whether strong family support can be of any benefit in contemporary society, particularly in developing countries (Huffer 2005; Larmour 2006, 2008). Depending on where one stands on this debate, the findings gathered for the present research would seem to suggest that the political behaviours and the leaders’ attitudes that Vanuatu is attempting to address through the auspices of good governance reform have deeper roots in local social obligation and leadership expectations. Society is made up of families, unlike rational organisations and institutions, which are dominated by individuals with particular characteristics. A recent study that was jointly carried out by the Government and the MNCC indicates that respect for family, strong family support, and collectivism are strong personal and social values in Melanesian society (MNCC & VNSO 2012). This, as has been shown in the Case Studies above, has had a powerful influence on how political leaders and civil servants understand the legal-rational system and manage public resources.

In local communities extended families work together as a team, and they do things together to support one another in all aspects of life. Families work together to support one another in paying
school fees for their children until they find a job. They help in cutting copra to pay for the school fees and also lend money to each other to pay the school fees. This social support occurs at all levels of socio-economic and political development. For instance, as mentioned on several occasions, family support is of critical importance during the time of marriages, deaths, birth celebrations, and pig killing ceremonies. Local communities organise along family lines, and because of intermarriages in local communities the number of the extended family is continuously growing, to the extent where a family could imply a whole community. The present researcher’s grandfather married fifty wives and his father had ten wives; and to the present researcher’s view a family spans from fifty to hundreds. Family or kinship networks form part of the essential social infrastructures of traditional societies; but the strength of these ties can present a challenge to legal-rational governmental institutions. This is not to argue that tradition is an impediment to “progress”, but rather that ways need to be devised to mitigate the consequences of prior and “primary loyalties” to family and village.

A child who is able to make it to university and find permanent employment in government is an outcome of the cooperative efforts of his/her close family and extended families. In other words, individual personal achievement in life is also an achievement for the family and the whole community to some extent. In a society where eighty percent of the population has a strong adherence to local social orders and kastom practices, civil servants and politicians find it very difficult to make the transition from social legitimacy to their professional legitimacy or to become impartial in their duties. The two Case Studies demonstrate that social legitimacy takes precedence over their professional training and the rule of law. The politicians who are elected to parliament or appointed to state positions are the result of efforts from the whole community, groups, and families, and therefore there is an expectation that they will share generously part of their wealth back to communities, families, and in-groupings. In a similar vein, civil servants and public officials who got support from the close family and extended families to climb the ladder of opportunity in education and employment have a high expectation placed on them that they will share part of their wealth back to their families.

Thus, patron-client network relationships are an ever-present feature of local communities and now seem to occur at all levels of state administration. The patron-client relationship based on kastom practices is viewed by international communities as corrupt, however, because of practices of nepotism, conflict of interests, and bribery. This is because the patron-client relationship network is maintained through helping families access loans at the Bank, obtaining licences, land leases, and contracts. The findings of the present research illustrate that, although acting on these reciprocal relationships is not obligatory, it is socially moral and acceptable for political leaders and civil servants to adhere to them in order to maintain their identity and place in their community. In other
words, social legitimacy requires individuals to locate themselves within their local social order and show respect for *kastom* authority. Thus, strong family support and respect for authority is deeply rooted in the individual’s sense of socio-political identity, which cements a strong link to family, lands and notions of origin. The notion of originality or *man ples* simply refers to local practices that demonstrate who a person is and where he/she comes from. Neglect of family support can be interpreted in many ways, the most obvious one being that he/she is a naturalised outsider or someone that does not have roots in the local community. All these have great implications when someone is occupying a public position and has a duty to fulfil the requirements of the law and at the same time remain loyal to family or kinship. And at times it can also have a powerful impact on an individual’s psychological health and wellbeing: “*drink blood*” (suck blood out) is a slogan used to describe a situation where someone went “broke” because he/she has distributed all of his/her wealth to families. On the other hand, distribution through the family loop can be an effective system that the state can tap into and legalise in ways that ensure accountability, transparency, and inclusiveness (Duncan 2011). Thus, effective and acceptable governance strategies to address corruption need to be understood and instituted in the context of how social networks and local social structures can become part of solutions to development challenges in Vanuatu. In the broader context of governance, international institutions such as the World Bank and the United Nations, donors, and other aid agencies should consider the patron-client network system and how it can be integrated with the delivery of aid in developing countries such as Vanuatu.

### 7.7 Corruption and governance

The reports on corruption in Vanuatu have concentrated on public office corruption, and one consequence of this approach is that understandings are increasingly based on Western models and methodologies of how corruption is measured and assessed globally. The results of the two case studies above reveal that corruption in Vanuatu is deeply rooted in the conflict between traditional values of social order and authority and that of imported state governance. In Vanuatu there are two co-existing and conflicting sources and forms of authority. The understanding gap between the two authority systems was not addressed by the post-colonial institutions; and the findings presented in this thesis suggest that Vanuatu is taking an ‘accommodation approach’ through its Constitution to recognising the two values of customary governance and state governance. This means that there is an urgent need to address governance and government shortfalls through negotiation and consultation between these two values of social orders and authorities in the best interest of development objectives.

The way in which *kastom* governance and authority were embedded in the Constitution gives no options for the government to pursue a transformative policy approach, to actually transform and incorporate traditional understandings, social obligations and *kastom* practices into formal political
structures. The Constitution has mandated kastom authority to work independently from the state and to preserve and promote kastom governance and cultures in Vanuatu in all domains of life. This has resulted in the existence of two prominent forms of social obligation and authority, kastom authority and legal-rational authority, which the Constitution implies should operate together as instruments for the development of Vanuatu. As discussed in Chapter One, the two systems of governing are built on different principles of social obligation; and the challenge for Vanuatu is how to bridge the understanding gap between both systems.

The challenge is extremely complex, because since independence Vanuatu has been run by political leaders who were brought up within the system of kastom governance, and very often Vanuatu has witnessed elected Prime Ministers and Presidents performing pig killing ceremonies in order to be invested with jifly title and authority. In other words, there exists a dilemma, where State Ministers and members of parliament, including public servants, claim to understand and acknowledge the two authorities, kastom and legislative, but their national performance according to rule of law were compromised. As indicated in the two sets of Case Studies, there is now a wider gap between traditional values of social order and authority and rational legislative authority, which provides greater opportunity for corrupt practices. The manifestation of corrupt practices at all levels of state administration indicates that what is termed public office corruption results from the tensions between different understandings of social obligation and the way different authorities ought to conduct the public affairs of their local community or, for that matter, their country.

7.8 Conclusion

Governance reform is a slow incremental process. That said, the issue of corruption in Vanuatu is amenable to intervention. It is not appropriate or useful to suggest that corruption is a Western construct and does not matter. This thesis acknowledges that corruption is a reality and it causes dysfunction within our democratic society (including within government institutions and private businesses) and needs to be resolved; but it needs to be resolved in a way that actually enables people to understand what corruption is and how corruption can be detrimental to their interests. Thus, to effect this change, the meaning of corruption needs to be negotiated with the general populace in order for people to understand, and in doing so actually reconstruct and alter the common basis of understanding of what corruption actually means. In other words, changes have to be negotiated and understood and accepted by the general populace rather than enforced.

The international community uses the standard definition of corruption as “the use of public office for personal gain” (United Nations 2004; World Bank 2007). Most developing states and national anti-corruption institutions tend to follow definitions set out in the law, which creates a mismatch with traditional social orders and authority in local communities. Public office corruption is criminalised in
legal codes corresponding with the international conventions that prescribe bribery as misappropriation. Vanuatu follows the legal definitions provided in the Leadership Code and the Constitution, which define leadership expectations and behaviour. On that basis, corruption is referred to and, too often, poorly understood in a foreign sense as misuse of public office for private gain.

Too often this view differs from traditional views of inappropriate behaviours, and the view of corruption as sin within religious circles. Thus, the three institutions (church, kastom, and legal-rational state) tend to clash over their understanding about what is corruption in Vanuatu. The implication of this is that what are moral and sensible practices and values in traditional society differ greatly from the expectations of churches and the legal-rational state. In Vanuatu, corruption is a consequence of the collision of social relations and the conflict of social orders that provide opportunities and incentives for leaders to abuse their powers in contradiction to established rules and laws. The gap between these two sets of understanding is where we found sources of corrupt practices, as demonstrated in the two sets of Case Studies in the previous chapters. Understanding sources of corruption as a consequence of the conflicting values of social orders and authority helps to develop an appreciation of the significant role that the MNCC and jifly institutions can play in reducing tension and clashes between the different systems of authorities in Vanuatu. The next chapter argues that practices are constructed. Institutions are socially constructed. And if they are socially constructed they can be socially reconstructed and deconstructed. Therefore, jifly institutions and the nakamal concept can become part of a process that collaborates between different political authorities to define institutions and define the values that those institutions are to uphold and implement.
Chapter 8: Building a Resilient Governance System in Vanuatu

8.0 Introduction

A resilient governance system in Vanuatu is one that integrates informal governance institutions at the local community level into national processes of negotiated transformation. The findings of this research suggest that governance challenges in Vanuatu emerge from frictions arising from the imposition of political institutions ill-matched to existing traditional governance forms and norms. There is substantial scope, however, for this friction; while arguably this is also an inevitable consequence of socio-political change influenced by many “external” factors, to be mitigated through kastom governance. Kastom governance, as used here, is not merely reliance upon conformity to kastom, but rather a practice of dialogue between different governance systems, one set influenced by customary ideas and another set shaped very much by the forces of modernization. Kastom governance is a traditional form of deliberative governance, if not quite “democratic governance”. The idea proposed here is for the integration of kastom to create a process of “collaborative governance” across Vanuatu (Ansell & Gash 2007; Emerson, Nabatchi & Balogh 2011).

This chapter focuses on the suitability of the jifly institution for deliberation within an informal system that can be used as a foundation for a “best fit” system of government in Vanuatu. While it is recognised in this research that traditional authority structures and the jifly system based on the nakamal fall short on many criteria of good governance, in Vanuatu traditional authority structures still remain quite resilient, whilst in the case of a number of other developing countries that have been through longer processes of colonisation, traditional authority structures have tended to break down. In Vanuatu colonialism ended much more recently (1980) and, as a consequence, there is a greater possibility that traditional structures can be used to help guide Vanuatu through the processes of social change that may well provide the basis for a resilient and independent state.

