

Book Review

Book review, *New Caledonia in the face of destiny: What is the situation on the eve of the referendum for full independence?*

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This volume (*'New Caledonia in the face of destiny: What is the situation on the eve of the referendum for full independence?'*) appears at a critical time of change in the Pacific. New Caledonian voters will go to the polls some time in 2018 to decide on independence from France, while Bougainvilleans will do so on 15 June 2019. In both cases, the results stand to change the face of the Pacific. If New Caledonians choose independence, the balance of regional interests in the Pacific will change. If Bougainvilleans choose independence, the Papua New Guinean project of unifying 'a thousand tribes' (White 1972) will be thrown into doubt. What was conceived as a viable nation at its launch could, in some scenarios, unravel politically.

New Caledonia is currently a 'special collectivity' of France. This differs from the status of other territories associated with France: Mayotte off the coast of Madagascar, which is a full *département*, and 'ordinary' collectivities in the Pacific like Wallis and Futuna (between Fiji and Samoa) and French Polynesia. The 'special' attribution stems from the peace settlement of June 1988, following bitter violence between pro- and anti-independence in the 1980s, and the commitments of reform and financial support made to New Caledonia by France in 1988 and 1998 in the Matignon and Nouméa Accords. There have been referendums for France's overseas dependencies before. A notable example, on a completely different trajectory, is that of the Comoros Islands, one of one France's colonial possessions in the Indian Ocean. In 1974-1976, three of the islands voted by 99% to form their own country while the fourth, Mayotte, voted by 99% to remain with France. Mayotte went further in 1999, holding another referendum to decide to change from an overseas collectivity to a full *département*, and thus become integrated into the European Union. On this occasion, 95% voted in favour of integration, a remarkable decision for this Sunni Muslim, African-Arab community to make.

The population of New Caledonia is made up of Melanesians, Caldoches (long-standing settlers of ultimately French origin), French Polynesians, Wallisians, Vietnamese, and recent French migrants. A first referendum was held in 1987 in the context of running conflicts throughout the 1980s between pro- and anti-independence armed factions. The key political forces were the pro-independence FLNKS ('Front de libération nationale kanak et socialiste'), a grouping of seven parties formed in 1984 and led by Jean-Marie Tjibaou, and

the anti-independence *Rassemblement pour la Calédonie dans la République* ('Rally for New Caledonia in the Republic'), a party closely aligned with a right-wing party of a similar name started a few years earlier in France by Jacques Chirac. When the FLNKS resolved to boycott the referendum because of the open electoral list, it was not surprising that 98.3% of those who cast a ballot were in favour of New Caledonia remaining with France.

The bitter relations of this period came to a head with the Ouvéa hostage-taking incident in the month of the French presidential elections in 1988. The national issue in France was which side of politics would break the deadlock of the previous government, a power-sharing agreement between the left, led by President Mitterand, and the right, led by his Prime Minister, Jacques Chirac.

At the same time, the FLNKS resolved to mount a series of surprise attacks on police posts. Several had been already been undertaken, with various objectives, but none had previously resulted in loss of life. The veteran French anthropologist Jean Guiart has explained how the objectives of ridding one own area of a European presence and enhancing the prestige of particular tribal areas or lineages always took precedence over achieving territory-wide political objectives (Guiart 1997: 88-89). This meant that militant actions lacked coordination. When the capture of the garrison of the gendarmerie on Ouvéa in the Loyalty Islands went spectacularly wrong, leaving four gendarmes dead, it meant that the attackers found themselves in possession of 26 hostages but no back-up plan for what to do next. Local elders refused assistance and trucks carrying the hostages went from village to village until a cave was found that could be defended.

Now a powerplay swung into action in France. The Prime Minister Jacques Chirac had control of domestic affairs which included matters to do with law and order in New Caledonia. While President Mitterand would have to sign an order sending in an army special forces unit, it was his rival Chirac who was at the top of the chain of command for the assault on the cave and take the blame for the result. Nineteen rebels were shot and killed, along with several soldiers and hostages, causing worldwide shock at what had been done – and consternation among French voters. Days later Mitterand was returned to power, rid of Chirac. He appointed Michel Rocard as his new Prime Minister, with the immediate special task of reconciling with the FLNKS and avoiding what could easily have become a Bougainville-style civil war.

The signing of the Matignon Accords in Paris a short few weeks after the tragedy of the Ouvéa Crisis did not put an immediate end to violence. The FLNKS leader Jean-Marie Tjibaou was blamed for being at the meeting in which the Ouvéa raid was planned, but then of backing away from helping bring an end to the hostage crisis and was assassinated by one of his own people within a year of the Accords.

This outline of the background is necessary for the benefit of a Papua New Guinean readership. Papua New Guineans have little exposure to what is going on in New Caledonia. While most know of the Melanesian Spearhead Group,

few know that its history relates strongly to FLNKS aspirations. Its first meeting was in Goroka on 17 July 1986, when delegations from PNG, Vanuatu, the Solomon Islands and the FLNKS met to agreed common positions of issues of mutual interest, *including advancing the agenda of the FLNKS to achieve political independence from France*. A formal agreement on aims of the MSG was sealed in 1988, the pivotal year for Kanak self-determination. If, three decades later, the FLNKS and New Caledonia are given any thought at all, it is probably unchanged from the immediate post-Independence view that the Kanaks are a suppressed minority living as sharecroppers under the colonial jackboot of France, and certainly much worse off than Papua New Guineans.

