Struggling with Dependency:

Melanesian Strategies for Self-Reliance

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There is a new development strategy emerging in many nations of the Third World, a philosophy which promises to give poor countries the courage to shake an angry fist at those nations which would exploit them. This philosophy calls for self-reliance to replace crippling dependence on foreign capital, technology, and expertise. But, unfortunately, the strategy suffers from an internal contradiction which may limit its success. Unless nations can understand and attempt to control the relationship between self-reliance and dependence, they may wander aimlessly in a search for meaningful and appropriate development policies.

This paper briefly analyses the problems engendered by self-reliance strategies designed to alter the dialectic between development and dependency. It begins with a discussion of classical development theory, highlighting the linkages between the processes of development and dependency. The subsequent examination of strategies for self-relinace focuses on the policies of Papua New Guinea and the Solomon Islands. Case material from a village in Papua New Guinea illustrates some of the keys to resolution of the self-reliance/dependency contradiction.

Development and Dependence

Classical development theory holds that underdevelopment represents an original state of poverty perpetuated by outmoded customs and by a dearth of opportunity for change. By the same token, development means a process of economic growth by which countries can increase national income and output, and through which they may reduce political and economic instability. Development engenders greater utilization of resources, both human and natural, and limits reliance on handouts from wealthier countries. Traditional approaches to development rely heavily on planning as a rational process of decision-making to chart a course for the future and to ensure the optimal use of resources. Efforts focus on urban industrial development, the process which resulted in such great wealth in Europe and North America. Many economists believe that the benefits which accrue to modernized cities and towns will 'trickle down' to the rural poor during the process of change (Ward 1978). Where classical development approaches deal with rural areas specifically, they generally treat such areas as secondary regions which should be integrated into the modern national economy. The rural development that classical theory proposes focuses on altering the rural community so that it mirrors the modern monetary sector[1]. Interest in the development of the capital intensive industries of the centre dwarfs awareness of the potential of the rural masses and the agricultural sector.

By the mid-1960s, the United Nation's Development Decade[2] was failing: poverty, unemployment, and inequity persisted in the underdeveloped nations (Waterston 1965). Many social scientists began to question the wisdom of positing economic growth as a panacea to the problems of the world. They argued that social and human goals deserve equal weight in development decisions. They disputed the logic which underlay classical development theory. Alternative explanations for underdevelopment, designed to better account for the disparities and inequities of the global economic system, began to gain followers. It was in this milieu that dependency theory found its audience.

The crux of dependency theory[3] is that development and underdevelopment are part and parcel of the same process, that of capitalist exploitation. "Before there was development there was no underdevelopment." (Frank 1975:1). The poverty and inequity of the Third World are a result of the process that results in the concentration of wealth in the Western world. As the centres of North America and Europe draw capital (through raw materials and cheap labour) from the peripheries, they increase the international disparities and further underdevelop already poor nations.

While a judgement that rests on the ideology of classical theory might indicate that development is a process which increases a country's ability to act independently and to meet its peoples' needs, in fact, dependency theory argues, its development strengthens its dependence on foreign aid. Why? Because development implies modernization and industrialization, processes which require capital and expertise. Those invaluable commodities essential to the development process almost invariably have to be imported, thus linking a poor country's development to other economies. As donor countries suffer economic recession, and consequently restrict the funds they make available to poor nations, so does development of the periphery of the world economic system slow down, and awareness of the dependency of the Third World becomes acute.

Concommitant with new interpretations of the origins of underdevelopment came new interest in the social and human aspects of development. Development came to mean a transformation of society and economy which would permit self-perpetuating use of a people's potential (Cockcroft *et al*. 1972)[4]. While it still means improvement in the standard of living, development no longer focuses solely on economic growth. Instead, its goals are to overcome exploitation and dependence on foreign economies.

Inspired by the success of autarkic development in the People's

Republic of China, a number of social scientists began to suggest that poor nations could better meet the needs, aspirations, and abilities of their people by pursuing a policy of self-reliance[5]. Integrated rural development, agricultural enterprise, appropriate technology, and small cottage industries offered new development alternatives to countries with large rural populations. The strategy for self-reliance demands optimization of existing resources and fuller participation of rural citizens in their own development. It expects self-help (Norwood 1978) and could result in economic sovereignty (Volkov 1977). It would allow a people to plan and design their own development strategy; it would give them economic, social, and political self-determination. In contrast to the autarky chosen by post-revolutionary China, a policy of self-reliance would not leave countries isolated from the world economy, but would increase their independence by reducing extreme reliance on imports of goods, technology, and expertise.