The first section of this chapter deals with the traditional understanding of the nakamal as a mechanism of traditional dispute resolution, consultation, and negotiation between and within local communities. The second section explores features of conflict management and how these features can be integrated with international best practices to reduce policy and development tensions between different existing authorities. The third section examines the relationship between state and kastom authority and how this relationship can be enhanced with the goal of advancing development objectives. Finally, I outline a collaborative governance model to enhance and deepen interaction between kastom authority and the state so that development objectives can be achieved in the best interests of all parties.
8.1  Nakamal as public venue for meeting

The nakamal serves three functions: a venue for meeting; a venue for ceremonial activities and rituals such as circumcisions and pig killing; and as a venue for kava drinking. In this chapter I focus on the first function, that of a meeting place for the whole community. The whole community usually comes together at the nakamal to exchange information, carry out consultation and negotiation and, most importantly, to resolve conflict within and between local communities. It is also a place where jifs meet with their counterparts, government officials, and visitors from other villages that carry important messages for jif, either regarding any bilateral relations or disputes between two villages. Furthermore, nakamal is also a place where planning for local development and ceremonies occurs. Inherent in these functions is the jifly institution as a prime authority in local communities and, most importantly, the roles of kastom jifs in traditional conflict management. Others refer to nakamal as a ‘place of peace’, where people who have conflict come to find a solution (Walker & Garu 2009).

What is more interesting about traditional conflict management is its principle features, from which threads of commonality can be linked and woven into a resilient governance system for Vanuatu society. These features can be solicited from a nuanced analysis of the procedural elements of village meetings. These processes are crucial because they contribute to a conducive environment for achieving a peaceful resolution and restoration of the relationship between conflicting parties. As mentioned on several occasions in this thesis, these local processes, values, and norms that govern nakamal meetings can actually be woven into a new fabric for addressing contemporary governance challenges in Vanuatu.

Chapters Four and Five demonstrate that traditional dispute resolution mechanisms in villages are simple, accessible, and happen on at least at two levels. Firstly, minor disputes at the family level are resolved in their own nakamal, and usually it is the head of clans or nakamal that mediate the dispute. Secondly, major conflicts that involve more than one family or nakamals are brought to a central nakamal, as depicted in Figure 8:1. At the central nakamal, the kastom jif and his council members preside over a dispute, and this level is regarded as the highest court of a village or community. This chapter draws on the observations of the author for the last thirty years on the Island of Malekula; however, similarities can also be found in other parts of Vanuatu. Indeed, the anthropological literature on Vanuatu explores conflict management in the different islands, and much of this literature has exposed in great detail the roles of kastom jifs and processes for conflict resolution (Deacon 1934; Forsyth 2009; Lindstrom 1990). During one interview, a kastom jif from the island of Maevo explained how the nakamal system works in his island:

The kastom governance of Maevo is very strong. All individuals sit inside the system of nakamal and this includes jifs, police, church, health workers, and farmers. Kastom governance is governed by the four pillars of our unwritten kastom laws and these include:
Inside the *nakamal* all participants respect each other and everyone know the rules and process. We have eleven tribes and the leader of the tribe gives the last decision. You see the rules of *nakamal* are made to help our people and to create an environment where everyone feels that society love them and respect their rights (Tape Interview 13 May 2013).

This quote illustrates the crucial importance of the *nakamal* system and how the *nakamal* has become an institution where people air mutual concerns and find support and respect, and in which they have high hopes that they can secure resolutions through negotiation. In each village, the central *nakamal* has fundamental principles and characteristics that are self-reinforcing in terms of manners and ways that contribute to restoring peace and positive relationships between conflicting parties. Under the leadership of the *kastom jifs*, matters that concern the whole community are debated at the central *nakamal*. Some islands have *nakamal* and *nasara* with different functional levels of authority. For instance, in Malekula, a *nasara* can serve the function of a higher court, which means that the nature of cases and penalties imposed at the *nasara* level are different to those at the family *nakamal*.

Murdering, adultery, and stealing are some of the types of cases that usually involve heavy fines from the disputed parties to *jifly* council and also between the parties in conflict. Even so, the principles, norms, values, and processes that govern the proceedings of *nakamal* and *nasara* are similar, and they follow a similar general pattern throughout the archipelago where both institutions are present.

**Figure 8.1** Structure of a *nakamal*

Source: Authors own work
Figure 8:1 can be further illustrated with a specific example from one of the offshore islands of Efate, Emau, which has three functional levels of authority at the *nakamal* in the local community. The author interviewed a *kastom jif* from the village of Emau, and he provided the following explanation:

The Emau village has the following *nakamal* system, and this includes:

1. Nakainang *jif* at the nasara level
2. Natoto *jifs* at the family level
3. Narewo *jif* ruling over a boundary

Narewo is the head of village *jifs* and his ruling and leadership has to be based on *kastom* law, norms, rules and processes. Even though Narewo is the head *jif* and has the authority to make final decision, at the *nakamal* the decision is always based on consensus of everyone (Tape interview 13 May 2013).

This quote illustrates that the *nakamal* system is structured with clear functions and a division of labour between leaders within a *kastom* boundary. In addition, the MNCC Case Study and previous chapters demonstrate that meeting at the *nakamal* level is ordered and accepted with clearly recognised operating principles, which include consensus decision-making, restorative purpose and mutual respect and trusting relationships. These principle features are observed throughout the archipelago, although cultures of mediation and communication may vary across the islands.

### 8.1.1 Consensus decision making

Decisions taken at *nakamal* and across local communities as a whole are consultative and involve debates or discussions over issues until consensus is reached (Lindstrom 1990). In other words, the nature of decision-making in the local community is consultative and reflects the collective wisdom of elders, *jifs*, and the participants at the meeting. Other scholars suggest that *jifs* consult local opinion, but often they are more autocratic than democratic in their behaviour (Forsyth 2009; Rodman, W 1977). In some islands high ranking *jifs* possessed the ultimate sanction and the legitimate right to order punishment of offenders (Allen 1981). Despite these leadership differences, the *nakamal* process, in the main, is one of intense discussion and debate. For instance, Lindstrom (1990) observes that conflict resolution on the island of Tanna creates the opportunity for reconciliation through *nakamal*, where difficult debates become the vehicle for establishing consensus. The present author has also witnessed similar practices on the island of Malekula, in which the planning and operation of *nimangi* as well as the activities of the community are carried out in consideration of the views of everyone. This cultural norm of consensus decision-making is a socially embedded norm evident in early anthropological writing about Vanuatu. For instance, in Malekula, Deacon (1934) notes that daily activities that involved the local community were carried out in full view of everyone. Similarly, as mentioned in Chapter Four, Rodman (1977) observes that in Ambae the meetings are more
consultative than autocratic, and the link between ratahigi (leader) and his followers rests in great measure on rule by consent rather than coercion.

From the manner and way decisions are arrived at in local meetings, either for conflict resolution or development planning, there is strong evidence of deliberation, comprising debate, consultation and negotiation, which are important social tools for ensuring legitimacy and the building of local ownership over policy and development projects. In a more recent account, Miranda Forsyth (2009) further explores many of these features in the context of conflict management, where she notes that despite leadership and power variances, consensus decision-making would seem to be a common characteristic of nakamal meetings throughout the archipelago. At the end of each hearing the kastom jif and his council would meet separately to draw their conclusion on the matter at hand, based on the hearing. Using this process the council is involved in consulting and negotiating with the members to make sure that whatever judgement or decision that is handed down is justifiable, fair, and according to kastom laws, norms, and values. From village to the national level, the consensus decision-making of the nakamal is respected and carried at all levels of conflict resolution (Kernot & Sakita 2008).

The participation of women, however, in decision-making varies across the spectrum, and in some islands women are involved directly in decision-making, such as in the islands of Pentecost and Big Bay in Santo (Thomas, Andrina 2013). However, as Jolly (1997) argues, there is a perception that tradition equals male domination while modernization involves the liberation of women and presents a challenge to established social order. In Vanuatu women are asserting their rights in both traditional and modern society past and present, and in doing so women are trying to dissolve invidious dichotomies, and negative perceptions that still threaten their status (Jolly 1997). In other words, it might be suggested that assertions that the traditions of Vanuatu are male dominated reflects limited understandings of the local context, and pre-concieved mindsets of scholars influenced by Western traditions and democratic values.

The MNCC Case Study demonstrates the diverse nature of the conflicts that the kastom jifs resolved using the nakamal principle of consensus decision-making. The Council is arguably the clearest evidence that “dialogue” between traditional leaders and modern state institutions is the most likely avenue for development to proceed in Vanuatu, if social division and conflict are to be avoided. It therefore offers the possibility for a more inclusive approach to governance at the national level, although the attitudes of kastom jifs to social change have to adapt.

8.1.2 Restoration of relationships

Unlike legal-rational conflict resolution, which is outcome driven, in traditional dispute resolution the ultimate objective is to restore relationships between the conflicting parties (Walker & Garu 2009). Given the diversity of the socio-economic and political structures throughout the archipelago, there
are variations as to how relationships have been restored when there is conflict within and between villages or islands. For instance, Forsyth (2009) provides useful accounts in anthropological literature about how inter-village and inter-island resolutions restore relationships; depending on the nature of conflict most of them require “payback”. This payback system can be in the form of physical assault and death, or in the form of pig exchange. Nevertheless, restoration of a peaceful relationship is a key output, and it is acknowledged in many places that there is more than one path to achieve this (Forsyth 2009; Lindstrom 1990). In other words, traditional conflict resolution at the nakamal level is a “win-win” situation, which means that neither one of the conflicting parties is losing face at the end of the process. This is different to the Western model of conflict resolution that Vanuatu is used to, where at the end of the process one party has to be free and the other has to be punished either by a prison sentence or payment of fines (Walker & Garu 2009). In a traditional nakamal, when the jifs deal with conflict, they make sure that whatever punishment they come up with is shared equally between the two parties. In some cases the conflicting parties may have disagreements about the outcome of their conflict resolution process; however, the data generated in Chapter Five demonstrates that in the long term they find that the judgement was of great benefit to them.

As discussed on several occasions, creating the opportunity for a “win-win” situation is embedded in the culture of local communities. This cultural resource can be drawn upon to share development benefits in contemporary Vanuatu; but first the government has to recognise this and engage with local communities with kastom authority and their people. Previous chapters have shown evidence of conflict emerging from the approaches of government towards development in rural and remote islands of Vanuatu. Friction emerges from the manner in which benefits of development are shared within local communities or between the local community and the state. Chapter Five illustrates that the kastom authority offers a more effective means to ensure resources are shared fairly and equally. The President of the MNCC believes that the reason why there is increased political instability and conflict over resource distribution is because the kastom authority is not part of that distribution (Tape Interview 26 May 2013). The concept of restoration has inherent features of equity, fairness, transparency, and inclusiveness, which are critical features of a liberal democratic state; and as is argued here, there is a possibility to draw a linking node between the state and kastom authority by integrating these features.

