Australian policy processes and the Pacific States

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Most writing on Australian policy-making towards the Pacific states describes its operation in terms of relatively simple processes. The most prominent among these are responses to changes in the security environment, shifting ideas that inform understandings of Australia's relationship with its region, and liberal or Marxist conceptions of material interests. In each case the driving factor is exogenous to the policy-making process.

This paper proposes that applying the tools of institutionalism to the Australian policy-making processes will yield a more fruitful analysis. Institutionalism is characterised by its consideration of a relatively wide range of independent variables, broken down into three categories: ideas, interests and institutions. By considering the regional security environment as an institutional arrangement alongside the material interests and ideas of the regional relationship as three dimensions of the policy process it affords the possibility of incorporating into a single analysis the insights of the three prominent schools. In so doing it can yield greater explanatory power than the sum of its parts by creating a framework within which the inter-relations of the institutions, ideas and interests may be explored. A wider range of independent variables leads to analyses that are more complex, drawing attention to the path-dependency of historical processes and unintended consequences of decisions, the asymmetries of power associated with political institutions and the tendency towards continuity in the face of change.

This paper argues that these features of institutionalism can incorporate some of the particularities that tend to be overlooked in analyses of Australian policy making toward the Pacific states. Most notable among these are the great asymmetries of power in the relationships and the tendency towards bipartisanship and continuity.

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This paper examines Australian policies toward the Pacific States since 1980, corresponding approximately to the independence of the Pacific states. Its particular focus is the sources of those policies and the processes by which the policies were formulated. Most existing analysis is based on one of three factors: the security environment, ideas about Australia's relationship with the region, and material interests. This paper argues that an institutionalist analysis, incorporating ideas, interests and institutions, offers the opportunities to incorporate much of the existing analysis into a single model. It is thus able to draw attention to particularities of Australian policy toward the Pacific States, notably the great asymmetries of power in the relationships, the unintended consequences of actions and the tendency towards bipartisanship and continuity.

The standard periodisation of Australian policy toward the Pacific since 1980 begins with the Cold War policy of 'strategic denial'. (Herr 1982) This policy can be summarised as providing aid and other advantages to the newly-independent Pacific states in order to forge a consensus around the goal of excluding Soviet influence from the region. (Fry 1991, 5-6) In fact there was scarcely any attempt made by the USSR or other powers to infiltrate the region, the notable exceptions being short-lived fishing agreements between the USSR and Kiribati and Vanuatu and some diplomatic overtures by the USSR and Libya that eventuated in a diplomatic presence for the USSR in Papua New Guinea.

By the late-1980s the Cold War had waned, the Labor Party had taken, to varying degrees, an anti-nuclear and anti-colonialist stance, and with the 1988 appointment of Gareth Evans as Foreign Minister began the period of 'constructive commitment'. (Evans & Grant 1995, 175) This period

was characterised by polices that reflected the stronger influence of economics relative to security concerns in Australian foreign policy. In the Pacific this change was most clearly reflected in changes to aid policy, which was professionalised and for the first time became a policy domain in its own right. Budgetary support was progressively replaced by programme aid tied to the purchase of Australian inputs, while the total volume of aid declined.

Most recently, security imperatives have again come to the fore as Australia adopts the policies of 'new interventionism' (See Fry 2004; Dinnen 2004; Patience 2005) in the Pacific. Driven by fears of threats to Australian security emanating from 'failed states' in the region, it is marked by the muscular use of Australian power to achieve outcomes that are justified in terms of Australian security. It is associated with a 'whole of government' approach whereby a range of agencies including the Attorney-General's Department, Australian Federal Police, Customs, Defence, Treasury and Finance join AusAID in the implementation of Australia's aid programme. The archetypes of this policy are the Regional Assistance Mission to the Solomon Islands (RAMSI) and the Enhanced Cooperation Program (ECP) in Papua New Guinea (PNG).

