

*The Inaugural Peter Tali Coleman Lecture in Pacific Public Policy  
Presented by the Asian Studies Program and the Center for Australia and New Zealand Studies,  
Edmund A. Walsh School of Foreign Service, Georgetown University*

## GOOD GOVERNANCE

### PATHWAY TO SMALL STATES PROSPERITY: A ROLE FOR AMERICA AND THE WEST?

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It is an honour and a privilege for me to be asked to deliver this Inaugural Peter Tali Coleman Lecture in Pacific Public Policy under the auspices of the Edmund A. Walsh School of Foreign Service of Georgetown University.

The principal premise on which this lecture is based is that any good governance agenda is only as effective as the particular nation's leaders' level of integrity. All my other premises are conditional upon this main principle.

How appropriate that we today celebrate the life of an illustrious Georgetown University alumnus, Governor Coleman, with a theme that mirrors his own personal commitment to this principle of integrity. Governor Coleman was a man of integrity. His public service is a life totally committed to serving his people with a dedication that has been a shining example to all Pacific leaders who came after him. Serving four terms as Governor of American Samoa, his appointment by President Eisenhower in 1956 was an inspiration for our own Samoan leaders, including our own sovereign state, Samoa, which became the first Pacific State to achieve full independence in 1962.

The founder of this School of Foreign Service, Reverend Father Edmund A. Walsh, shared a strong belief with Governor Coleman – public service is a public trust. Dean Robert L. Gallucci has articulated that the School's programs are, "built on Jesuit traditions of service and cross cultural understanding."

This School's distinguished alumni hold leadership positions in all sectors of society throughout the globe. Just as Governor Coleman helped shape the Pacific's political development towards greater independence and self-sufficiency, this School's alumni are also actively participating in the shaping of international affairs, as we all move further into the twenty-first century.

Our venue is the World Bank, hallowed ground indeed, and an appropriate co-host on this occasion, for a discourse on good governance, a topic so dear to its heart. It is no longer a contentious issue, the hard cold fact is that much valuable, and ever more scarce, development assistance is being wasted away in those countries where good governance provisions are lacking. We agree entirely that aid cannot be effective without good governance. We must never forget, however, that developing countries' own meagre resources are also being wasted away by

corruption and greed. Global poverty is too serious a problem to allow this great waste of resources to continue.

Our topic is timely. It is also serious because without good governance, the recent Johannesburg resolutions, the Monterrey Consensus, the myriad of political- and economic-speak on poverty eradication, will be nothing but good intentions. Aid dollars will continue to be diminished by America and the West, having to commit more resources to the escalating war against terror. In a recent national security statement issued on 20 September 2002, the White House acknowledged: "Poverty does not make poor people into terrorists and murderers. Yet poverty, weak institutions and corruption can make weak states vulnerable to terrorist networks and drug cartels within their borders." Corruption not only undermines the effective use of aid, it encourages terrorism.

The introduction to the Johannesburg Summit's Plan of Implementation states categorically: "Good governance within each country, and at the international level, is essential for sustainable development." This statement precedes volumes of pages of statement and intent, all of which are predicated by, and totally reliant on, the good governance agenda being given priority.

### **The Small States and Good Governance**

It is an honour to be delivering this lecture at the conclusion of the 2002 Small States Forum, which I have been privileged to chair. We have discussed our volatility and vulnerability, and our need to adapt to the changing global trade regime. We have discussed the need to exploit the opportunities provided by globalisation, which enhance our competitive advantage. Most of us have been just as adamant, however, that we do not sacrifice our unique national and cultural heritages on the altar of globalisation. We must learn to make every effort to ensure that we can collectively obtain the benefits of trade, without sacrificing our unique national cultures and identities. I firmly believe that it is not naïve to expect to achieve such a grandiose objective.

Last week in London, I was asked to lead discussions on the Small States' Agenda item of the Commonwealth Finance Ministers' Meeting. I sensed a pervasive skepticism amongst the Commonwealth Small States that any real progress had been made to seriously address small state issues. To be fair, this has arisen mainly because the OECD Harmful Tax Practices Initiative was seen as a big-power, big-stick approach, totally insensitive to our concerns. We, all of us, have our problems in the area of tax collection, but having been encouraged by our former colonial powers to find ways to achieve greater economic self-sufficiency, it is quite ironic that they are now demanding that we self-destruct our offshore tax regimes, when they have yet to pass the necessary legislation themselves to block all the loopholes. Where is that evasive level playing field?

