

## *Island Microstates: The Mirage of Development*

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There are twenty politically independent island microstates in the developing world—that is, states with populations of less than a million (Table 1). Though various definitions of *Third World microstates* are possible (that might also include Mauritius, Nauru, or Singapore) none are as convenient as this crude generalization. In this paper I examine development trends in these states, reflect on the meaning of independence, and compare and contrast the experience of these states with dependent and often neighboring territories and colonies. In particular I focus on the extent to which the structure of economic change is conducive to long-term development, and seek to compare the experiences of Pacific states with those of other island microstates. These experiences are often shared by larger countries (such as Jamaica or Papua New Guinea) and by landlocked states, either in Africa (eg, Lesotho) or Asia (eg, Bhutan) or even in Europe (eg, Andorra and Liechtenstein): “it is not always easy to disentangle the effects of smallness from those of remoteness and peripheralness—or from those of newness. It may not in the end be specially profitable to try to do so” (Davies 1985, 248; cf, Connell 1988a). I shall not do so here. Islands are not so unusual, but small island states are quite different from larger states, in the structure and context of their economic development.

Definitions of development have been legion, mainly revolving around issues such as basic needs, equity, self-reliance, and power. More than twenty years ago the economist Dudley Seers suggested, “The questions to ask about a country’s development are: What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality?” (1969, 3). This perspective subsequently expanded into the concept of “redistribution with growth” (Chenery et al 1974),

Table 1. Island Microstates, 1988

	Population (thousands)	Area (sq km)	Population density (persons per sq km)	GNP per capita US\$	Life expectancy
CARIBBEAN					
Antigua and Barbuda	78	442	176	3,690	73
Bahamas	244	13,940	18	10,700	68
Barbados	254	430	590	6,010	75
Dominica	82	750	109	1,680	74
Grenada	94	345	272	1,720	69
St Kitts-Nevis	42	269	156	2,630	69
St Lucia	145	616	235	1,540	71
St Vincent and the Grenadines	120	388	288	1,200	70
INDIAN OCEAN					
Comoros	442	1,865	236	440	56
Maldives	202	298	678	410	60
Seychelles	68	404	168	2,800	70
ATLANTIC OCEAN					
Cape Verde	360	4,033	89	680	65
Sao Tome and Principe	119	826	144	490	65
SOUTH PACIFIC					
Fiji	732	18,272	40	1,520	71
Kiribati	67	690	97	650	55
Solomon Islands	303	28,530	11	630	64
Tonga	97	700	139	830	66
Tuvalu*	9	26	346	570†	68
Western Samoa	159	2,935	54	640	66
Vanuatu	147	11,880	12	840	64

Source: World Bank, 1990, 243.

Note: Because none of these data can be considered wholly accurate, the table is included solely for comparative purposes.

\*Data for Tuvalu are from *Pacific Economic Bulletin* 1990, 5 (1): 36.

†1980.

Seers expanded his perspective to embrace "greater independence with redistribution and growth" (1977, 5), and much debate surrounded the definition and use of various concepts of basic needs (Connell 1980, 64–71). Few concluded that development was anything other than complex, multifaceted, and relative. Wallman stated development to be "a progression towards the (better?) meeting of basic needs, and . . . a progression towards (greater?) autonomy and authenticity of self and/or nationhood" (1977, 12). This paper is situated in the context of these diffuse perspectives on development.

Most island microstates became independent in the 1960s and 1970s, an era of extraordinary optimism over the prospects for development in the emerging states of the Third World. Even so, not all tiny states sought independence willingly; some preferred federation with neighboring states, others had independence largely thrust upon them (eg, Kiribati, Solomon Islands), and many small islands (notably Anguilla) struggled successfully against any prospect of independence. Few (like Vanuatu) were forced to fight for independence. The movement toward independence for island microstates coincided with the efflorescence of development studies; in the 1970s there was an explosion of institutes, journals, courses—and, of course, consultants and their range of advice. Newly emerging states (like Papua New Guinea) were offered "a model of development to avoid" (Hart 1974)—based on the disappointing experiences of sub-Saharan African states—on the assumption that the principle gain from "late-development," or at least late independence, was that the successes and failures of previously independent states would provide powerful lessons. One way or another, development strategies sought to build on what had gone before.

The development plans and policies of the newly independent states were oriented to the classical task of maximizing local resources, though these were recognized to be often extremely limited. They focused on the export of agricultural and fisheries products (and minerals in the rare cases where they existed), assumed that industrialization would eventually follow and that it would initially be oriented to import-substitution and the processing of agricultural goods, along the lines of Michael Lipton's dictum "if you wish for industrialisation, prepare to develop agriculture" (Lipton 1977, 24). In this scenario, the role of tourism was ambivalent; in the Caribbean it was already well-established, but in the Pacific it was less welcome because of its feared cultural implications and seen, in every

way, as something of a "last resort" (Lea 1980). Development strategies were evolutionary rather than revolutionary, stressing the necessity for a greater degree of self-reliance, which would inevitably follow the emphasis on agriculture (especially subsistence agriculture) and fisheries. Even the most dependent territories, such as the Northern Marianas, sought greater self-reliance—by which time the basic philosophy had become little more than a rhetorical incantation. Eventually, it was recognized, as the former president of Palau observed, that "we have to educate the people to the need for sacrifice. So we will have to use dependency to achieve self-sufficiency" (quoted in Connell 1988a, 16). Aid was widely expected to play some role in the structural transformations required to achieve greater self-reliance.

Clearly it was not going to be easy for island states to achieve either greater self-reliance, or, in any conventional sense, the transition to developed country status. Such concerns had often delayed independence, because both colonial administrators and dependent populations feared that small size might be a constraint on development. However, size was never a criterion for statehood; the traditional criteria were the need for a permanent population, a defined territory, a government, and the capacity to enter into international relations with other states. A litany of now-familiar problems emphasized the difficulties of development: remoteness and isolation (hence high transport costs to remote markets), diseconomies of scale, limited natural resources, substantial trade deficits (but considerable dependence on trade with metropolitan states), few local skills, vulnerability to hazard, disproportionately high expenditure on administration, political fragmentation, and a dependence on external institutions for some key services (eg, universities and banks). Political systems were fragile, ecological structures were vulnerable, and economies lacked diversity. Set against these disadvantages were few obvious advantages: isolation had led to some degree of cultural preservation (but language groups were often so small that their integrity was often disrupted by a modern world of education and mass media); at the same time, isolation had led to many remote islands having strategic value (a situation that often enabled financial gain, but not without considerable social cost, as the situations of Bikini and Ebeye in the Marshall Islands, or Diego Garcia, have well illustrated). On balance the constraints on development appeared to overwhelm the advantages, a situation that was dismissed in the immediate



postcolonial era as a first generation of leaders undertook to transform new nations. The stage was set.

### THE DEVELOPMENT OF NATURAL RESOURCES

Without exception island microstates were characterized by their agricultural economies, a situation that usually continued well into the second half of the twentieth century. Outside the Pacific, plantation economies historically dominated the agricultural sector, but in the twentieth century the plantation system, and the "coconut overlay," reached the Pacific Islands, freezing land areas, and ushering in a world of monetization and commodity consumption. The inheritance of plantation systems has often proved a burden rather than a blessing; land reform has become a constant theme of agricultural development, especially in the context of (usually) rising population numbers; and virtually nowhere does agriculture still characterize the economies of island microstates, except in terms of employment (though not in the formal sector).