Central to a strategy of self-reliance is a base of self-sufficiency in food production. Accordingly, rural development, especially agricultural production, must receive special attention and support. In order to maintain self-reliance, rural communities must be able to sustain their development with a minimal level of imports. Economic growth that relies on continual infusions of aid or technology perpetuates dependence; it is not development.

While in this Second Development Decade of the United Nations many countries continue to pursue the classical approach to development[6], a number of nations have decided to try to limit their dependency by employing the self-reliant approach. In the late 1960s, Julius Nyerere, President of Tanzania, launched a program designed to develop his country on the basis of its own strengths: its people and its land. While Tanzania has not altogether forsworn foreign aid and expertise, it has attempted to limit its imports in order to better control its own development destiny.

In the Pacific, few nations have elected to follow a self-reliant strategy for development. Development of the islands has generally meant the creation of wealth for expatriates, not for the benefit of indigenous peoples (Brookfield 1972). Even in the 1970s, many islands continue to develop in a manner that favours foreign entrepreneurs. The territories of Micronesia and French Polynesia remain too highly dependent on foreign economic activity to be willing to attempt economic survival on their own. Additionally, the powers that occupy their land perceive significant strategic importance in holding the islands. Thus, the hope of even political independence in the near future is limited in much of the Pacific. Many of the small nations of Polynesia suffer from overpopulation and shortages of vital resources; their reaction to their economic dilemma has been to search for foreign capital to boost their precarious finances.

The economies of the Melanesian territories, colonized and politically independent alike, all show signs of economic dependence on countries outside the region. Fiji watches its economy fluctuate with the world price of sugar and with the fickle fancies of overseas tourists. Independent since 1970, it has consistently pursued a classical development strategy of industrialization and modernization. While rural agricultural development has received increasing attention with each successive Plan (for example, see Fiji 1975), development expenditures are still directed primarily towards infrastructure and to programs of a large scale rather than to programs which might result in a wider distribution of the benefits. Fiji continues to actively solicit foreign capital to finance capital-intensive development projects. It has not made major efforts towards reducing its dependency on external economic factors.

Although many people would not include Irian Jaya in a discussion of Pacific economies, it is ethnically a Melanesian territory, and I cite it as an example of the extremes to which exploitation and dependency can run in the region. On the one hand, Irian Jaya is one of the largest exporters in Melanesia (see Table 1, Annex 1), but on the other hand its indigenous people probably have one of the lowest cash incomes in the world. The former Dutch colony, now a province of Indonesia, exports large amounts of oil and minerals, but the benefits of those earnings do not accrue to the Irianese. Instead, Indonesian central coffers grow, while Irian Jaya becomes increasingly dependent on the national government for the few amenities it receives. However, we might say that the relatively low level of dependence which Irian Jaya has on external economies is the result of its peoples' virtual exclusion from participation in non-indigenous economic activities. Nevertheless, although Indonesian policy limits Irianese participation in economic development, it does not protect the land of Irian Jaya from exploitation. Virtually all efforts to 'develop' Irian Jaya, a predominantly rural agricultural area, have focused on mineral exploration and extraction, or on resettlement of Javanese workers and farmers in the area. The Indonesian Plan, Repelita II (Indonesia n.d.), advocates 'self-reliance', but its policies do not necessarily reflect that aim. Furthermore, because Irian Jaya is only a province within the whole, Indonesia has little interest in promoting self-reliant development there.

New Caledonia, a French Overseas Territory, relies heavily on exports of nickel to support its economy. It depends on foreign markets for sales, for capital, and for technology. As a region of France, it is not only economically, but also politically and even emotionally bound to Europe, although it is not without movements that call for severance of the ties to France. Its development policy, set in Paris, has favoured capital intensive urban development and continuation of the reliance on mother-France. New Caledonia does not control its own economy. Like Irian Jaya, it is unable to regulate its trade or to restrict the flow of its resources and wealth overseas. Without political independence, it is unable even to consider possible economic independence.