Analysis of Australian policy formation has tended to be compartmentalised into three distinct schools with relatively little inter-communication. These focus respectively on security imperatives, on the role of ideas about the relationship between Australia and the Pacific states and on Australian interests, material and otherwise. This is not to say that none of the analysis identifies more than one source of policy, but rather that it privileges just one of the three categories and treats the others as either exogenous or as epiphenomenal. Indeed each of these schools makes important contributions to understanding of the policy processes. However it is the central contention of this paper that incorporating all of them into a single analysis will yield a fuller understanding of the problem. There are two reasons for this. Firstly, consideration of a wider range of factors broadens the scope of the analysis, allowing it to benefit from the insights of each of the schools. Secondly, bringing the factors together allows for their mutual interaction and interdependence to be studied,

giving greater structure to the analysis.

A theoretical approach that is apposite to this endeavour is *institutionalism.* To be more precise, the approach referred to is *historical institutionalism*, which Steinmo *et al (*1992) and Lowndes (2002) define define in opposition to *rational-choice* institutionalism, while Hall and Taylor (1996) include a third *sociological* institutionalism. For the purposes of the present discussion, institutionalism refers to historical institutionalism. This approach considers three types of factor as independent variables in a political system: institutions, ideas and interests. By institutions it refers to the rules, structures, relationships and organisations that form part of a social or political system. Ideas define the nature of the problem at hand and the range of potential solutions. Interests are typically, though not exclusively, material; other examples are strategic and electoral interests. None of the three types of factor is seen as ontologically prior to any other and each influences the other two. Institutions delineate interest groups and structure ideas. Interests shape institutions and impose, with varying levels of success, ideas. Ideas influence the creation of institutions and define the manner in which interests are conceived.

There are some important characteristics of institutionalism that make it a good candidate for understanding Australia policy and the Pacific states. Firstly, it draws attention to the importance of the historical context in which events occur. It thus highlights the 'path dependency' of the evolution of social structures and unintended consequences of decisions taken by actors. (Hall & Taylor 1996, 938) Secondly, it emphasises the asymmetries of power with the operation and development of institutions. (Hall & Taylor 1996, 938) Thirdly, by studying the constraints to change, it makes explicit the 'stickiness' of institutional configurations. (Steinmo *et al.* 1992, 15) In doing so it posits a model of 'punctuated equilibrium' where a system changes from one relatively steady state to another at a 'critical juncture', often of exogenous origin.

The first school of writing about Australian policy and the Pacific, in terms of both chronology and influence, focuses on the security dimension. Australian security concerns regarding the Pacific

have been around for as long as the British colonies in Australia. Excluding or containing the power of rival European states was a primary motivation for Australia's seeking to keep a strong British presence in the Pacific. In particular the presence of Germany and France in the colonies of New Guinea and New Hebrides was seen as threatening the position of Great Britain as the predominant colonial power in the Pacific. Later, Second World War battles in the Coral Sea and New Guinea reinforced the importance of the Pacific region to Australian security. They also set the stage for the Cold War policy of 'strategic denial' of Soviet interests in the Pacific.

In line with a Realist perspective on international relations, policy analysis during the Cold War focused on Australia's power over the Pacific region and the constraints on that power. Henningham (1995) argues that although Australia dwarfs the island states in population, land area, wealth, economic development, international influence and military capabilities, its capacity to influence those states is subject to a range of constraints. These constraints take the form of international norms of state integrity and sovereignty, historically defended by Australia through its support for the decolonisation of the former and remaining colonies in the Pacific. Secondly, there are the regional and global institutions that emerged since the Second World War, including the South Pacific Forum, now the Pacific Islands Forum (PIF), the South Pacific Commission, now the Secretariat of the Pacific Community and the United Nations and Bretton Woods institutions. These bodies provide mechanisms for states including Australia to pursue particular national interests, but equally restrain the ways in which those interests are pursued. They also provide influential norms and attitudes, such as the the PIF's emphasis on the attainment of broadly acceptable consensus positions. The final constraint identified by Henningham is the Australian domestic context, in which the absence of compelling economic or strategic interests limits the extent to which the Australian government or electorate is willing to maintain extensive relations with the Pacific states.