A small number of island microstates—notably the three Atlantic states of Cape Verde, Sao Tome, and Principe and the Indian Ocean state of Comoros—have experienced agricultural problems that have brought them close to famine. Their situations, and to a lesser extent those of such atoll states as the Maldives and Kiribati, are of continuing concern. There and elsewhere a number of general trends have influenced the direction of agricultural development. First, attitudes toward agriculture and agricultural employment have changed substantially; in parallel with the increased need to earn cash, agricultural work throughout the island microstates has lost prestige, and the declining participation of young men especially is ubiquitous. Changing aspirations are not solely the province of young men; in Tonga "one often hears parents expressing the wish that their children 'work at something better than agriculture' even though they themselves are farmers. This 'something better' invariably refers to white-collar jobs which carry with them a lot of prestige" (Fred Sevele, quoted by Bedford 1980, 49). In Fiji youths "are taught to value white-collar occupations and farming" (Naidu 1981, 8). Such attitudes, alongside the expansion of urban employment opportunities (at home or abroad) have led to migration (and emigration), increasing the dependency ratio in many rural areas, leading to an aging and often more female

population, imposing heavy burdens on those who remain, and often leading to declining agricultural production both in total and per capita. Migration has led to a general decline in the use of marginal and distant land, a process that has gone on for several decades in many island microstates, and left several Caribbean islands (even such small ones as Antigua) with as much as a third of potential agricultural land lying idle.

Changing attitudes to agricultural employment parallel changing attitudes to food consumption. Changing tastes, monetization, prestige, and the cost and availability of imported foods have led to a rapid movement toward "food dependency," a situation where food and beverage imports are disproportionately high. In half the island microstates more than a third of all imports by value are foods and drinks, leading to a greater incorporation in the world trading system, in which the terms of trade rarely favor island commodity producers. The simultaneous decline in subsistence agricultural production and growth of imported food consumption (especially tinned meat and fish, rice, biscuits, and flour) have reduced the regularity and variety of food consumption (because cash flows are variable) and substantially increased the incidence of diet-related diseases such as diabetes. There has been a disintensification of traditional agricultural systems (and a switch to low intensive crops such as cassava, with negative nutritional consequences); a loss of variety (in gardens and through hunting, gathering and fishing); and the resultant loss of what has been termed in Fiji the "subsistence safety net" (Taylor 1987).

Agricultural economies, even in historical plantation states, have usually become increasingly specialized, favoring a small number of export crops such as sugar, and these crops have generally benefited from the concentration of public expenditure (research funds, loans, provision of infrastructure, etc) in these export-oriented areas. By contrast public expenditure on food crops is notoriously lacking. Although at particular times island microstates have achieved niches in the world market economy for such minority crops as ylang-ylang (Comoros), ginger (Fiji), and vanilla (Tonga), only exceptionally have these proved to be long-lasting and capable of supporting more than a minority of farmers. More generally, even relatively large states such as Mauritius are highly dependent on a single export crop; monoculture has led to intermittent "Caribbean sugar crises," a severe recession in Sao Tome (when cocoa prices fell), and declining production (and export) at times of falling prices. Diversification has rarely ensued. In exceptional circumstances, however, some

island microstates have filled a new niche with one particularly successful product—marijuana. Even in the large island state of Jamaica it is the single most important export by value (though no statistics record this fact); in Palau it is also the most valuable export. In St Vincent it has not only brought new wealth into the community but “it is fostering a reduction in the stigma attached to working land amongst young people, and this may be its most important legacy” (Rubenstein 1988, 130). It is, of course, universally illegal and poses certain obvious problems.

Several disadvantages are associated with the concentration on and export of a small range of crops from island microstates, including ecological problems, the similarity with other island microstates (and with much larger tropical countries, where there are economies of scale and better market access), and the vulnerability to fluctuations in world market prices. Crucial to success has been the ability of many island microstates to negotiate bilateral agreements that give special advantages and avoid competing at global price levels; such exclusion from free market conditions has further emphasized the concentration on export crops. This has been particularly true for sugar producers, with preferential access to both the European Economic Community (EEC), through the Lome Convention, and the United States. For example, Fiji sells three quarters of its sugar under favorably priced contracts, giving it “a degree of price stability and security and . . . in recent years, prices above the world market average” (Fairbairn 1985, 99). Where special agreements have been reached, as in the Caribbean, “the misery of growing cane is nothing compared to the misery of growing other crops” (World Bank 1987, 3). Away from particularly favored commodities such as sugar, the prospects are more limited; copra producers, for example, have few advantages. In a sense, “this process of subsidy amounts to a type of annually renewable aid package. But this is no ordinary aid package. Instead it is an aid package operated and administered by the full machinery of a national economy. This is aid with dignity” (Taylor 1987, 3). Fiji, like other island microstates, has no genuine comparative advantage in sugar production (as some assumptions about efficiency suggest) but, in fact has “a comparative advantage in the garnering of subsidies and long-term and short-term contracts for whatever it produces” (Taylor 1987, 10). Protected markets and subsidized prices have been crucial to agricultural development in island microstates. On balance, the high and stable prices paid for the crops that are currently grown appear to have overcome anxieties about

longer term agricultural diversification. Moreover, there is some probability that preferential access for most island microstates will continue, as has been well described for Fiji:

In a free-market world the comparative advantage of Fiji's farmers would sustain its principal exports, but at highly volatile returns owing to the sensitivity of world markets. The future would be one of constant stress, demanding all sorts of protective internal transfer measures to keep agricultural industries and the whole economy afloat. However, Fiji is also part of another world in which economic considerations do not have first place. The Lome Agreement, under which European over-suppliers support some of the production of their formerly colonial over-suppliers, is a striking illustration of behaviour in this world. Fiji's membership in the Africa-Caribbean-Pacific group assures it of the benefits which come from a conviction that it is politically necessary to keep the economies of these countries buoyant to avoid their descent into poverty, revolution and a shift in their allegiances. The survival of Fiji as a relatively prosperous, relatively stable cornerstone in a strategically delicate South Pacific is of importance to all the larger circum-Pacific countries, and to countries as far away as Europe. If Fiji needs to sell its exports in order to retain at least some development momentum, this strategic factor will ensure that those exports will be sold. Present trends in the geopolitics of the Pacific are Fiji's strongest guarantee of future export performance. (Brookfield 1987, 56-57)

For the moment those island microstates that are able to produce appropriate agricultural commodities and gain access to preferential prices can assume that these prices will not decline dramatically.

Where crops that attract preferences cannot easily be grown, the situation is quite different. Symptomatic of the problems of agricultural development in the more remote island microstates, especially in the Pacific, one review of agricultural exports in the region concluded that, "despite the fact that real prices remain near historic lows, improvements in the production, transport and marketing of coconut and coconut products probably offer the best short-run prospect for general improvement in trade balances in the region and the best short run means for improving the economic well-being of the region's families." Ultimately, though "long-run prospects for the export of coconut products offer little hope that they might provide a basis for financing major new capital development in the region" (Charle 1986, 26). Outer islands, and the atoll states, will be unlikely to share in the benefits of protected prices, which currently do not sustain copra prices at high levels, despite EEC support for copra-marketing boards.