In 1980, the New Hebrides should attain independence. According to its transitionary Development Plan (New Hebrides 1978), one of its goals, the last in a set of seven, is reduced dependence on foreign budgetary aid. Unfortunately, it is impossible to determine at this time exactly what directions its development policy will take. The Plan indicates that rural agricultural development is necessary, yet previous policies have directed expenditures towards urban development. The New Hebridean economy is not especially strong, and it has welcomed foreign commerce as a primary means of economic growth. Whether it will manage or attempt any semblance of economic self-reliance following political independence remains to be seen.

In contrast to the development strategies of other Melanesian and Pacific countries, the post-independence strategies of Papua New Guinea and the Solomon Islands owe a great deal to the philosophy of self-reliance. Both countries profess a commitment to reduce imports of aid, technology, and expertise, and to develop the resources with which they are endowed (Pacific Islands Monthly April 1979, Papua New Guinea 1976). Now that they have severed the ties of political reliance, these countries also want to minimize their economic and socio-cultural dependence on their former colonial masters.

But given the persistent desire of Melanesian peoples for Western products, it will not be easy to reduce imports without affecting the standard of living. In both Papua New Guinea and the Solomon Islands, subsistence agriculture remains strong and provides a basic livelihood for the majority of the population. The land in both areas belongs to the indigenous people. Thus, rural workers control at least two elements of the means of production: land and labour. However, increasing desire for self-reliance has not altered their dependence on foreign markets, and, all rhetoric aside, both Papua New Guinea and the Solomon Islands still actively solicit foreign capital, products, and expertise. Because their people are unwilling to reduce consumption expectations to the pre-contact level of 'subsistence affluence', governments cannot implement a strongly self-reliant policy. People want ready access to the artifacts of Western culture. In order that they might obtain those products, the goods must be available locally, and the consumer must have some means for earning the exchange value to make a purchase.

If a country is to acquire the goods desired by its people, either it must purchase the finished goods on foreign markets, or it must somehow obtain the technology and the raw materials to produce the items locally. While import substitution can reduce external trade expenditures, it also creates a significant demand for capital investment. Unless the substitute products can economically sell for less than the price of the imports they replace, then self-reliance may come at too high a cost. The relative merits of schemes to replace imports through local production must be carefully assessed to avoid costly white elephants. Governments must be cautious in their approval of projects which promise to increase self-reliance in industrial production. They must invest precious capital wisely if they are to avoid increasing their reliance on foreign assistance. Bad investments can rapidly deplete meager national coffers and force a government to solicit favours on the international market. Third World nations must consider prudently their sources of capital to prevent increased reliance. Certain aid donors make greater demands on recipients than do others. When aid comes with strings attached, then it makes the recipient country subservient to the priorities established by another.

Papua New Guinea and the Solomon Islands want to reduce their extreme reliance on financial aid from their former colonial administrators[7]. In an attempt to do so, they encourage extraction of their natural resources (minerals, timber, and fish) in order to earn royalties which they hope will provide operating capital to cover recurrent government expenditures. But in their efforts to increase cash flow, both nations give foreign entrepreneurs virtually free reign to exploit the resources and even to export much of the wealth created. Rather than make the difficult decision to raise capital themselves to exploit their own resources independently, they choose to play the overseer role, supervising foreign enterprise in their land. Conservation of renewable resources and of finite wealth, and perhaps even ultimate social and economic rewards, yield to immediate monetary considerations. Governments need ready cash to provide services to their people, and they willingly make sacrifices to fulfil their obligations.

Their poverty of capital, their lack of indigenous expertise, and their inexperience with high technology bind them to a cycle of increasing dependence, despite a heartfelt desire to obtain self-reliance. Locked into many of the economic strategies employed by their predecessors in office, they find it difficult to approach their problems from a different direction. In the vain hope that somehow foreign development of their natural resources will give them revenues sufficient to permit greater self-reliance, they grow ever more dependent on imported capital, technology and experts.