There is some truth in every impression, but the gap between the what has happened in New Caledonia and what has happened in the Autonomous Region of Bougainville in the last 30 thirty years is so wide as to make a comparison between the referendum choices both places face in 2018-2019 almost laughable. After a slow start, the years after 2000 have seen substantial investment by both the public and private sectors in New Caledonia. A system of provincial government has been introduced to help repatriate decision-making to local communities and the doctrine of economic *rééquilibrage*, or ‘rebalancing’, has been taken seriously to narrow the gap between the prosperous, Europeanised South Province and the less-developed, Kanak-dominated North and Island Provinces. There is a building boom around the growth centre at Kone, the new capital of the North, and business planning and venture capital is accessible through public-private entities like SOFINOR (‘Society for Finance and Investment in the North’) and more recently Nord Avenir (‘Future of the North’). The search is on to find a viable future for the whole of New Caledonia, regardless of whether this is found in a continuing relationship with France or as an independent nation.

This is where this book comes in. Twenty-five contributors from universities and research institutions both within New Caledonia and elsewhere worked together for two years to put together its 500 pages of baseline data, options and assessments on the future of New Caledonia. The work builds on previous decades of research by the authors and their predecessors, a notable baseline being a rather pessimistic study 20 years ago by Jean Freyss (1995). Freyss highlighted the distorted economy created by a policy of sending French bureaucrats to the territory, bringing with them their extra salary loadings and allowances (much as experienced in the Solomon Islands under RAMSI and in the madness of the PNG LNG construction boom in Papua New Guinea). The effect was to inflate prices and undermine efforts to diversify a very narrowly-based economy.

Sustainability was not being discussed 20 years ago but the central questions of this book, set out in Chapter 1, are now built around it:

- What is the state of territorial development in New Caledonia?
- Has the fundamental basis of its economy changed?
- Is the current economic path sustainable?

Nickel mining is central to the economic story of New Caledonia dating back 140 years. What is important to add is that the French state has created a long cycle of dependency among the nickel miners by alternately buying up their capital on national security grounds – nickel being an ingredient in high tensile steels – and re-privatising them when the latest panic is over. This is New Caledonia's special problem of economic enclavement. From the various *boom du nickel* across history until quite recently, the idea of developing other sectors of the economy did not have a proper constituency until it could be settled on the shoulders of those either promoting independence or at least a *désenclavement* from France in economic terms. However, even the pro-independence movement is not of one mind on how this should go.

The Union Calédonienne (UC) theoretically stands for the emergence of new forms of business based on a model of clan participation and, possibly, a reform of customary organisation if this is necessary. Its rival Palika, on the other hand, is theoretically more Marxist in outlook, more statist, and therefore more inclined to a collectivist view of the economy. Initially Jean-Marie Tjibaou's replacement as leader of the FLNKS was the Palika spokesman Paul Néaoutyine. Néaoutyine then moved against the domination of the organisation by UC, forming the National Movement for Independence (UMI) within it, a dissident bloc with composed of all FLNKS parties except UC. He was elected president of the Northern Province in 1999 and remains in this position today. It is the Northern Province that holds a non-negotiable 51% of the large Koniambo mine and its connected nickel refinery through its ownership of Société Minière du Sud Pacifique (SMSP), in a partnership with Glencore Xstrata's 49%. In case anyone should doubt the complexity of the three-way relationships between pro- and anti-independence interests and the French state, it was the republican, anti-independence Jacques Lafleur who sold the interests in the Koniambo mine that he controlled in the 1980s to the Kanak-controlled SMSP, who bought it through SOFINOR with money from the French state!

Chapter 2-5 chart the big picture of New Caledonia's economy. The biggest mover, like everywhere else with a modern economy, is the near doubling of the service sector. Nickel is not in decline in absolute terms, but it takes up less of the economy today than it did before the events of the 1980s.

Broadly, the authors distinguish three recent economic phases:

- An 'assisted economy' 1975-1989, characterised by a high reliance on nickel, low investment in local enterprises, large transfers of funds from France for public service functions, and a corresponding flight of personal savings back to France.
- A period of *rééquilibrage*, 1990-2005, characterised by a lower, but variable, reliance on nickel, a modest decrease of public transfers from France, and the mobilisation of savings for local reinvestment.
- A period of industrialisation, 2006-2012, characterised by large-scale reinvestment and modernisation of the nickel industry, a more

substantial decrease of public transfers from France, and the mobilisation of savings plus direct foreign industrial investment for local enterprises.