The disadvantages and limited prospects of agricultural development beyond "protected" crops have convinced many observers that a continued focus on increased agricultural production in national development strategies for island microstates may be unwise. A review of South Pacific trade concluded that "the expansion of manufacturing capacity should be encouraged to offset diminishing returns to land. In this effort the guide should probably be the successful experience of East Asian countries which had adopted outward-looking, export-oriented industrialisation rather than import-substitution industrialisation" (Charle 1986, 30). How this might be achieved was unstated and, so far, industrialization of any kind, especially in the Pacific Islands, has been limited in its achievements.

Broadly, the same kind of cumulative downward spiral that has affected agriculture has also affected artisanal fisheries in island microstates, though less dramatically and less well documented. Considering the great extent of the fishing grounds that surround the island microstates, and the often-limited role of agriculture, artisanal fishing is an extremely underdeveloped economic activity. Several common problems have contributed to this: a lack of biomass (especially in atoll states), overexploitation, and the costly and uneconomic purchase of boats, gear, and fuel. Fishers are too often viewed, much like farmers, as unworthy of serious government investment of energy and resources. For example, in Mauritius there is reported to be an "island-wide mentality to view traditional fishermen with undignified contempt and to blame their distress and misery on insufficient volition and salubrity" (Paul 1987, 144). Marketing infrastructure for an extremely perishable product is often inadequate and, as in the Caribbean, "the policy of most governments has appeared to be in token form" (Walters 1984, 95), even behind that for agriculture. Successes have been few and far between.

Exploitation of the fisheries potential of the vast areas within the two-hundred-mile exclusive economic zones of island microstates is an even more challenging prospect. Current development potential is primarily restricted to the leasing of these areas to the deep-water fishing vessels of distant, richer nations. International restructuring, incorporating more capital-intensive purse-seiners demanding sophisticated technical skills, at a time of global market saturation, as well as the lack of onshore facilities, have restricted the attempts of island microstates to participate in this sector. Depressed market prices throughout the 1980s have also created problems for all countries with significant fisheries sectors. Moreover the EEC STABEX scheme, which provides concessionary finance for most agricul-



tural exports, does not apply to exports of fish. This is obviously significant for several island microstates, including Cape Verde, where fish constitute 42 percent of all export earnings; STABEX covers only 8 percent of all Cape Verde's exports. Island microstates have been primarily dependent on free market prices for fisheries development, and this dependence may constitute a further reason for the limited development of their national fisheries.

Only three island microstates, Fiji, Mauritius, and the Solomon Islands, have developed fisheries to the extent that they now operate nationally owned or joint-venture canning factories. Island microstates have yet to gain significantly from the 1982 exclusive economic zone legislation; moreover the countries of the eastern Caribbean have acquired exclusive rights "to some of the most biologically unproductive waters in the region" (Dolman 1985, 58). In the Indian and Pacific oceans the potential is greater, yet ocean space gains, because of nonexistent technical capacity to exploit them, are more theoretical than real, and even policing these waters is extremely difficult. The importance of Pacific Island microstates has been apparent in their almost total inability to restrict illegal fishing; for the foreseeable future the likelihood of their developing internationally competitive national fishing industries is very poor. However, it is one of the few realistic economic development prospects for this group and perhaps for some of their counterparts in the central Indian Ocean.

The fishing industry remains primarily based outside the island microstates. Although small fleets are now based in several Pacific states (including Kiribati, Solomon Islands, Tonga, and Tuvalu), and have been established through bilateral aid programs, capital ownership remains almost entirely in external hands, catches are small relative to those of overseas fleets, and the contribution to employment has been limited. Some of the world's largest transnational corporations are involved in tuna fishing and processing in the Pacific region, and some island microstates have had their tuna development plans disrupted by overseas activities. Few countries have control of the tuna resource or the capital to construct their own processing facilities; where they do, benefits other than licensing fees are virtually nonexistent since there is no local processing and no use of local workers for fishing or other activities.

Most processing is undertaken in rich countries, or in territories such as American Samoa. Fish prices are as flexible as cash crop prices. The col-

lapse of export prices, and the withdrawal of Japanese fishing companies in 1982–1983, led to the collapse of the promising Maldives fishing industry (Sathiendrakumar and Tisdell 1986, 281). In the Pacific a similar collapse enabled island microstates, through the South Pacific Forum Fisheries Agency, to eventually regulate the depredatory fishing activities of vessels of the American Tunaboat Association and achieve improved access fees. However, this change followed both a decline in the value of fish imports into the United States and an upward revision by the United States of the strategic importance of Pacific Island microstates, partly as a consequence of the leasing of fishing rights by Kiribati and Vanuatu to the Soviet Union. The signing of the Multilateral Fisheries Access Treaty in 1987, between the several members of the South Pacific Forum Fisheries Agency and the United States, was a significant development that guaranteed an income of US\$12 million per year over a five-year period. Most countries have entered into some form of agreement with metropolitan states, or with the EEC, for the leasing of national waters. However, because island microstates, even with enlarged exclusive economic zones where stocks are largely unknown, are seeking to enter a depressed and highly protected market in competition with metropolitan producers, even licensing fees have failed to live up to expectations. Nevertheless, those island microstates that do gain significant income from fisheries, do it primarily through leasing their waters rather than through owning fishing fleets. However, such countries receive less than 5 percent of the value of catches in their waters in licence fees (Fairbairn 1985, 82). Though such returns are small, they constitute a major source of revenue for some island microstates.

Few small island nations are minerals producers. Fiji is, however, a significant gold producer and has gained from the gold-price rises of the 1980s. Nearby Solomon Islands and Vanuatu, astride the Pacific “rim of fire,” are also poised to establish mining industries, though by their nature such industries are foreign-owned, generate little employment, may contribute to a “Dutch disease,” and pose some ecological problems. The contemporary violence of the nearby Bougainville gold and copper mine, where militancy over compensation for environmental problems escalated into a secession movement, and the social problems experienced in Nauru have emphasized the disadvantages of mining, but it does offer possibilities in a small number of places where there are proven resources. There are also prospects for the marine mining industry, none of which appear



imminent, and energy—in growing quantities—must invariably be imported.

The development of the natural resources (to which the timber industry might be added) of island microstates has become increasingly tied to the world political and economic system. Subsistence activities, whether in agriculture or fishing, have steadily given way to commodity production. Despite official emphasis on diversity, monoculture has thrived, and productive activities that are rural, labor-intensive, involve female participation, and incorporate appropriate (nonimported) technology have been replaced by their converse. Despite subsidized agriculture and the rental of coastal waters, national incomes derived solely from natural resources have been disappointing and have ensured that island microstates have sought to diversify beyond their supposed comparative advantage—the agricultural and fisheries economy—into other arenas.

### INDUSTRY, TOURISM, AND BEYOND

Two sectors—manufacturing industry and tourism—are quite conventional and, in the case of tourism, were well established in some states prior to independence. Classical industrialization, the establishment of import-substitution industries, has proved difficult because of standard constraints such as the small size, fragmentation, and low earnings of the domestic market; limited skills; few raw materials; inadequate access to technology and investment capital; high energy costs; and the lack of tariff protection for new industries. Most such industries are agro-food industries (bakeries, breweries, etc) characterized, in the eastern Caribbean, as the “Coke, Curtains, Coconut Cream and Corn Curls” phase of industrial development (G. Theophilus, quoted in Connell 1988a, 53).