8.1.3 Mutual respect and trusting relationships

Another significant feature of nakamal meeting is mutual respect and trust, which are important for the social fabric of local communities down to the family level. The feature of respect and trust is gender neutral and applies to everyone in local communities. Children are taught to respect their parents, authorities, and individuals outside their family circle, and it becomes a norm of society that everyone ought to respect each other and most importantly their leaders. As such, it becomes a norm of the local communities not to criticise leaders but in all ways respect them for their given
responsibility and status in the community. This has great impact on the role of jifs as individual leaders in dispute resolutions and also on the nakamal as the highest institution in local communities. As already said, it is a norm for everyone in the community to respect the institutions and authorities in their community, and the absence of such respect is seen as a disgrace to parents, leaders, and the whole community. Because of this high respect the people render to authorities and institutions in local communities, when they are in the nakamal they give greater respect to the rules and norms concerning conduct during the hearings. This creates a conducive environment for jifs to restore peace in a satisfactory manner, as far as the kastom law is concerned.

Using the family unit as a primary source for training young pupils in the traditional virtues of respect, trust, sharing, and kindness has had great impact on peaceful and harmonious relations in local communities, society and, generally, at the national level. This reflects a fundamental belief held by local communities that the success and prosperity of a society, and a nation, depends upon the influence of a family on their children. Because of the greater emphasis on respect at the family level, Vanuatu as a society has sometimes experienced times of great tranquillity and peace at the local level. However, this is not to suggest that during times of stress violence does not occur within and between families and communities. As discussed in this chapter, nakamal plays a crucial role in reducing tensions and conflict by providing a widely accepted forum for resolving stresses and the potential for conflict. There is much to learn from this cultural feature if the state wants to see peaceful relationships at the national level.

### 8.2 Protocols and process of nakamal meeting

The nakamal has protocols and processes that are self-reinforcing and play an important role in contributing to an environment whereby the kastom jifs are able to restore and maintain relationships between conflicting parties. Chapter Five illustrates various cases as to how these features are used in the meeting of kastom jifs at all levels of the community. These include:

#### 8.2.1 Agenda setting

The meeting and the development agenda in villages are set by the people in consultation with their kastom jifs. The collective nature and holistic way of working together provides a strong foundation for teamwork and team spirit in all aspects of development. A few communities have started to experience fragmentation of their social fabric due to the external impact of religious influences, and as a result of more young people migrating to urban areas. However, this social governance structure can be observed in all villages throughout the archipelago, and it is something that could be revisited to strengthen local governance structures in places where this is weak. The families wanting their cases to be heard at the village council of jifs come to the spokesman of jifs to register their cases for consideration. It is the role of spokesman to brief his kastom jif about the agenda and set the time for the hearing. Traditionally, as argued in Chapter Four, this working framework mimics the legal-
rational style of Court and state administration, and it is one of the traditional values that has been neglected in the design and building of post-colonial state institutions. Most importantly, it tends to work quickly, locally, cheaply and effectively. This process of agenda setting involves consultation, discussions, briefings, and seeking the consensus of everyone to participate at the meeting.

8.2.2 Seating arrangements

When people assemble at nakamal they show great reverence towards the kastom jif of the village, and this is reflected through the seating arrangement protocols, and the way communication takes place at the meetings. For instance, in Tanna, the kastom jifs often take the centre position, followed by heads of a clan. Other members sit where their head of clan is sitting. As Lindstrom (1990) notes:

Men attending a debate sit along the periphery of the circular kava clearing. Arcs of the periphery are owned by certain of the local groups involved. These arcs are situated near the point of egress of the trails, or roads, which link kava ground to kava ground. Protagonists, consistent with island dualism, sit at antipodal points facing each other across the clearing. Those who witness their debate mediate this dualism, positioning themselves between the sides (p. 379)

This quote illustrates the orderly manner in which debates and meetings are organised at nakamal. It also illustrates general common practices throughout the archipelago governing certain protocols and code of conduct at the meetings. Although it might appear gender specific, in the traditional context it may not be so, because women are still part of meeting discussions but have a different role to play in ensuring overall consistency and fairness in the processes of the meeting. For instance, in Malekula, women play a liaison role between jifs and disputed parties by negotiating suitable dates and the venue of the meeting. In the past their roles covered the distribution of the agenda to various parties, and these roles were critical during tribal wars.

The effectiveness of debate depends on how the agenda of the meeting is structured and presented for discussion. For instance Lindstrom (1990) observes:

Debate usually begins with a discussion of side issues. After talk has begun to flow, someone will bring up the main problem at hand. If this problem is minor, the focal antagonist may themselves make the initial statements. If things are more serious, however, and emotion engaged, supporters who are more likely to keep a cool head will carry the early debate, setting forth their version of the dispute or problems (p. 379).

The Tannese experience has one thing in common that can also be observed in other islands, and this is the organisation of the meeting agenda and the structure of debate at the meeting. The level of organisation and collective skills of elderly people and jifs to moderate debate creates a trustful
environment where people believe that emotional sentiments and sensitive issues will be handled professionally by the kastom authority.

8.2.3 How to speak and who to speak?
In traditional conflict resolution the jifs tend to use indirect forms of communication such as storytelling, parables, and noncoercive language. This is done on purpose to create an atmosphere where parties in conflict are not spotlighted and made to feel guilty (Walker & Garu 2009). It also demonstrates a level of respect the jifs give to conflicting parties by using communication forms that are not offensive. The culture of communication in a public forum and in particular during conflict resolution varies widely from one island to the other. Nevertheless, the principle of indirect forms of communication is seemingly observed throughout the whole archipelago. In the northern part of Vanuatu they use a third person to address individuals at the nakamal during conflict resolution, and this is regarded as a respectful way of dealing with tensions and conflicts. At times this becomes frustrating, because if you are new person you will have difficulty finding out who in particular the jifs are talking to (Walker & Garu 2009). At the central nakamal or nasara the family will come together to plan a communication strategy as to how they will respond to jifs and judges, and usually someone will be nominated to speak on behalf of the victims. This is quite different from the conflict resolution at the individual nakamal level, where the victim is allowed to speak, but with the assistance of his/her immediate family. Thus, the skills of communicating at the central nakamal during conflict resolution are important, because they facilitate and lead the conflicting parties to amicable solutions. As such, the jifs communicate in such a way that it does not arouse anger, and most importantly, jeopardise the process of restoring a peaceful relationship between the conflicting parties.

8.2.4 Who takes part?
At the traditional conflict resolution, participation is not restricted, and usually it is characterised by multiple parties who represent extended kinship and community relationships (Walker & Garu 2009). In a similar vein, a general meeting at the nakamal is inclusive and everyone is at liberty to participate in accordance with protocols and the code of conduct specified in kastom laws and norms of the local community. Women and youth, including strangers in local communities, have a right to attend the nakamal meetings. There is no restriction on any gender; however, in circumstances where the kastom authorities are of the view that the issues at hand are sensitive, and for the security of the communities, they might need to limit participation to certain groups or individuals. In Tanna, women participate at the meeting as listeners and observers and can provide checks and balances on traditional processes, norms, and rules of nakamal. Usually, after the meeting when everyone retires to their houses, women and husbands engage in intense reflections about the meeting discussions, processes, norms and rules. Women can make their general observations known to their husbands and also point out important issues that require nakamal attention. The husbands will take note of the
points raised and will presented these at the next nakamal meeting. In an indirect manner women thus still participate in the processes of consensus decision-making and still play important roles that can only be understood in the cultural context (Lindstrom 2010). Girls and boys participate as observers, listening to the different forms of communication during dispute resolutions and, as a consequence, the process is a learning ground for them to observe how people behave in a meeting place. Lamont Lindstrom notes that on the island of Tanna:

[m]eetings always include more listeners than speakers. Women have no right to public speech and sit behind men on the periphery of bush and clearing as befits their political and cosmological status. Although all men may speak, and will certainly do so at some meeting or another that touches their interests, generally at any one meeting only about one third of those present actually speak. This is especially true of important debates attended by up to several hundred people (1990, p. 380).

This quote suggests inclusiveness but practices involved can be both inclusive and exclusive, depending upon how kastom jifs define the agenda of debate. The culture of nakamal conduct in Tanna presents the extreme case in which women are excluded from speaking publicly but indirectly can raise their views through their husbands or kinsmen. The experiences of Tanna are quite different from a matrilineal community such as in the island of Pentecost and Mantatas in Santo where women hold a powerful position as kastom jif and have the same privileges as other kastom jifs in patrilineal communities (Jolly 1994; Thomas, Andrina 2013). For instance, Ms Hilda Lini was vested with the traditional jifly title of Salvan Tamatan Vanua, which is the highest women chiefly title in Turaga Indigenous Nation of Pentecost, after the death of her mum. She was the first woman in Vanuatu to be elected to Parliament in 1987. From 1991-95 she was the Minister of Rural Water Supply and Health. In 1996 she was appointed as Minister of Justice, Culture and Women’s Affairs (UNDP 2010). Despite limitations on the right to speak, there is evidence that a meeting at nakamal is inclusive and everyone is given the opportunity to listen and voice their views, whether directly or indirectly. Indeed, the nakamal offers further scope for kastom to be an effective means to advance social change in the area of women’s rights.

8.2.5 Nakamal and gender

While the nakamal system would seem to provide unfair and unequal treatment in terms of gender equity, it is worth noting that the cultural and traditional diversity of Vanuatu renders limited room for generalisation. In some islands women are in the background and do not have the right to speak directly at the nakamal. However, as has already been seen, in some parts of Vanuatu women have an equal right to speak at the nakamal and can hold jifly title such as in the island of Pentecost, Epi, north Ambae, and Mantatas in Santo (Amanda 2009; Thomas, Andrina 2013). It is easy to identify contradictory practices within and between islands, and these practices can be seen by outsiders as
working in tension with the notion of gender equity that is promoted by the World Bank and other aid development agencies. For instance, the MNCC is dominated by male kastom jifs, and that in itself creates an awkward position as it is not a true representation of the diverse political structures of Vanuatu. There is still a tension between islands as to whether the MNCC is a legitimate institution to represent kastom authority (DailyPost 2005). This implies a need for re-invigorating the MNCC to reflect the socio-political diversities of Vanuatu. In other words, Vanuatu has to recognise its diverse traditions where in some societies females of a certain lineage assume leadership authority.

Furthermore, Amanda (2009), in her accounts of women in Vanuatu, tends to view Vanuatu society as dominated by males. The present thesis illustrates that such an argument is too general and does not reflect the realities on the ground. With a wide degree of traditions and cultural variations in Vanuatu, women have in some places been endowed with high political status, such as Salvan Tamatan Vanua, a traditional jiffly title given to Hilda Lini of Pentecost, and they play similar leadership roles to males. However, the traditions and culture that tend to exclude women are established practices, and this means that international attempts to increase the roles of women in a developing country like Vanuatu have to be done by changing these cultural practices from within. Rather than saying this is unequal and unfair, the strong international pressure to have equality could actually destroy the institution and be denying Vanuatu of its value. In other words, challenging those power structures in traditional local communities can actually be damaging to the longer-term interest of promoting positive change. Hence, the nakamal system, despite its flaws, is the best avenue where gender challenges can be addressed and contesting boundaries can be discussed in order to create a more inclusive society and community. While this thesis is not about gender relations in Vanuatu, it is acknowledged that kastom has to evolve in line with national and international expectations. In this regard, the MNCC has a vital role to play in navigating a path towards positive social change in Vanuatu.

