

## **Economic Vulnerabilities – Banaban-Japanese Relations**

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### **ABSTRACT**

The remote location of Rabi Island and Ocean Island to the main social, political and economic centers of Fiji and Kiribati poses one of the biggest hurdles for the Banabans livelihood. The majority of the Banabans on Rabi and Ocean Islands live on subsistence life style. In 2003, cyclone Ami struck the Island of Rabi, leveling down most of the plantation, vegetation and houses, etc., causing thousands of dollars worth of damaged infrastructures. With most of their livelihood gone, a survey taken by King and Sigrah (2003) after the cyclone indicated that over 80% of the male population has left Rabi to nearby and distant urban centers in search of job opportunities to cater for their families back on Rabi. Cyclone Ami which devastated the whole Rabi Island laid bare a weak and a vulnerable economic base. This paper assessed the role of Japan's involvement through its Official Development Assistance (ODA) program for Pacific island states especially in the wake of national disasters. Much needed aid to develop public infrastructures such as transportation, power plants, housing, hospital facilities and shipping moors is imperative for greater economic viability. It encourages Japan's greater role to develop key natural resources of Ocean Island and Rabi in the area of fisheries, reforestation and agriculture. The Cultural Grant Aid scheme which was introduced in 1975 as part of the ODA for the purpose of contributing to the promotion of education and cultural activities in Fiji was assessed. It was observed that the governmental institutional framework to expedite immediate relief services to areas affected lack necessary manpower and support infrastructures to execute accordingly. The paper proposes that greater institutional and capacity building in the area of disaster management is crucial to provide needed help for isolated and distant island communities like Rabi and Ocean Island.

## 1 Introduction

The Japanese government has been long involved in the lives of the Banaban people for many decades. Japan's involvement with the Banaban was 80 years of buying cheap phosphate apart from Australia, New Zealand and Great Britain. This was made possible under the wings of colonial interests that mined phosphates on Banaba from the early 1800's to the late 1970's. Japan's involvement became direct when it invaded Ocean Island in August 1942 and remained in control until September 1945. Due to this, perceptions of the Banaban community during the occupation changed a lot towards foreigners and with war atrocities committed on the island during and after the war period greater resentments of the Japanese people are more vivid and outwardly displayed (Maude, 1946).

Many years have passed since WWII and with many younger Japanese generations coming into grips with their history, sympathy for Banaban people are pouring from all quarters of the Japanese community. Recently in 1997, one remarkable cultural activity that greatly benefited both sides, was first realized when a group of young Banabans were invited to Japan by a young Japanese man named Manabu Kitaguchi. Manabu for many years had been directly involved with the case of the Banaban people when he was serving as one of the officials for the United Nations Human Right Programme from the 1980's to the 1990's. After serving with the UN, he joins his family business and dedicated most of his spare time to strengthen the bonds between the Japanese minority groups and the Banabans on human rights activities. The trip was successful from the social and cultural aspect since it was the first time Japanese citizens came to know of the existence of the Banaban communities. However the tour was also an eye opener for the Japanese people to revisit past war atrocities committed by their countrymen on Banaba. It was also for the first time, that Japan's development assistance to developing countries through its official development aid (ODA) programme was reviewed as Japanese citizens become more sympathetic towards the Banaban cause.

## 2 Objective

There are four main objectives of this study:

- i. In brief, the study tries to examine the current state of the economy, environment and politics of the Banabans in Rabi and Ocean Island. It also examines the effect of *their vulnerabilities* it has on the local community and discussed existing local responses to these vulnerabilities.
- ii. As one of the major donor of developmental aid to the Pacific Island Countries (PICs), the study outlines the role of modern day Japan through its official aid programme called the ODA to the Banaban people who resides in Ocean and Rabi Island under the political umbrella of Kiribati and Fiji governments. It identifies the benefits it has on the local economy of both governments and whether this in turn provides needed assistance to the Banaban people.
- iii. It assess the effect of being classified as the minority race under two political spheres and whether the classification affects the distribution of relief funds, upgrading of public utilities and development of the strong economic base and a sound educational facilities for school children, etc.
- iv. Finally, it proposes appropriate guidelines to mitigate economic disadvantages and suggested the

social, political and economic commitments of the Japanese government to upgrade the welfare of the Banaban people.