Historically, the establishment of export-oriented industries proved even more difficult. Extra problems, in addition to most of the problems that faced import-substitution industries, included access to markets (in terms of both infrastructure and tariffs), small volumes of goods, and high labor costs. Consequently the few goods manufactured for export were those that had also played some role in import substitution—a variety of canned and packaged agricultural or fisheries products and, inevitably, handicrafts. In conditions of free trade the island microstates had few competitive manufactured products.

Open economies, enabling relatively cheap, untaxed imports, have dis-

couraged domestic investment (and much foreign investment). Where industrialization has been successful it has either, as in the case of the Seychelles, been hidden behind tariff barriers, or it has been highly dependent on the combination of private foreign investment and preferential access to metropolitan markets. In manufacturing especially, "the foreign sector is the economy" (Dommen and Hein 1985, 152). As UNCTAD recorded in 1985, "in a small country with no free trade, industrial growth may be inefficient, however, with free trade a small country may experience no growth at all and may in fact deindustrialise!" (UNCTAD 1985, 25).

Dependent industrialization or "industrialisation by invitation" (Barry, Wood, and Preusch 1984, 73) has been highly successful in a number of states. Spearheaded by low-wage Haiti, and assisted by the tariff exemptions of the 1982 Caribbean Basin Initiative, the growth of manufacturing is most true of Caribbean microstates, where high technology "screw-driver" industries in export processing zones are increasingly common. The factors that have contributed to industrialization there, and in other island microstates, include low wages and weak unions, substantial tax concessions, the "freedom to repatriate capital and profits" (as advertised in postcoup attempts to encourage industrialization in Fiji), and preferential access to the markets of metropolitan states. Caribbean states, for example, have preferential access to the United States (under the Caribbean Basin Initiative), to Canada, and to the EEC (under the Lome Convention); Pacific Island states have access to Australia and New Zealand, through the South Pacific Area Regional Trade and Economic Cooperation Agreement (SPARTECA), and also to the EEC. Though Brookfield has queried: "what greater form of dependence is there than imitation?" (1975, 202), industrialization now generates significant exports and incomes in several states. Despite new employment opportunities there have, however, been costs: women, and most workers in the new export processing zones are women, work in repressive, authoritarian conditions for very low wages. Many see factory employment as a means of acquiring industrial skills for subsequent emigration. Governments are rarely capable of reducing the substantial profit transfers of transnational corporations, so that increased employment is often the principal and only gain. Characteristic of the "new manufacturing" is the production of goods whose unfamiliar raw materials must be imported and that have limited utility in the island microstates: woollen garments are the major manufactured exports from Mauritius and Tonga, though few of the women workers have ever

seen a sheep or worn such a garment. Production is wholly dependent on external market conditions.

With few exceptions, there would be virtually no significant export industries without considerable positive discriminatory legislation in their favor, both in the island states and in metropolitan states. Though all trading agreements, such as the Lome Convention and SPARTECA, impose substantial restrictions on the range and volume of imports (that are now causing considerable frustration in Mauritius and Fiji), they have been crucial to industrialization and thus to economic diversification. Privileged access is always under threat in the export destinations, hence "the need for continuous political negotiation at the international level—an expensive proposition for a small country" (Hein 1986, 15). Clearly, privileged access depends on the political and economic situation in metropolitan states. One view of the Caribbean Basin Initiative is that "it has appeared at a time when these struggling countries have been forced to abandon their conventional inward-looking approaches to development, by which they had tried unsuccessfully to insulate themselves from world market pressures. Instead, they have begun to adopt export-promoting strategies similar to those that have proved so successful in East Asia" (Conklin 1987, 3). Ironically, yet significantly, this particular article is subtitled "A Regional Solution for America's Threatened Enterprise?" In the Pacific, the Pacific Islands Industrial Development Scheme was a New Zealand government financed plan to give their companies financial and other incentives to set up manufacturing and processing ventures in the region, in a policy described as "abetting not aiding" (Richardson, 1982). In many respects, even relatively successful industrial development in island microstates has been primarily dependent on the policies of both metropolitan governments and manufacturers.

As elsewhere in the world, the service sector has increasingly become the most dynamic sector in island microstates. Historically characterized by tourism, the service sector has now expanded to incorporate data-processing industries (especially in the Caribbean) and tax havens, as the finance industry has decentralized from heavily taxed metropolitan states. In a number of countries tourism is the single most important contributor to the gross domestic product. The few island microstates where tourism is unimportant—the Atlantic states, the Comoros, and the central Pacific states—are among the poorest of the least developed countries; interna-

tional transport constraints, the costs of inaccessibility, and limited facilities have prevented the genesis of the industry. In Tonga, where tourism is little more developed, explanations go beyond concerns over harmful cultural influences: "Without the involvement of foreign commercial and political interests, Tonga has not evolved the essential ties with metropolitan markets and their tourism companies. It would seem that Tonga's tourist industry has paradoxically suffered because the country was not exploited as a fully fledged colony" (Britton 1987, 131). This is no paradox. Access to metropolitan states is critical because there is minimal indigenous tourism.

Tourism constitutes perhaps the only economic sector where there are genuine comparative advantages for island microstates: clean beaches, unpolluted waters, warm weather, and at least the vestiges of distinctive cultures, though sometimes these turn out to be illusory. Competition between countries is considerable, tourism is unusually subject to the whims of fashion, and wages are often low. Structurally it is in some respects analogous to industrial export processing zones, though its concessional status is less evident; it is vulnerable to economic uncertainty (domestic and international), local and regional political instability, and to ecological changes that often result from tourism itself. The tourist industry has been advised to abandon its vestigial historic concern over cultural change. The World Bank, noting that the future expansion of tourism in Fiji may be limited because of inadequate superior quality shopping, hotel, and leisure facilities and sightseeing, also emphasized that Fiji was deficient because "the local culture has not been tailored and projected so as to attract tourist attention as has been done in Hawaii and Bali" (World Bank 1987, 14). Nonetheless, the most successful tourist states (such as Barbados, Bahamas, and Bermuda) enjoy the highest living standards and lowest unemployment rates of all island microstates. As Janet Momsen has concluded for the Caribbean:

In the present climate of international relationships tourism holds especially good prospects for the Caribbean as compared to other industries because it constitutes trade with the wealthiest countries in the world in a situation in which protectionism, which in this case would be the restriction of travel by North Americans and Europeans, is far more difficult to impose than it is to impose on visible exports from Third World countries. In the light of a reassessment of the long-term ability of the traditional exports to earn adequate

foreign exchange for Caribbean countries under declining terms of trade, tourism remains a vital element in the economic survival of these developing nations despite the social problems attached to it. (1986, 23)

Though this is undoubtedly true of the more accessible Caribbean, and has been true for some island microstates elsewhere, it is apparent that it will be difficult for such gains to be realized in the same manner in the more remote Indian, South Pacific, and Atlantic ocean states, or for there to be much localization of the industry.

In the search for diversity, as other sources of earnings have dwindled, financial service industries have gained in their attractions for island microstates and have certain advantages for them: "precisely because their economies lack internal linkages, there is little difficulty in designing a set of tax advantages which not only do not weaken the domestic tax base but actually widen it beyond what the local economy itself could achieve" (Dommen and Hein 1985, 166). For overseas corporations financial service industries enable international profit shifting through transfer pricing and the reduction of domestic tax liabilities. Most island tax havens are in the Caribbean (Cayman Islands, Bahamas), nearby (Bermuda), or near Great Britain, though Vanuatu has been a significant Pacific success story (Connell and Pritchard 1990). Newcomers, forced to compete with established players, have sometimes found the going difficult; problems of distance, competition, and inappropriate infrastructure have restricted the growth of even this extremely flexible and mobile activity. Its future growth is wholly dependent on the taxation regimes of metropolitan states; however, where secrecy provisions are considerable, as in Vanuatu, tax havens are likely to withstand many changes in metropolitan legislation.