Henningham's description is thus of a relationship of power that is largely shaped by what may be

termed institutional factors. Although some of the mentioned sources of power, including the relative population and land area, are undeniably independent of the network of relationships under consideration, at least in the time-frame under consideration, others such as economic development and military capability are both effects of the relationship and causes of it. Furthermore it is clear that neither of these two factors is always a strong correlate for power in international relations, which suggests that that a closer examination of the means by which they do translate into power would give the analysis greater precision.

In recent years, security analysis has paid greater attention to the 'new security' agenda that considers political, societal, economic and environmental issues as part of a security agenda. (See McDougall 2004) Henderson (2005) contrasts the security policy of Australia with that of New Zealand. He argues that the greater attention paid by Australian policy-makers to the threat of terrorism is not a rational response to the threat faced by each country. Indeed it is New Zealand that has been the victim of terrorism with the 1985 bombing of the *Rainbow Warrior* and 1987 hijacking of an Air New Zealand aeroplane in Fiji. Henderson argues that the best explanation for the differences between Australian and New Zealand security policies is to be found in the different ideas concerning security. Most notably, New Zealand has embraced the 'new security' agenda, which has translated to a military that is oriented towards multilateral peace-keeping missions and an immigration policy that takes into account the importance of remittances to the economies of micro-states in the Pacific. In contrast, Australia remains wedded to 'traditional' security arrangements, and has accordingly focused on the military dimension of security, made few concessions on the movement of people, whether asylum seekers or temporary labour movement, and antagonised Pacific Island governments by downplaying the significance of climate change. The key question opened by Henderson's analysis is why Australia and New Zealand have adopted such different perspectives. The answer is likely to involve differences between the prevalent ideas about the Pacific and each country's relationship to it, which are in turn influenced by the historical

experience of each as colonial power.

The literature on ideas informing the relationship between Australia and the Pacific states inverts the relationship between ideas and security described by Henderson. Thus, instead of considering security as something 'real' that enters into the policy-making process, possibly in a mediated way, it view the *ideas* as the independent variable. This is not to say that security concerns are completely disconnected from global events, but rather to draw attention to the strongly attenuated relationship between the two. For example, the reaction by Australia to the extremely limited forays into the Pacific made by the Soviet Union were disproportionate to the level of threat they conceivably posed and is better explained by reference to the prevailing ideas about the regional threat posed by Communism, notably the 'domino theory', according to which any country 'falling' to Communism would in turn cause others to fall. Likewise the notion that bands of Islamic terrorists would be able to make effective use of the Pacific islands as a base is hardly plausible given the strong Christian base, the lack of communications infrastructure and the tightly-knit societies that exist on the islands. (Greener-Barcham & Barcham 2006, 74)

In terms of its impact, security is thus more aptly described as an idea than as a concrete reality. This is not in any way to deny its importance for the policy process. Indeed one of the most prolific writers focusing on the role of ideas in Australian policy is Fry, who in 1991 argued that one of two principal ideas underlying Australian Pacific policy is that it should be driven primarily by security concerns. (Fry 1991, 2) Likewise Kabutaulaka (2005) makes ideas about security central to his analysis of Australia's rapid change in policy in 2003 that led to intervention in the Solomon Islands. Ayson (2007) describes the long-standing idea that Australia requires a 'secure and stable archipelagic screen.' (Ayson 2007, 222)