On the local level, self-reliance would seem to entail reduction in dependency on external economies. But once again we find that there is an inherent link between self-reliance and dependency which prevents the total exclusion of the latter. The rural consumer has certain, albeit limited, cash demands: taxes, school fees, purchases. In order to fulfil his monetary needs he must have some product, or his labour, to sell. Unless there is a market for his products, most of which are agricultural cash crops, he can earn no money. The major markets for most rural Melanesian producers are in North America, Europe, Asia, or Australia. The income of the Melanesian producer depends on the expenditures of consumers in distant lands. The tastes of these consumers can affect the livelihood of rural Melanesians. The villager cannot limit his production for distant consumers without cutting off his source of cash income and thus restricting his ability to obtain products which he is unable to manufacture himself. Also, if rural cash cropping ceased, Pacific countries would be robbed of export earnings to offset their import purchases.[8] Neither governments nor rural residents are willing to limit production of agricultural products for export, despite the dependence they create, the former because they want the export earnings to help finance public spending, and the latter because they need the purchasing power to maintain the standard of living to which they have grown accustomed.

What then can be done to further self-reliance? Is 'self-reliance' meaningful if countries which claim it as policy continue to rely on foreign markets, producers, capital, and technology? How can we account for these contradictions and attempt to overcome them? It will not be easy.

It is apparent from the foregoing discussion that even a policy of self-reliance necessarily engenders a measure of dependency on other economies. But perhaps we would gain greater comprehension of the possible nature of the relationship if we examine Brookfield's (1975) notion of 'interdependence'. Unless a nation chooses to follow a course of autarky, even its attempts to limit its dependence on others cannot completely isolate it from the global economy. Few nations control the abundant and diverse resources demanded for development in the modern world. International trade, the foundation of modern political and economic relations, necessarily generates some level of dependence, whether mutual or unidirectional. Total self-sufficiency is virtually impossible today; even China has come out of its shell to participate in world trade. But trading partners can exist as equals only if they are both able to control their own resources, and if they are free to negotiate the terms of their relationship. As equals they are interdependent, each relying on the other for some, but not all, of their requirements. While the relationship is mutually beneficial, neither party would suffer enormous hardship if it terminated. If poor nations can attain some level of self-reliance, limiting their imports and improving their export position without selling the ground beneath them, then they may be able to transform their relations with foreign countries into ties of interdependence instead of dependence. Currently, the wealthy nations of the world are able to dominate their dealings with the poor nations of the Pacific because of their economic strength. Melanesian countries, with their small and poor consumer populations and their vast natural resources, accede to most of the conditions imposed by prospective trading partners. Operating from a base of dependence and underdevelopment, they are not able to deal as equals in trade, and their inferior position is constantly reaffirmed. Only by increasing their internal production and exchange, and by reducing demands for imported products, can they hope to improve their bargaining position: a country which can survive on its own strengths is beholden to no one. Furthermore, limitation of imports would reduce the strain that foreign inflation can place on Pacific nations. Melanesian economies cannot completely eliminate their need for foreign products or consumers, but they can diversify their production and their markets. They can diminish the pressing urgency of their dependence on foreign economies to a subtle desire to engage in interdependent development through trade.

While broadening the bases of financial aid is a stop-gap measure to limit undue reliance on one source, eventually Melanesian governments must increase their internal sources of revenue. Moreover, they must demonstrate their commitment to self-reliance by encouraging restraint and by decentralizing their services to minimize costs. They must be willing to become more directly involved in the development of their natural resources, no longer leaving foreign entrepreneurs to do the work and reap the profits. Unless they make a concerted effort to extricate themselves from the morass in which they sit, governments will never experience the independence they crave.

If a policy of self-reliance is to succeed in a country with a large rural population, then self-reliance must begin in the villages. Villagers must produce enough food to feed themselves and to help support those who dwell in the cities.[9] They must provide a surplus which can be sold to pay for the items they import. However, their production for export and their consumption of imports must not reach a level which would endanger their subsistence economy, for that would undermine Melanesia's greatest asset: its peoples' ability to feed themselves.