8.2.6 Power structure

At the end of the process, a kastom jif has the power to sanction public order in local communities and order punishment and fines on the guilty party. As discussed in Chapter Four, despite external influences on power structures in the local communities, there is a greater recognition among local communities that kastom jifs are still the figureheads in villages. Other scholars explore how the influences of Christianity and the European-centred state notions have impacted on the degree of power held by kastom authority in the local communities, such as is seen in the case of the use of black magic and ancestral spirits (Deacon 1934; Forsyth 2009; Rodman, W 1993). These supernatural powers were believed to be used by kastom authority as a means of enforcing obedience to kastom laws and the rulings of kastom authority. The experiences discussed in Chapter Five illustrate that the absence of supernatural powers does not lessen the importance and role of kastom authority in sanctioning public order and resolving disputes in local communities and in contemporary society in Vanuatu.
Beside \textit{kastom} authority, it is widely acknowledged that elders in local communities possess critical information and power, and as such they have been respected by the communities for their wealth of information on local \textit{kastom} practices and histories. Because \textit{kastom} laws, rules, norms, processes and values are unwritten, the elders in local communities remain critical sources of information, meaning \textit{kastom} \textit{jifs} work closely with them. As Lindstrom (1990) observes in the island of Tanna, those who possess a wealth of information have greater access to speech in public meetings and this symbolises and maintains a person’s political power. All this illustrates that consensual decision-making in local communities is based on \textit{kastom} laws, rules, norms and values and, most importantly, reflects the collective views or wisdom of elders and \textit{jifs} (Forsyth 2009; Walker & Garu 2009). In some islands, power at the \textit{nakamal} has been neutralised, as Lindstrom (2010, p.6) notes in the island of Tanna, where village ‘moots’, known locally as \textit{nakriariien}, (which simply means ‘talk’ or talking), are very much egalitarian by nature. As Lamont Lindstrom observes:

Village moots have no judges or anyone else with authority to weigh fact, determine responsibility, or impose a settlement, fine, or sentence. Accepted fact, distributed responsibility, and consensual settlements all arise out of public discussion and debate. …..Generally, only older, married, and established men feel comfortable taking the “floor” (coming into the center of the ground to speak). Younger men remain in the audience although the more ambitious among these might dare to rise and offer a comment or two. Older, experienced men with political clout often hold their council until the end of the meeting hoping thereby to control the manner in which the outcome settlement becomes publicly enunciated. Women, on the other hand, have or used to have no rights of public speech and must speak through kinsmen. Although gender inequalities may recently be easing, in the 1980s I often saw women—even those to whom direct questions were posed—whisper their responses to spokesmen who stood to represent them in the public debate (2010, p. 8).

This quote illustrates the power variances in the way a \textit{nakamal} meeting is conducted, which clearly shows another important characteristic of the \textit{nakamal} system. Tannese experiences illustrate how the \textit{nakamal} can be an important avenue for different authorities to address power inequalities and create a level playing field where every participants can participate freely. Although women have some restrictions, as mentioned on several occasions in this thesis, they still have a mechanism to present their views and become part of debates. Thus, at the \textit{nakamal} level, state and \textit{kastom} authorities, including other civil society members, can come together to discuss freely development issues and challenges such as human rights, and gender inequality. Evidently, traditional processes of governance in Vanuatu are not inherently incompatible with modern notions of social democracy.
8.3 Existing consultation processes between state and society

The Constitution provides room for the state to consult the *kastom* authority on matters relating to *kastom*, and that provision has been enhanced recently following a constitutional amendment that made it obligatory for the Government to consult *kastom* authority on any bills that are put before parliament. The two case studies earlier in this thesis demonstrate that *kastom* authority is a powerful political institution throughout the archipelago, which gains broad legitimacy from Vanuatu’s population across all levels of the community. The Constitution has recognised *kastom* authority as an independent institution, which means that its role in the development of Vanuatu cannot be neglected by the state; and there is a pressing need to find how they can work together in the development of Vanuatu. The data presented here suggests that there is leadership fragmentation between *kastom* authority and legislative authority, and both institutions are claiming sovereign rights over the development and management of Vanuatu. This leadership fracture emerges from the ways *kastom* authority has been treated by the state in the development process and management of Vanuatu’s national affairs.

8.3.1 Development consultation and agenda setting

The DBV Case Study, and Chapter Two, demonstrate that there is a significant divergence between Western concepts of corruption and good governance, and traditional values of social obligation and what traditional culture deems as moral and sensible in local communities. This implies that there is an understanding gap between rural local communities and urbanist populations, and that this gap could easily be minimised if the process of negotiation and consultation reached everyone in local and remote communities in Vanuatu. The national development policies and plans are driven by local elites who claim they represent the population of Vanuatu and understand well their needs and how those needs can be met. The data gathered from this thesis suggests that the risk is that development aid agencies are caught up in a democratic syndrome of ‘representation’, whereby a few local elites are selected to speak on behalf on their organisations, communities, groups, and islands. However, the experiences illustrate that very often international institutions and aid donors are working with local self-interested elites who tend to promote policies and programs that are contrary to the stated aims of all involved. This is at the broad expense of remote and rural traditional communities. One of the reasons for this, as per the findings of the research in Chapters Five and Six, is that the policy and development consultation process is limited to local elites who are working in government or non-government organisations, who have the education and the means to assert their claims in ways which resonate with international development norms.

The challenge is that political elites see an opportunity to consolidate their powers at the expense of the broader population, and they have manipulated and, too often, marginalized traditions to achieve their ends. This generates conflicts and tensions with *kastom* authority, because the *kastom* jifs feel they are not consulted and that the development model that Vanuatu is pursuing pushes them further
Chapter Four of this thesis illustrates some examples where the failure of the state to consult and negotiate differences in social obligations and leadership expectations resulted in great conflict over development in rural and local communities. The *kastom* authority and their people fight against the state over land issues, and the state compensation for land never satisfies the whole community. Chapter Four provides classic examples of cases involving disputes between *kastomary* land owners and the government over two major projects, Brenwei Hydropower and Norsup Airport. The state found it very difficult to pay compensation because of the collective nature of land ownership, which implied that the state had to recognise every individual who was part of the community in which the project was allocated. The two case studies and subsequent chapters illustrate that many of those development tensions stemmed from the fact that there was not proper consultation and negotiation with the right people with authority in local communities. The *kastom* authority, as demonstrated by the MNCC respondents, felt that they were not part of the development process and had little role in contributing to development in Vanuatu.

The state decides on the development agenda and policy direction of Vanuatu, via a top-down process that leaves many people, groups and organisations behind in the process. In 1997, through the Governance Reform Program, the Government established a triangular model of consultation, as depicted in Figure 8.2. Prior to the National Summit, there is a provincial retreat and a business forum, both of which are deliberately organised for members to meet with government and discuss different development challenges in their respective jurisdictions. These two forums are a ground preparation stage, and it is from there that the socio-economic and political agenda is established to discuss at the National Summit. This summit is an annual event that gathers over two hundred participants from different sections of Vanuatu society. The participants are selected by the government, and they come as representatives of their communities, organisations, and groups. As the case studies have shown, *kastom* authority felt that they were not part of the overall government machinery and that their participation in the development of Vanuatu was minimal.

**Figure 8.2** National policy consultation mechanisms

Source: Author’s own work
In this overarching consultative framework, the participation of the kastom authority and the wider section of the population is very limited. In most cases Government ends up talking to Government, without inputs from the broader society. Given the geographical locations and infrastructure challenges that Vanuatu is facing, it is very expedient for the Government to run these consultation forums and summits annually. However, costs can be one of the binding constraints that limit broader participation. The way this consultation mechanism was framed does not take into consideration power inequalities and differences in individual backgrounds, and their ability to participate actively to make sure that their voices are heard and taken into consideration. In reality, the business forum, the provincial retreat and national summit are predominantly composed of Government officials from different sectors talking to each other about development challenges and priority needs of the country. The nakamal system proposed here is a way of encouraging genuine grassroots participation in a significant reform process across Vanuatu society. This is unlike the participation often promoted by international institutions and major donors, which tends to be very limited and excludes many people on the basis of their geographical location, languages, and level of their education.

While these forums and summits have built on the notion of participation, consultation, and working together with multiple networks of authority in Vanuatu, the attendance and participation of ni-Vanuatu is very limited. Hence, some features of the existing traditional authority structures can be used to intergrate with democratic values of collaboration and deliberation to increase the participation of everyone in rural and remote communities in Vanuatu. The current decentralisation of government is only limited to provincial centres, and most peripheral areas remain disconnected from central state and provincial administration services. As the MNCC Case Study suggested, the jifly institution is one of the very few that connects people from rural and remote areas of Vanuatu to the national level, and with which people are familiar. Figure 8.3 represents the existing practices; however, this process would seem to occur on an ad-hoc basis, and it only functions when a conflict requires the intervention of kastom authority (Cullwick 2013a). In other words, when there is the potential for developmental or social conflict involving the state and other groupings in the country, the state might call for kastom jifs to bring the two parties together at the nakamal level. At the nakamal level the kastom jifs apply the norms, rules, and procedures of traditional dispute resolution, and the MNCC Case Study demonstrated that this approach works well in dealing with contemporary development conflict. However, MNCC respondents acknowledged that the state only used kastom authority when needed, particularly when there are a development conflicts involving all levels of society (Cullwick 2013a). This sporadic working relationship dissatisfies kastom jifs because they feel they are not fully involved into the development process of Vanuatu. The participants in the MNCC Case Study acknowledged that the Government has needed jifs’ cultural, traditional and peacekeeping roles on a significant number of occasions, but that this has rarely been recognised or acknowledged.
Currently, the state is highly centralised. Formal government stops at the provincial level, and there is no institutional mechanism to connect to people at the village level, as depicted in Figure 8.3. In all policy consultation and negotiation, the provincial officers are used to represent the views of the local authorities and their population. This is where communication between state and society breaks down, and sometimes the views of local authorities and population are not captured in the national policy processes. There are certain factors that contribute to limited participation of the eighty percent of the population in rural areas: infrastructure support, skills and capacity to participate at the intellectual level, and the financial cost to mobilise mass numbers of the population to attend a forum. Even if they are consulted, there is little likelihood that their views will be reflected in the final policy documents and directions. Indeed, the *jifly* institution and *nakamal* system are cheaper and already exist in rural and remote areas of Vanuatu, and it is the only system that connects the population in local communities, including the marginalised section of the population who are under the care and support of families.