### **3 The economic dilemma of administering two homes**

Ocean Island and Rabi Island are homes to a displaced Banaban race.

#### **3.1 Ocean Island.**

The Rabi Council of Leaders in Fiji administers the running of Ocean Island at a cost of approximately \$12,000 a month. Located almost 600km (372mi) south-west of Tarawa and 3,200km away from Rabi in the Fiji Island Groups, Ocean Island is remote and distant location in the middle of the Pacific Ocean. The phosphate mining which stopped its operation in 1979 left an economic void for the government of Kiribati and the people of Banaba. The public infrastructures such as roads, sewerages, electrical poles and hospitals which were constructed during the "hey days" of phosphate mining are left remaining as it is without any upgrading and rehabilitation. Sigrah and King noted (2004) that the Banabans current situation in the 21st century would have to be said that nothing much has changed. This has hindered key developments in the area of education, hospitals, transportation, communication and the business sector.

Huge chunks of outdated rusted and derelict mining machineries, housing infrastructures and storage sheds etc reflects a once lively center of a thriving economy now lay haunted, empty and deserted. With a few of the 200 inhabitants remaining on the island, the carrying capacity of the natural resources have been stretched to the maximum, with the occasional bouts of droughts already makes life very difficult for its inhabitants. The coral pinnacles left from mining excavations lay waste the entire island with permanent environmental catastrophe that will affect any form of agricultural activities, expansion of human settlement and population increase. Water holes sources located in deep crevices of underground caves are yet to be examined for possible lead concentration and other by products of chemical used for removal of phosphate from local coral rocks. "Incredibly with so little natural food resources left on the island the Banabans rely mostly on the abundance found in the ocean and surrounding reefs just like their ancestors had done for centuries. They seem healthy, happy and at one with the spirit of their land" (Sigrah and King, 2004).

Politically the Banabans have two members sitting in the Kiribati Government Assembly and representing the Banaban people. Their roles are very limited and are insignificant political figures in the Kiribati government due to their minority status and numbers. This limits channeling of much needed financial aid from the governmental annual budgets to upgrade roads, hospital, sewerage facilities etc.

#### **3.2 Rabi Island**

Economic blunders made by the RCL in the 70's and 80's, through a series of failed business investment have curtailed economic growth of the Banaban community in almost all quarters of life. One example was the exemption of the social handouts of financial royalties that many Banabans relied upon as one source of family incomes apart from supplementary subsistence livelihoods from

their farms. Rabi being the center of economic administration after the phosphate mining in 1979 went through a series of social unrest where landowners took over the helm of power from the RCL. These are infact indicative of the people's dissatisfaction towards the mismanagement and misappropriation of the national coffers by the leaders of the day. However the recent RCL members have been trying hard to instill strength and basic confidence and allegiance to the locals in well intentioned business ventures of supporting individuals and communal initiatives (Hindmarsh, 2002).

Banabans living on Rabi Island are more fortunate than those on Ocean Island due to the abundance of natural of natural resources that can cater for a huge population. However recent destructions by Hurricane Ami in January 2003, lay waste the entire island to houses, farms and public utilities such as electrical and phone lines, seawalls, roads, sewerages, bridges, schools and hospital centers. Widespread destructions to houses, farms, and public utilities such as electrical and telephone lines, seawalls and roads, sewerages, bridges, schools and hospital centers were extensively damaged. Faced with already existing poverty, the hurricane compounded social problems resulting in whole families' evacuation to other locations all over Fiji to run away from the shortage of food and contaminated water supply on the island. It was a period also where the weak especially the elderly people became victim of hunger and starvation, many elders died during this period.