I am not stating there have been no achievements. The recommendations of the Commonwealth Secretariat/World Bank Joint Task Force Report on Small States has helped to secure international recognition of the special needs and vulnerabilities of Small States. It is important, however, to put all these initiatives in perspective; these reports must educate our partner donor organisations and institutions on how they should deal with our special needs. These reports should not be used as a platform for attempting to lecture Small States on what agendas they should be pursuing. The emphasis is on a partnership model based on mutual respect and understanding.

We prioritised trade issues, the OECD Harmful Tax Practices dialogue, post September 11 problems, attracting private investment, improved capacity building, and even promoting regional approaches where considered appropriate. What becomes clear in any such discussions is that

there is only so much we can achieve as a group to properly deal with these problems. In certain situations, our unique situations require country-specific solutions.

We need to work towards improving our capacity to find solutions. However, we accept that there can be tremendous achievements in negotiating as a group, especially with bodies such as the World Trade Organisation, and the IMF, World Bank, or even the OECD. My point is we should use these fora more for collective bargaining, and less as a means of achieving band-aid solutions to our problems. In any case, I digress; what I did find significant is that good governance issues were conspicuous by their absence as a separate item on the agenda of these meetings.

It occurred to me in preparing for this lecture that there can be only one of two reasons why good governance is not a high priority issue in these initiatives; either because it is considered so important that it should always be dealt with in a separate forum; or, it is considered sensitive and may undermine the focus on other important issues facing small states. In any case, corruption in any form is not a topic most of us are comfortable with. It tends to make us appear either smug or judgmental, depending on how we see ourselves as regards this topic.

Whatever the reasons, I must reiterate early the basic truth that without good governance, any serious efforts to achieve sustainable development will be doomed to failure.

### **Good Governance – Is it achievable?**

The World Bank has defined good governance as “the manner in which power is exercised in the management of a country’s economic and social resources.’ In this definition lie the seeds for failure, for if we accept Lord Acton’s often quoted statement-

*“Power corrupts, and absolute power corrupts absolutely,”*

-then we have to answer the question, is good governance achievable, in the negative?

We need not, however, be so pessimistic, for the more the exercise of power is held up to public scrutiny, the more responsible those in positions of power should be. This is true, at least in theory, which is the reason why transparency and accountability are such vital components of any good governance agenda. I shall establish in this lecture, that this is possible only if leaders of integrity are already in power. Accountability mechanisms are extremely effective, however, in ensuring that those leaders remain honest.

#### *What is Good Governance?*

Good governance is made up of different component parts. An independent judiciary is but one essential element. Judges need to be well resourced, well paid, well trained, and enjoy security of tenure. In order to ensure integrity in parliamentary leaders, legislators need to be democratically elected in free elections; they also need to be well resourced and well remunerated to discourage corruption.

For judges, financial security ensures their integrity and their ability to dispense justice without fear or favour. Security of tenure ensures their independence. Proper training ensures their competence.

In June 1998, I was one of the privileged few invited to Latimer House, outside of London, to discuss what were to become the “Latimer House Guidelines for the Commonwealth.” We comprised some noted jurists who had been traumatised by oppressive regimes, Chief Justices, legislators, Queens’ Counsels, and a former Attorney General from Samoa. We worked very hard to try and find a consensus, as the Commonwealth contains so many diverse cultures as well as different political and judicial systems.

This is an appropriate introduction to my first premise in this lecture:

*“Good governance, in any country, is only as good as the weakest link, in any of its component parts.”*

In the Latimer House Guidelines we made a strong case for the independence of legislators, the need for a strong opposition in parliament. We stressed the need for a free and independent media, the important role of judicial officers, such as ombudsmen, human rights commissioners. We urged the establishment of binding codes of ethics for political leaders, judges, even the media. The media’s power also needs to be exercised responsibly. These ingredients are all better known as accountability mechanisms. As I have already stated, these all help ensure that honest leaders have every incentive to remain honest.

This discussion now leads on to my second and most important premise:

*“The success of any good governance agenda is directly related to a nation’s leaders’ level of integrity.”*

This can only be achieved if the socio-political situation of the country is conducive to producing leaders of integrity. If the seeds of corruption are endemic in a society, it will take time and strong resolution to assert a new culture of honest.

Recent events in the private sector in the United States are further proof of my premise. The Enron and WorldCom scandals proved that you cannot always assume that corporate and accounting executives will either be, or indeed remain, persons of integrity. The appropriate systems of checks and balances are still evolving, especially to deal with the problems of creative accounting and off-balance sheet items. Ironically, one of the solutions implemented is to get chief executive officers to sign off on their accounts. Is this a possible solution for good governance, getting political leaders to swear off on their national accounts?