### 8.3.2 Policy implementation

Chapter Four and the two case studies illustrate that Government and the state are not controlling development, and on many occasions where the state wanted to build schools, dispensaries and infrastructure in local communities, there has been tension between land owners and *kastom* authority. The findings of this research show that more than three quarters of the total land area is in customary

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**Figure 8.3** Existing relationships at the national level

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Source: Author’s own work
title, which means that it is governed under the traditional land tenure system of collective ownership (World Bank 2011). The *kastom jifs* are powerful authorities because they preside over communities occupying, in total, three quarters of the total land area in Vanuatu, and work closely with eighty percent of the total population in rural and remote areas. Chapter Four of this thesis cited two cases as being representative of intense development tensions between *kastom* authority and the state, over the implementation of projects where there was not a proper negotiation and consultation with the local population and *kastom* authority: Brenwei Hydropower and Norsup Airport. The MNCC case studies demonstrate that, where the state worked collaboratively with *kastom* authority to implement a development project in the local community, the results were successful, as was the case of MCA and the micro-credit scheme at the NBV.

The MNCC respondents acknowledged that the efforts of the state to involve *kastom* authority in the development process in Vanuatu has contributed to improved commitment and shared understanding at the local community, regional, sub-regional, and national levels. The two case studies illustrate that the level of commitment and willingness of the local community to engage in community projects funded by the state and development aid agencies increases when they are involved in the designing process and also manage the implementation. The MNCC respondents noted that, with the MCA infrastructure project, the conflict of the quarry ownership was reduced because the *kastom jifs* negotiated with local communities without the involvement of the state. The *kastom jifs* organised the labour and divided the work at the local community level, which reinforced mutual trust and respect between the *jifs* and their people in the community as well as with the Government. The Ministry of Infrastructure communicated directly with *jifs*, who then passed on the information to their people at the community level. This partnership approach between *kastom* authorities and the state has proven to work well, with the US$65 million infrastructure project to lay a bitumen road around the island of Efate. As mentioned on several occasions, the *kastom jifs* used the *nakamal* as the main central node in local communities, where they met with Government officials and local communities to discuss project priorities and negotiate differences between local communities with the state.

### 8.3.3 Resource sharing and management

The management of resources is another source of tension between the state and *kastom* authority. Indeed, as is demonstrated in the DBV Case Study, resource allocation is one of the sources of corruption within the Vanuatu Government. The findings of this research strongly suggest that resource conflict can be reduced by working with existing governance arrangements such as the *nakamal* approach and, most importantly, involving *kastom* authority in the process and management, as was the case of the micro-credit facilities at the NBV. The MNCC President commented that the reason why there is *tumas rao rao* (many disputes) over resource distribution is because the *jifs* were not part of the sharing process. He further argued that:
[t]he reason why we have increased political instabilities is because the state does not want to allow the jifs to distribute the portfolio. In our village, resources are shared at the nakamal, where everyone in the village has their share. At the nakamal the process of sharing follows our kastom, and the sharing was transparent and fair because it is done in public domain where everyone in local community can witness it. Our politicians are fighting for ministerial portfolio or high position in government, and until today the government cannot meet the demands of everyone. I told the government that in the next parliament, they will give opportunity to jifs to distribute the ministerial portfolio. In nakamal, everyone is satisfy with whatever they received, even if the resources are limited people are happy with their share (Tape Interview 14 May 2013).

This quote demonstrates that within traditional institutions there are serviceable norms for achieving justice, fairness, and equity that are different from, but not incompatible, with state expectations. The MNCC Case Study demonstrates that the jifly institution is relevant and effective in handling the different nature of conflict in contemporary society. The state has to build on that strength and find ways they can complement it, in order to build a resilient governance institution that is grounded in the local context.

8.4 Collaborative and deliberative governance framework between state and kastom authority

Collaborative governance has been used to replace adversarial and unilateral modes of policy making and implementation in Vanuatu (Ansell & Gash 2007). In a similar vein, it has been argued that deliberative governance leads to a greater political democracy (Dryzek 2000, 2009). The governance framework for Vanuatu proposed in the present thesis builds on the theory of collaborative and deliberative governance to discover a formula to enhance participation of mass population in affairs of state, and thereby to assist the state to realise its full democratic values.

According to Ansell and Gash, collaborative governance refers to:

A governing arrangement where one or more public agencies directly engage non-state stakeholders in a collective decision making process that is formal, consensus oriented, and deliberative and that aims to make or implement public policy or manage public programs or assets (Ansell & Gash 2007, p. 544).

This definition has six practical implications, as Ansell and Gash (2007, p. 544) argue:

- The forum is initiated by public agencies or institutions,
- Participants in the forum include non-state actors,
Participants engage directly in decision making and are not merely ‘consulted’ by public agencies,

The forum is formally organized and meets collectively,

The forum aims to make decisions by consensus (even if consensus is not achieved in practice), and

The focus of collaboration is on public policy or public management.

According to John Dryzek, ‘deliberation that is authentic, inclusive, and consequential is central to democracy’ (2009, p. 1399). As a consequence, the more authentic, inclusive, and consequential political deliberation is, the more democratic a political system is. In this sphere of understanding any system of deliberation has to meet three conditions. Firstly, authenticity is the extent to which deliberation connects claims to more general principles without coercion. Secondly, inclusiveness applies to the interests and discourses present in a political setting. The third condition is consequential, which means deliberative processes must have an impact on collective decision or social outcome. In other words, according to John Dryzek, ‘a polity with a high degree of authentic, inclusive, and consequential deliberation will have an effective deliberative system’ (2009, p. 1382). The nakamal system, despite its limitations, is based on a combination of tradition and participatory innovations and mechanisms (especially if associated with carefully targeted training), which should allow Vanuatu to restore state legitimacy through communications with multiple governance networks and authorities. The MNCC Case Study demonstrates that at the nakamal the kastom jifs use noncoercive mechanisms and language and, most importantly, indirect forms of communication such as widely shared and accepted parables, story telling, and rhetoric, to create a conducive environment for achieving the peaceful restoration of fractured relationships in local communities and, when given the opportunity, at the national level. There is thus a “natural fit” between nakamal and the ideal of deliberation. As discussed in this chapter, the collective nature of traditional management of resources in the local community is also reflected in the nature of nakamal decision-making, which is specifically about collective decisions. Thus, nakamal provides an avenue where different political authorities and various sections of society meet together to work collectively on any development issues and challenges confronting local communities, islands, provinces, or the nation as a whole.

A new collaborative governance framework was developed based on the findings of this research and, in particular, how Vanuatu can use traditional values of social order and authority to build a resilient system of governance (Forsyth 2009; Huffer & Molisa 1999b; Walker & Garu 2009). The aim is to develop a contingency approach by using the existing mechanisms to change the nature of policy making and implementation. In this new collaborative framework, the development agenda will be set at the nakamal level through a deliberative process involving kastom jifs, state, and other stakeholders. The stakeholders used here refer to other entities such as church, youth, private sectors,
non-government organisations, women, and aid donors, which can come together at the nakamal level to deliberate on the development agenda. Non-government organisations and development aid agencies are treated as secondary stakeholders in that they exist to implement development policies set by the state. This implies that development aid agencies and non-government organisations have responsibilities to harmonise their development assistance and program activities in line with national policy priorities of the State. Therefore, in Figure 8.4, they are positioned at an arm’s length from the implementation of the state development objectives. The nakamal becomes pivotal to the engagement of stakeholders in a way that promotes appropriate and more broadly accepted development objectives for Vanuatu.

**Figure 8.4** Proposed collaborative governance model

Source: Author’s own work

This model was developed based on the findings of this research to address the nature of contested political institutions that impeded delivery of services and the quality of life of people in remote and rural areas of Vanuatu. It took into consideration the conflicted nature of established political institutions and suggested how different perceptions about rulers and ruled can be better managed and also how development challenges can be address in a collaborative and deliberative manners. Using the existing institutions, this model illustrates how Vanuatu can increase participation of mass population in rural areas and most importantly create an opportunity for active participation of kastom authority in decision making on any development aspects that impacts on livelihood of their communities. The decentralisation of government machinery and services is an unfinished business of the state (Cox et al. 2007). and this model is an option that is well researched and could possibly be a
means to create a development platform where all different sections of society are actively participated rather than involved them in a mere consultation.

During the process of finalising this research, the Honourable Prime Minister, Hon Charlot Salwai, tabled a policy paper in August 2016 at the Council of Ministers addressing issues pertaining to operation of decentralisation in provinces. The title of this policy paper is *strengthening the Provincial Government through increased development funding to all area councils in 2017*. This paper addressed inefficient and ineffective delivery of government services and cost of having power concentrated in central government levels. The discussions touched on some of the finding of this research and reflected very well on the proposed model of collaboration though *nakamal* as an avenue where development priority needs are determined at village council of chiefs. The Decentralization Act of 1998 made provision for nominated members from pillar group at Area Council: namely chiefs, women, youth, and church representatives to also attend Provincial council meeting. Figure 8:4 suggested that the Provincial Council meeting can be conducted at the *nakamal* which is a neutral ground and also has a greater significance in the lives of people of Vanuatu. The Provincial Council meeting at the *nakamal* will provide an opportunity where different political authority and stakeholders can negotiate and collaborate on how state architecture can be better reconnected at provincial levels.

The MNCC Case Study illustrates how the *jifly* institution uses a “grassroots” approach to planning, because authority remains strong at the village levels. The MNCC, Area Council of Chiefs, Island Council of Chiefs, and Urban Council of Chiefs are all administrative bodies that facilitate the development initiative at the village level with the state. They take instruction from village authority and pass this on to the state; and similarly they take information from the national levels and pass this to respective village council of chiefs. This framework for a bottom-up approach to development is already there; the central government can strengthen its effectiveness by formalising it into a national consultation framework. This will help reduce the power struggle between *kastom* authority and legislative authority in controlling the development process of Vanuatu. It will indeed reduce the conflict between traditional values of social obligation and authority and that of legal-rational state governance expectations, because the *nakamal* consultation will allow multiple authorities to negotiate their preferences and find common ground to support development objectives. Because of *nakamal’s* nature as a meeting place and its existence in all communities, it provides a significant opportunity for increased participation of local communities in negotiating for better institutional and developmental outcomes. It is also a venue where masses of the population can hold their local leaders accountable, and this increased participation of local communities will provide checks and balances on local elites who can manipulate processes for their own benefits.
The *nakamal* meeting is an existing governance organisation that is valued at the national and local levels, and therefore, rather than re-inventing the wheel or imposing an external wheel, the data gathered for this thesis suggests that it can be streamlined in line with deliberative democratic values of participation, authorisation, representation, accountability, transparency, responsiveness, solidarity, inclusiveness, authenticity, and consequential (Chris, Helen & Stephen 2003; Dryzek 2009). The model presented in Figure 8.4 builds on the outcome of the two case studies and the literature review to reform and, where appropriate, reinforce the existing institutional mechanisms by consolidating the relationship between the legislative authority and *kastom* authority at the *nakamal* level. This approach of working with the ‘grain of society’ is considered to provide new dialogue spaces that are able to accommodate citizen engagement, reach a wider range of the public, and be more responsive.