Alongside the constant and dominant preoccupation with security, a range of other ideas are also important to understanding the policy process. Fry (1991) identifies the 'Australasian Monroe doctrine', according to which Australia has a responsibility to lead the Pacific region, as a second

abiding influence. This question of leadership can be generalised to the wider issue of the nature of Australia's relationship to the region. Rajaram (2003) argues that Australian ideas of itself in opposition to the region inform a dichotomy between a stable and developed Australia and a volatile and degenerate region. According to his analysis this idea is central to the belief held by the Australian public and international community of Australia's 'special responsibilities in the region'. (Department of Foreign Affairs and Trade 2003, 92) In a similar vein, Fry (1996) draws attention to the 'unquestioned, and often unacknowledged belief that Australia has a right, or even a duty, to speak for the inhabitants of the region, to represent them to themselves and to others, to lead, and to manage them.' (Fry 1996, 2) Indeed, consulting with the peoples of the Pacific does not ever appear to have been a priority of Australian policy makers. This fact may well be explained by the effect of the certainty with which they held knowledge of those peoples in rendering any alternative understanding superfluous. Policy documents have been written in the language of certain understanding of the problems, if not the solutions to those problems.

Against the backdrop of these ideas that have remained relatively constant over the last quarter century, there has been a shifting series of other ideas important for Australian policy. Fry attributes changes in policy to shifting ideas around four specific questions. (Fry 1991, 2-3) Rearranging these somewhat for conceptual clarity, the first two questions concern the manner in which the two fixed ideas, those of 'security' and 'leadership', should be conceptualised. The third question asks to what extent security should dominate other concerns. The fourth and final question, and the only one that moves beyond clarifying the fixed ideas, concerns the relative importance attached to global versus regional concerns.

Addressing the question of the kind of leadership that Australia should exercise, several different answers can be proposed, corresponding to different historical periods. During the Cold War policy of 'strategic denial', the style of leadership could be called *disciplinary*. This idea is exemplified in Australia's 'Do as I say, not as I do' response to overtures by the USSR and Libya to Tonga,

Kiribati, Vanuatu and Solomon Islands. Australia sought to influence the foreign policy of these independent states so that they would refrain from entering into relations with the USSR or Libya, even though Australia had both trade and diplomatic relations with those countries. An alternative style of leadership, associated with the economic liberalisation during the Hawke and Keating years, could be termed *leading by example* in that Australia exhorted Pacific states to follow its lead in opening its economy to the global market. Although there was no shortage of hectoring and a measure of coercion involved, (See Rosewarne 1997) the discourse adopted by the Minister for Development Cooperation and Pacific Island Affairs Gordon Bilney was one of encouragement of the Pacific States to follow Australia in taking the hard but unavoidable decisions. Most recently, and in line with the focus in development assistance on 'governance', (See Nunnenkamp 1995) ideas around Australian leadership have taken on a *managerial* quality. Thus we see Australians working for the Australian government placed in 'line' positions in the public service in PNG, the Solomon Islands and Nauru. These officials are seen as responsible not for enforcing any peculiarly Australian will but rather as managing the bureaucracy in line with international standards.

The answer to the second question, which asks how 'security' should be conceptualised, has undergone a series of changes that correspond largely with the geopolitical context. The Cold War *Realpolitik* was associated with a zero-sum notion of security in which exclusion of the USSR and its proxies was the over-riding objective. With the end of the Cold War, economic issues came to the fore, and security came to be seen as a positive spin-off of economic stability. Most recently, the internal stability of Pacific States, and their potential to become 'failed states', has been construed as a security issue for Australia through the potential as people and drug smuggling. Other ideas around security are the 'new security' issues of social, economic and environmental security. As noted above, Henderson (2005) argues that these ideas have not had a great impact on Australian policy.

