



## Time for a Pacific Community

By Biman Prasad  
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The impact of COVID-19 on the world economy is going to be devastating. Indeed, COVID-19 has already decimated the Pacific island economies. Even the two largest economies in the region, Fiji and Papua New Guinea, do not have the fiscal space to provide immediate recovery packages for businesses to survive or income support to those facing unemployment. At best, the subsistence/informal economy, remittances and extended family/communal/social networks can cushion some of the negative impacts for a limited time. Post-COVID-19, recovery in the region is not likely to be rapid. For some countries, if not all, it could take many months or even years.

Precisely because of its severity, the COVID-19 crisis provides an opportunity for a rethink on questions regarding regionalism, regional cooperation, and integration. Some bold moves are needed to enhance the economic wellbeing of the region, and to strengthen geopolitical and strategic alliances and interests.

In 2005, the leaders of the Pacific Islands Forum endorsed the '[Pacific Plan for strengthening regional cooperation and integration](#)'. In 2013, the Pacific Plan was reviewed as directed by the Forum leaders. The [review](#) highlighted some fundamental issues. What stood out was the admission that the current structures for achieving regionalism and its benefits have not worked as expected.

Prior to the COVID-19 pandemic, the economic and social sustainability of the Pacific islands was already threatened by a global slow-down, expensive local climate change mitigation efforts, a lack of income/revenue diversity, and a dearth of educational and vocational training institutions capable of producing a workforce for an evolving marketplace. The COVID-19 pandemic has merely accentuated these effects on a geometric scale.

It is likely that the accelerated adverse economic effects generated by the pandemic, compounded further by susceptibility to severe weather conditions, will further expose

Pacific islands to exploitation by multinationals and some large nations. This has the potential to shape the security, trade, and even sovereignty paradigms for the region for a long time. Within this context, a regional approach that includes Australia and New Zealand can mitigate these vulnerabilities and strengthen Pacific bonds.

Each one of the Pacific island nations faces risks, whether they are economic, environmental, health or political. To date, they have addressed these risks as per the abilities and capacities of each country. But the Pacific island nations, and for that matter most developing nations, lack the resources to deal with the unprecedented scale at which responses are now required. Also, there is very little capacity for these countries to respond to more than one crisis at a time.

Australia and New Zealand also stand to benefit greatly by being a part of a regional approach that will not only yield greater benefits for economic assistance provided, but will also be able to address the issue of multinationals and other bigger countries stepping into the void created by these extraordinary events.

A regional approach between Pacific island countries and Australia and New Zealand does not mean other foreign relationships should be ignored. Indeed countries like Singapore, South Korea and Taiwan continue to be excellent partners to many Pacific countries, especially in the areas of science and technology, agriculture, and health support. Taiwan and South Korea's economic success and their recent ability to deal with COVID-19 in an efficient manner indicate why Pacific countries stand to benefit by engaging fully with those countries.

Unfortunately, some Pacific island leaders have found it convenient to bash Australia and New Zealand on issues of climate change and sovereignty. Some Pacific islands also find Australia and New Zealand irritants when it comes to their own poor record on democracy, good governance and human rights. Some even went to the extent of wanting Australia and New Zealand out of the Forum. However, there is little doubt that the future of the Pacific countries lies with a deeper and more meaningful integration with our old and trusted allies, Australia and New Zealand.

On their part, these two countries have to realise that investment in, and deeper integration with, Pacific island countries would be mutually beneficial. The ties can be facilitated through an Australia and New Zealand and Pacific island Community. It could possibly include a Pacific Parliament, to achieve not just fuller and deeper economic integration but some political integration as well.

Implementation will not be easy. There will be concerns about loss of sovereignty. All

leaders, however, should prioritise a better quality of life for their people above the loss of some elements of their sovereignty.

A Pacific Community is not a new idea, but it is not one that has gained traction in the past. The current crisis is an opportunity for the countries of our region to reset, step-up, and re-model their relationships. The following may be good starting points:

1. Pacific leaders should immediately sign and ratify the PACER Plus agreement. This agreement could be more important in the post COVID-19 phase and especially in the medium- to long-term. We can increase the volume of trade and investment as a group. Of course, some would benefit more than the others but everyone could still be winners.
2. Australia and New Zealand should provide the Pacific islands with a comprehensive economic package, similar to what they are providing for their businesses and people. This package could be a small percentage of the packages that both countries have provided to their own people. This would save small- and medium-sized enterprises in the Pacific islands and provide income support to many who are losing their livelihoods.
3. The Pacific countries, Australia, and New Zealand should set up a Pacific Parliament with elected members as soon as feasible in the post COVID-19 environment.

COVID-19 is a health and economic disaster, yes. But it also presents an opportunity for reflection, renewal, and restrengthening. If we are bold and imaginative enough to let go of historical doubts and suspicions, we can work towards a brighter and stronger future with renewed zeal.

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