Symptomatic of the limited success of manufacturing, and the growth of the service industry, is the manner in which the export of postage stamps has become a significant source of income, though in such small dependent territories as Pitcairn and Wallis and Futuna, few of these stamps ever actually reach the islands. In Tuvalu stamps have represented as much as 65 percent of the value of all exports and the Philatelic Bureau is a key source of employment. Several archipelagic microstates issue stamps for several different islands. In these circumstances, the task of maintaining sales to the metropolitan market without flooding it is a difficult one, and, as Tuvalu's recent crash suggests, the market for stamps may be more volatile than those for most commodities.

## THE FIRST MIRAGE

The manner in which an economic activity so apparently obscure as the production of postage stamps has become significant to the future of the smallest island states emphasizes their considerable difficulties in achieving economic growth through conventional strategies and, conversely, the degree of success that some countries have had with apparently unconventional strategies—such as tax havens or even tourism—that are of minimal significance in larger states. However, the fact that several island states are defined by the United Nations as least developed countries indicates that disappointments are more widespread than successes. Disappointments are exacerbated by rising populations; with few exceptions, populations of island microstates are now as large as they have ever been, and growth rates, despite emigration and recent declines in fertility, often remain high. A small number of these countries are only just beginning to experience the demographic transition.

Along with changes in fertility and mortality, there have also been changes in the spatial distribution of island populations. It is no longer possible to regard Islanders as solely rural people. In most cases urbanization has been a result of the rapid postwar and postindependence expansion in government activity and spending; the consequent boom in well-paid, secure, bureaucratic job opportunities, primarily for the educated elite and skilled workers; and the resultant growth in other areas of service employment. Uneven development and urban bias are typical of even the smallest island nations.

Virtually without exception the island microstates have become characterized by emigration and, in this context, as in so many others, the Pacific states have followed the experience of their Caribbean counterparts. As the history of migration demonstrates, its structure (duration, volume and, especially, destination) is affected more by conditions in the receiving than in the sending countries, and is more likely to be controlled at the destination than within the islands. Despite such controls, which have certainly significantly slowed emigration, the number of Islanders overseas is substantial and, in many circumstances, the balance of population continues to shift away from the island states; for some—but particularly for territories such as the Cook Islands or Montserrat—there are more Islanders overseas than at “home.”

Emigration has two positive advantages that together discourage



national opposition; it acts as a safety-valve to reduce population pressure on scarce resources, and it leads to a flow of remittances. In many small states, remittances are the principal source of national income; only where tourism is triumphant or where emigration is rare (Melanesia) is this not true. For Cape Verde "it is no exaggeration to state that this ensures the survival of the country" (Lesourd and Réaud-Thomas 1987, 117). In Western Samoa, as elsewhere, migrants have become "the most valuable export" (Shankman 1976, 28). There, emigration has become so much the norm that when external constraints prevented or discouraged it, the "stolen dreams" of young men led to an increase in the suicide rate that approached epidemic proportions (Macpherson 1990). Opportunities for migration are highly valued by Islanders, freedom of movement is given high priority, a "transnational corporation of kin" (Bertram and Watters 1985, 499) has emerged, allowing kin groups to colonize and exploit economic opportunities across a wide range of environments, and in certain circumstances fertility may have risen to ensure greater access to migration opportunities. At the household level in Tuvalu, parents actively hope to produce remittance earners and most feel that this necessitates having more than one son. As one woman said of her only son, "One is not enough. If he goes away to work, there is no one to look after me here. If he stays and cares for me, no one earns any money overseas." Another woman recognized that her husband had been right to insist that they needed more children: "He said that if we had many children we might have a smart one who could go on to school and get good work. He will be our road to money and imported goods" (Chambers 1986, 283-284). Because domestic employment opportunities are diminishing, migration is viewed as a way to spread and diminish risks. Though it is not without costs (higher dependency ratios, agricultural decline, cultural change, and greater individualism), most countries now seek better overseas outlets rather than seeking to limit emigration. Cape Verde, with opportunities constrained in the United States, is now attempting to diversify its destinations; in 1987 the president declared, "We think that if we get organised, we will be able to go on counting on emigration as a major component of our drive to regulate our economy" (quoted in Connell 1988a, 31). Indeed, where emigration from island microstates is difficult, attitudes to those once forced to emigrate have changed; in Kiribati "in earlier days they were called the land-hungry people; they were the unfortunate ones who did not have sufficient land. Now our values have changed. Settling over-



seas, beyond the oceans of our islands, is something to be sought after. Why? Because our population is still growing. So now many consider them, the resettled ones, as the fortunate ones and they consider us to be the unfortunate ones" (Schutz and Tenten 1979, 127).

Crucial to the role of emigration for island microstates is its future viability, which necessarily depends on the economic situation and political decisions in current and potential host nations. Several recent studies in the Pacific have concluded, often reluctantly, that improved migration opportunities for the people of island microstates constitute a genuine form of development assistance. For example, the Australian aid agency AIDAB has suggested that "for those countries with very poor prospects for self-sustaining development and poor standards of living, opening up of migration policy may be an essential adjunct to aid" (AIDAB 1987, 34). Few Islanders would differ with this conclusion, and emigration will continue to represent a formidable aspiration within their states.

The final source of income in island microstates is foreign aid. Despite the rhetoric of self-reliance, there has been little or no opposition to the principle of sustained and increased aid delivery. Overall per capita aid flows to island microstates are exceptionally high by global standards; these countries have long benefited from a widespread "small-country bias" in aid delivery. States that have remained in some form of dependent relationship (such as Niue, Pitcairn, the Micronesian states, or the French overseas departments and territories—the DOM-TOMs) have been even more fortunate (Aldrich and Connell 1991; Connell 1991a). Though the need of island microstates is obvious, aid is much more visible in the dependent territories and is far beyond the economic imperative that poverty demands. "Small states carry the same voting weight in the United Nations as large states, so the strategic and political imperatives of aid tend to favour small countries" (Jackson Report 1984, 42). The same review of Australian aid delivery noted that "the faster development takes place the better Australian strategic and economic interests will be served. As development programs succeed, the need for aid will decline and ultimately disappear" (Jackson Report 1984, 23). Yet aid has disappeared only in exceptional circumstances, where metropolitan countries have exacted punishment for the folly of political decisions taken in island microstates (such as immediately, but only briefly, after the Fiji coups). More generally, where large regions such as the Pacific have been perceived to have a growing strategic significance, traditional donors have increased their aid

and new donors have entered the field. In exceptional cases these trends have been resisted, but rarely by governments:

Over half our annual budget is from foreign aid (direct and indirect). Like most other Pacific countries, we've become a permanent welfare case. I can't see us ever getting out of the hole. Many of our leaders don't want to: foreign aid is now built into their view of development, into their way of life. It is also in the interests of foreign powers (our supposed benefactors) to keep us hooked on their aid. (Wendt 1987, 15)

Such views have not found official favor with either donors or recipients, and aid levels are likely to remain high, not because aid will ultimately contribute to economic growth but because of its political and strategic significance.