An example of a specific shift in policy that can be explained by a change in ideas about security is the decision to intervene in the Solomon Islands. Since 1998, Australia twice refused requests from Solomon Islands Prime Ministers for assistance in reimposing the rule of law in the Solomon Islands. As late as January 2003, Foreign Minister Downer categorically ruled out intervention in the Solomon Islands, arguing that it would be resented in the region, difficult to justify to Australian taxpayers, lacked an exit strategy, and would not work. (Downer 2003) Yet just six months later Australia was leading a multinational intervention in the Solomon Islands without any of the issues raised by Downer having been addressed. Kabutaulaka identifies the source of this rapid change in policy with the changed ideas around security that were provoked by the '9/11' events in the USA. (Kabutaulaka 2005, 287) In particular, security concerns were refocused from inter-state and intra-state conflicts onto non-state organisations. Australian participation in the invasion of Afghanistan and Iraq legitimated the use of 'coalitions of the willing' and pre-emptive strikes against terrorists. While there was never any suggestion that Solomon Islands was harbouring terrorists, a parallel was drawn between the 'failed states' of Afghanistan and Solomon Islands.

The third question identified by Fry is the extent to which the security objective should dominate other concerns such as anti-colonialism, economic rationalism, democracy, human rights or disarmament. (Fry 1991, 3) The simple answer to this question appears to be that security was unrivalled during the height of the Cold War and the 'War on Terror' and faced a limited challenge from other ideas in the intervening years. A more complicated answer would note that the distinction between security and non-security issues is not always clear. Issues can often be framed as security concerns in order to increased their perceived importance, or to make a response politically achievable. Most recently climate change has begun to be described as a security issue although not yet to the extent of generating a discernible change in approach to Pacific policy. (Dupont & Pearman 2006)

The final question identified by Fry as having a bearing on changes in policy is the relative

importance of global versus regional concerns. Writing in 1991, when Foreign Minister Evans was articulating a new regional engagement associated with his policy of 'constructive commitment', Fry saw this second question as looming large. Indeed the 1993 appointment of Gordon Bilney as Minister for Development Cooperation and Pacific Island Affairs made Fry's analysis prescient, although Fry (1996) later argues that the period of genuine engagement with the Pacific region was brief and ended with Bilney's appointment. (Fry 1996, 19) With the benefit of a further 15 years' hindsight, it seems more accurate today to say that regional concerns had an increased prominence during the years of 'constructive commitment' and once again diminished with the 1996 arrival of the Howard government.

The final body of writing on Australian policy formation and the Pacific States focuses on the role of *interests* of various kinds, most often commercial or strategic. Such analysis comes in liberal and Marxist varieties. Among the former is found the work of Rowan Callick, who observes that it is precisely the lack of strong interests in Pacific policy that, since the end of the colonial period, has meant that there is no strong advocacy for good policy that and the Pacific is a career graveyard for bureaucrats. (Callick 2000, 35) This, he argues, is the cause of poor Australian policy in the Pacific. Given the small size and remoteness of the Pacific islands, his claim that there are no strong commercial interests may be accurate, although Evans and Grant (1995, 174) argue otherwise. The reduction in Australian engagement with the Pacific that occurred with the diminution of strategic interest in the region associated with the ending of the Cold War also strengthens Callick's argument. However he applies the same reasoning to PNG, where there are Australian companies involved in significant mining operations. Furthermore, fishing the vast territorial waters of the Pacific states and exploiting the forests of PNG and the Solomon Islands clearly attract interests from other states such as Japan, Taiwan, China and Malaysia. It seems therefore that interests do not translate directly into policy advocacy, as Callick appears to assume, but are mediated by other factors.

Callick's assumption that interest groups are the primary drivers of political decisions is associated with the school known as *pluralism*. (See Marsh & Stoker 1995) This approach asserts that there is a more or less direct relationship between the level of interest in an outcome and the likelihood of that outcome coming to pass. In doing so it discounts the importance of the context in which the interest groups promote their desired outcomes. In other words it posits a world in which the institutions of the state are neutral arbiters between interest groups and cannot themselves be seen as interest groups. It also requires that power be dispersed among groups rather than accumulated in the hands of a small number of players. These conditions are clearly more likely to hold in some cases of political interaction than in others. It is certainly arguable that, due to the perceived relative marginality of the Pacific states to Australian policy-making, Australian policies and the Pacific states are an example where they are less likely to do so. Indeed, if, as Callick argues, (Callick 2000, 37) appointing a Minister for the South Pacific would improving the situation, it would not do so by creating new interests as much as by changing the institutional arrangement within which those interests operate.