Rabi is the political center of the Banaban community and official home of the Banaban Landowners Organization. Administration of the island is vested in the hands of the RCL. Since Rabi is part of Fiji the Banabans living in Rabi are also subjected to the Fiji law. Recently the greater roles of RCL to mediate between Rabi and the outside world aided by its administrative division on Nuku and office in Suva, marketing ventures like direct free trade agreement with Kiribati for sale of Rabi Kava, Suva building rents (Banaban House), Fiji governments grants, fishing industry and now official sponsors and supporter of Banaban international lobby group, Banabans are truly well on their way to a more brighter future. However despite all of these, clouded under the banner of two political regimes, Banabans will never be able to surface the ocean as free people. This is the true and real struggle of the Banaban people from the point of view of the Japanese people like Manabu Kitaguchi. It is here also that clear assessment and role of the Japanese government to expedite immediate relief campaign through its ODA programme is very crucial to minority people in Fiji, especially the Banaban community in Rabi.

#### **4 The role of the modern day Japanese Government under ODA programme**

Internationally, the government of Japan Japanese official development assistance (ODA) has drawn a lot of interest because of Japan's meteoric rise from recipient of ODA in the 1960s to the top donor country since 1989. "In 1997, notwithstanding an announced budget reduction of 10% the overall disbursements totaled 1132 billion Japanese yen (JPY) (9.36 billion United States dollars [USD]), an increase of 10.2% from the year before, which was due mainly to the cycle of replenishment to multilateral development banks (MOFA 1998). Japan remains the top donor, providing 17.1% of the total ODA flows to developing countries, followed by France (6.35 billion USD) and the United States (6.17 billion USD)" (Kokusai Kaihatsu, 1998).

At the regional context, according to the organization for economic co-operation development

statistics (OECD), Japan was the largest donor to the Republic of the Fiji Islands in 1997. The three vital components of ODA programs are Grant Aid, Technical Cooperation and Loan Aid. The Grant Aid program has been a major component of Japan's ODA to Fiji. Japan provides general grant aid to Fiji only for projects in the fisheries sectors and for those projects which have regional benefits. Japan also provides Grant Assistance for Grassroots Projects (GGP) for grassroots communities, Emergency Aid in such cases as natural disasters, and cultural grant aid for maintaining historical sites and promoting education and culture. The total grant aid from 1980 to date has been approximately US\$103 million. Specific budgets for each country are not predetermined and projects in each country are judged on their individual merits. The government of Kiribati, funding ceiling under the GGP program is normally US\$40,000. However, this can be increased to US\$400,000 in special cases. A total of US\$486,162 (approx.) has been provided to projects in Kiribati under this program from 1995 to 2001. The areas targeted are primary education, health, water supply, women in development, environment, small-scale electrification, disability and vocational training (Kokusai Kaihatsu, 1998).

Figures taken from table 1 shows 16 projects to the value of US\$634,941 (approx.FJ\$1.27 million) were funded in the year 2002 under the GGP to the government of Fiji. Similar funding to the government of Kiribati indicated no filtration to the minority Banabans.

	<b>FY 2002 Project Title (Source: Japan Embassy Fiji, 2003).</b>	<b>US\$</b>
1.	Andhra High School Automotive Engineering Workshop Project	30,914.00
2.	Project for the Construction of New Hostel at Nawi Catholic Primary School	45,492.00
3.	Upgrading Project for Ratu Finau Secondary School	18,044.00
4.	Upgrading Project for Tovu Village School Footpath	8,127.00
5.	Upgrading Project for Rampur College	61,387.00
6.	Upgrading Project for Lawaki District School	27,816.00
7.	Upgrading Project for Levuka Public Primary School	49,272.00
8.	Upgrading Project for Vunisalusalu Central School	45,135.00
9.	Library Construction Project for Vunimoli Islamia Primary and Secondary School	23,310.00
10.	Upgrading Project for Nasekula District School	47,815.00
11.	Project for River Care Education	53,304.00
12.	Provision of a Bus for the Gospel School for the Deaf	45,144.00
13.	Mead Road Community Hall Upgrading Project	36,115.00
14.	Project for the Provision of Computers to Secondary Schools	5,542.00
15.	Project for the Provision of Blood Donor Services Ambulances and Radio Equipment to Fiji Red Cross Society	73,264.00
16.	Project for the Improvement of Water Supply for Communities Affected by Cyclone "Ami"	64,260.00
	<b>Total</b>	<b>634,941.00</b>