The Kilenge of the north west coast of West New Britain Province, Papua New Guinea,[10] provide an example of a rural people who still produce most of the food they consume, and who remain relatively self-reliant in a number of aspects of their economy. Traditionally, the Kilenge participated in a trade network which extended from New Britain through the Siassi Islands to mainland New Guinea (Harding 1967). While they were able to produce for themselves almost all of their food and tools, they relied on trading partners for obsidian, clay pots, wooden bowls, shell money, and other culturally valued items. But until the turn of this century, Kilenge economic relations were influenced only slightly by factors outside their circle of trade. German patrols in the 1890s to 1910s recruited Kilenge men for labour on plantations in the Gazelle Peninsula, thus beginning Kilenge integration into the global economy. However, even to this day, the thousand-odd Kilenge participate only marginally in the global economy, and, while they voice aspirations to increase their integration, they constantly limit their commitment to it.

Through the imposition of a head tax, the German administration, and later Australian administrations as well, attempted to draw New Guinea peoples into the cash economy. Foreign administrators foresaw a time when New Guineans would gladly engage as labourers or would furnish the raw materials (especially copra, rubber, coffee, and cocoa) to build a strong national economy. Had the early colonialists survived to this day, they would surely have been disappointed with the Kilenge. While external efforts to stimulate copra production characterize virtually the whole of Kilenge contact history, and although coconut trees cover large blocks of land around the villages, the level of copra production is far below its potential, given the number of mature trees available. In the Kilenge villages, copra production offers the only consistently viable access to cash. Yet people do not produce large amounts of processed coconut. Why not? The answers are complex.

Firstly, villagers have limited cash needs. There are only a small number of essential outlays and purchases that initiate the production and sale of copra. Primary school fees and taxes are generally low, and consequently draw a production effort only a few times a year. Furthermore, the trade stores carry a resticted selection of trade goods, and accordingly fail to stimulate much of a demand for cash.

Secondly, the Kilenge have no love for copra production. They find the work inherently boring, if not blatantly antisocial.[11] They consider garden work, fishing, or relaxing with kinsmen to be favorite pastimes, while they view copra production as a necessary burden in times of need. Rather than labour hard at copra shelling, men move to town[12] for a few months or years to take a job and save some money to bring back to the village.[13]

Finally, political and infrastructural problems have hindered development of the copra industry in Kilenge. The absence of strong leaders in a culture where effective leadership is expected has created a political vacuum which resulted in an inability to enforce greater production levels.[14] Poor planning resulted in projects unsuited to local needs and conditions.[15] Introduced crops failed because of plant disease, poor soils or weather, marauding pigs, or the lack of marketing systems. Upon occasion, the agricultural representative stationed at nearby Cape Gloucester failed to provide assistance when villagers required it, leaving projects to wither on the vine. Projects utilizing imported machines broke down as soon as did the equipment.

Neither has there been much evidence of village willingness to participate in development projects as of late. Failure in project after project has sapped faith, producing a pessimism born of experience. Uneager to embark on a project likely to meet with disaster once the initial enthusiasm and external support dissipates, the Kilenge have become conservative. They still idealize development as the end state which would signify their membership in the modern world, but they fear and reject the process whereby it would be attained. They tend to conservatism in an attempt to preserve their influence over their own economic activity, and to prevent recurrent failure through experimentation. Without effective local leadership to allay fears, to create incentive, and to stimulate performance, the villages in Kilenge develop very slowly.

In many ways, the Kilenge have allowed themselves to grow dependent on others for economic leadership. Their traditional ideology of strong hereditary leadership (Zelenietz n.d.) underlies their reluctance to innovate (hence, lead) and their reliance on those who occupy positions of respect and authority. External authority figures, such as government employees, mission personnel, and teachers may control access to information on programs which may assist village development. They also may control various sorts of non-indigenous expertise. However, because they are not members of the indigenous system, their ability to influence the behaviour of villagers tends to be restricted. It is the natavolo, or hereditary leader, who should initiate village activities. But today there are few effective natavolo in Kilenge, so the villagers find it difficult to coordinate their actions. To some considerable extent, their inability to organize has restricted their integration into the new economic system of Papua New Guinea, but it may thereby also limit their dependence on external economic factors.

