



# **A History of Political and Economic Relations between Europe and Former Pacific Island Colonies**

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## **Certificate of Original Authorship**

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

Shashi Meera Sharma

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## Dedication

*Sonali, Shyamli, and Sylvie*

*With pride and affection*

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## List of Abbreviations

AAMS	Associated African and Malagasy States
ACP	Africa, the Caribbean and the Pacific group of States
ADB	Asian Development Bank
ALA	Asian and Latin America
BET	Basic Export Tonnages
c.i.f.	cost, insurance, freight
CA	Competent Authority
CAP	Common Agricultural Policy
CARIFORUM	Caribbean Forum
CEEC	Central and Eastern European Countries
CET	Common External Tariff
CFA	African Financial Community
CFP	Common Fisheries Policy of the EU
CSA	Commonwealth Sugar Agreement
CSR	Colonial Sugar Refinery of Australia
DG MARE	Directorate General Marine Affairs and Fisheries
DG SANCO	Directorate General for Health and Consumers
DG Trade	Directorate General Trade
EAC	East African Countries
EBA	Everything But Arms
EC	European Community
ECHO	European Community Humanitarian Office
ECOWAS	Economic Community of West African States
ECU	European Currency Unit
EDF	European Development Fund
EEC	European Economic Community
EEZ	Economic Exclusive Zone
EIB	European Investment Bank
ENSO	El-Niño-Southern Oscillation
EOI	Export Oriented Industrialisation

EP	European Parliament
EPA	Economic Partnership Agreements
ESA	Eastern and Southern Africa group of states
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
FFA	Forum Fisheries Agency
f.o.b	free on board
FPA	Fisheries Partnership Agreements of the EU
FSC	Fiji Sugar Corporation
FTA	Free Trade Agreement
G77	Group of 77 Developing Countries
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GSP	Generalised System of Preferences
HACCP	Hazard Analysis Critical Control Point System
HDI	Human Development Index
IEPA	Interim Economic Partnership Agreement
IFC	International Finance Corporation
IFIs	International Financial Institutions
IMF	International Monetary Fund
IPE	International Political Economy
IR	International Relations
ISA	International Sugar Agreement
ISI	Import Substitution Industrialisation
LDCs	Less Developed Countries
MFN	Most Favoured Nations
NGO	Non-Governmental Organisation
NICs	Newly Industrialising Countries
NIEO	New International Economic Order
NIP	National Indicative Programs

OCTs	Overseas Countries and Territories
ODI	Overseas Development Institute
OECD	Organisation for Economic Cooperation and Development
OPAGAC	Spanish Organisation of Producers of Frozen Tuna Vessels
OPEC	Organization of Petroleum Exporting Countries
PACER	Pacific Agreement on Closer Economic Relations
PACP	Pacific Island members of the ACP grouping
PAFCO	Pacific Fishing Company
PANG	Pacific Network on Globalisation
PICTA	Pacific Island Countries Trade Agreement
PIF	Pacific Island Forum
PMIZ	Pacific Marine Industrial Zone of PNG
PNA	Parties to Nauru Agreement
PNG	Papua New Guinea
RoO	Rules of Origin
SOEs	State-Owned Enterprises
SSOP	Standard Sanitation Operating Procedures
SSTC	South Seas Tuna Company
STABEX	System for the Stabilisation of Export Earnings
STL	Solomon Taiyo Limited
SYSMIN	System for the Promotion of Mineral Production and Exports
TMNP	Temporary Movement of Natural Persons
TPF	Trade Policy Framework of Fiji
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
US	United States
VAT	Value Added Tax
VDS	Vessels Day Scheme
WCPO	Western and Central Pacific Ocean
WTO	World Trade Organization

## Abstract

This thesis is a study of the political economy of the relations between Europe and the Pacific Island former colonies. The relations have been formalised through legally binding trade and aid agreements starting in 1975 and continuing into the current era. The main aim of this thesis is to examine changes in the relations over time and to explore how these relations have developed from a colonial situation through to the decade post-independence. Second aim is to examine the national interests of both the European and the Pacific Island countries in shaping their relations. Third is to examine the impact of these relations on the economic and political development trajectories of the Pacific Island countries. This thesis finds that changes to the relations have been largely influenced by events in the wider global political economy. The agreements instituted between the regions were, to a significant extent, devised by the European parties to pursue their political and economic interests in the former colonies since the period of decolonisation. In responding to global events since then, the European countries have redefined the content of the relations but continued to safeguard their own interests. Due to Europe's power in the international political economy the Pacific Island countries have acted within the framework provided by the Europeans in pursuing their national interests to facilitate development. Nonetheless, the Pacific Island countries have influenced the content of the agreements to maximise their benefits when they see them as contributing to their own economic development, and refused to commit to agreements when they see them as not in their own development interest. The trade and aid provisions in the relations over the years have impacted the economic development trajectories of the Pacific Island countries through encouraging exports of certain primary commodities that the Europeans have required for the benefit of their industrial sectors. This approach did not encourage diversification or industrialisation of Pacific Island economies, but resulted in development of particular sectors, such as sugar production and tuna processing. In the last decade, Europeans have been pushing for a free trade agreement, which the Pacific Island countries have resisted, arguing that liberalisation will adversely affects their small developing economies. Finally, drawing on a case study of Fiji, this study reveals how the relations have not had a discernible impact on the political development trajectories of the Pacific Island countries. In sum, the Pacific Island countries' relations with Europe, have not brought the significant changes to their position in the global economy as was intended when the two parties initially committed.