At the *nakamal* level the *kastom jifs* mediate between conflicting parties; and the data suggests that decisions of the *nakamal* are carried and respected. The *nakamal* approach to conflict is a low cost alternative that has been increasingly used for other purposes, such as policy consultation, forums, and seminars. The church, government, and non-government organisations come to *nakamal* to discuss their development plans and consult one another on issues where they have differences. Thus, the *nakamal* approach is an ideal model that could be integrated into a national system. In this way it is possible to explore possibilities for traditional practices to become synthesised over time into an inclusive national development process (Dryzek 2009). Of course, the direction of this evolutionary synthesis cannot be known; but it promises opportunities that are denied by prevailing governance gaps within Vanuatu society.

The participants in the MNCC Case Study acknowledged that the state has a shortfall in dealing with social conflict in Vanuatu. As the evidence suggests, the *jifly* institution is more effective in handling major socio-economic and political conflict that involves different ethnic groupings and organisations in Vanuatu, than the state is. Beginning at village level, the *kastom* authority handles all the conflict that occurs at the village or community levels (Forsyth 2009). Its organisational structure, as the present thesis argues, creates a foundation to enhance the role and participation of the *kastom* authorities and the rural population in the development of Vanuatu. This will create a sense of local ownership and leadership in the development process, and a strong local commitment to policy implementation, and enhance a sense of transparency and accountability at all levels.

This collaborative governance process will provide a greater opportunity for face-to-face dialogue with multiple networks and, in particular, the *kastom* authority and legislative authority over development challenges in Vanuatu. It indeed allows great participation of the *kastom* authority in actively contributing to setting the development agenda for Vanuatu. At the *nakamal*, the *kastom* authority has the sole right to mediate, chair, and facilitate the discussions, unless there is an alternative arrangement with the authority or organisation concerned. Formalising this process will
mean that development consultation with international development institutions will have to go through this new process. This will allow participation by everyone in local communities, to voice their views as to how best Vanuatu can be developed to achieve its development goals and objectives. This approach would be in keeping with contemporary governance theory, incorporating elements of deliberative governance and inclusive decision-making, as advocated by Ansell and Gash (2007), and improving the relationship between network governance and representative democracy (Chris, Helen & Stephen 2003).

Using the nakamal as a point of consultation would address three fundamental challenges that Vanuatu as a state would not be able to address without the the complementary efforts of the jifly institution and authority. Firstly, the nakamal gathers all levels of skills, education, languages, abilities, cultural backgrounds, and power inequality within and between different groups, community, and organisations. It is a neutral institution where everyone feels they are a part, and the kastom jifs genuinely attempt to ensure that everyone in local communities, including strangers, feel they are included as part of the nakamal. Secondly, the challenge of remoteness and infrastructure can be alleviated with an integrative approach using nakamal and jifly institutions, because they are close to people and exist in all communities where the people live. The MNCC respondents acknowledged that the kastom jifs work voluntarily and are not motivated by money or status to do their traditional roles in maintaining peace and looking after the wellbeing of their communities. In other words, the kastom jifs do not get paid for their roles in local communities, regional and sub-regional, except at the MNCC level, where they get sitting allowances. Wherever people live in the rural and remote islands of Vanuatu, there is a nakamal institution, and the kastom jifs use nakamals to meet different dignitaries who visit their villages or local communities, and arrange for well-understood and accepted patterns of dialogue.

Finally, the nakamal approach to development consultation, as is argued in this thesis, is an effective form of collaborative governance that can be used to develop models of participatory democracy that include traditional authority structures. It is informal and relevant to people in remote and rural communities of Vanuatu and, most importantly, development consultation can be communicated on their level of understanding. Even in places where there is no permanent nakamal institution, the kastom authority and its people resort to other options such as using the shade of a banyan tree or any other tree that is ideal for meeting place. For instance, in Tanna, kastom jifs have used the banyan tree as a nakamal where people in local communities meet to discuss and resolve conflict. As the data suggests, there would be increased participation if the government embedded the nakamal institution in the process of its development consultation and agenda setting. This approach would allow greater inputs from local communities and contribute to the reduction of social and political tensions between different development models and values and, most importantly, improve policy implementation.
Furthermore, this collaborative governance approach would remove the adversarial nature of policy planning and implementation, and reduce conflict between the multiple networks of authorities that operate in Vanuatu. This would facilitate greater negotiation between and within different political authorities and provide significant opportunity for local input and participation. In this collaborative model the development agenda will be established at the nakamal level, which takes into account various recommendations from village, sub-regional, and regional nakamals. The role of the jifly institution should be to communicate face-to-face with the government to make sure that local inputs have been factored into national policy and planning frameworks, and this should be done through the familiar process of negotiation and discussion.

However, like any other models, the nakamal system of collaborative and deliberative governance has limitations, and these include and reflect power inequalities within traditional society, and significant differences in power and status between people depending upon their background, kinship, and gender; and advocating for this system of nakamal does not necessarily mean that it is a perfect solution, because there are shortfalls and challenges. Nevertheless, this thesis acknowledges that it is a starting point to create a system of government that can recover some lost state legitimacy through deliberation (Dryzek 2009) and effective communication with the broader population of Vanuatu. At the same time, it is acknowledged that there are many other issues to overcome and flaws to remedy within the traditional system of governance. The nakamal system is one real possibility, and it is recognised in this thesis as a significant and appropriate social institution that Vanuatu can draw upon to assist in the restoration of state legitimacy. It does, indeed, provide an opportunity to encourage people to start thinking again about how they would like to be governed at the national level and how national government might be better structured, and how then Vanuatu society as a whole can be progressively reformed.

In Vanuatu, kastom authority is still extremely powerful, but the nakamal system provides an opportunity to accommodate differences in status, gender, and power within an accepted nation-wide framework. The nakamal system and kastom authority are significant and should not be swept away for the sake of bringing in new political processes and institutions. This research recognises that the foreign pressure that Vanuatu experiences from international institutions such as World Bank and other development aid agencies tends to encourage, if not force people to abandon their traditional ways, which actually puts greater strains on social relationships and traditional political structures. The collaborative and deliberative governance model proposed here through the nakamal system is a mechanism to secure a basis for democracy that involves reflective acceptance of collective decisions by actors who have had a chance to participate in “consequential deliberation” (Dryzek 2009). It also provides an opportunity to restore some disconnects within Vanuatu society in order for the state to actually hold the society together as it goes through a process of significant change.
8.5 **Conclusion**
The *nakamal* approach outlined in some detail in this chapter has all the features of collaborative and deliberative governance, which can be used to moderate the current, more adversarial nature of policy approaches and planning. The *nakamal* approach is low-cost and hence cost-effective, and accessible to everyone. This research demonstrates that the *jifly* institution is an effective and relevant institution that has the capacity to address contemporary development conflict in Vanuatu society. The *kastom jifs* have used the *nakamal* approach to deal with social, economic, and political conflict at the local and national levels. It is suggested that the proposed collaborative governance framework be built on the existing local governance system of *nakamals*, and that this be integrated with international best practices of development consultation. This will help reduce tension and conflict between multiple networks of authorities, hence increasing the participation of local communities in the development process of Vanuatu. This, in turn, would allow for more effective evaluation of development projects. The findings of this research demonstrate that the *jifly* institution has the capacity and capability to play an effective role in bridging the current shortfall in governance and governmental approach to policy development and implementation.
Chapter 9: Conclusion

9.0 Introduction
This thesis has mapped out layers of customary practice and authority in Vanuatu and highlighted the ways in which their absorption into the modern structures of government has led to serious problems of official corruption. Certain sections of Vanuatu’s elites have used kastom authority, kinship networks, and the power of the state to entrench their interests and those of their clients. There is, however, an aspect of kastom authority that offers a means to break down these power structures, through processes of dialogue and reform that harnesses kastom practices as a way to re-engage the country’s populations, in a national governance reform process.

Whilst acknowledging the limitations of kastom governance, especially its conservative, patriarchal and hierarchical structures of authority, the institution of jifs at least enjoys a measure of legitimacy with the general population. This thesis offers a reminder that politicians and public officials in the legal-rational state of Vanuatu enjoy substantial patronage power as a consequence of their positions within the kastom authority network. The distinction between tradition and modernity is presented so as to contrast authority-making practices, between jifly clans, exemplified by nakamal, and the legal-rational processes of the state, exemplified by the use of patronage power, to effect the directions of state resources. The juxtaposition of tradition and modernity is used to stress that the practices of modern democratic state building have not been aligned to existing conventions of authority and social order so as to permit co-development and negotiation of shared understandings of how government should be organised. It is argued here that corruption is not easily stamped out in a context where networks of personal influence are woven through the fabric of the state government structure. It is important to recognise the legitimacy of power and authority outside that of the state.

This chapter concludes the findings of this research and demonstrates the significance of the contribution of the research. It consolidates the major findings that directly address the research aim and objectives that were formulated to inform this research. As such, this chapter is divided into five sections. The first section links the research aim and objectives with the key research findings and the conclusions that emerged from the discussion chapters. The second section demonstrates the original contribution to knowledge of this research. The third outlines the broader implications of the study and suggests policy and practical recommendations. The fourth recognises the limitations of this research; and the final section suggests possible areas of future research.

9.1 Linking research aims, key research findings and the research conclusion
Corruption is an on-going challenge, both in functioning democracies and in countries that are adopting new institutions premised on neo-liberal political democracy. Hence, since the mid-1990s it
has been perceived amongst neo-liberal proponents ‘that corruption constitutes an obstacle to domestic and global development, which itself is said to hinge on financial investment in nations exhibiting broadly liberal and democratic standards of good governance’ (Buchan & Hill 2014, p. 2). This view of corruption as an obstacle to domestic and global development shapes international efforts to formulate global development strategies against corruption. One of these strategies is the notion of establishing anti-corruption commissions or “watch-dogs” over the public service and elected officials; and these anti-corruption commissions have demonstrated clearly conspicuous features of liberal democratic practice that spread in countries that adopted Western liberal political institutions (Buchan & Hill 2014). As Buchan and Hill observe, at the supranational level, the anti-corruption conventions were adopted by the European Union in 1997 and the United Nations in 2003 (Buchan & Hill 2014; United Nations 2004). Building on this development apparatus was the work of international institutions, such as the World Bank, the International Monetary Fund, and other development aid agencies, where their focus from the late 1990s was on anti-corruption and good governance as a requirement for economic development. This culminated in the Governance and Anti-corruption Strategy announced in 2006 (World Bank 2006b).