I would argue that the structure of social and economic dependency within the village has served to limit social and economic dependence on external systems. In Kilenge, the elders grip tightly the reins of influence on young people. Young men depend on their elders for assistance in learning skills, in raising brideprice, and in organizing ceremonies for children. By fiat of the seniors, men of less than middle age are effectively eliminated from major village politics and decision-making. The old men control the activities of their juniors, encouraging their migration during youth, and later demanding that the migrants return to the village. While youths might like to extend their involvement in the urban system, their dependence on kinship ties and social obligations in the village prevent such conversions.

Similarly, commitments to aid and provide for family and kin take precedence over monetary concerns and thus serve to limit cash crop production. Dependence on the future assistance of kin makes present demands on labour and prevents villagers from alienating their services in favour of the external economic system. Even those who leave the village to work in town find themselves subject to requests for gifts and cash from kinsmen who remain at home. To ignore such requests would be to deny social obligations, and might alienate the migrant from the community. Because few villagers consider living in town forever, they accede to the incessant demands in order to retain their standing in the social network.

Obviously, the Kilenge are at least partially integrated into the economy of Papua New Guinea. They provide copra for export. They send workers to the urban centres of the country. They depend on the consumers of North America, Europe and Asia to buy their products. Likewise, they rely on foreign producers for their steel tools, their clothing, and their sweets. But, at a subconcious level at least, they have managed to minimize their dependence by limiting their cash needs. They retain strong obligations to kin. They hold tightly to their fellows who flirt with the urban economy. Despite their verbal declarations of dedication to the idea of development via cash cropping and business, they find excuses to restrict their involvement in the global economy.

It is here that we must face the dilemma which challenges the nations of Melanesia. The Kilenge, like villagers in most of the region, have come to expect the services which their government provides: schools, hospitals, police, air strips, roads. Yet, at the same time, they value their economic independence and are often unwilling to have to work to pay for them. They want their cake but eat it too. Unless they make a greater effort to contribute to the national economy, their governments will have difficulty paying for such services.

Because villagers have grown dependent on the many services provided by administrations and by religious missions, they find that now, with national independence, they must find some way to defray the costs of such mothering. The government expects them to offset the costs by increasing their participation in production for the cash economy, but that will deepen village dependence on external agents. The Kilenge may discover that their desires and their weaknesses have trapped them into an external system from which there is no escape. Because they have forgotten how to treat their own illnesses with wild plants and incantations, and because they now see schools as necessary institutions for educating their children, and because they expect the police or church to act as agents of social control when village sanctions fail, they no longer completely control their own social welfare. Furthermore, their willingness to leave their social welfare in the hands of church and state has forced them to participate in the economic system which supports those institutions.

With independence, the rural areas of Melanesia become more dependent on their national governments. Intra-national integration increases and an internal network of dependency develops as national governments take over (from their colonial counterparts) responsibility for marketing, services, and foreign trade. The new states follow traditional colonial policies in encouraging the participation of rural residents in the economic system. One of the first goals of new administrations is to improve the national economy: increase government revenues and strengthen the balance of trade. Only with a strong economy will independent states be in an ideal position for raising foreign capital assistance.[16] They need foreign aid to help them bankroll the development of their economies. In its attempts to facilitate its own growing dependence on foreign finance, the government of a developing country often invites its citizens to deepen their involvement in the global economy. The circle of dependence grows ever wider as governments try desperately to extricate themselves from it.

Conclusion

Dependency, with its integral links to the process of development, can be an encompassing and an expanding process, gradually drawing a greater and greater proportion of the populace into its web. Governments which believe that foreign assistance can eventually help them to achieve self-reliance may be fooling only themselves, for it becomes very difficult to pull a country out of the mire of dependence on others. The achievement of true self-reliance takes more than foreign aid; it takes a whole new attitude. It requires an attempt, as Bernard Narokobi, former Director of the Office of Village Development in Papua New Guinea, put it, "to decolonise our minds" (1977:6). Following the example set by villagers throughout Melanesia, governments must encourage their departments and their citizens to exercise restraint, to limit their consumption demands, and to meet more of their daily requirements themselves.[17]

Unless governments control rapid urbanization and phenomenal population growth in Melanesia, there seems little hope that they will achieve their goals of self-reliance in the near future. They need strong and realistic policies and plans to translate their lofty principles into viable alternatives for action. Following the example set in the Development Plan of the Solomon Islands (Solomon Islands 1978), Melanesian governments could attempt to decentralize the provision of services, allowing rural residents to play a greater role in serving their own needs, and decreasing their reliance on central agencies. Or, Pacific nations could begin by attempting to strengthen their internal economies, to stimulate intra-national trade, to restrict advertising for imported products, and to improve primary and secondary industries.