There is a little more than a hint of irony in this question. We cannot have companies declare profits and then go bankrupt within months. We cannot have countries produce budgets that are based on false assumptions. The overriding goal is to establish systems that encourage the appointment of leaders of high integrity who then are encouraged by the existing political or even business environments to remain honest. The general idea is always to prove Lord Acton wrong.

In terms of the overarching objective, producing leaders in society of high integrity who are then encouraged to remain honest, it is important to determine if the national culture is conducive to good governance. A recent National University of Samoa publication (*Governance in Samoa*, editor Dr. Asofou So’o) concludes that because blind obedience and subservience are such an integral part of our culture, our traditional fa’a-Samoa is anathema to good governance principles. This same argument applies to the late Governor Coleman’s beloved American Samoa. I recently reviewed this publication and I observed there was an interesting irony in all this. Why has the Samoan culture survived so long, and indeed so successfully, in spite of this blatant non-

compliance with good governance principles? The answer further proves my premise. The Samoan culture has not only survived but also thrived because of the basic high level of integrity, at every level, of Samoan society's leaders. We need to acknowledge here that there are many instances where the fa'a-Matai has lead to unjustices, however the Samoans have accepted that the system works for them in most instances, and it is the core of their cultural heritage.

This analogy also introduces my next premise, which is corollary of the previous one:

*“Strong leaders of integrity in a country can overcome the governance problems created by weak systems, but the strongest systems can be completely undermined when the leaders are dishonest.”*

My point is that honesty is the glue that binds together any effective and successful good governance agenda. This is the reason why strong measure of accountability, and particularly transparency, are so important. I issued a challenge in our parliamentary debate on the budget in 2001 to the opposition, the parliament, indeed any member of the public, to report any suspicions of government corruption to our controller and chief auditor. A senior opposition legislator thanked me, and even stated this invitation was a milestone in achieving true accountability and transparency.

I reconfirmed this offer publicly in an important lecture on good governance recently. This offer is for alleged corruption against anyone, at any level, in government. In Samoa, allegations of abuses of power may be referred to the ombudsman. I can confirm that most, if not all, Pacific States have an ombudsman. Abuses of power can undermine good governance measures, if there are no mechanisms available to detect and eliminate them.

This discussion is the appropriate introduction to my fourth premise:

*“Accountability and transparency are greatly encouraged by leaders of integrity. The reason is quite simple: being honest, they have nothing to fear from complete and full disclosure, for it always confirms their honesty.”*

I now wish to destroy, once and for all, the myth that cumbersome good governance agendas hinder effective government. In terms of transparency, it goes back to every politician's lament concerning the media.

*“We may not like what they (the media) say, but (as long as it is true) we respect their right to say it.”*

We need to ensure that a culture of honesty permeates our societies. This can only be achieved if honesty becomes part of our national psyche. The role models that our children look up to must be people of integrity. The existence of a culture of corruption, in a situation where might is right, will produce corrupt leaders and, worse still, encourage corrupt leaders in the future.

### ***How Can America and the West Help the Good Governance Agenda?***

We can introduce this topic by leading straight into the fifth premise:

*“For any agenda for good governance to be successful, sensitivity must be shown to the particular country's unique situation, and the appropriate time frame for necessary changes to occur must be provided for.”*

The corollary to this premise is that the worst thing that international institutions and America and the West can do to the developing world is to all of a sudden make all aid completely conditional upon the full implementation of good governance agendas.

Samoa's economy is recognised as the model of a successful Pacific economy. We recently introduced new legislation into our parliament that sets the good governance agenda for the economic management of our country into the twenty-first century. In essence, the basis of this reform is complete transparency and full disclosure; particularly in the interaction between the executive branch and our legislature. Even areas such as the appointment of able, qualified, and competent directors into public corporations, instead of political lackeys, has been appropriately dealt with in the legislation.

The only reason I raise this is because when I am asked for the so-called secret to Samoa's success, I state that apart from sound macroeconomic policies, we have introduced our reforms in a time of economic strength and stability. This has allowed us the luxury of being able to sit back and objectively implement the reform process, making the necessary adaptations to local conditions, as are necessary to ensure these reforms are culturally sensitive. If they are not culturally sensitive, they will not be successful.

The difficulty with most World Bank/IMF interventions, with respect, is that they tend to wait until the country concerned is in dire economic stress before they insist on structural and even certain good governance reforms as a condition precedent to their rendering assistance. This only exacerbates the situation. Pushing reforms too far too fast in times of economic stress is a formula for disaster. There are a myriad of empirical examples to substantiate this fact.

