

Policy not cultural reform needed for development in the Solomon Islands



by Tobias Haque

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Some economists have recently attributed development problems in the Pacific to various aspects of Pacific culture. I recently argued [here](#) that these problems can more usefully be explained as the result of perverse material incentives, using standard economic frameworks. In this post, I want to elaborate on this argument with specific reference to Solomon Islands (see also my [SSGM Discussion Note \[pdf\]](#) on this topic).

Let's start with recent criticisms of Solomon Islands culture. The *wantok* system, Solomon Islands' kin-based networks of resource sharing and within-group reciprocal obligations, is often presented as an essential force, driving all kinds of problematic behaviors. It is said to undermine:

1. Political stability and policy cohesion, because politicians are selected on the basis of their status within the kin-group, rather than on the basis of expected or past performance in providing improvements in policy or services.

2. Public administration because *wantok* loyalties come to trump professional standards of behavior. Recruitment and promotion within the public service is determined on the basis of *wantok* membership rather than merit, which erodes professional standards and leads talented staff to leave the public service. Rules are broken or manipulated by public servants to benefit *wantok* members and protect them from official sanction, undermining governance.

3. Private sector development because key resources, like land, are collectively owned and therefore cannot be effectively transacted or developed. Incentives for investment and entrepreneurialism are weakened by pressures to share profits from investment with *wantok* members.

From this perspective, the only solution to development problems is engineered cultural change and the inculcation of a sense of national identity to overpower *wantok* loyalties (see Fukuyama's 2008 paper).

I think culture, including the *wantok* system, plays an important part in motivating behavior. But Solomon Islanders are not passive and unthinking adherents to cultural norms. The behaviors undermining policy cohesion, public administration, and private sector development are fully consistent with existing material incentives. Recognition that problems might be driven by institutional settings as much as they are driven by culture allows us to identify more practical solutions.

First, we don't need any mysterious cultural force to explain electoral politics in Solomon Islands. Lots of Solomon Islanders vote for an MP that can bring a project to their village or even one that just hands out some cash at election time. This is because, in the short-term, national policy often doesn't matter as much as we'd expect. Incomes are very low, engagement in the formal economy is minimal for a large subsistence population, prospects for growth are limited (even under the best policies) and services and projects are often delivered by donors or personally financed by MPs – regardless of what the national Government does. Voting for a candidate who stands for marginal improvements in economic management or national services often promises less reward than voting for a candidate who can buy you a water-tank or pay your children's school fees. We could call this patronage. But we could also just call it rational behavior.

Consequently, we don't need to blame *wantokism* for poor administrative performance either. The incentive for government employees to use their official powers to benefit related individuals or groups is hardly unique to Solomon Islands, and such practices are observed around the world. A potential difference in Solomon Islands is that Ministers aren't accountable for preventing this kind of behavior. If Ministers are not held accountable for service delivery by their electorates (who are primarily concerned with direct pay-offs) they are unlikely to hold bureaucrats accountable for performance in the delivery of services. Over time, this absence of accountability has weakened administrative systems to the point where ministers lack the information required to demand and measure improved performance.

Finally, blaming *wantokism* for weak private sector development in Solomon Islands also seems unfair. Observed tendencies towards socialization of wealth reflect rational and, arguably, efficient individual responses to an economy facing severe constraints to growth and high levels of economic volatility. Far from being a culturally-determined and universal behavior, particular individuals utilize this strategy to greater and lesser extents, depending on personal risk tolerances and access to opportunities. Continued servicing of kinship obligations ensures ongoing membership in the kin group, and therefore access to a basic social insurance mechanism. This represents a good option for many Solomon Islanders. Other Solomon Islanders, having achieved more secure positions within the formal

economy, have proven able to insulate themselves from pressures towards wealth socialization — at least to the extent necessary to maintain the profitability of their businesses.

Overall, I see little benefit in blaming poor development outcomes in Solomon Islands on culture. People are generally pretty sensible, and almost always have good reasons for acting as they do. Unfortunately, institutional failures sometimes mean that rational behavior by all individuals does not always lead to an optimal outcome.

What can be done? After we stop blaming the local culture, I can think of a few things that might help address some of the problems listed above.

1. Electoral reforms that somehow expand constituencies might weaken the direct patronage politics that we currently observe. An MP with a larger constituency has to spread rents more widely. As voters' individual returns from direct patronage decline, the relative returns from voting for candidates who improve national policy would increase.
2. Increasing the proportion of resources that are directly administered by central Government (as opposed to by donors, provincial governments, or individual MPs) might also strengthen incentives for policy-based, rather than patronage-based voting. The decisions made by Government would start to matter more, increasing the importance of selecting MPs with good policies. MPs more accountable for actions of central Government would keep a closer watch on the bureaucracy.
3. Provide the public goods and market opportunities required for successful private sector development. Absence of electricity, transport, and communication are far bigger problems for most Solomon Islands businesses than the *wantok* system. Continued efforts by international donors to provide these basics are essential. Donors could also think about ways in which aid spending could increasingly involve delivery of goods and services by local businesses.

This blog is a part of a series on political governance in the Solomon Islands. Other blogs in this series can be found [here](#).

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