One major argument was put forth to explain the reason why funds from ODA have not reached the Banaban communities on Rabi and Ocean island is that no application were forth coming from the locals themselves. However legal procedures to acquire assistance specifies that all matters of Banaban

affairs should first go through the interim body that was created by the government of Fiji to administer Banaban affairs after a widespread civil unrest in 1993 on Rabi Island proved bureaucratic and red tape when it comes to deal with such issues.

Application to the government of Fiji by RCL in 2003 to expedite disaster relief funds after Cyclone Ami strike Rabi was proved unsuccessful. Eventhough relief came months later, in the form of house tents and some ration of food, it was just enough to cater a few household communities since it was only a meager supply of what was officially promised. Another form of assistance came from non governmental organizations such as the Banaban Hurricane trust fund organized by Banaban sympathizers living overseas and locally, the result of this proved unsuccessful as also as aid got tied up with the island bureaucracy and red tape. The inconsistency to deliver help at crucial time of needs reflects an institutional system that lacks cohesion, transparency and accountability.

It can be argued here therefore that both governments (Fiji and Kiribati) enjoyed relatively very huge sums of financial, material and other forms of aid packages from the Japanese government, yet the reality of these all that none of the above assistance filters through to the Banabans in Rabi or Ocean Island. This is the plain truth of ODA to the people of Banaba.

## **5 The classification of the Banabans to the minority race and its implications**

During the political era of the Alliance Party in Fiji from the early 70's to the late 80's, the political status of the Banabans was equal to any other minority races in Fiji apart from the Indigenous. Banabans were classified under the common rolls status enjoying almost similar political rights and benefits in the area of commerce and education. Now relegated to the status of minority groups along with the Rotumans, Indians, Europeans, Part Fijian and Chinese, the Banabans find themselves a second class citizen in a country they now called home with limited rights to commercial and education benefits from the Fiji governments. Moreover as seen above, when Banabans are totally left out from economic and educational benefits it simply means that they are also left out in the mainstream of economic and education activities for their future generations.

A study by UNESCO in 2002 revealed that primary schools are under resourced let alone pre-schools, with very basic and limited education materials available. In Tabiang, the Tabiang Primary School has to put up with a lid pit toilet with barely a door. Hindmarsh (2002) commented that even desk legs had to be sawn off because the school cannot afford any chairs so children have no choice but to sit on the floor to study. He further noted that the only school bus on the island had broken down and children had to walk long distances to reach school in time. Another example of this is shown by the long delay of waiting for the government of Fiji to equip a new science laboratory which parents built on their own efforts at Rabi High School. This new equipment is worth F\$18,000, has yet to arrive, this is part of the government share of the deal. Overall, the school lacks the basic equipments such as photocopiers, wall posters, basic craft and music equipment, etc. The situation on Ocean Island is one of abandonment and neglect Since virtually no ship servicing the island regularly except only a few in a year, coupled with the long distance it has from Rabi, the 400 odd Banaban individuals living on the island are virtually left to mend for themselves. Therefore in light of the above, it has become evident that the minority status serves as a pedestal for further alienation, sidelining and negligence of

a unique race from both the governments of Fiji and Kiribati. This is also a pressing issue for the government of Japan, which contributes so much financial and material aid annually in serving first the priorities of first class citizens rather than basing its contribution on a fair distribution of benefits across the many neglected minority groups in Fiji especially the Banabans.