The longer governments delay in extricating themselves from their weaknesses, the more intense their dependence may become. If self-reliance is to become a reality in those countries which espouse it, then governments must take positive actions to initiate the process. It is not enough to draft plans which sing the praises of economic independence; governments must take the difficult steps towards implementing policies which will result in greater control over their own destiny.

Notes

1. See, for example, the World Bank (1975) pamphlet on rural development.

2. The United Nations designated the 1960s as the Development Decade, a period during which the poor nations of the world were to be assisted in their attempts to achieve economic growth and political stability. Growth targets, aid estimates, and industrialization goals were set, but never met. When the end of the decade arrived with the poor nations in a worse position than they faced in 1960, a Second Development Decade was announced. This time the goals were revised downward, but aid donors have still not met their commitments, and this Development Decade looks like it has met the same fate as its predecessor.

3. Dependency theory has become widely accepted, even by many classical economists. It has seldom been empirically tested, however (Chilcote 1977, Karam 1976), so although we may find it intuitively appealing, we have no way to judge its appropriateness as an explanatory device.

4. Although there are several strategies which propose alternatives to classical development approaches, I deal principally with the strategy for self-reliance, and do not treat the others.

5. Self-reliance must be distinguished from self-sufficiency. The latter implies the ability to survive without any inputs from external sources. A closed economy is self-sufficient. Self-reliance implies the ability to satisfy the majority of one's needs by one's own production, and to produce a surplus which can be transformed into the power to satisfy those needs which remain.

6. Some sceptics ask whether the 'self-reliance' strategy advocated by some Western economists is simply a ploy on the part of wealthy nations to reduce commitments to aid their poor counterparts. Marxists roundly condemn it as side-stepping the important issues, and as relegating the poor nations to second-class or out-of-date technology and development. These are serious criticisms which proponents of self-reliance strategies must answer if they are to influence Third World nations.

7. Both finance a substantial proportion of their budgets with direct assistance from their former colonial masters. Papua New Guinea obtains over 40% of its operating budget in the form of a direct grant from Australia, and the Solomon Islands gets more assistance from the United Kingdom than the value of its exports.

8. There are several levels of dependence in operation here. The rural community relies on the national government to arrange marketing and to provide extension services. The national government relies on international agencies and on foreign governments to provide markets for their products, and to supply capital and goods for rural producers.

9. This is not to imply that rural non-agricultural communities are non-viable, but simply that the majority of rural dwellers make their living via agriculture.

10. Martin Zelenietz and I conducted research in the Kilenge area of West New Britain from March 1977 to January 1978. The debt of gratitude owed to the people of Ongaia village can never be fully repaid, for their support and their enthusiasm were endless.

11. Agricultural work groups tend to be based along extended family lines, with people combining their efforts to make the difficult tasks simpler and more congenial. However, work groups for copra production ignore this traditional division of labour. Working singly, or in small nuclear family units, copra producers deprive the community of their cooperation.

12. The census we conducted in 1977 in Ongaia village showed that 43% of the productive adult males and 35% of the total productive adults were living away from the village. This demonstrates a high level of integration with urban centres, but is not reflected in ideology nor in daily village activities. Although almost all village men had lived and worked in town at some point in their lives, they felt little sense of identity with the urban environment.

13. The motivations for urban migration are considerably more complex than this brief passage indicates. We discuss Kilenge wage labour migration in greater detail in another paper (Grant and Zelenietz n.d.).

14. Zelenietz (n.d.) provides an analysis of the problems of leadership in Kilenge and discusses the effects on village development.

15. I have discussed the problems of rural development in Kilenge in another paper (Grant n.d.).

16. A strong internal economy portrays a positive composite image of the national potential and thereby encourages investors.

