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RE: International Development Policy Submission

To Whom It May Concern:

My name is Daniel Mandell and I am a Council on Foreign Relations/Hitachi Ltd. International Affairs Fellow, based at the Japan Institute of International Affairs as a Visiting Research Fellow. My research focuses on how the United States, Australia, Japan, and other like-minded development partners can best work together to efficiently and effectively provide development assistance to the Pacific Island Countries (PICs). This work builds on my prior experience in the Republic of Palau, where I served for two years as Legal Counsel in the Office of the President. Having experienced first-hand some of the challenges faced by a small PIC, and considered the strategies of many of Australia's development partners in the region, I wanted to offer a few ideas as you work to craft Australia's new International Development Policy (IDP).

As Australia undertakes this review, it is worth noting that it is not alone: both Japan and the United Kingdom are currently reviewing their Indo-Pacific strategies, Canada has just released its new strategy, and the United States is continuing to develop the substance of its announced frameworks for engagement. The Republic of Korea and Taiwan are looking for ways to increase their own involvement, while the European Union, France, and Germany are also becoming more involved with the region. It is therefore the perfect time for like-minded partners to work together to craft coordinated and complementary strategies in which each can emphasize its comparative advantages.

Rather than creating a new program or framework for such coordination, though, Australia's new IDP should utilize existing programs, such as the recently established Partners in the Blue Pacific, to coordinate and provide development assistance. The Partners in the Blue Pacific is an especially appropriate mechanism because of its emphasis on being "led and guided by the Pacific Islands."<sup>1</sup> The PICs know what they need and how they need it; Australia's

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<sup>1</sup> Statement by Australia, Japan, New Zealand, the United Kingdom, and the United States on the Establishment of the Partners in the Blue Pacific (PBP), June 24, 2022, available at <https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/24/statement-by-australia-japan-new-zealand-the-united-kingdom-and-the-united-states-on-the-establishment-of-the-partners-in-the-blue-pacific-pbp/>.

development assistance will be most effective if it is provided in response to the PICs' actual needs, rather than in response to their perceived or assumed needs. One way to accomplish this will be to tie Australia's new IDP for the Pacific to the Pacific Islands Forum's 2050 Strategy for the Blue Pacific Continent. Utilizing PIF's 2050 Strategy will show that Australia is committed to listening to the PICs and prioritizing their needs, rather than what others might think are their needs.

Although coordination and cooperation present opportunities to maximize the efficiency and effectiveness of development assistance, it is at least – if not more – important to be present on the ground in each PIC. Each PIC has its own challenges, and if there is no in-country representation, these challenges may go unaddressed. Australia's new IDP should continue efforts to 'step-up' bi-lateral engagement with the PICs by establishing a permanent diplomatic presence in each of the PICs. Having an on-island ambassador supported by consular staff will ensure that Australia is always able to present itself as an available option for development assistance.

Moving from the how to the what, Australia's new IDP should emphasize the areas in which it and its like-minded partners have asymmetric advantages and unique national strengths. There are four such areas that I would like to highlight: increasing economic opportunity; increasing educational access and professional training opportunities; providing maritime security; and strengthening the rule of law. Each of these areas will help the PICs become more effective states that can sustain their own development and enhance their resilience to external pressures.

Turning first to economic opportunity, the Australian Government should continue to enlarge opportunities for labor mobility through The Pacific Australia Labour Mobility scheme. As the largest, English-speaking, developed economy in the region, Australia is best positioned to provide economic opportunities for Pacific Islanders. However, Australia should be very careful about permitting permanent migration because of the risk of facilitating 'brain-drain,' a problem now being faced by the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands. Under the Compacts of Free Association between those three countries and the United States, citizens have the right to enter, work, and remain in the United States without limitation. This unrestricted access has led to a prolonged loss of talent, depriving the three countries of needed skilled labor. A longer-term solution that would avoid this problem is to help the PICs build-up their economies so that Pacific Islanders do not need to migrate for economic reasons in the first place. Although the small size and distant locations of the PICs present unique challenges to economic development, opportunities do exist. The new IDP should support engagement with the private sectors both in Australia and in the PICs to identify the most feasible opportunities for growth, and work with like-minded development partners to develop the infrastructure and skill-training programs necessary to realize these opportunities.<sup>2</sup>

The most obvious economic opportunity is in international tourism, the dominant economic activity for many of the PICs and an area Australia is particularly well-suited to support for two reasons. First, unlike the United States or Europe, Australia is already in the region. Thus, while Americans and Europeans need to travel for up to a full day in order to reach the PICs, Australians can reach them in just a few hours. Second, unlike Japan, Taiwan, and Korea, Australia shares

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<sup>2</sup> Australia's participation in the Trilateral Infrastructure Partnership with the United States and Japan is one such way in which Australia is already doing this. These efforts should be expanded and rolled into the Partners in the Blue Pacific so that other like-minded development partners can also participate in these projects.