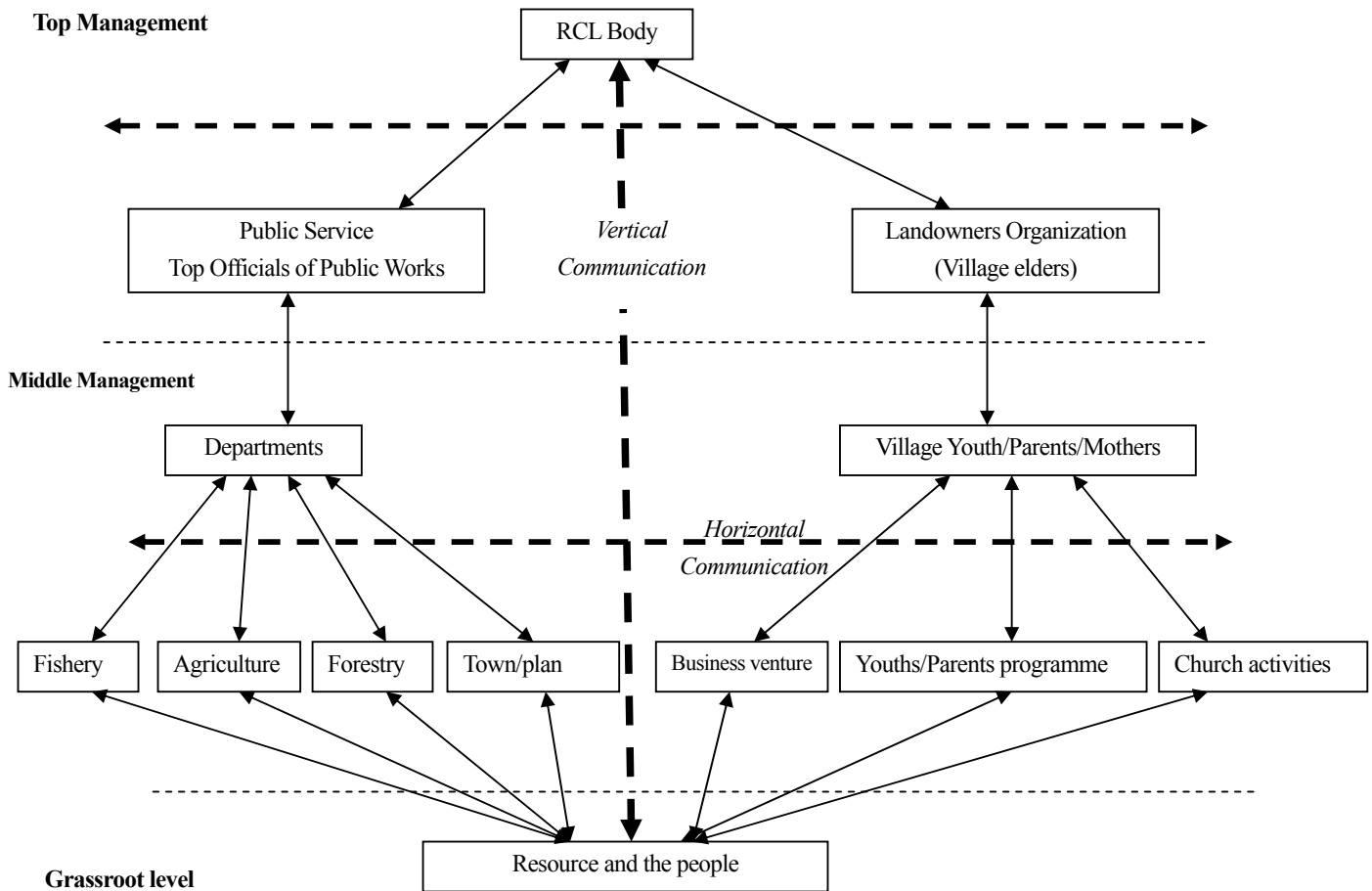
## **6 A Proposed Economic Developmental Model for Banabans.**

After reviewing and assessing economic situations on Rabi and Ocean Island, the study supported the ideas and initiative of the recent RCL involvement to improve the living conditions of the Banabans. Their vision "To make Rabi a place where people can enjoy a good standard of living earned through hard work and self reliance" is a fitting testimony of the reality at hand. It has also come to a conclusion that a much needed appropriate economic developmental model based on the socio-cultural environment of the Banabans should be developed and mandated by the RCL as its working blueprint for future investment opportunities. The study therefore proposes an economic development plan for Banabans based on an integrated bottom-up and top-down approach model. The aim of this development model is to clear the road ahead for greater and more direct involvement of the Japanese government to facilitate and implement development programmes with the locals at grass root level in Rabi and Ocean Island. While at the same time do not condone or hinder sensitive cultural norms and traditions that are intricately entwined with western business norms.