A much more sensible approach was undertaken recently by the World Bank in a study of how to assist countries with particularly weak policies and institutions, the so-called "Low Income Countries Under Stress," or LICUS. I am advised the final report was discussed by the World Bank's Executive Board on July 30, 2002. A key recommendation of this report is that the World Bank should increase the frequency and quality of its analytical and advisory services to countries with weak governance. This builds up gradually and effectively for the individual country a capacity for change.

We meet as a region not only because regional approaches have been extremely successful, but also because capacity sharing amongst us makes good economic sense. We are also much stronger as a bloc, especially in dealing with institutions such as the World Trade Organisation, and the IMF and World Bank. While we do have our common agendas, we must never forget that we are all unique. We can only do so much together.

This now leads me into my sixth premise:

*"The worst thing America and the West can do is to try to impose the same agenda of good governance on all countries."*

This is yet another formula for disaster. It is totally insensitive to the unique situation in each country, and in most cases will not be successful. Certain accountability mechanisms will work for Samoa, yet may be completely unworkable for other Pacific States. This conflict in cultures and values is even more significant in Trust Territories in their relationship with the United States.

We have, most of us Small States, and especially in the Pacific, inherited the Westminster model of government. In many cases, the pure Westminster model has been implemented with quite disastrous effects. I am not going to cite specific examples. Suffice it to state that if systems sensitive to the political and economic realities had been implemented, many of these disastrous consequences could have been avoided.

This point introduces my seventh premise:

*“Do not impose a standard system of democracy that may not be the model that will work successfully for every small state.”*

I am always comfortable using Samoa as an illustration to prove these premises. The United States system is based on individual rights, the Samoan system is a chief (matai) system based on communal responsibilities. There is absolutely no way, given this fundamental difference, that we can be responsive to the same initiatives. The United States has a bottom-up sovereignty, whereas Samoans believe firmly in their matai system, with all community authority being held by matai. It is important that the applicable democratic model reflects this.

When we achieved independence in 1962, we insisted on matai-only suffrage. Only in 1991 did we adopt universal suffrage, with matai only allowed to be candidates. These are culturally sensitive adaptations to the usual democratic model, which made our democracy much more effective, but more importantly, acceptable to our people. Although it took 29 years, we finally did accept universal suffrage, but at our own time, and pace. Furthermore, this change has not impacted adversely on our matai system. If anything, it has made it much stronger. In American Samoa, the members of the Senate are still elected without ballots, in the traditional Samoan way by discussion and consensus building amongst matai. Governor Coleman is credited with arguing successfully with the United States government that the system of government must at least partially recognise the cultural heritage incumbent in our matai system.

It was the late Reverend Martin Luther King, who said, “We must learn to live together as brothers, or perish together as fools.” Ralph Emerson once wrote, “The real death of the United States will come when everyone is just alike.” When we celebrate other peoples’ cultures, we get a better appreciation of our own cultures. Let me illustrate this point with a famous son of Samoa, the Rock, Rocky Johnson, who is a champion wrestler and a movie star. In the July 2001 Ebony magazine, in her cover story, Zhondra Hughes wrote:

*“.....throughout his career, the Rock has managed to uphold and celebrate his Black and Samoan heritages simultaneously.”*

Not a bad achievement for a Samoan (with an African American father) who manages to earn over US\$20 million a year from movies, wrestling, and other promotions.

My point is that our small nations are mostly all multicultural, and even within the international community we must recognise and accept our unique cultural differences. Any measures taken by international institutions, or by America and the West, which do not take full cognisance of this reality will not be successful.

Political systems in the developed world are also still evolving, such as in New Zealand where the recently adopted Mixed Member Proportional (MMP) Representation form of government is still experiencing implementation problems.

The message for America and the West, therefore, is walk beside us and be our friend. We do not expect you to feed blatant corruption in the developing world, but we would ask you to show more understanding. Good governance objectives cannot be achieved over night, especially where, as has been stated, elements of corruption are endemic in a society.

If we can all work together to implement the good governance agenda with mutual respect and compassion, we can begin to make real progress. It will be a difficult task in any situation, but understanding will determine its ultimate success.

I conclude with another quote from Reverend Martin Luther King:

*“Darkness cannot drive our darkness; only light can do that. Hate cannot drive out hate; only love can do that.”*

The light comes with understanding and compassion. Love is the natural condition of the human heart.

Let us join hands with the late Governor Coleman and Father Edmund Walsh, and let our compassion for our peoples shine through our unswerving commitment to integrity. We are all entitled to make our fair share of mistakes. We can never, ever, be entitled to cause deprivation and suffering for our people through our greed and corruption. Only Nero could fiddle while Rome burned. We must all stand together and allow our nations to evolve into societies based on the fundamental tenets of freedom, and a total commitment to the principles of good governance.

God bless you all

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