English with the PICs as its primary language, making it easier for Australian tourists and businesses to operate in the PICs. These two reasons should make the PICs a natural destination for Australian tourists and tourism businesses. The Australian Government should take advantage of this fact by including in the IDP programs that encourage and assist businesses in the Australian tourism sector to work with PIC-based tourism-sector companies, thereby helping the PICs to make themselves more attractive tourist destinations. In particular, the Australian Government should support the establishment of direct air routes, making it easier for Australians to travel to the PICs. Aside from the potential economic benefits, facilitating an increase in the interactions between Australians and the PICs will strengthen people-to-people ties, a proven way of helping to maintain a favorable political alignment at the governmental level.

The second area in which Australia and its like-minded development partners have an asymmetric advantage is in the ability to offer access to education and training opportunities. The importance of education is difficult to overstate. However, the opportunities for education – particularly higher education – are very limited in many of the PICs. Australia has a well-developed higher-education system that operates in English and is far more affordable than universities in the United States. At a relatively low cost, the Australian Government could subsidize the cost of university education for Pacific Islanders, creating highly skilled young adults who will be able to return to the PICs and become the leaders of tomorrow. Moreover, there is a need for professional training opportunities in a variety of areas that are critical to a healthy democracy, such as journalism and the practice of law. Australia's new IDP should promote the provision of professional training opportunities, either through government programs or through the engagement of non-profits, industry associations, and other civil society groups.

The third area in which Australia and its like-minded development partners have an asymmetric advantage is in assisting with maritime security. The exclusive economic zones of the PICs total more than 19 million square kilometers. However, many of the PICs have very limited maritime security forces, preventing them from being able to protect the natural resources upon which their economies rely. Australia has already been working to assist the PICs in this area through the provision of additional patrol vessels and embedded personnel. This type of assistance, combined with training and funding, should be continued. Because Australia is physically in the region, though, it is better positioned to assist with the real-time provision of maritime security than other development assistance partners. Given the size of the Pacific, this may be an area where a coordinated division of labor amongst development partners makes sense: Australia and France can better assist with the South Pacific, while Japan, Taiwan, Korea, and the United States can assist with the North Pacific. Australia's new IDP should call for coordination and cooperation amongst like-minded development partners to actively assist the PICs with maritime surveillance and enforcement, helping the PICs prevent illegal, unreported, and unregulated fishing, drug trafficking, and other misuse of the maritime environment.

The final area in which Australia and its like-minded development partners have an asymmetric advantage is in the rule of law and justice sector. This recommendation is drawn from my prior experience serving as Legal Counsel in the Office of the President of the Republic of Palau. During my time in that position, I saw first-hand the problems caused by a lack of domestic capacity in the legal sector. Developed countries like Australia and the United States have teams of legal professionals to help legislators draft legislation, codify bills into law, and update and

publish compilations of statutes and regulations, as well as modern, electronic databases for lawyers and judges to research the law; many PICs do not. For example, in Palau the national House of Delegates and Senate each have only two lawyers (who change every 2-4 years), the job of codifying and publishing the law rests with an office that has a staff of one individual with no legal training, and there is no current, publicly-accessible database containing all laws, regulations, and judicial authority. Similarly, Palau, like several other PICs, must utilize foreigners as judges, arguably creating a democratic deficit in the administration of the law.<sup>3</sup>

In addition to providing training and resources to bolster the abilities of PICs in this area, an additional potential solution is the creation of a regional legal center that could provide a suite of services, from assistance with the drafting of legislation, to the codification of laws and promulgation of official codes, to serving as a regional law library that provides virtual access to a current, modern, electronic database of law. By providing services for multiple PICs, an economy of scale could be achieved that makes the operation of such a center economically sustainable. It is especially apt for Australia and its like-minded development partners to support the PICs in this important area given their roles in the development of the PICs' legal systems, as well as their own robust domestic systems. Australia is particularly well-suited to hosting such a legal center because of its common-law background and use of English as a primary language (creating a tie to the Micronesian countries of the North Pacific), as well as its location in, and historic ties to, the South Pacific (creating ties to Melanesia and Polynesia). Working with its like-minded development partners, Australia could ensure that such a center would have capabilities to cover the full range of legal systems that exist in the Pacific region. A more accessible law is a stronger law, so helping the PICs in this area will help make them stronger and more resilient to actors who seek to gain influence through improper means.

To be sure, the challenges facing the Pacific region are as numerous as the region is large. However, the recent surge in attention and support from a wide range of like-minded countries presents a true opportunity for the development of a comprehensive and coordinated strategy that will help the PICs to successfully confront and overcome these challenges. As one of the primary regional powers, Australia has a critical role to play in this effort. Its well-planned and committed engagement could not only help the PICs overcome the challenges they face, but also create opportunities for Australian businesses and people to take advantage of.

I hope that the foregoing suggestions will be useful as the Government considers its new IDP. If I can answer any questions about what I have suggested or be of further assistance during the policy development process, please feel free to contact me at [Daniel\\_Mandell@jiiia.or.jp](mailto:Daniel_Mandell@jiiia.or.jp).

Respectfully Submitted,

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<sup>3</sup> See, e.g., Dziedzic, Anna. *Foreign Judges in the Pacific*. 1st ed. Hart Publishing, 2021.