As in PNG, prices remain high. One graphic reproduces the Big Mac Index from *The Economist* (p. 90); a Big Mac in Nouméa costs US\$4.72, or 20% higher than in Australia and more than 40% higher than in China. As well as making life difficult for everybody, high prices also place a limit on what can be achieved in the underperforming tourism sector. Cruise ship arrivals have gone through the roof recently but it is difficult, as in Papua New Guinea, to get the passengers off the ships and paying for local activities. This has not gone up since 2007 and stands at about A\$60/visitor in Nouméa and only A\$9 in the Loyalty Islands. For comparison, recent data show that what visitors spend in PNG varies from a high of A\$159/visitor in Alotau to a low of A\$24/visitor at the island of Kiriwina (DFAT 2016).

Chapters 6-9 look at the options for sustainable development, social development and a tribal version of *ruralité*, which might translate directly to 'applied rural sociology' (an actual course at UPNG in the 1980s), intraterritorial population shifts (typically circular migration between home places and urban service centres) which are now assisted by excellent new highways and the local domestic airline Air Calédonie, and local development initiatives.

Chapter 10, sombrely titled 'New Caledonia in the turbulences of the 21st century' looks at the possible futures for New Caledonia. The author wisely cautions that the agenda of decolonisation, that has served as a reference point for Kanak aspirations for self-determination, has in fact been superseded by the rapidity of technological change, the erosion of the role of states, and the new face of globalisation in the form of giant transnational corporations. New Caledonia has done well since the 1970s, its economy growing at 4% p.a., which is a faster rate than that of France. Population growth has diluted this somewhat, but GDP per capita has grown at a steady 2.3% p.a. and now stands at *fifteen times* that of neighbouring Pacific Islands, as well as being higher than that of New Zealanders.

Economic inequalities remain between Kanak and non-Kanak households, even if the former are also supported through the customary economy (artisanal fishing in clan lagoon areas for example), making exact comparisons difficult. Educational inequalities will be a problem for some time to come because those in older age groups who live *en tribu* (in an administratively designated tribal area) have less education than those who have recently finished schooling. Only 6% 55-64 year olds living *en tribu* finished high school or did higher education; among 25-34 year olds, the figure is 28%. The term *en tribu* translates approximately into 'rural Kanaks'. This is not exact because a census of the people who live in a tribal area is not the same as taking down a genealogy. European office workers can rent a house in a tribal area if they are lucky enough to find a (tribal) landlord with spare accommodation they are willing to rent to them.

Missing from the book is a good account of differentials in health status: ‘the gap’ in Australian parlance. There is certainly a gap in life expectancy but it will not be as simple as rural Kanak vs urban Europeans. Rural life in the right place, well served by health services and where traditional arts like hunting and fishing can be practised, may make people better off than poor urban life with a bad diet.

Professional inequalities have narrowed since the time of the Matignon Accords and my colleagues and I certainly met highly qualified Kanak managers and engineers, with degrees from the best French universities during 2016-2017, across the private sector. By contrast a ‘fragility’, to use the French term, is widely acknowledged in the question of the youth population. The key problems are dropping out from education, substance abuse, and violence. In 2016-2017, there have been recurrent problems in the satellite communities of greater Nouméa, with violent confrontations with the police on a weekly basis. This is not a lot different than what is seen in certain suburbs of Melbourne or Auckland or London and it is not a problem exclusive to a single ethnic group. Life in all these places is more complex today than that.

In the end the book is anchored to economics and, while sketching the historical linkages that have brought things to where they are, it does not venture to explore how the referendum question scheduled for 2018 might best be framed or what kinds of political arrangements there are to choose from, such as illustrated elsewhere in the Pacific or elsewhere in the world. The key task of extracting New Caledonia from France is obviously disentangling its economy from that of France, which is well underway and is irreversible.

But there are many forms of independence. Cook Islands is a nation state, and Cook Islanders have Cook Islands passports. The country has the Cook Islands dollar, which is pegged to the New Zealand dollar and has the same value. Cook Islanders also have free access to New Zealand. Is this a valid model for New Caledonia? Do New Caledonians want to maintain free right of entry into France (and therefore the European Union)? At the moment the circulating currency, the CFP Franc, is pegged to the Euro; do New Caledonians want this to continue? These things are little discussed in public forums.

A special, restricted roll will be used for the referendum in 2018 including all Kanaks of voting age, long-term non-Kanak residents and excluding recent arrivals from overseas. But the current obsession among Kanaks is alleged electoral roll tampering by the French – demonstrators in July heatedly claimed that 25,000 Kanaks were missing from the special roll. The United Nations Commission on Decolonisation is looking into this and it may be that the discrepancy is an artifact of multiple clan lists of names and variations in the spelling of Kanak surnames.

There are lessons in the book for Bougainville. The principal one is that a similar assessment, using local and international experts, should have been started several years ago. The National Research Institute has several projects

underway looking at the mechanics of the Bougainville referendum and donors are tackling particular development problems in a piecemeal fashion. What we do not see is systematic social and economic planning along the lines of the Integrated Rural Development Programs (IRDPs) that were popular in the less-developed provinces of PNG in the 1980s (e.g. Carrad et al., 1982; French and Walter, 1984).

Good luck to both places after their referendums.

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