The decline or stagnation of the productive sector (especially agriculture), and the growth of imports, offset by aid, remittances, and tourist revenues, in a situation where much employment is concentrated in the public sector has led to the conceptualization of the smallest Pacific microstates as MIRAB economies, dependent on *Migration, Remittances, and Aid*, and thus sustaining the burgeoning Bureaucracy (Bertram and Watters 1985). The urban bias of MIRAB economies, in aid delivery, bank loans, and urbanization (especially of the bureaucracy), together with the demise of agriculture and fisheries, suggests that a better acronym would be MURAB (Munro 1990). Harold Brookfield has gone beyond this to suggest that, since it is Government Employment that predominates in the bureaucracy, the microstate economy might best be conceived of as a MIRAGE, that is, scarcely a genuine or sustainable economy (quoted in Bertram and Watters 1985, 497). One of the proponents of MIRAB, Geoff Bertram, has argued that in such small island states the thrust of most development planning, with its focus on production, is misplaced because "aid, philately and migrant remittances are not merely supplements to local incomes, they are the foundations of the modern economy" (Bertram 1986, 809). Moreover, they have virtually no negative ecological implications. This analysis, first propounded for Kiribati, Tuvalu, and the dependent territories of the Cook Islands, Niue, and Tokelau, is applicable, to a greater or lesser extent, to most island microstates. For better or worse, these nations have overturned the classical theories of economic development as they move into a "postindustrial" era.

## THE END OF THE ERA OF DECOLONIZATION

In the smallest island microstates, and particularly the remaining dependent territories where aid (and remittances) have been substantial, the structure of the economy has been transformed from subsistence toward subsidy. This has been most apparent in the dependent MIRAB territories, such as Tokelau, the Cook Islands, and the emerging Micronesian states, but was perhaps first recorded in the Torres Strait Islands (eg, Beckett 1987). In each of these cases the subsistence (and minor export) economy was rapidly eroded. The smallest colonies and states, by choice, and larger island microstates, for want of a superior option, have increased their ties with metropolitan powers and moved from productive status toward rentier status. It has recently become apparent that exactly the same structural transformation is occurring among many minority peoples on the strategic periphery of large states, for example in the Arctic. In every case, communities do not wish to withdraw toward subsistence and self-reliance, migration of the young has reduced genuine local development opportunities, and metropolitan governments have been willing, reluctantly or not, to construct a new form of bureaucratic dependency.

The epitome of MIRAB economies may well be found in such French overseas departments as Martinique, where

a growing economic dependence on the Metropole, stemming from a plunge in the productive capacity of the islands, a shift from the primary to the services sector (with no intervening expansion of industry), the growth in transfer funds (particularly family allocations), the ballooning of the local bureaucracy, and the growing exodus of what is considered the more dynamic, enterprising, and often skilled part of the island's youth—nevertheless combined with a visible heightening in the population's standards of living, health, education, services and level of infrastructure—could only intensify Martinicans' perceived political dependence on, and the fierceness of their loyalty to, France. (Miles 1986, 158)

It is no accident that the initial formulation of the MIRAB concept incorporated both politically independent island states and dependent territories. Political independence was not a significant variable. In Martinique and elsewhere, the central economic problem is to preserve and enhance the status of rentier economies. Consequently, after conventional development strategies have proved disappointing, practices once regarded in a largely negative light, such as tourism and emigration, have become

widely enshrined as policies. Industrialization is by imitation and invitation; tax havens are created, and territorial waters leased out, as dependence is increasingly negotiated. Rising expectations, ecological degradation on land and sea, and population growth reduce historically valid economic options. For the moment rentier economies have been able to diversify into new arenas as governments contemplate a variety of options, and, where territories (especially island territories) occupy strategic locations, real prospects for maintaining and enhancing rentier status are very substantial.

Overseas dependent territories are no longer the classic colonies that once generated a wealth of literature on the evils of unequal exchange, colonialism, dependency, exploitation, and uneven development. By contrast they are the recipients of considerable largesse from the center, most apparent for the smallest territories where exports are minimal and dwarfed by imports (though significant income is also generated through the invisible earnings of tourism or tax havens). Partly in consequence, demands for greater incorporation into the center have become stronger than pressures for independence. Indeed, it has been argued that departmentalization represents a form of decolonization without independence. Albert Ramassamy, the senator for the French Indian Ocean department of Réunion, has suggested that "for the old colonies that have become departments integration is a form of decolonisation just as much as independence for those who have chosen that" (1987, 8). Yet this version of "decolonisation" is not without its problems; within the DOMs (and TOMs) there is an inequitable distribution of resources, unemployment rates much higher than in France, and ethnic tensions that overlay cultural and economic differences. Elsewhere, this particular definition of "decolonisation" has largely been formulated in and by the metropolitan states.

In most overseas territories, political incorporation has led to the construction of a welfare state (with diverse financial advantages) and, except in the British colonies, has ensured that the ability to migrate to the metropolitan country is a right that is zealously guarded. In the Cook Islands and American Samoa, rights to migrate to New Zealand and the United States respectively have been critical factors discouraging demands for political independence. For the Micronesian states—the Marshall Islands and the Federated States of Micronesia—the movement in 1986 from trusteeship (under the American-administered Trust Territory of the

Pacific Islands) to a looser relationship with the United States was accompanied by a formal Compact of Free Association in which the two states sought the provision that their citizens "may enter into, lawfully engage in occupations and establish residence as a non-immigrant in the United States and its territories and possessions," to ensure that a "safety-valve" was put in place. Since then there has been considerable migration to Guam and the Northern Marianas, and the start of onward migration to the United States (Hezel and Levin 1990).

With the principal exception of New Caledonia, independence movements in small island territories are absent, and, in a number of the DOM-TOMS, even the tiny independence movements have noted that though independence would provide the psychological boost of political autonomy, it could lead to some decline in the physical quality of life. In French Polynesia, John Teariki commented on the prospects for independence: "It would be difficult now as the people are not ready for independence. The Tahitians live an unnatural life now. They live off imported goods, tinned food and other things. There would be struggles, unemployment, all possible things." In Guadeloupe the principal pro-independence party has stated, "one must choose freedom and its difficulties" or even "dignity and deprivation" (quoted in Aldrich and Connell 1991). This is analogous to the situation in Puerto Rico where the small independence movement stresses the theme of "false consciencisation" (Blaut 1987). Not surprisingly, ideological austerity has usually been combined with minimal support. More generally, as in Bermuda and, to a lesser extent, the Turks and Caicos Islands, there is a generalized concern that factional politics in a small-island state would be disruptive and that dependent political status is preferable because it appears to guarantee the continued success of business activity (especially tourism and tax havens), political stability, and security (Connell 1987a, 1990).