Chapters Two and Four of this thesis illustrate that the global governance and anti-corruption strategies have flaws when they are applied in different socio-political and cultural contexts. This is because in developing countries the understanding of corruption and governance differs from the international applied definition - misuse of public office for private gain. In a similar vein, governance carries connotations of anything that is valued as moral and sensible practices in one particular cultural context; but these cultural practices may not have similar understanding when transplanted into another cultural context (Felson 2011; Rose-Ackerman 2010). The aim of this research, as stated in Chapter One, is to understand the sources of corruption within the Vanuatu government and society. This is followed with two additional objectives. The first is to explain corruption in the Vanuatu context. The second objective is to examine the potential for traditional institutions, especially the jifly institution, which enjoys broad legitimacy and credibility, to play a role in bridging conceptual differences of corruption and governance. To address these objectives, the following question was formulated: what are the sources of corruption within Vanuatu government and society?

This was followed with additional sub-questions that were answered using normative and historical approaches. A document analysis was conducted and followed up with an empirical analysis of the two case studies that were representative of issues and challenges questioned in this thesis. The methods of data collection deployed in the two case studies involved semi-structured interviews, policy and document analysis, and participation observation. The two case studies, document analysis, and chapters on cultural background and relevant literature generated useful data that informed the discussions in the following chapters. This section draws an overarching conclusion by linking the research question to the key findings and conclusion.
I have summed up the findings of this research using a simple illustration of a canoe, representing Vanuatu, and two paddles, representing traditional values of social obligation and authority and state legislative authority and governance. As depicted in Figure 9.1, Vanuatu’s Constitution recognises *kastom* authority and legislative authority as independent institutions that operate in a partially empty political space. However, the findings of this research suggest that the shifting of *jifly* institution to a legal-rational world was done with limited consultation and negotiation with local communities; and this attempt is represented by the two paddles being on one side of the canoe. As a consequence, the nation of Vanuatu is built on two systems of authority that work in contradiction to each other. This contradiction is evident in different expectations about rulers and ruled, and, most importantly, from different social norms under each authority system, which creates a significant gap in understanding. This gap, between *kastom* authority and traditional values of social order on the one hand, and those of state legislative authority and governance expectations on the other hand, provide room for practices that are frequently deemed as moral and sensible in traditional local communities of Vanuatu, but have been interpreted at the state level as corrupt. In other words, there are complex governance and government shortfalls that cannot be easily solved by implanting institutions without consultation and negotiation with targeted recipients. The reform spearheaded by the state in collaboration with external development agencies would seem to put more concentration on formal state institutions, with limited consideration given to informal governance structures.

**Figure 9.1** Existing gap between *kastom* authority and social order and state legislative authority

Source: Author’s own work
This thesis has demonstrated that in Vanuatu corruption emerges as a consequence of conflicting values in localised socio-economic organisations and political institutions. As such, the charges of corruption are confined to imposed legal-rational organisations that owe their legitimacy to the rule of law and which are funded by public money. The identified corrupt charges laid against public officials too often stem from: the political appointment of unqualified personnel to public positions; conflict of interest in granting loans, licences, land leases and contracts; work outside government policies, rules, and formal procedures; and lack of respect for the rule of law or wilful refusal to be bound by the rules (Cain & Jowitt 2004). This thesis demonstrates that, by understanding traditional kastom practices, the traditional basis of authority, and how people in traditional positions of power have in some cases been able to use them to corruptly gain access to state resources, corruption can be better targeted and addressed within Vanuatu government and society. Hence, there is a need for greater consideration of the traditional cultural dimension, where anti-corruption strategies connect with the expectations of people far removed from the centre of political power.

The purpose here is not to argue for the acceptance of personalised power or the misappropriation of state finances, but to highlight the need to change social expectations in rural areas in order to convince people that government is not a matter of power and control over resources. This thesis advocates for ways in which traditional ideas and practices, and the modern world, can be better reconnected so that society can be reformed in a way that does not generate conflict. As such, it is suggested that nakamal system and traditional authority structures, despite their limitations, provide an avenue for Vanuatu to restore state legitimacy by involving the whole society in participation in a reflective processes that leads to collective decision. The international and bilateral donors focus on the importance of tackling corruption, but they do not actually understand how to tackle corruption in a country like Vanuatu. Corruption is seen by these bodies as being similar in all countries; but it is not. There are differences, and there is a need to take into consideration local cultural variations and traditional differences, and understand the nature of local practices that are considered corrupt. What is frequently deemed corrupt practice in the legal-rational world is deeply embedded in traditional values of obligation and authority; and as a result addressing corruption in Vanuatu is sensitive and complex.

This research has demonstrated that it is possible to reform or change Vanuatu society for the better: Vanuatu’s public institutions are not static, and it is possible to effect change. However, such change requires a deeper, more profound understanding of the nature of the challenge of corruption. The answer, therefore, is to actually reconstruct kastom practices, or to construct new but familiar ideas about governance in Vanuatu that are more closely in harmony with traditional lines of thinking about what constitutes government and good governance. In other words, the following questions need to be
raised within the local context: What is a good government? What is the right kind of authority? What legitimates and justifies political authority in Vanuatu? What qualities do we expect of the good leader? These are the foundations upon which good governance needs to be built in Vanuatu. It is about finding the right kind of language to discuss governance and corruption in Vanuatu, rather than just importing language from the World Bank, AusAID, and development aid agencies. As John Dryzek suggests, ‘democratic politics has to be politics in the vernacular’ (2009, p. 1394). The findings of this research illustrate that a much bigger obstacle to effective participation of the whole society as a whole is when elites cultivate a form of alien language unavailable in local dialect to the masses, as a way of bolstering their standing and power. The concept of corruption and public interest are cases in point.

Understanding sources of corruption as emerging from the collision of social values and practices in a localised context, this thesis draws on the *jifly* institution as a connecting node between the state and other political authorities. Despite frequent, often opportunistic, political criticisms, the *jifly* institution and its roles have proven to be adaptive and resilient in addressing contemporary development conflict using traditional conflict resolution mechanisms. As a consequence, it is suggested that the traditional *nakamal* approach to conflict resolution has all the democratic values of participation, transparency, consensual decision making, inclusiveness, accountability, and responsiveness (Walker and Garu 2009). The process of arriving at consensual decision-making involves intense debates, consultation, and negotiation between *kastom* authorities and local communities (Lindstrom 2010). This interactive and deliberative culture has the critical tools of policy credibility that, this research suggests, are needed for the state to integrate into its national policy making process. Indeed, the *nakamal* approach is cheap and is accessible to the whole population of Vanuatu. It is a convenient source of meeting where different political authorities and organisations can come down to the community level and talk face-to-face. The *nakamal* approach would arguably reduce the adversarial nature of policy decisions and planning in Vanuatu through the virtues of communication where individuals reflect on their preferences and are open to preference change. It is an avenue that normalises power inequalities and creates opportunities for local communities to participate freely and express their views unreservedly. The negotiation and consultation at the *nakamal* level, as this thesis argues, will assist in eliminating conceptual misunderstandings of corruption and governance, and will also reduce the power challenges. It will, furthermore, give more sense of leadership to *kastom* authority over the development of Vanuatu.

9.2 The original contribution of this research

Corruption is a perennial problem; however, in Vanuatu it appeared on the government development agenda and other development reports in the early 1990s. In the South Pacific region there seems to be little in-depth scholarly writing on corruption. Two of the authors that have made substantive
contributions to knowledge about corruption in the region are Peter Larmour and Ron Crocombe. Their scholarly writings focused on the overview of corruption in the region, but without focusing on specific cultural contexts. Others combined governance and politics, but without making corruption their main focus (Huffer 2005). In addition, a few case studies and reports have been published over the last two decades: in particular, the Ombudsman reports, the National Integrity System Assessment reports, and other published materials by Transparency International and other aid agencies such as AusAID, the World Bank, ADB, and UNDP. However, most of these works are descriptive and rather superficial in nature, rather than analytical, and hence provide little information about corruption beyond the different forms it takes in various parts of the regions. Indeed, there is no nuanced analysis of each state in the South Pacific region about the sources of corruption. In addition, there is little evidence of sustained research at the local or community levels. In the area of governance, corruption is perceived by the international institutions and aid development agencies as a cost to development progress and, therefore, much effort and resources have been undertaken by econometricians to identify causes and impacts of corruption on development in developing countries.

The present research has highlighted a wide range of theoretical and empirical issues relating to governance and corruption in Vanuatu and, more broadly, in other Pacific countries. Despite contemporary scholarship on governance and politics in the Pacific there remains a dearth of scholarship on Vanuatu. Hence, this thesis contributes to academic knowledge in the areas of governance (finding best fit institutions) by undertaking a detailed study of local political culture and analysing how it can be best integrated with best international political practices. Furthermore, this research study also adds a new perspective to the understanding of corruption in Vanuatu, and how individual states in the South Pacific region can build resilient governance institutions using available cultural and traditional institutions to restore state legitimacy. The findings of this research suggest that corruption in Vanuatu emerged as a consequence of the collision between traditional values of social obligation and authority, and state governance expectations. The gap between the two values leaves a space for certain practices that can be interpreted as corruption from a Western perspective, but can be understood in the local context as moral and acceptable behaviour. Understanding sources of corruption as a consequence of the collision of these social relations in a localised context helps us to appreciate that corruption cannot easily be wiped out with imposed global governance standards and political institutions.

Therefore, changes can only be made by recognising traditional values and understandings of social order and authority in the local context. It is argued that there is a need to work with these values and through negotiated and accepted international political values. Taking this view, good governance should flow from a myriad ways of working together, so that the differences within and between multiple networks of authority are settled through negotiation, consultation and participation, by everyone in local communities working towards achieving development objectives. Under this
approach there is a shift of perspective, from seeing traditional values of social obligation and authority as causes of corruption, to a view of traditional governance institutions as being part of the process of eliminating corruption. This view has both practical and theoretical implications, to which this research is making a new contribution by examining how corruption can be alleviated and governance can be better addressed in the context of Vanuatu and, more broadly, across the South Pacific region.

9.3 Implications of the research

This research has both theoretical and practical implications with regards to strategies that international institutions such as the World Bank, the United Nations and other development agencies use in approaching corruption and governance in Vanuatu. The gist of the argument put forward in this research is that the persistent failures of the international institutions to recognise and work with local values of social obligation and authority is a primary cause of persistent corruption and governance failures in Vanuatu. Governance models in Vanuatu need to build upon existing institutions, through a process of education, deliberation, negotiation and consultation with kastom authority, the state, and other multiple local governance networks that have a different view of leadership. This implies that government and development institutions in Vanuatu have to change their mind-set and approaches to development, and acknowledge different multiple local governance networks that exist in the country. As the research finding has demonstrated, Vanuatu is still holding on to the traditional mode of governance where power is centralised and development policy, planning and implementation emerge top-down at the expense of other multiple governance networks and local communities.