17. Annex 2 outlines my suggestions for strategies for reducing dependency in Melanesia.

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Annex 1

Table 1: Melanesian Territories' Balance of Trade, 1976*

Territory	Currency±	Imports	Exports	Balance	Ratio (I/E)**
Fiji	$Fm	236.9	92.4	-144.5	2.564
Irian Jaya	$USm	1.0	358.9	+357.9	.003
New Caledonia	CFPm	24179.0	26688.0	+2509.0	.906
New Hebrides	NHFm	2628.0	1285.0	-1343.0	2.045
Papua New Guinea	Km	346.4	363.8	+17.4	.952
Solomon Islands	$Am	21.1	19.3	-1.8	1.093

* From Stuart Inder (ed.), Pacific Islands Yearbook, Thirteenth edition, Sydney: Pacific Publications, 1978.
± Currency in millions. Exchange rates (per Inder, 1978) at July 1, 1978: $A1 = $F0.97, $US1.15, NHF80.65, K0.81, CFP not listed.
** Ratio of Imports to Exports: the higher the ratio, the greater the tendency to import.

Comments These trade figures should demonstrate the fallacy of equating a favourable balance of trade with economic independence. While many nations hope that a positive balance of trade will result from diminished dependence, in and of itself, the balance of payments proves nothing. The most obvious case is, of course, Irian Jaya, politically part of Indonesia, which imports very little but exports vast amounts of oil; however, most of that export value is appropriated by non-Irians for use outside of the region.

Annex 2

Positive Steps Towards Self-Reliance

There are several strategies that Pacific nations can employ in their attempts to increase their self-reliance. Here I briefly present a few examples which I believe may be profitable in the Melanesian context.

i) Discourage the importation of extraneous consumer goods.

Imports of luxury consumables draw on precious foreign reserves and encourage a dependent mentality. Therefore, serious efforts to reduce dependence must include policies to limit conspicuous consumption. Several courses of action are possible, either singly or in conjunction.

a) Ban radio, billboard, and newspaper advertising of frivolous consumer goods. It is better to prevent the development of a demand for such items than to try to limit such demands once people have acquired them.

b) Place high tariffs or restrictive quotas on frivolous consumer goods in the hope that those measures will reduce demand through high prices.

c) Develop replacement industries where feasible in order to encourage domestic production, especially where demand is strong. Rody (1978) provides a useful model: in Micronesia, some storekeepers have begun to substitute locally-grown drinking coconuts for imported soft drinks in their coolers.

ii) Increase economic cooperation in the region.

Because the economies of the South Pacific are rather weak in comparison to those of industrialized nations, nations they may find that they improve their bargaining power if they make some attempt to work with others in the region. For example, they might develop export cooperatives under the auspices of an organization such as the South Pacific Bureau for Economic Cooperation (SPEC), and thus strengthen the marketing apparatus for those exports they share. Likewise, in the way of improving trade, there exist considerable opportunities for internal trade within the Pacific region if nations seriously commit themselves to diversifying their production and their markets.

argues

Floto (1979) indicates that such collective self-reliance of Third World countries, especially those that share common aims, will eventually force the West to agree to a restructuring of the international economic order, and thus will improve the development possibilities of the Third World.

iii) Increase the processing of raw materials.

Wherever possible, Pacific nations must undertake to process their raw materials before export, because when they export unprocessed goods they also export jobs. Many of their agricultural exports, such as sugar, copra, and coffee, can be refined or treated before export: for example, candy can be made from sugar and margarine can be produced from coconut oil. Few resources need be exported without any processing at all. Timber can be turned into finished lumber or even into furniture; fish can be dried, salted, or tinned; minerals can be refined to some degree. If Pacific nations intend to overturn the status quo of dependence and exploitation, and if they truly wish to create jobs for their populace, then they must make efforts to increase primary and secondary processing of their natural and agricultural resources.

iv) Socialize development.

By this I do not mean that Pacific governments should necessarily nationalize foreign industry, but I believe that they need to take a more active role in leading development activities within their borders.* Agencies such as Development Banks should not simply function as lending institutions, but should also become involved in instigating and implementing projects that reflect government policy and official plans. Private investment alone does not always meet a country's pressing development needs.

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* I am indebted, for this observation, to an author who discussed problems of development in Papua New Guinea. Unfortunately, I can't locate the reference.