Underlying all debates on changing political and economic status, and hence relationships with the metropolitan country (and with other regional and metropolitan states), are two conflicting issues, well summarized in the case of Guam:

There is in Guam's quest for political identity a fundamental contradiction in what Guam is trying to accomplish. The Chamorro activists belatedly seized upon self-determination as the major principle behind commonwealth. But self-determination marches under the flag of freedom, whereas commonwealth marches under the banner of equality. Although they may seem to go arm in

arm, Alexis de Tocqueville noted long ago that freedom and equality will always be at odds with each other. (Rogers 1988, 25–26)

Political integration, as in the French departments, provides no hope of more self-reliant economic development, or the recognition of local cultural issues and rights. Movement toward more self-reliant economic and political development reduces external financial support and causes local concern over both the quality of life and security. In small, often remote territories where prospects for economic development, based on local resource exploitation, are inherently poor, and income generation is dependent on overseas links (tourism, tax havens, trade concessions, etc)—or direct budgetary support—but where there is significant ethnic and cultural diversity, tensions over future economic and political status are certain to persist. In the tiniest and most remote territories—Pitcairn, Wallis and Futuna or Tristan da Cunha—challenges to metropolitan dominance are implausible, but in situations of substantial ethnic inequality, where prospects of some degree of greater self-reliant development are not impossible—as in New Caledonia—contradictions and conflicts in aspirations are more probable. In New Caledonia, where ethnic nationalism and the quest for identity emphasize decolonization, symbolized in the simultaneous stress on “nationalism,” “socialism,” and “Kanak” in the independence coalition’s title, the late leader of the pro-independence FLNKS, Jean-Marie Tjibaou once claimed: “As long as one Kanak survives a problem for France remains” (quoted in Connell 1987*b*, 445).

Independent island states have not surprisingly rarely sought any diminution of political autonomy. However, in Dominica, situated between the French departments of Martinique and Guadeloupe, and in Guyana, so close to the French department of Guyane (French Guiana), there has been intermittent (and almost certainly minority) interest in becoming a French overseas department (eg, McDonald 1989), while in the much larger state of Jamaica, Prime Minister Michael Manley recently observed: “In the Caribbean we are accelerating the integration process because we will not survive as a set of disparate mini-states, unless we want to become a department of France” (quoted in Gauhar 1989, 11). More generally in island microstates, political autonomy has rarely met the economic aspirations of Islanders. There has been significant (often illegal) migration into Caribbean departments, notably from Haiti to Guadeloupe, from Dominica and St Lucia to Martinique, and from Brazil



and Surinam to French Guiana. In the Indian Ocean there has been a massive recent migration from the Comoros to Mayotte. Other Caribbean island territories, notably Puerto Rico and the American and British Virgin Islands, have also experienced significant immigration from nearby independent states. In the Pacific, approximately half the population of American Samoa have migrated from Western Samoa, and many have gone from Tonga to Niue. In some cases this represents the first stage of migration to the metropolis.

Though most island states, especially in the Pacific, have development plans, and even policies, that emphasize the need to achieve greater self-reliance, such statements are rhetoric rather than reality, a legacy of the postindependence optimism of the 1970s. Like the situation in the DOM-TOMS, for such small island states as Kiribati, greater self-reliance is only possible "at a price. It will not be achieved without further sacrifice in terms of foregone consumption and restricted aspirations. . . . Many more sacrifices will be required in the future if a true commitment to self-reliance is to be maintained" (Pollard 1987, 23). Such sacrifices in tandem with ideological purity are rare. Despite the rhetoric of independence and self-reliance, island states in the postindependence era have invariably been more closely integrated into the economies of metropolitan states. "Indeed there are diplomatic advantages to be gained by Island governments persisting with the rhetoric of autonomous 'development' and insisting on their rights, as self-governing entities, to determine their own goals. They may thus for some time find it advantageous to refuse to recognise the MIRAB model and its implications" (Bertram and Watters 1985, 516). This has proved to be the case; no concept has been more denigrated by Pacific Island politicians and planners.

Because regional cooperation and trade have largely been failures, through complementarity and competition, more distant ties have increased in importance. Microstates and colonies that have a "special relationship" with a metropolitan power are better off than those that do not. Ed Dommen has bluntly stated that "the particularly poor island countries are those which have failed to establish sufficiently intimate relations with a prosperous protector" (Dommen 1980, 195). In the same vein, Simon Winchester has suggested that the remaining British colonies might be better off to strengthen their ties with the United Kingdom in the manner that French "colonies" have become overseas territories and departments (Winchester 1985, 309). Early in 1987, when it was feared in the Turks and



Caicos Islands that the United Kingdom might relinquish its sovereignty, there were moves there to make the colony a ward or territory of Canada (Connell 1991b). In the Pacific, as one prominent member of Parliament in the Australian Labor government, Gordon Bilney, recently pointed out, despite it being "an unfortunate fact for those who believe in independence and freedom of determination" because standards of living, including health levels, were higher in associated territories, "Perhaps the best thing that countries like Australia should be doing in the South Pacific is encouraging moves towards closer satrapy—towards closer association and, indeed, even eventual incorporation of these polities into the major powers such as Australia" (quoted in Connell 1988a, 83). At about the same time it was noted that "the question of closer political integration with metropolitan countries has received little serious attention to date, but it is a possibility that Pacific leaders may wish to address" (Fairbairn 1987, 51). Because of the structure of development, the smallest states are inexorably moving toward a situation where their autonomy is severely constrained, yet none is likely to relinquish independent political status.

The states that are the greatest recipients of aid on a global per capita basis are primarily colonies and territories. As the case of Martinique demonstrates, this has discouraged independence aspirations. Moreover, as Tuvalu and Mayotte have shown in quite different ways, secession from an independent island state substantially increases material rewards. Tony Thorndike has even argued that the smaller Caribbean states, such as Grenada, "particularly sought independence ultimately to gain access to multilateral aid funds and to participate in international forums primarily concerned with economic development, rather than from an appreciation of *its intrinsic worth*" (Thorndike 1985; my emphasis). The combination of a degree of isolation (and hence strategic significance) and a measure of political "independence," through either sovereign status or recognition in some manner as a separate political entity, has granted superior access not only to aid but to new areas of policy formulation and concessions of other kinds. In these respects colonies have definite advantages. The reality of closer incorporation underlies most development practice, and widespread high levels of migration are the reality and metaphor of development. Small is no longer beautiful; remote islands are too often "beautiful but no place to live" (Bedford 1980, 65). As long as small island states freely choose strategies that permit the manipulation of metropolitan national policies, the structure of development of island

states and dependent territories will continue to converge. Meanwhile the global era of decolonization draws to a close. The ties that bind are likely to endure, though the conflict between freedom and equality is sure to persist.

## THE SECOND MIRAGE

Over time, remote islands have been more effectively incorporated into the periphery in a number of ways—including those of trade, aid, migration, and political subordination. Marriage, education, and new forms of media have all stressed metropolitan ties, though rarely to the extent of Guam, where the influence of television has been so pervasive that “not only does it make us feel homesick for places we have never been, it gives us the uneasy feeling that what we experience daily is abnormal” (Underwood 1985, 171). Commodities have tied distant islands to another world; in most island states the contents of the stores are imported; in rural Fiji, of 82 products sold at one small island cooperative in mid-1986 a third were food products, and well over half originated entirely outside Fiji, “an astonishing testimony to the history of colonialism and the more recent organisation of international commerce,” the result of becoming “insatiable consumers, conditioned to need an ever-increasing array of disposable goods” (Price 1985, 217; McInnes and Connell 1988). The store, an incursion from another world, has incorporated remote islands into that other world even more effectively than production or migration. Incorporation has emphasized relative deprivation, and the manner in which island states can never have the range of social and economic opportunities found in metropolitan states.