The Constitution obliges the two authorities (kastom authority and state) to consult on all development aspects that impact on the people, land, and kastom governance. The collaborative governance framework, using the nakamal approach, will help the state to engage fully with different local governance networks using kastom governance of nakamal (Ansell & Gash 2007). This, indeed, provides the opportunity for the kastom authority to engage fully with the state in nakamal to set the development agenda and participate in the sharing of development benefits and in the implementation process. The implication is that the state has to accept a shift from centralised power to decentralised power relations, and identify key driving players in the state’s development through which it can established a fruitful working relationship to promote development objectives. Figure 9.2 sums up the proposed collaborative and deliberative governance framework outlined in Chapter Eight, and suggests that one way of eliminating this conflict is through consultation and negotiation at nakamal meetings, which would give a greater sense of responsibility to kastom authority in the national affairs of Vanuatu and also involve the whole society to drive major reforms.
In Figure 9:2 the canoe represents the nation of Vanuatu travelling on a socio-economic and political journey. The two people steering the canoe encompasses the two sets of authority. Unless they can work together the canoe will founder or capsize. This thesis illustrates that for the last three decades Vanuatu has experienced governance and government shortfalls that have had great impacts on its development outcomes. Hence, this critical need for working together is inevitable in the present changing development context, as many of these new development initiatives require a resilient and balanced governance system.

In order to facilitate effective team work there is a need to demarcate clear roles and to indicate where complementary efforts are needed within a range of multiple local authorities. The findings of this research demonstrate that the Constitution clearly stipulates the jurisdiction of the *kastom* authority, which is at the provincial and local levels. In the process of writing this thesis, the present researcher has become aware that the Government has begun the process in TAFEA province of instituting *jifly* institutional authority to control development at the provincial level. This will help in reducing the power battle between legislative authority and *kastom* authority and, most importantly, in alleviating the development hurdles that emerge from land disputes. In addition, with the new Customary Land Management Act and Land Reform Amendment Act of 2014, the *kastom jifs* are empowered to hear their custom land cases in their individual *nakamals* instead of in Western style court rooms (Garae 2015). The proposed collaborative governance framework in Chapter Eight accommodates this new emerging process, of shifting power to *kastom* authority at the provincial level and managing the power relationship at the *nakamal* institution. As discussed in Chapter Eight, the *nakamal* is an avenue where the question of power differentials, human rights, and gender issues can be addressed.
more successfully and a place where collective decisions can be made. It is further suggested that the *nakamal* also has the credibility to manage the differences in a way that promotes harmony and facilitates development objectives. Thus, this research offers more practical and nuanced ways of closing the gap between different understandings of social obligations, expectations, and authorities. It also identifies and indicates how more effective international development initiatives and approaches can be integrated with existing local governance practices to build resilient and inclusive governance in Vanuatu.

In practice this means that it is now time to shift the focus from perceiving informal local institutions as a weakness to an analysis of them as a source of resilience assisting growth-enhancing governance in the development context of Vanuatu. The international institutions have to accept that governance is not about imposing best practices and offering technical solutions, but is more about finding the best fit (Carothers & Gramont 2011; IDS 2010). In recent years there has been a shift in discussions among development practitioners, academics and aid institutions to deliberation on how the local context can become the solution to the development challenges in developing countries (Carothers & Gramont 2011). The proposed *nakamal* system, although containing imperfections like any system of governance, nevertheless would enable the state to reconnect with existing traditional authority structures in navigating different development issues, and to be able to construct a meaningful reform in Vanuatu society. The shift from best practices to best fit institution implies that informal institutions are now a critical development equation in developing countries. The academics, development practitioners, and international institutions such as the World Bank and the United Nations have to accept and learn from their past experiences that informal institutions, such as *kastom* governance in Vanuatu, can offer solutions to many development challenges in the country. Hence, there is a need to change the mind set and development approaches, both in theory and in practice, as well as in terms and in conversation, to address governance challenges in Vanuatu.

9.4 Limitation of the research
The major focus of this thesis is to identify strategies to close a conceptual gap in social and political system and, as a consequence, to establish a bridge that will facilitate greater inclusiveness and build a resilient governance system in Vanuatu. In other words, this thesis is about addressing the critical gap between localised social obligations and expectations, and the legal-rational model of governance. Reporting of research findings has to some extent been limited by the identification of the sources of corruption within the Vanuatu government and society as a consequence of the collision between traditional value of social obligation and authority and the state governance expectations. The focus was on the point where the two sets of values failed to engage and, as a consequence, collided. It was at that point that the sources of corruption in Vanuatu society were found. This was explained through an understanding of traditional *kastom* practices, traditional basis of authority and how people in
position of power have in some cases been able to use their power to corruptly gain access and extract state resources for their own personal benefits.

As a consequence, this thesis is about the sources of corruption, and is not specifically about the impacts of corruption on the Vanuatu government and society, although these are investigated in some detail. Understanding the sources of corruption as a collision between different values operating in a shared common political space helps in formulating specific policies and programs that can alleviate corruption in newly developed states such as Vanuatu. Future research should focus on causes and impacts of corruption in Vanuatu.

9.5 Recommendations for further research
This research has highlighted a wide range of theoretical and empirical issues relating to governance in Vanuatu and, more broadly, in other developing countries. The knowledge of traditional values of social order and authority is limited in the realm of development studies, and little empirical evidence has been available to policy makers and international development institutions. To create a best fit governance institution, there is a need to undertake a detailed study of local political culture and analyse how it can be best integrated with best international political practices. This research has contributed to this process. This is particularly critical given the very recent catastrophic cyclone that devastated much of my country.

There is a wider empirical and understanding gap between kastom governance and state governance expectations. As such, one area that further research could focus on is more local traditional values of social order and authority and how best they can become a solution for development challenges in Vanuatu. Another avenue of research would be to consider how kastom governance and authority impacts on the legal-rational principles of public administration and how they can be re-written to accommodate existing traditional values of social orders and practices. Furthermore, future scholars are encouraged to consider undertaking research on how Vanuatu could develop formal practical strategies for legislative, legal, and education methodologies for implementing the suggested recommendations made in this thesis. These practical strategies could also explore in detail the potential for traditional institutions, especially the jifly councils which enjoys broad legitimacy and credibility, to play a pivotal role in building a resilient governance system in Vanuatu and to contribute to bringing modern and traditional concepts and practices of governance.
9.6 Conclusions

Institutional designs that do not give greater relevance to the local context have serious flaws, which this research has identified. These flaws encourage certain corrupt practices detrimental to overall development objectives. In Vanuatu, corruption stems from the Government operating inappropriately because of the increased demands, ambiguities, clashes and conflicting values of social order and authority, including tensions in the practice between state governance and kastom governance. As indicated in Chapters One and Two of this thesis, corruption is a term that is restricted to and understood mainly within imposed political institutions, and thus it relates more to the activities of those employed in public offices as civil servants and members of Parliament. In other words, people who work in public offices are more likely to be charged with corruption and be under public scrutiny compared with kastom authority and ordinary citizens. And, in a narrow sense, this is most probably how it should be; but it does very little to assist in the understanding of or alleviating the challenges of corruption.

The gap in understanding between the two worlds can be bridged using the existing governance institution of the nakamal. The nakamal is a meeting place that is flexible enough to be accessed by everyone in local communities. It is also highly regarded and valued. Its functions have been increasingly moving towards various development consultations, including seminars, symposia, conferences, and summits, and very recently there has been increasing recognition of the roles the nakamal can play in meeting Vanuatu’s governance and development challenges (Garae 2015). Giving greater recognition to kastom institutions and authority in development would certainly reduce the adversarial nature of policy and planning and, most importantly, reduce the conflict between emerging expectations and different values of social order and authority in Vanuatu.
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Appendix A:  Interview questionnaires

A) General questions

- What is your understanding about government?
- What is your expectation about government?
- Why is appropriate development not happening in other islands?
- How would you describe the relationship between state and *kastom*?
- What is *kastom*?
- What is your understanding about *kastom* governance?
- How important is the *kastom* governance today?
- What roles does *kastom* governance play today in the development of Vanuatu?
- What are some of the features of *kastom* that we can develop or better utilise to support development today?
- What are some good examples where the two systems seem to work together?

B) Specific question on the two sets of case studies

<table>
<thead>
<tr>
<th>Case study One</th>
<th>National Malvatumaui Council of Chiefs</th>
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<tbody>
<tr>
<td><strong>Objective One</strong></td>
<td>explain how the “collision” between traditional values of social order and authority, and modern imported models of rational-legal government, creates opportunities and incentives for practices deemed “corrupt”</td>
</tr>
<tr>
<td><strong>Objective Two</strong></td>
<td>examine the potential for traditional institutions, especially the <em>jifly</em> councils which enjoy broad legitimacy and credibility, to play a pivotal role in building a resilient governance system in Vanuatu and contribute to bridging modern and traditional conceptions and practices of</td>
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<tr>
<td>Questions</td>
<td>Who is a <em>kastom</em> chief?</td>
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<td></td>
<td>What is the relevance of the National Council of Chiefs?</td>
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<td></td>
<td>What are the roles of chiefs today in the development of Vanuatu?</td>
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<td></td>
<td>How satisfied are the people with the role and services provided by the <em>kastom</em> authority?</td>
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<td>How does the National Council of Chiefs represent and promote the <em>kastom</em> governance in Vanuatu today?</td>
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<td></td>
<td>What are some of the areas where the chiefs work together well with the government to bring services and development to the people? What are some of the problem areas?</td>
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<td>How important is the collaborative working relationship between the national government and Malvatumauni Council of Chief?</td>
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<td>What are better ways to improve working relationships between the two systems?</td>
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<tr>
<th>Case study Two</th>
<th>Development Bank of Vanuatu (DBV)</th>
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<tr>
<td>Objective three</td>
<td>Understand corruption as a consequence of social and political tensions traceable to the colonial era in Vanuatu</td>
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<tr>
<td>Questions</td>
<td>What is your expectation of DBV?</td>
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<td>Why people are not satisfied with the services of DBV?</td>
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<td>Why Government closed DBV?</td>
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<td>What is corruption?</td>
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<td>Do you have the concept of Corruption in your own language?</td>
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<td>What would you consider as corruption in your village?</td>
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<td>Why corruption is bad?</td>
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<td>Why do you think there is corruption?</td>
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<td>How should we stop corruption?</td>
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<td>Are there any other issues that we have not discussed and that you find worrisome?</td>
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<tr>
<td></td>
<td>Do you want to add anything on the challenges of DBV services?</td>
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