A related critique can be made of Callick's characterisation of Australian interests connected with the Pacific. Although he isn't explicit about it, he appears to refer primarily to financial and strategic interests. He most notably does not mention interests associated with NGOs such as AID/WATCH, Oxfam and church organisations which support an engagement with the Pacific that concentrates less on national interests and is more internationalist, social or environmental in focus. The fact that these interests have at best a marginal impact on the thrust of Australian policies means that, for a pluralist interpretation, they are not sufficiently strong and must thus be somehow insignificant. However such an argument risks descending into circularity; if only interests that have a discernible impact are significant then, by definition, all significant interests affect policy decisions. This reasoning is of little value when it comes to explaining why certain interests have been relatively ineffectual. The analysis would be strengthened by incorporating the institutions

upon which these interests must impact, most obviously the government departments that decide policy, but also the Parliament that has, at least potentially, a role in policy decisions.

Finally, there is a range of ideas whose inclusion in Callick's analysis would greatly strengthen its explanatory power. For instance, the differences in policy between Australia and New Zealand are more explicable through different ideas about the place of the respective states in (or out of) the Pacific, than purely by reference to an interest group calculus. Likewise, the changes in policy have often accompanied changing ideas about economic management, most pertinently with the ascendency of monetarist and neoliberal economics during the 1980s.

Marxist analysis, as exemplified in the work of Rosewarne (1997), focuses on the imperatives of capital accumulation. Thus the militarism associated with the Australian response to Soviet and Libyan overtures is linked to attempts to developing overseas markets for military hardware in order to achieve self-reliance and build economically viable and internationally competitive defence manufacturing industries. (Rosewarne 1997, 93) This argument has difficulty in explaining the neglect of the Pacific States that occurred during the early years of the Hawke government under Foreign Minister Hayden, and Rosewarne falls back on an explanation in terms of 'the metropolitan states' difficulty in accommodating the political maturation of the Island states.' (Rosewarne 1997, 89) This explanation draws on factors outside of Rosewarne's conceptual framework, and would benefit from their being brought inside as an institutional attribute of Australia as a metropolitan state.

In order to explain the shift to 'constructive commitment' Rosewarne invokes 'Whitehall pluralism' (The term is attributed to Wilson 1977) at play in the inter-departmental rivalry among diplomatic, military, economic and development policy. Nonetheless he re-emphasises that material interests are behind each of these policy drives, with the 'objective of internationalising the Australian economy and to ensure that some of the costs associated with the expanded commitment to the Pacific were recouped.' (Rosewarne 1997, 98) Finally, Rosewarne argues that the Pacific

was eclipsed by Asia in Foreign Affair's 'grand strategy', which accords well with the thrust of his argument that material interests are the primary source of policy. However moving beyond the observation that the dearth of material interests in the Pacific translates to a lack of policy focus toward a detailed examination of how policy was formed under those conditions necessitates consideration of factors other than material interests.

Drawing together these analyses by giving equal weight to institutions, ideas and interests opens some paths to a potentially fuller understanding of the particularities of Australian policy toward the Pacific states. This may be observed in two complementary ways: firstly, considering a wider range of factors broadens the scope of the analysis, and secondly, demonstrating the ways in which each factor constrains the others narrows the scope of conceivable phenomena. In particular, it is pertinent to observe the ways in which a stable configuration can be found where institutions, ideas and interests reinforce one another and thus contribute to a policy becoming stabilised. The following paragraphs contain two examples that illustrate the form such an analysis might take. They are somewhat speculative and should be considered as hypotheses to be investigated. Their primary purpose here is to demonstrate ways in which institutionalism may be used as an explicit theoretical framework for investigating specific phenomena.