Through the many years of active business deals and investment made by the colonial rulers on Banaba, previous RCL leaderships, and the government of Fiji and Kiribati, a recurring symptom of subtle authoritarian rule by top and middle management executives resembles the classical method of top-down developmental plan in its implementation and facilitation of business ventures and deals. Top-down development model is based on developmental decisions made at the top and pushed down the hierarchy of leadership where very little or no consultation processes occurs at the grass root level. The result of this non-consultation with landowners and stakeholders proved to be the catalyst of many business failures experienced by RCL in the early 70s to the late 80's such as the once thriving Rabi Holdings. The problems of top-down developments model included the following; i. overlapping and duplication of projects, ii. alienation and disorientation of locals from national initiatives, giving rise to suspiciousness and sense of a "no care" attitude to public utilities, properties and activities, etc, iii. recipe for further divisions amongst concerned parties. Moreover since Banabans culture is based on equality of all with no one above or below, it does not augur well with top-down developmental approach.

As such an adoption of both models, specifically utilizing the advantages of a bottom-up development approach model is proposed. The important aspect of the top-down developmental model is the idea that firm and steadfast leadership is a crucial aspect of successful business and economic endeavors. Apart from that, an integrated bottom-up developmental approach would enabled greater consultation, greater integration and widespread involvement of landowners, business owners and stakeholders for decision making in order to reach a concerted effort reflective of a cohesive and transparent community. Figure 1, shows the proposed economic development models for Banabans overall. In this approach, decision making are based on the needs and wants of the grassroots people, after all all developmental plans would impinge much on the resources owned by the locals. In this way, it allows top and middle management to focus its priority on the needs and wants of locals and get them involved into the

decision making process. This will bring about closer and intimate ties with RCL's proposed goals and objectives and in a way decentralizing national obligations by delegating work plans at grassroots level taking off much burdened obligations it would otherwise normally carry with the classical top-down model only.



**Figure 1. An integrated Top-down and Bottom-up economic developmental model (Vanualailai, 2001)**

Another important advantage of the proposed model that is allows greater consultation horizontally and vertically between the top, middle and grassroots people. Consultation of proposed projects to be implemented especially in landuse planning, environmental planning and natural disaster mitigation plans between the state departments and elders representing committee member of the landowners' organization is a very much needed institutional arrangement conducive to greater economic developments and activities in the area.

## 7 Conclusion

An institutional framework that allows greater involvement of grassroots people is based on unique principals of community work, fairness and transparency. These are the unique cultural and traditions of the Banaban people which also finds similar comparison across the cultural threshold of different societies, and in this case between Japanese people and the Banabans. The people of Japan are willing



to provide assistance other than those provided by ODA, substantial amount of aid only on the condition that these aids reached their destination in time and serve its purpose as planned. Many NGO's on human rights in Japan are very keen to explore possible ways to strengthen their cause to help the Banaban people in the future. Manabu Kitaguchi has also maintained a memorial center for the innocent victims of WWII atrocities committed by the Japanese Imperial Army as a reminder for younger Japanese generations to never again repeat the same mistakes committed by their fellow countrymen. As more and more Japanese become aware of the Banaban story, a more ambitious project of launching a memorial landmark on Rabi Island is envisaged in the near future. It is hoped that the landmark would strengthen bi-lateral diplomatic relations, build better understanding and appreciation of each other's culture and traditions. Finally, once these are established, greater economic involvements of the Japanese government to Rabi and Ocean Island in the area of fisheries, agriculture, tourism and forestry, etc would be forthcoming. This would in the end bring in much needed funds to upgrade existing public utilities and infrastructures to boost the local economy.

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