Exotic images of tropical islands and widespread assumptions of something akin to a history of “subsistence affluence” (Fisk 1982), even enabling some to discover situations “where the poor are happy” (Owen 1955), contrasts with a reality of struggle for survival, and the erosion of sovereignty, as self-reliance becomes no more than a chimera. Even in much larger countries, attempts to achieve self-reliance often appear no more than reflections of the aspirations that must suffice if growth cannot easily be achieved. As R. A. Joseph has put it in a Nigerian context, self-reliance is “little more than a ritual for exorcising the devil of dependence” (Joseph 1978, 223). This is not very different from Colin Leys’ observation for Kenya that foreign capital must “be *ritually* ‘humiliated’ while practi-

cally wooed" (1985, 208). Because of the difficulty of becoming self-reliant in such basic requirements as food and energy, even if appropriate policies were chosen, put most bluntly, "it would only be by accepting primitive standards of development for all the people that autarky could be made in any way practicable. . . . Even in the Pacific, perhaps the one remaining part of the world in which such ideas do not appear absurd, the pace of absorption into the world economic and political system is quickening all the time" (Payne 1987, 56). But islands and societies were never wholly isolated and self-reliant in the past. Where this tended to occur, islands like Anuta, despite complex precautions, were rare examples of the "Malthusian crisis" and historic populations on islands such as Pitcairn perished. Consequently, as in the Caroline Islands of Micronesia, atoll dwellers organized themselves into clusters and complexes for distant reciprocal cooperation. Such activity could not always ward off devastation. There is no reason to believe that island states today can achieve greater self-reliance. The future lies in maximizing the various elements of interdependence, taking advantage of concessionary schemes and the strategic significance of almost all island microstates, while strengthening self-reliance in such critical areas as food production and artisanal fisheries in order to maintain the "subsistence safety net."

The existence of secession movements in almost all island microstates at one time or another (now in militant form on the island of Bougainville in Papua New Guinea) would appear to be anomalous, in the sense that very small islands are seeking to cut some critical political and economic ties. Yet there is no anomaly. Anguilla, Mayotte, and Tuvalu have each demonstrated how secession in search of identity has brought greater material (and probably cultural) rewards, through direct relations with the outside world, either as a colony or as an independent state, than as a remote outlier of a nearby independent state. Elsewhere, as in Rodrigues, where the elite complain over their "neocolonial" status as an outer island of Mauritius, and seek some form of direct association with Europe or another wealthy continent (Paul 1987, 10) the same sentiments are expressed. Where isolation is combined with distinctive ethnicity, such sentiments are strengthened into variants of "ethnic nationalism," whose resurgence has become a global phenomenon.

Following what some have perceived as the demise of communism, or at the very least the recent death of Stalinism in Eastern Europe, Francis Fukuyama wrote in his essay "The End of History" (1989a), that history

had ended in the sense that there was no longer a "history of ideology"; capitalism had triumphed over communism and Marx's one-hundred-fifty-year-old experiment was simply an irrelevant detour. The successors of the liberal and democratic states of the French and American revolutions were wholly dominant in ideological terms. Critics of Fukuyama's views suggested that he had been premature in dismissing communism, that Islamic fundamentalism had prevailed over liberalism in many countries, and that nationalism is currently in sometimes direct conflict with liberalism. It was this last criticism that Fukuyama took most seriously—based on the emergent nationalisms of postglasnost Europe and their potential to degenerate into authoritarianism and fascism (1989*b*)—and it is this challenge, currently in nonauthoritarian form (except perhaps in Bougainville), that threatens the integrity of many island states. Most island microstates are new, many are artificial, and few are able to distribute evenly or equitably the scanty rewards of development over an often-fragmented geographical space. Postindependence national governments have sought to establish a national identity in countries where there was no struggle for independence and where secessionist aspirations are not unusual; the construction of nations from within is fraught with difficulty. Further political fission and fragmentation seem inevitable.

Quite recently a review of development problems in island states concluded by posing the question: "Is it too much to suggest that small islands, for all the problems and constraints that confront them, could become the laboratory in which alternative development strategies, shaped by the notion of self-reliance, first see the light of day?" (Dolman 1985, 63). Unfortunately for populist notions, such a romantic vision has arrived much too late. Indeed, it points directly to a second mirage—that there really is something that can be identified as development. There is not. Development is a wholly relative concept. Although Sandra Wallman's early conceptualization of development emphasized both basic needs and autonomy, she stressed that they were not complementary processes. In island microstates thoroughly incorporated into global economy and society, even improvements in basic needs are set against their superior satisfaction elsewhere; development may have occurred, but it has not been achieved. At the same time, autonomy has certainly declined. In the three senses that Johan Galtung has defined power—"ideological power is the power of ideas. Renunerative power is the power of having goods to offer, a 'quid' in return for a 'quo'. Punitive power is the power of having

'bads' to offer, destruction; also called force, violence" (1973, 33)—the island microstates have experienced a decline. In Dudley Seers' terms, they have not gained in independence, despite the "culture of resistance" that has, in some contexts, enabled the retention of an "independence of spirit" (Petersen 1984, 359).

As one ideological world becomes dominant, and even nationalism is constructed in European terms, then the retreat to self-reliance will become less and less palatable. Planners brought their prescriptions for development to the island microstates as they had previously done in other parts of the world. As far back as 1977 van Arkadie wrote of these "gifts of the latest advice" that "we might well see these fluctuations as more geared to meeting the needs of the now considerable development studies profession than responding to real problems—a sort of planned obsolescence in ideas" (1978, 409). Such heretical views were expressed in a different form by Fisk: "We have all seen the rise and fall of fashions in cures for underdevelopment. At one time it was the transfer of technology; at another the provision of capital; at another it was the development of cooperative societies; then it was economic planning; then there was a fashion for community development; more recently there has been a fashion for what is called integrated development" (1978, 371). Such fashionable changes have continued. Underlying these sometimes conflicting prescriptions were the visions of Europeans—who sought to impose variants of tradition and authenticity on latter-day "noble savages." Yet as such notions challenged island conceptions of the good life, and the "passing parade of paradigms" (Baker 1979, 167) turned to irrelevance, island microstates have sought to construct a world of choices, a negotiated multivariate dependence.

By freely choosing development strategies that allow the manipulation of metropolitan national policies, island microstates will continue to "live with some degree of uncertainty, but with insurance provided by the realities of geopolitics" (Bertram 1986, 821). Diversity is the key to development, but a diversity that is global and no longer local. For all those who have seen in small islands "laboratories of development," many more have predicted the demise of island populations. For example, Gerard Ward concluded a keynote paper on the Pacific:

Perhaps a hundred years hence . . . almost all the descendants of today's Polynesian or Micronesian Islanders will live in Auckland, Sydney, San Francisco

and Salt Lake City. Occasionally they may recall that their ancestors once lived on tiny Pacific Islands. Even more occasionally they may visit the resorts which, catering for scuba divers, academic researchers or gamblers may provide the only permanent human activities on lonely Pacific Islands, set in an empty ocean. (Ward 1989, 245)

It is a scarcely alluring vision, but even a precipitate greenhouse effect will leave it no more than that. The astonishing manner in which Pitcairn Islanders have clung to their tiny isolated outpost of empire (Connell 1988b) is symbol and substance of the new island states in which identity, combined with isolation and strategic location, have shaped a new world where multifaceted dependence might be transformed into aid with dignity. But nowhere can it be transformed into development.

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