The first example is the policy of 'strategic denial' that, as mentioned above, cannot adequately be explained solely by reference to the strategic context of the Cold War. Among the most influential ideas were those about the threat of Communism and in particular the 'domino theory'. These ideas were critical in shaping institutions such as ANZUS, Australia's aid programmes in the Pacific and the preferential trade access that Australia and New Zealand grant to products from the Pacific under the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA). Those institutions both created and were reinforced by interests in the form of companies that deliver military hardware, Pacific-based exporters and public and private institutions involved in the implementation of the aid programme. These interests and institutions equally helped to sustain the

ideas concerning a Communist threat to security as well as that of Australia's role and duty to lead the region.

By explaining political arrangements in this way institutionalism can provide an explanation for the 'stickiness' of political arrangements and the path-dependency of responses to a given situation. Thus, as 'strategic denial' made way for 'constructive commitment', some of the factors that supported the earlier policy were altered, most notably the global strategic context. Others remained in place, such as the idea that Australia should exercise leadership over the Pacific region. Likewise, given the trend away from ideological differences among the mainstream Australian political parties and there being no perceivable electoral advantage to be gained by advocating for change, it is not surprising that Australian Pacific policy has been characterised by bipartisanship, even as the policies themselves have been subject to change.

Another feature that institutionalism is well-placed to explain is that of unintended consequences. Whereas rational-actor models must rely on explanations based on incorrect or incomplete information, institutionalism draws attention to the influence of extra-rational factors. On the other hand, explanations that privilege the role of ideas tend to overlook the extent to which those ideas may be rational, or at least amenable to rational explanation. Thus, for example, the later consequences of aid given according to the policies of 'strategic denial' were predictable, yet equally unavoidable given the institutional setting and prevalent ideas at the time. Those consequences include the fact that aid has become entrenched as the primary focus of Australia's relationship with the Pacific states and that later attempts to promote representative democracy would be hampered by entrenched interests promoted by the earlier policies.

A second example of Australia's relationship with the PIF since 1996 serves to demonstrate how great asymmetries of power and interest pose problems for a pluralist account of change. While it is a truism that states use international organisations in part to pursue their national interests, Australia's regional preponderance means that it is able to bring disproportionate power to bear if it

so chooses. Thus, after having paid little attention to the PIF since the election of the Howard government, Australia was able to have its candidate Greg Urwin elected as the first ever non-Islander Chair in 2003 and its agenda for reform endorsed in 2004. (Department of Foreign Affairs and Trade 2004, 64) It is not immediately evident why Australia should have invested political capital in influencing a small regional organisation to which it had hitherto paid little attention. It could simply have pursued its policies without regard for the PIF, extracting reforms in the same way that it does on a bilateral basis through the leverage if its substantial regional aid programme, the second largest only to Japan. On the other hand the PIF can be seen to serve Australian strategic interests by legitimating intervention in member countries, as occurred with RAMSI. Its perceived importance may also have been bolstered by the decline of the United Nations as an institution able of endorsing intervention. The PIF can also be argued to have established norms for state behaviour, notably that of achieving consensus on policy positions, whose influence is not readily explicable by reference to instrumental purposes that they may be seen to serve.

In conclusion, the processes by which Australian Pacific policy is formulated has been inadequately theorised. There are detailed examinations of the policies that focus on security concerns, on ideas about the Pacific region and Australia's relationship with it, and on the role of interests in determining policy. Yet with few exceptions (Patience 2005 is a notable example) there is no analysis that incorporates these three types of analysis into a coherent whole. Institutionalism provides a theoretical framework that can be used to inform such an analysis. It is able to highlight features including the great asymmetries of power in the relationships, the unintended consequences of actions and the tendency towards bipartisanship and continuity. Applying the insights of institutionalism to the case of Australian policy processes and the Pacific states is a promising avenue for further investigation.

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